

REVIEW

VOL. CCLXX NO. 54

DOW JONES | News Corp

THE WALL STREET JOURNAL.

WSJ

WEEKEND

SATURDAY/SUNDAY, SEPTEMBER 2 - 3, 2017

★★★★ \$5.00

WSJ.com

What's News

World-Wide

The Pentagon for the first time set a schedule of naval patrols in the South China Sea in an attempt to create a consistent posture to counter China's claims there. A1

◆ A letter Trump drafted to Comey laying out the reasons he didn't want the then-FBI chief to stay in the job has been turned over to Special Counsel Mueller. A3

◆ Widespread support on Capitol Hill for Harvey relief aid could help ease passage of high-stakes fiscal legislation this month. A4

◆ Many Texas homeowners are expected to lack adequate insurance for repairing flooded houses. B1

◆ Kenya's Supreme Court annulled the country's presidential election results and called for a new poll. A7

◆ Trump is set to announce Tuesday whether the Obama-era "Dreamers" immigrant program will be retained. A3

◆ The State Department said 19 officials at the embassy in Havana have been affected by sonic-harassment attacks. A8

Business & Finance

◆ An extended run of labor-market gains this year has produced little uptick in wage growth or inflation, complicating Fed policy decisions in the months ahead. A1

◆ Apple and Amazon are bolstering the teams that run their Siri and Alexa virtual assistants, as tech firms step up competition in the area. A1

◆ Auto sales continued to slump in August amid signs that car buyers have become more fickle. B1

◆ The Nasdaq rose to its biggest weekly gain of the year. The Dow climbed 39.46 points to 21,987.56 Friday. B10

◆ The second round of talks to renegotiate Nafta began in Mexico City under a dark cloud. A9

◆ Pfizer is bringing back a leukemia drug it pulled over safety concerns, but with a higher price tag. B3

◆ Millions of Time Warner Cable customer records were left exposed on a cloud-based server in recent weeks. B3

Inside
NOONAN A13
America's Spirit
Is on Display
In Texas

Notice to Readers

WSJ.com and WSJ mobile apps will publish throughout the weekend. The Wall Street Journal print edition won't appear Monday, Labor Day, but a daily edition will be available in WSJ iPad and Android apps.

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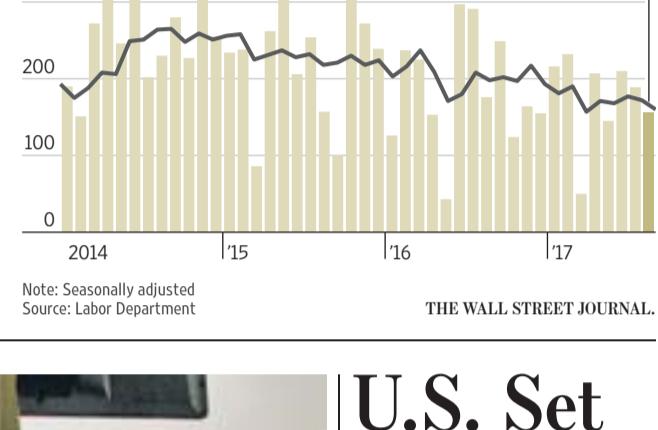
WEEKEND

OFF DUTY



French Chefs Go Vegan

Monthly change in nonfarm payrolls



Note: Seasonally adjusted
Source: Labor Department

THE WALL STREET JOURNAL.

Low Wage Growth Challenges Fed

Steady jobs gains have yet to yield big pay rises, complicating the Fed's plan to hike rates

By ERIC MORATH
AND NICK TIMIRAO

An extended run of labor market gains this year has produced little acceleration in wage growth or inflation, underscoring a puzzle that complicates Federal Reserve policy decisions looming in the months ahead.

Nonfarm payrolls rose a seasonally adjusted 156,000 in August, a modest slowdown from the prior two months, the Labor Department said Friday. When combined with June and July's job growth, estimates of which were revised down, data show the economy still added jobs this summer at almost the exact pace that has prevailed since early 2016, a little more than 180,000 a month.

The unemployment rate ticked up from a 16-year low to 4.4% and wages failed to break out, rising 2.5% from a year earlier for the fifth

straight month.

"The economy is doing well, but it's not necessarily taking off," said Laura Rosner, senior economist at Macro Policy Perspectives. "We're on an even keel. The labor market continues to hum along."

The U.S. economy expanded in the second quarter at a 3% annual rate, the Commerce Department said this week, but

Please see JOBS page A2

◆ Americans are happier at their jobs, but expect less. B1

◆ Auto sales continued to wheeze in August..... B1



Scott Hausman-Weiss and his son pulled up waterlogged flooring at their Meyerland house. The neighborhood, in Houston's southwest, has been hit with repeated floods in recent years, making some homeowners wonder if it is time to leave.

TO REBUILD, OR TO CUT TIES

Three floods in three years force residents of a thriving Houston neighborhood to make painful choices

By BRADLEY OLSON, DAN FROSCH
AND LYNN COOK

HOUSTON—Chris Bisel sat next to his son in a grocery store parking lot Saturday night, hoping the rising waters would recede enough for him to reach his wife, Jamie, who was trapped in their home. He was stunned. It was happening again.

Harvey was deluging one of the most flood-prone major cities in the country with the heaviest rains ever recorded in the continental U.S. And for the third year in a row, flooding

would wreak havoc on his home in Meyerland, a neighborhood of about 2,300 homes on the city's southwest side.

The floods, after years without problems, are making Mr. Bisel and others question the viability of their homes and deep attachment to neighborhoods where they made their lives. Houston's plight is an extreme example of what is being felt in communities around the country, bedeviling politicians and city planners as well as homeowners, as areas become more flood-prone and damaging storms in-

crease in frequency.

Mr. Bisel's 3,800-square-foot ranch-style home was set to be raised 5 feet with about \$350,000 in financial aid he was receiving through a federal grant program. But the work hadn't started yet; he had lost a race against time.

"My friends say, 'Why do you stay if it keeps flooding?'" said Mr. Bisel, 48.

Please see FLOOD page A10

◆ Officials warn of still-deadly waters.... A4

◆ New fires erupt at chemical plant..... A4

◆ Storm aid may ease debt-limit vote.... A4

◆ Many likely lack adequate insurance.... B1

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U.S. NEWS

Rebuilding Plan Shifts Burden to States

BY TED MANN

Top advisers crafting President Donald Trump's infrastructure plan say they aim to upend the way U.S. public works are financed, shifting the bulk of the decision-making and costs to states and cities and away from Washington.

The administration is proposing \$200 billion in new federal funding as the central piece of its \$1 trillion plan to improve the nation's infrastructure.

Most of the \$200 billion, White House officials say, will be parceled out as incentives to localities that raise their own funding for building projects, with the aim of reaching the administration's overall goal. Cities and states could turn to private-sector financing or levying tolls and taxes to pay for new bridges and roads instead of relying on the federal government for the

bulk of the funding.

The administration's approach—which it hopes to deliver this fall to Congress as a set of "principles" for action—alarms supporters of some of the country's biggest planned projects, who say that local cost-sharing and private financing efforts would fall well short of making up for sharply reduced federal funding.

Funds for roads, bridges and other infrastructure currently come from a variety of sources, including the Federal Highway Trust Fund and formula grants that the administration says it will maintain.

The proposed 20-80 split of federal to local contributions would dramatically change parts of the current system. Though funding levels vary, the federal government generally pays about 80% of highway projects and up to 90% of projects at airports, with the remainder coming from local government. In mass transit



JOE SOHM/VISIONS OF AMERICA/UIG VIA GETTY IMAGES

Some local officials worry big projects won't get enough funding.

and passenger rail, there is no formula funding, and the federal share of funds varies widely, as local systems compete for grants by offering to accept smaller shares of federal money.

The Trump White House

wants to continue and expand some priorities of the Obama administration, including encouraging the use of public-private partnerships where possible, and expanding low-cost federal loan programs to help pay for major building

projects.

At the same time, the White House wants to change the way states and cities approach the pools of federal capital that are used to initiate large projects, saying Washington can encourage local governments to make smarter investments by awarding grants to communities that compete based on how much of the cost they are willing to take on themselves.

"If we're putting in a dollar, we want a state or a locality to have ideally four dollars that they're putting in," the senior official said. "This gets us to the trillion."

Talking to local government officials recently, White House Budget Director Mick Mulvaney said he had spoken to a governor who was nearly ready to begin a \$200 million bridge project, and needed just \$20 million from the federal government to complete the financing. "That's the kind

of thing that we want to put at the top of the list," he said.

Still uncertain is whether that approach will work on projects with much larger price tags. Officials working on a proposed new railroad tunnel under the Hudson River and related improvements say they were concerned at the White House's refusal so far to commit to a large share of the more than \$29 billion cost.

Republican New Jersey Gov. Chris Christie and Democratic New York Gov. Andrew Cuomo have said they expect the U.S. to cover half the cost of the Gateway project, which also includes bridges and track improvements. The White House looks on such calls for funding as just the sort that it would like to curtail.

Notice to Readers

The Numbers column will resume next week.

U.S. WATCH

ECONOMY

Construction Spending Falls Again

Spending on construction across the U.S. declined in July for the third time in four months.

Total U.S. construction spending decreased 0.6% from June to a seasonally adjusted annual rate of \$1.212 trillion, the lowest overall level since October 2016, the Commerce Department said Friday. Spending declined 1.4% in June after rising 1.6% in May and falling 1.8% in April.

—Ben Leubsdorf

PENNSYLVANIA

Fraternity Brothers Face Lower Charges

A judge threw out involuntary manslaughter and aggravated assault charges Friday against members of a Penn State fraternity in the alcohol-related hazing death of a pledge, ordering 12 of the young men to stand trial on less serious counts.

The ruling, issued without explanation by District Justice Allen Sinclair, was a stinging defeat for prosecutors in one of the biggest and most harrowing hazing cases brought in the U.S.

Tim Piazza, 19, of Lebanon, N.J., died in February after guzzling vodka and beer at drinking stations at the now-closed Beta Theta Pi house and then falling down the basement stairs.

—Associated Press

Blacks, Hispanics Close Gap in Job Market

BY ANDREW VAN DAM

As the labor market tightens, minority workers are now making some of the fastest gains.

The 2007-09 recession hit black and Hispanic workers with disproportionate force and dramatically widened gaps with white workers.

That led to lost opportunities long term. If black workers had been employed at the national average rate and worked an average workweek, the average black member of the labor force would have accumulated 25 additional 40-hour weeks of earnings over the course of the recession and recovery.

On the bright side, disparities in unemployment and labor-force participation are at or near their lowest levels on record. Hispanic-Americans, in particular, are more likely to be working or looking for work than the average American.

Black men have made progress on unemployment, but they were hit especially hard by the recession and are still sidelined from the workforce at relatively high rates.

Part of the reason black and Hispanic workers were so far behind is they were unusually concentrated in industries that were hit hardest by the recession. Those industries—such as construction, maintenance and repair—have been slow to recover.

Tight Labor Market Eases Disparities

The gaps are still sizeable and the monthly figures are volatile, but the larger trend is clear: as the labor market tightens, black and Hispanic unemployment rates are falling and minorities are coming off the sidelines.

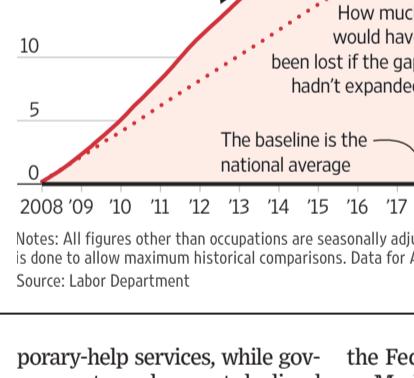
Unemployment rate



But these recent gains won't restore the opportunities black and Hispanic workers lost due to their unusually high unemployment rates and higher exposure to occupations that were hammered by the 2007-09 recession.

Cumulative work weeks lost since the recession began, calculated based on the difference between each group's unemployment rates and the national average

Black



Notes: All figures other than occupations are seasonally adjusted. Hispanic refers to all those of Hispanic origin, and includes people who may also be included in white and other categories. This is done to allow maximum historical comparisons. Data for Asian Americans isn't available prior to 2003. Occupational data is based on the change from May 2007's unemployment low point.

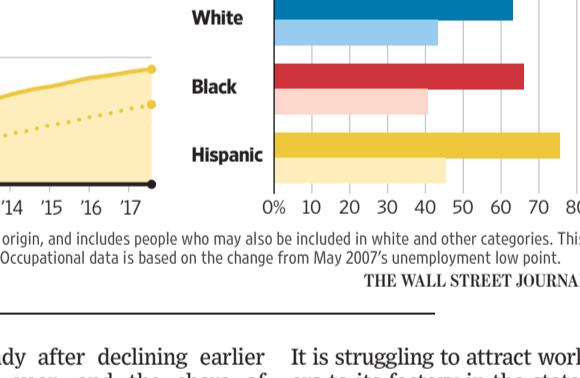
Source: Labor Department

Labor-force participation rate



Share of the workforce in occupations such as manufacturing and construction which haven't recovered from the recession

● When unemployment hit its postrecession high
● Through August 2017



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porary-help services, while government employment declined for the second straight month.

The August hiring report won't change the Fed's immediate plans. The central bank is widely expected to initiate the slow runoff of its \$4.5 trillion portfolio of bonds and other assets at its Sept. 19-20 meeting.

But the report deepens a debate inside the Fed about how to respond to soft wage and inflation pressures. This dilemma could complicate the last big decision Fed Chairwoman Janet Yellen faces before her term expires early next year—how aggressively the Fed should proceed with interest-rate increases after it sets the balance sheet plan into motion.

At their June meeting, Fed officials penciled in one more interest-rate increase for this year, which markets expect would happen in December. But officials have been puzzled by a slowdown in price pressures that have moved annual inflation gauges farther away from

the Fed's 2% objective.

Ms. Yellen and other officials attributed the softness to one-off factors—price declines for wireless phone plans in March, for example, and prescription drugs in April. Inflation pressures have proved even more stubborn, with few signs of a rebound this summer.

The Commerce Department on Thursday said the Fed's preferred inflation gauge rose just 1.4% in July from a year earlier.

Fed officials have been willing to look past softer inflation pressures because they expect a tighter labor market will ultimately force employers to raise wages and prices and because the economy is growing in line with its projections, and might even be perking up. Employers are still adding far more jobs than Fed officials expect is needed to keep up with population growth.

Friday's report doesn't show a further decline in slack. Gauges of unemployment and underemployment have held

steady after declining earlier this year, and the share of workers 25 to 54 years old who have jobs declined in August.

This takes a little steam out of the argument of hawkish officials that the Fed should raise rates again. Instead, it gives weight to dovish officials to press their case that labor markets have more room to run before the economy overheats.

Average hourly earnings for private-sector workers increased 3 cents last month to \$26.39 an hour. Wages have grown near a 2.5% year-to-year rate since early 2016.

Many households are still better off, though. When adjusting for inflation, which has been low in recent years, wage gains have been slightly stronger than the 30-year average. The wage gains are further puzzling because Fed officials keep seeing anecdotal evidence that labor markets are tightening in some industries and places.

One example: Knife manufacturer Cutco Corp. in Olean, N.Y.

It is struggling to attract workers to its factory in the state's rural southwest corner.

About 100 employees, or about an eighth of its workforce, have retired in recent years. To respond, the company is stepping up efforts to train local workers. It is also funding scholarships for older people in community, not recent high-school graduates, who want to return to school to gain skills to work at the factory. "We can still find and train people, but the population of this county is going down," said Executive Chairman James E. Stitt.

If the incoming data don't paint a dramatically different picture from the past few months—steady economic growth and hiring with low inflation and wage growth—and the Fed sticks to its plans to raise interest rates, Ms. Yellen will face a tricky balancing act. She will face pressure to explain how officials reconcile interest-rate increases with infla-

tion that has moved away from their target.

Inflation isn't the Fed's only concern. If bond yields fall and stocks rise because markets don't expect the Fed to stay committed to raising rates, easier financial conditions could heighten officials' anxieties over financial instability, giving greater reason to stick with their rate-increase plans.

The August hiring data do come with a caveat—for reasons that aren't entirely clear to economists, the month's result is typically revised higher.

Further complicating matters, future data could be murky.

Hurricane Harvey and related flooding in Texas had no effect on the August data, the Labor Department said, but could depress employment figures in September and possibly October. Rising gas prices could put sudden upward pressure on inflation and downward pressure on spending.

CORRECTIONS & AMPLIFICATIONS

Stock of Philip Morris International Inc. recorded a 27% gain this year through Wednesday. The Streetwise column Friday about the dollar's effect on stocks incorrectly said Philip Morris stock gained 133%.

Ohio Republican Jim Renacci's campaign slogan for his gubernatorial run is "Ohio First." A photo caption with an In Depth article Friday about Republican candidates

who are echoing President Donald Trump's style incorrectly said Mr. Renacci's slogan is "America First."

Viewers can watch the World Series on a number of different devices, provided they subscribe to a bundle of channels. A Life & Arts article Thursday about the future of streaming video services incorrectly said the World Series can be viewed only on television.

Former White House strategist Steve Bannon in an interview published Aug. 16 in the American Prospect suggested that 10 million South Koreans would die in the first 30 minutes in a conflict with North Korea. A World News article on Aug. 18 about the Trump administration's stance on North Korea incorrectly paraphrased Mr. Bannon as saying that tens of millions of people could die.

The Borrowing Benchmarks/Money Rates table published on Aug. 29 contained incorrect data for the U.S. consumer-price index; overnight repurchase rate; Treasury-bill auction rates; secondary-market prices for Fannie Mae 30-year mortgage yields; Libor; Euro Libor; Euro interbank offered rate; and DTCC GCF Repo Index. Corrected data are available at WSJ.com/Corrections.

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.

Postmaster: Send address changes to The Wall Street Journal, 200 Burnett Rd., Chicago, IL 60610.

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U.S. NEWS

President Drafted Letter on FBI Firing

BY PETER NICHOLAS
AND MICHAEL C. BENDER

The weekend before he fired FBI Director James Comey, President Donald Trump drafted a letter to him laying out the reasons why he didn't want him to stay in the job, a senior administration official said Friday.

Mr. Trump, who worked on the draft at his golf club in Bedminster, N.J., in early May, wanted Mr. Comey to publicly state the president wasn't personally under investigation in connection to Russia's alleged meddling in the 2016 presidential election—an assurance Mr. Comey had previously given the president privately, a person familiar with the matter said.

Paraphrasing the letter, the administration official said Mr. Trump wanted this message sent: "You've told me three times I'm not under investigation but you won't tell the world, and it's hampering the country."

Mr. Comey, testifying before the Senate Intelligence Committee in June, confirmed that during his stint at the Federal Bureau of Investigation, Mr. Trump wasn't under investigation. The president's actions—including firing Mr. Comey—are now being examined by Special Counsel Robert Mueller, who took over the Russia probe after Mr. Comey was fired on May 9.

'You've told me three times I'm not under investigation but you won't tell the world.'

Mr. Trump, a Republican, sought to take action because he saw the lingering investigation as a weight on his presidency, underscored by conversations with some foreign leaders who would bring up the Russia probe, according to the administration official. The president wrote the four-page letter with the help of a senior White House aide, Stephen Miller.

"It was the president's ideas. Miller was the scrivener," the administration official said.

Ultimately, the letter was never sent to Mr. Comey. Mr. Trump instead shared the draft with various White House aides and gave it to top Justice Department officials in a meeting at the White House on May 8, the official said.

The next day, Mr. Trump sent Mr. Comey a four-paragraph letter telling him he had been fired, invoking letters he had received from the Justice Department leadership citing their belief that Mr. Comey had damaged the FBI's credibility during an investigation of former Secretary of State Hillary Clinton's email practices.

Last month, with the White House's consent, the Justice Department turned over the draft letter to Mr. Mueller, two administration officials said. The New York Times reported on the letter Friday.

One part of Mr. Mueller's probe is whether the president obstructed justice in firing Mr. Comey. The administration official said nothing in the letter suggests the president wanted to scuttle the entire Russia investigation, which is also examining foreign hacks of political parties and the spread of false news stories damaging to Mrs. Clinton, the 2016 Democratic presidential nominee.

Mr. Trump drafted the letter just days after Mr. Comey's testimony to Congress on May 3 defending his handling of the Clinton email investigation in 2016.

Mr. Trump was "offended" by the testimony, and complained about an "arrogance" shown by Mr. Comey that wasn't appropriate given his position, the administration official said.

"It makes me mildly nauseous to think we might have had some impact on the election" won by Mr. Trump last November, Mr. Comey told the Senate Judiciary Committee in May. "But honestly, it wouldn't change the decision."

Beverage Taxes Stir Controversy

Levies on sugary drinks pit retailers against municipalities; viability questions

BY JENNIFER MALONEY
AND SHAYNDI RAICE

When Cook County, Ill., needed to plug a budget hole last year, it turned to a new levy on soft drinks it hoped would boost its fiscal health—and the health of its residents.

But pushback has been fierce since the penny-an-ounce tax took effect Aug. 2 in the county that includes Chicago. Retailers are suing the county, and consumers are suing retailers. State lawmakers on both sides of the aisle have introduced bills that would kill the tax and prevent counties from levying similar ones in the future. A bipartisan group of Cook County commissioners has proposed an ordinance that would repeal the tax.

Several municipalities approved beverage taxes in 2016, and four have put them into effect this year, including Philadelphia. Cook County is the largest municipality to implement such a tax. The taxes, pushed by public-health advocates to counter a national obesity epidemic, are far from popular. But the turmoil has been greatest in Philadelphia and Cook County, which are using them to generate revenue and haven't limited them to sugary drinks.

Instead, the taxes in these two municipalities can include diet sodas and teas, as well as purportedly healthy drinks such as kombucha and coconut water, leaving consumers frustrated and businesses concerned about the impact on sales. The muddled goals could raise questions about the future viability of such taxes.

There is "a phenomenal amount of difference" between the amount of sugar in a cranberry juice cocktail and a sugar-free or low-sugar drink, for example, said Donald Marron, a fellow with the Urban Institute who believes soda taxes can be effective if sugar content is taken into account. "From a public-health point of view, there's no reason to tax those at the same amount per ounce."

The Cook County board approved its tax in November af-

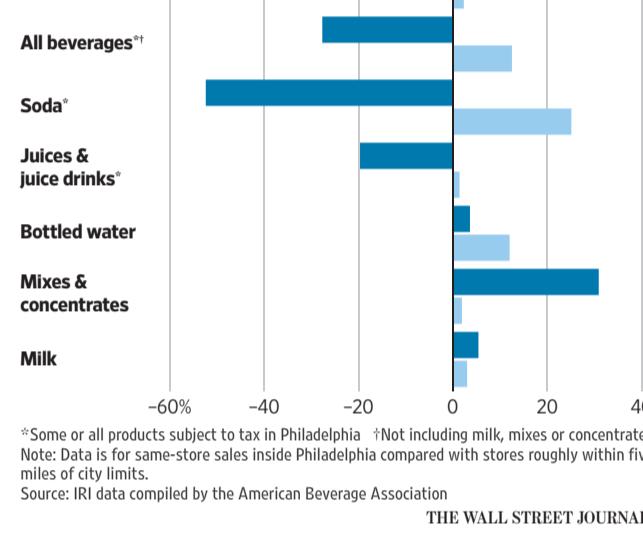


SCOTT OLSON/GETTY IMAGES

Taxes on a wide range of drinks in Philadelphia and the Chicago area have prompted lawsuits.

City Limits

Sales at grocery stores inside and outside Philadelphia diverged when the city's sweetened beverage tax was implemented in January. Change in grocery sales, from January through mid-April 2016 to the same time period in 2017:



*Some or all products subject to tax in Philadelphia. †Not including milk, mixes or concentrates.

Note: Data is for same-store sales inside Philadelphia compared with stores roughly within five miles of city limits.

Source: IRI data compiled by the American Beverage Association

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ter discovering a \$174 million budget gap. The measure is projected to bring in \$200 million in revenue in 2018.

Ammar Rizki, Cook County's chief financial officer, said the taxes would help fund county hospitals, where the county estimates it covers about \$200 million in costs related to obesity and diabetes.

Philadelphia's tax funds prekindergarten, community schools and capital improvements to parks and libraries.

The tax fights have pitted public-health groups such as the charitable foundation of former New York Mayor Michael Bloomberg against retailer associations and the soda industry, with each side spend-

ing tens of millions of dollars on lobbying and advertising.

"The momentum is on our side, but it is early days in the fight," said a spokesman for Mr. Bloomberg's foundation, which is running pro-tax ads in Cook County and Philadelphia.

Studies conducted on sweetened-beverage taxes in Mexico and Berkeley, Calif., show that they reduce consumption of sugary drinks. Researchers say it is too soon to say whether they reduce the prevalence of obesity, but there are signs that some people are turning to water as a substitute, which could improve public health.

Rob Karr, president of the Illinois Retail Merchants Association, said that while the policy is cutting consumption of sweetened drinks, it has penalized retailers. The association sued Cook County to block the tax, arguing that it wasn't being uniformly imposed on all types of sweetened drinks.

"The sweetened beverage tax helps us make Cook County healthier, safer and more efficient," countered Cook County Board President Toni Preckwinkle, a Democrat, in an email.

The tax revenue in Philadelphia brought in nearly \$40 million in the first six months, though that was 15% below the city's projections, said a spokeswoman for Philadelphia Mayor Jim Kenney, a Democrat. "We're calling it a win," she said.

Making an Impact On Buyers' Habits

Data compiled for The Wall Street Journal show Philadelphia's beverage tax had a significant impact on shopping patterns after it was introduced in January.

Sales of beverages, excluding milk, fell 28% in grocery stores from January through mid-April, compared with the same period a year earlier, according to same-store data from market-research firm IRI compiled by the American Beverage Association, an industry group that is fighting the tax.

The drop was sharper for drink categories affected by the tax: Soda sales in 27 Philadelphia grocery stores fell 52% to \$2.9 million. Meanwhile, powdered-drink mixes and concentrates—which aren't affected by the tax—jumped 31% to \$1.1 million.

Sweetened-beverage taxes are modeled after cigarette taxes, which have successfully reduced smoking rates in the U.S. But while tobacco taxes were imposed mainly by federal and state governments, beverage taxes have been imposed so far only on a municipal level, making it easier for people to travel outside the tax zones.

The IRI data from the Philadelphia area suggest that some shoppers are going outside city limits to avoid the 1.5-cent-per-ounce tax. Beverage sales rose 13% at stores that are outside the city but within about 5 miles of the border. Total sales in Philadelphia grocery stores fell 9%, while stores outside the city saw growth of 2%.

There are signs a similar pattern may be developing in Cook County, Ill. Its beverage tax, which, like Philadelphia's, covers some diet drinks as well as sugary ones, went into effect Aug. 2.

Public-health advocates note that the border-crossing effect could prove temporary, as has been seen in the past for municipal tobacco taxes.

—Jennifer Maloney and Shayndi Raice

Trump Faces Heat Over 'Dreamers' Decision

BY LAURA MECKLER

WASHINGTON—President Donald Trump is set to announce a decision Tuesday on whether to retain an Obama-era program that protects young undocumented immigrants from deportation, amid pressure from House Speaker Paul Ryan and other Republicans to keep it.

Mr. Ryan and other Republicans promised to push for legislation to protect them if he doesn't, setting up a possible final legislative fight.

Asked in an Oval Office appearance Friday if the young immigrants, known as Dreamers, should be worried, the GOP president said: "We love the Dreamers. We think the Dreamers are terrific."

Immigration hard-liners inside his administration have been urging Mr. Trump to kill the program, and 10 states are threatening to sue him if he doesn't.

Pressure to keep it came

from Mr. Ryan and other Republicans, as well as from U.S. corporations and the young people themselves, who have become a potent political force.

Mr. Ryan said Friday that former President Barack Obama, a Democrat, was wrong to create the program, called Deferred Action for Childhood Arrivals, using executive authority but that Mr. Trump shouldn't kill it.

Mr. Ryan said he would push legislation to protect young undocumented immigrants if they lose administrative protections.

"These are kids who know no other country, who were brought here by their parents and don't know another home. And so I really do believe there needs to be a legislative solution," Mr. Ryan told WCLO radio in his hometown of Janesville, Wis.

The program was created in

2012 by Mr. Obama, offering

young people brought to the

U.S. as children a reprieve from

deportation and work permits.

Since then, nearly 800,000 people have enrolled. Mr. Obama and his advisers have defended the program as a legitimate exercise of executive authority.

Mr. Trump opposed the program as a candidate but has allowed it to continue and said the issue is a difficult one for him.

The 10 states threatening to sue the administration over the issue set Tuesday as the deadline for him to make a decision, and anticipation has run high as that date approaches.

The threat originally came from 11 states, but on Friday, Tennessee's Republican attorney general, Herbert H. Slatery III, pulled out of the group and instead urged Congress to pass Dream Act legislation. In a letter to Tennessee's GOP senators, he said, "There is a human element to this...that is not lost on me and should not be ignored."

The program's opponents maintain Mr. Trump must end it to keep his word to voters.

Roy Beck, president of Numbers USA, an advocacy group that seeks to reduce both legal and illegal immigration, said the group was mobilizing its members to pressure the president.

"It is time for President Trump to stop breaking one of the clearest campaign promises he made," Mr. Beck said.

If Mr. Trump does kill the program, attention would immediately turn to Congress.

The bipartisan Dream Act has been pending for many years, but has always had more Democrats than Republicans supporting it. Now several Republicans are urging action.

Sen. Orrin Hatch (R., Utah) said in a statement Friday that he urged Mr. Trump not to rescind the program and said he would work on legislation to give these young people legal status, along with other changes to the immigration system.

"We...need a workable, per-

manent solution for individuals

who entered the country un-

lawfully as children through no

fault of their own and who

have built their lives here.

And that solution must come from

Congress," Mr. Hatch said.

Mr. Hatch was an early

sponsor of the Dream Act but

he voted against it when the

matter came before the Senate

in 2010.

A spokeswoman for Senate Majority Leader Mitch McConnell (R., Ky.) had no comment Friday on Mr. McConnell's current thinking. Earlier this year, he said he was "very sympathetic" with the situation Dreamers are in.

—Kristina Peterson contributed to this article.



FREDERIC J. BROWN/AGENCE FRANCE PRESSE/GETTY IMAGES

Supporters of young immigrants at a rally in Los Angeles Friday.

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HARVEY'S AFTERMATH

Storm Aid May Ease Vote on Debt Limit

By KATE DAVIDSON
AND KRISTINA PETERSON

WASHINGTON—Wide-spread support on Capitol Hill for Hurricane Harvey relief aid—with an initial package expected to total \$5.9 billion—could help ease passage of high-stakes fiscal legislation facing Congress this month, lawmakers and analysts said.

As Texas and Louisiana began to regroup after the storm's record rainfalls, both Democrats and Republicans said they hoped for a speedy passage of emergency-relief funding to help storm victims rebuild.

"We have people who are in trouble, and they need help,"

said Rep. Tom Rooney (R., Fla.), referring to storm victims. "We're the government. That's our job."

The White House was expected to request \$5.9 billion on Friday for the first installment of Harvey relief aid, according to a House Republican aide. Lawmakers return to Washington next week following their August recess.

Congress is facing a deadline at the end of the month to increase the debt limit and pass a funding extension to keep the government running.

Some GOP lawmakers have balked at raising the debt ceiling in the past. GOP leaders are likely to pair the first in-

stallment of Harvey aid with legislation to raise the debt ceiling, easing its passage and then take up a stopgap government-spending measure later

'We have people who are in trouble, and they need help.... That's our job.'

in the month, a House Republican lawmaker said Friday.

Treasury Secretary Steven Mnuchin has urged lawmakers to raise the debt ceiling

by Sept. 29 to ensure that the government has enough cash to continue paying its bills in full and on time. The Treasury has employed cash-conservation measures since March, when a new limit was set at nearly \$20 trillion.

Mr. Mnuchin, in an interview with The Wall Street Journal on Thursday, said he continues to hold discussions with congressional leaders in both parties about raising the debt ceiling.

Mr. Mnuchin emphasized the "significant difference" between a government shutdown—which he previously said may be appropriate—and a debt-limit breach.

"Congress has every right

to control government funding, and if they don't approve additional funding the government would shut down," he said Thursday. "That's very, very different from a default on government debt or not paying the government's bills."

Failure to increase the debt limit could cause the government to miss payments to bondholders and result in a default on government debt, an unprecedented event that could trigger chaos in the financial markets.

President Donald Trump, a Republican, has said he might shut down the government if Congress doesn't allocate money toward building a wall

on the U.S.-Mexico border, which is opposed by Democrats and some Republicans.

Analysts said this week that they viewed a disaster-relief bill moving through Congress as lowering both the chances of the government shutting down and there being an impasse over the debt ceiling.

"Allowing a partial government shutdown when federal-relief efforts are under way would pose greater political risks than under normal circumstances, raising the probability that lawmakers will find a way to resolve disagreements," Goldman Sachs economist Alec Phillips said in a note to clients this week.

Houston Faces Medical Shortages

By MELANIE EVANS

HOUSTON—Mary Eierdam, 59 years old, began nervously rationing her dwindling oxygen supply as tropical storm Harvey barreled into Texas.

The portable oxygen machine she normally uses had broken, so the chronic-lung-disease sufferer switched to tanks on Saturday but turned down the flow to try to make her limited supply last. She couldn't reach her usual distributor to bring more tanks, and a local hospital was closed. Eventually she started growing lightheaded. "Please Help!" she wrote on Facebook.

By Thursday, when emergency responders brought her to a makeshift clinic at a fairgrounds outside Houston and hooked her up to an oxygen supply, Ms. Eierdam had about six hours of oxygen left in her own tank, she said.

A shortage of vital medical supplies like oxygen machines is just one of the problems hobbling health care in the nation's fourth-largest city as it emerges from Harvey's devastating floods. Resident demands for medication and life-saving equipment are adding to the strain on health-care clinics and emergency rooms and setting off a scramble to get critical supplies where they are needed most.

"Oxygen has been at the top of the list," said Kate Dischino, director of emergency response for AmeriCares, a health-care disaster-response nonprofit.

A breakdown in the supply of prescription drugs and medical equipment was one of several problems that David Persse, the top doctor for the Houston Health Department, discussed with health officials and hospital chief executives on Thursday as they plotted a way out of the crisis.

Exhausted hospital staff was another top problem they discussed, as was the need to provide mental-health care for residents overcome by storm-related losses, according to people at the meeting.

"The supply and need are always mismatched" after massive storms, Dr. Persse said Friday. "That's what makes it a disaster."

Scarcity isn't the only logistical problem. City health officials had nowhere to put 1,500 pounds of insulin delivered Thursday to the jam-packed conference center. The shipment, which included an additional 4,500 pounds of syringes and other diabetic supplies, was more evacuees needed, Dr. Persse said.

Meanwhile, there was a stark need for insulin outside of Houston on Friday, as clinics in Galveston and Beaumont waited for shipments organized by Healthcare Ready, which began flying emergency supplies into Houston's airport on Monday and ferrying them out by helicopter.

Demand for medical care is expected to surge in coming weeks, as the chronically ill turn to emergency rooms for care, hospital officials said.

The Memorial Hermann Texas Medical Center, one of the nation's busiest trauma centers, is bracing for double the normal emergency-room traffic in coming weeks, said the hospital's director of emergency services, Samuel Prater.



More than 40 people have died as a result of Harvey and officials expect the toll to rise. Above, volunteers delivering aid in Rockport, Texas, on Friday.

Texas Officials Warn of Still-Deadly Waters

By JON KAMP

Texas Gov. Greg Abbott warned Friday that floodwaters in the state remain a potentially deadly hazard, while Houston's mayor said some neighborhoods in the city's west side could remain flooded for weeks, underscoring the continuing strain facing an already weary and waterlogged region.

They spoke as efforts continued to try to restore water service in Beaumont, a flooded city near the coast and Louisiana border, and to deliver aid to the tens of thousands of people displaced by Harvey, which first made landfall a week ago. Many areas remained inaccessible and search and rescue operations were still being carried out.

The death toll from the storm has topped 40, according to local authorities, and the number could continue rising because of other deaths awaiting investigation.

"There still remain areas that are deadly dangerous," Mr. Abbott said at a news conference.

He called on residents to be vigilant about evacuations warnings because "this water can rise suddenly."

More than 42,000 people sought shelter in Red Cross and community shelters in



A week after Harvey made landfall, many roads in Port Arthur and other cities remain flooded.

Texas on Thursday night, a Red Cross spokesman said, up from 34,000 the night before. The Federal Emergency Management Agency has received about 440,000 registrations for assistance, the governor said, the most from a single event.

In Houston, Mayor Sylvester Turner warned that even as some parts of the nation's fourth-largest city dry out, the

Army Corps of Engineers will continue to release water from strained reservoirs for up to 15 days. He urged residents still in nearby homes that already have water in them to evacuate, both for their personal safety and to ease pressure on first responders.

The Army Corps of Engineers has been steadily releasing water from the 1940s-era reservoirs to protect them af-

ter Hurricane Harvey dumped an unprecedented amount of rain in the region.

The potential for long-term flooding is another sign of the long, arduous road ahead. Even in areas of Houston where water has receded, residents and business owners are just starting to assess, and reckon with, the damage the flooding caused to their property.

The scale of the disaster has required a huge response. FEMA said it has provided nearly two million meals for distribution in Texas along with almost two million liters of water, 4,700 blankets and 1,400 cots. The agency, which has 21,000 federal staff deployed to help, has also provided food and supplies to Louisiana, which Harvey drenched this week after finally leaving Texas behind.

The Red Cross has 2,300 disaster workers on the ground and is sending in 700 more, the spokesman said. It is also bringing in a team of Mexican Red Cross specialists to distribute aid and services to Spanish-speaking residents.

Mr. Abbott sought to reassure state residents that gasoline supplies in the state were sufficient and that there is "a bunch of gasoline coming in" through tankers, barges and pipelines.

The governor on Friday also announced a "Rebuild Texas Fund" that aims to quickly raise \$100 million to support the recovery effort. Billionaire computer mogul Michael Dell and his wife, Susan, committed \$36 million to the fund, half up front, and started a matching campaign for donations through Labor Day.

—Ben Kesling contributed to this article.

New Fires Erupt at Chemical Plant After Company Apology

By MELANIE EVANS
AND CHRISTOPHER M. MATTHEWS

CROSBY, Texas—New fires broke out at a chemical plant in Texas on Friday, sending dark plumes of smoke into the sky hours after a top executive at the company that owns the facility apologized for the crisis.

Fire officials said that two trailers at the Arkema SA plant in Crosby, located about 25 miles northeast of downtown Houston, ignited Friday afternoon. No one was injured, the authorities said.

More fires had been expected at the facility after a container holding liquid organic

peroxide caught fire and exploded early Thursday morning. Company executive Richard Rennard said after the first explosion that the company expects "eight other containers to do the same thing."

One trailer ignited Friday afternoon, and the heat from that blaze triggered a fire at another trailer about 20 feet away, Mr. Rennard said Friday night.

Power loss and flooding after Hurricane Harvey led to a failure of refrigeration systems used to keep the peroxides cold at the plant. As these peroxides warm, they become unstable and ignite.

Company officials decided

earlier in the week that it was too dangerous to get close to the Arkema facility, so they intended to let the organic peroxide burn.

Mr. Rennard said Friday night that the company's plan is to continue to wait for the remaining containers to ignite. He said he still expects the other six to burn. Residents within a mile-and-a-half radius of the plant had been urged to leave their homes before the first explosion.

The plant produces a variety of organic peroxides for the chemical industry under the product name Luperox. Arkema is part of a global chemical

company based in a suburb of Paris, France, and its peroxides are used to make pharmaceuticals, polystyrene cups, building

material and acrylic paint.

A top executive at Arkema apologized earlier Friday for the continuing crisis, saying the company could have provided

information more quickly.

"I'd like to once more apologize to everyone impacted by the events at our site," said Richard Rowe, chief executive of the company's North American subsidiary.

He said Arkema could have released information about the plant's chemicals more quickly. But he said the company wouldn't divulge additional details about them, or about plans to address worst-case scenarios that Arkema has reported to the federal government.

Mr. Rowe said he understood the public's need for information, but had to balance that with security concerns.

Arkema's Richard Rowe said the firm could have released information more quickly.

material and acrylic paint.

A top executive at Arkema apologized earlier Friday for the continuing crisis, saying the company could have provided

OBITUARIES

DAVID TANG
1954 – 2017

China-Chic Ambassador Bridged East-West Gap

When David Tang arrived in Britain at age 13, he couldn't speak English. In the decades since, the Hong Kong-born founder of the luxury-fashion brand Shanghai Tang gallivited around the world as an ambassador for China-chic, made Cuban cigars fashionable in Asia, and was a part of the British Queen's Diamond Jubilee celebrations.

A consummate networker, Mr. Tang was celebrated for his flamboyance and was a bridge between the East and the West. He was a lover of luxury and a patron of the arts. His parties were legendary, enlivened by his friendships with royals, rock stars and world leaders. He was also a pianist and a linguist, once trans-

lating the classic children's book "Charlie and the Chocolate Factory" into Chinese. Mr. Tang, who had been battling cancer, died Aug. 29 at the Royal Marsden Hospital in London, age 63.

Writing on the concept of privilege in the Financial Times, for whom he wrote a column, last year Mr. Tang said: "I am eternally grateful for my innate sense of curiosity for, without it, I might well have passed a meaningless or futile life, not knowing anything and not really enjoying the use of our imagination which is the linchpin of life itself. Privilege is curiosity."

David Tang was born on Aug. 2, 1954. His Chinese name was Tang Wing-cheung.

—Natasha Khan

WILLIAM MANN
1926 – 2017

Businessman Took Up Addiction Among Priests

William Mann, a businessman who distributed European-made industrial equipment in the U.S., took up the cause of treating Roman Catholic priests and nuns afflicted by addictions and psychological problems.

In the 1970s, he teamed up with Father Michael Peterson to help create what became the Saint Luke Institute in Silver Spring, Md. The nonprofit has treated more than 10,000 people, helping most return to their religious missions. It has treatment centers in Silver Spring and Towson, Md.; Louisville; St. Louis; and Manchester, England.

Mr. Mann was chairman of the institute's board for 29 years, stepping down in 2006. Partly for his work with the Saint Luke In-

stitute, he received the award of Pro Ecclesia et Pontifice from the pope in 2006.

He worked briefly for a Wall Street firm in the early 1950s before joining his father in the import business. Much of his career was devoted to building up the family's Manca Inc., which imported automation equipment from Germany, Austria and Italy. He also headed Henry Mann Securities, a small fund-management concern.

He enjoyed opera and watching horse races, though he didn't bet on them. He was a director of Collegiate Chorale, a New York musical organization now called Master-Voices. He died Aug. 27 at a hospital in Southampton, N.Y. He was 91.

—James R. Hagerty

ZUMA PRESS

FROM PAGE ONE

DEVICES

powered Echo speaker nearly three years ago sparked a new land rush, prompting Apple in June to unveil a rival device, the HomePod, that goes on sale at the end of this year.

The companies bring different strengths to the fight. Because of their dominance of the smartphone market, Apple, Google and Samsung have broad reach and enormous volumes of user data that they can use to train their assistants. Google, like Amazon, also draws data from its own home speaker, which uses the Google virtual assistant. Microsoft's Cortana is mainly available on computers running Windows 10.

Amazon draws its user data primarily from its retail website, which gives it an edge for shopping and related tasks. It also currently dominates in smart speakers—it's Echo has about three-quarters of the U.S. market for such devices, with more than 11 million sold through the end of last year, according to analyst estimates.

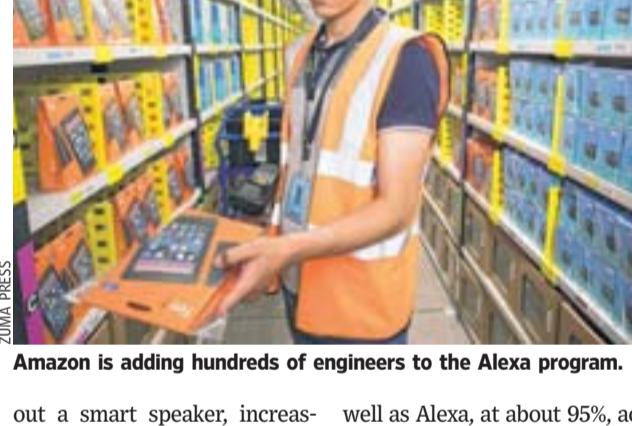
Amazon also has been aggressively signing deals with other companies to add Alexa to products ranging from Ford Motor Co. cars to Sears Holdings Corp.'s Kenmore refrigerators. Samsung has outlined a similar vision for its recently launched assistant, called Bixby.

Google said this week that it would open its assistant to other speaker makers including Sony Corp., and to appliance makers like LG Electronics Inc., to incorporate the assistant into dryers and vacuums.

Google also is taking aim at Amazon's e-commerce stronghold with a partnership announced last month with Wal-Mart Stores Inc. to let users of its Google Express shopping service order from the retail giant by voice via Google's virtual assistant.

Amazon, meanwhile, announced a deal this week with Microsoft—its fierce rival in the business of cloud computing—to link their virtual assistants so that people could, for example, use Alexa to access Microsoft's Cortana and check their calendars in Outlook.

Apple, in addition to rolling



Amazon is adding hundreds of engineers to the Alexa program.

out a smart speaker, increasingly is enmeshing Siri in its Mac and iPhone operating systems, which Mr. Federighi also manages. His new role was noted on Friday in a change to his biography on Apple's website. An Apple spokeswoman confirmed the change but declined to comment further.

Gene Munster, head of research with Loup Ventures, said that Mr. Federighi brings more of a technical background than Mr. Cue, who heads internet software and services and is leading Apple's push into original video in Hollywood. Mr. Munster expects Mr. Federighi to open up Siri to more third-party developers—an area

Voice-driven virtual assistants like Siri and Alexa are rapidly gaining popularity.

where Amazon is far ahead—allowing those outsiders to use the service much like he has done with Apple's iOS system.

"This whole area around voice is getting super competitive and it's important Apple steps up their game," Mr. Munster said. "This change to Craig overseeing Siri is one way to do that."

The ability to train assistants effectively is critical to making them more accurate and effective in responding to queries.

Google's smart speaker, which responds to "OK, Google," now understands questions as

well as Alexa, at about 95%, according to Loup Ventures research, which tested 800 questions on both systems. Google previously lagged behind in a February test, understanding about 77% of queries, versus 94% for Alexa. Google answered 65% of the questions correctly, compared with 54% for Alexa, although both improved.

Amazon has been accelerating the growth of its Alexa staff rapidly for years, and currently has nearly 1,500 openings mentioning Alexa on its job site. New engineers are developing features to help push Alexa deployment, with the goal of generating more data via greater adoption, according to the people familiar with Amazon's thinking.

Amazon's Mr. Taylor, a nearly 20-year company veteran, took charge in June and previously ran seller services, which has grown significantly over the past few years.

Amazon declined to comment on its Alexa strategy.

Amazon needs Alexa to get smarter to keep customers like Josh Vickerson, who bought a Dot—a smaller cousin of the Echo—late last year when it was on sale for \$35. The 24-year-old originally tried out features like playing Jeopardy and integrating his Fitbit. Now he uses it to play videos, set timers and turn off the lights.

"It's fun to play with when you first get it," said Mr. Vickerson, a Rochester, N.Y.-based web developer. But "there's no enormous value proposition." He says he is considering purchasing Apple's new \$349 HomePod after it comes out in December.

JAY KEYWORTH
1939 – 2017

'Star Wars' Defender Became H-P Director

BY JAMES R. HAGERTY

Jay Keyworth had little idea what to expect when he was named President Ronald Reagan's science adviser in 1981.

The president called the nuclear physicist his "personal Merlin," or wizard. One of Dr. Keyworth's first assignments from Mr. Reagan was to have a quiet chat with his daughter Patti Davis, who was campaigning against nuclear reactors.

Dr. Keyworth's role became much more public and controversial after Mr. Reagan in March 1983 introduced his Strategic Defense Initiative. Dubbed "Star Wars," it called for heavy spending on research to create space-based technology to destroy nuclear missiles before they could reach the U.S.

Political foes and many scientists called it wishful thinking. Dr. Keyworth energetically defended the program as feasible. Although it was dropped by later administrations, the initiative rattled the Soviet Union and contributed to the crumbling of that empire, Dr. Keyworth argued.

Later, as a director of Hewlett-Packard Co., Dr. Keyworth was involved in hiring and firing Carly Fiorina as chief executive. He died Aug. 23 in Carmel-by-the-Sea, Calif. He was 77 and had prostate cancer.

Science was his first love; public policy was something he had to learn on the job. When appointed to the White House, he didn't own a suit.

George Albert Keyworth II, known as Jay, was born Nov. 30, 1939, the son of a furniture company owner in Gardner, Mass. He earned a bachelor's degree in physics from Yale University and a doctorate in nuclear physics from Duke University.

In 1968, he joined the Los Alamos National Laboratory, whose work included designing nuclear weapons. He rose swiftly to be-



come head of the lab's physics division. One of his assignments at the lab was to host Edward Teller, a Hungarian-born physicist who led development of the hydrogen bomb. They became friends.

He was 66 years old; I was 34, probably as brash as he was but not nearly as smart," Dr. Keyworth wrote later.

Mr. Teller was an adviser to Mr. Reagan and recommended Dr. Keyworth for the post of director of the White House Office of Science and Technology Policy.

Secretary of State George Shultz was among the skeptics when Mr. Reagan began talking about Star Wars. "I feared the president might be relying too heavily on Keyworth," Mr. Shultz wrote in his 1993 memoir "Turmoil and Triumph."

The Soviets were alarmed by the possibility that the U.S. might find a way to neutralize their nuclear weapons, Mr. Shultz wrote. The Star Wars research "proved to be the ultimate bargaining chip (in arms-reduction talks). And we played it for all it was worth."

Through his White House work, Dr. Keyworth had become friendly with David Packard, a co-founder of H-P, and that led to an invitation to serve on the company's board in 1986. He was involved in the decision in 1999 to appoint Ms. Fiorina as CEO. Directors hoped that she would give the company a jolt, speeding change. By early 2005, however, Dr. Keyworth and some other directors were unhappy with her performance. In February 2005, the board voted to push her out.

"Carly is a brilliant sales person," Dr. Keyworth told The Wall Street Journal in 2015. "But what she could not do was execute." A spokeswoman for Ms. Fiorina told the Journal in 2015 that she had saved H-P during the dot-com bust of 2001.

By 2006, the H-P board was riven by an investigation into leaks. The company hired a contractor to examine private phone records. H-P later said those records were improperly obtained by people masquerading as directors and journalists to request their records from phone companies.

H-P apologized for snooping on Dr. Keyworth, but he resigned from the board and remained angry over the episode, friends said.

Dr. Keyworth is survived by his wife, the former Marion Schwartz, a sister, a brother, two children and four grandchildren. His first wife, the former Polly Lauterbach, the mother of his two children, died in 2004.

While in hospice care in recent weeks, Dr. Keyworth was working on ideas for defending against missile attacks from North Korea. "He was out twisting arms of people who could contribute right up until a week or two before he died," said Gregory Canavan, a senior fellow at the Los Alamos lab.

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ÉPOQUE ELEGANCE JAMES TISSOT



Celebrated painter. Beloved muse. Captivating portrait. This exceptional etching by James Tissot embodies this famed artist's command of texture and composition. The subject of the compelling portrait is Kathleen Newton, Tissot's lover and frequent model from 1877 until her death in 1882. Entitled 'October', it is based on one of Tissot's most monumental and beloved works, an oil of the same name currently held in the collection of the Montreal Museum of Fine Arts. Circa 1878. Signed (lower left). Paper: 23 1/2" h x 12" w; Frame: 30 1/2" h x 20 1/2" w. #30-6669

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WORLD NEWS

Kenya's Supreme Court Nullifies Election

Court says August vote was marred and calls new one, in win for opposition party

By JOE PARKINSON

Kenya's Supreme Court annulled the country's presidential election results and called for a new poll, an unprecedented ruling on the African continent that catapulted one of its top economies into uncharted territory.

The bench on Friday backed the petition filed by opposition candidate Raila Odinga, who said the electoral commission's computer system had been hacked to manipulate the results. Kenya's election commission had declared incumbent President Uhuru Kenyatta the winner of the poll, which was held peacefully and lauded by international observers.

Without apportioning blame, the court found the election was marred by irregularities and wasn't conducted in accordance with the constitution, saying a more detailed ruling would come in three weeks. David Maraga, the court's chief justice, told a stunned courtroom the result was "invalid, null and void" and ordered a new vote in the next 60 days. Mr. Odinga and his top lieutenants leapt from their seats in the gallery and triumphantly punched the air.

The verdict came as a surprise even to Mr. Odinga, who had alleged a widespread conspiracy to steal the election, including the killing of the top official in charge of new voting technology and a flawed electronic transmission of bal-



Supporters of opposition presidential candidate Raila Odinga celebrating the court's ruling deeming August's irregular and void.

lots he said cost him seven million votes.

Western election monitors including former Secretary of State John Kerry had praised the election as broadly free and fair. Sporadic clashes between police and Mr. Odinga's supporters flared in the days after the poll, leaving 17 people dead in Nairobi and the western province of Kisumu.

Friday's unexpected verdict

marks both the first presidential election to be annulled in Kenya's history and the first successful opposition legal challenge to a vote in any African nation. Western diplomats and policy analysts hailed the court's independent verdict as a Rubicon moment for democracy in the region, but cautioned that it also propelled the country of 48 million into a new period of uncertainty.

"No one expected this, but it could also be very good news for Kenya as it shows the independence of its institutions," said Justin Willis, a Kenya specialist at the U.K.'s Durham University. "This will also be a major logistical challenge and it will create uncertainty. There will be a lot of nervous people around."

Mr. Kenyatta said in a press conference that although he

disagreed with the court's ruling he would accept the judgment. "Your neighbor remains your neighbor...I ask every single Kenyan to take the hand of their neighbor, shake it and say 'amani,'" he said, using the Swahili phrase for "peace." He later struck a more defiant tone in an address to supporters, criticizing the court for defying the will of voters.

Mr. Odinga said the deci-

sion marked "a very historic day for the people of Kenya and by extension the people of Africa."

The chairman of the electoral board said it would make personnel changes and prosecute anyone found to have deliberately tampered with the vote. The commission, which has denied hacking occurred, was for the first time using new polling technology partly designed by a French firm.

A rerun of the vote will trigger a new campaign and the need for both candidates to raise millions of dollars. Elections in Kenya cost around \$1 billion, one of the highest per capita costs on earth, including spending by the candidates and by the government to facilitate voting in 40,000 often remote polling stations.

Mr. Kenyatta—able to deploy the political and spending power of incumbency—would remain the favorite, even though the judgment gives Mr. Odinga fresh momentum, said Ken Opalo, a professor at Georgetown University in Washington.

"Odinga will go into this with the winds in his sails, but Kenyatta will use everything at his disposal to win again," he said.

Outside the courtroom on Friday, hundreds of opposition supporters who had gathered to celebrate the court ruling were chanting political slogans and savoring their victory.

"Our voice has been respected for the first time in the history of this country," said George Ouama, a 45-year-old mechanic who supported Mr. Odinga. Mr. Kenyatta's party has "stolen elections before and now it's high time we know the truth," he said.



Police secured roads after an attempted attack on two officers outside Buckingham Palace on Aug. 25.

U.K. Suspect Got Lost Driving to Original Target

BY JENNY GROSS
AND STU WOO

LONDON—The man arrested outside Buckingham Palace on Aug. 25 who allegedly attempted to pull out a 4-foot long sword was an Uber driver who got lost, according to U.K. court documents released this week.

In a plan that appeared to be pulled together haphazardly, Mohiussunnath Chowdhury conducted several internet searches about Windsor Castle in the English countryside on his laptop at home, the documents said. He then set out for Windsor Castle using his GPS navigational system, but ended up at a pub of that name. From the pub, he re-routed and drove to Buckingham Palace in central London, according to the court documents.

When he arrived at Buckingham Palace, he stopped his car in front of a marked police car and shouted "Allahu akbar"—Arabic for "God is great"—and tried to stab the police officers from inside the vehicle as they arrested him. Mr. Chowdhury, 26 years old, was charged Thursday with a single count of preparing to commit terrorist acts.

The court report suggested that Mr. Chowdhury, a U.K. national of Bangladeshi origin, used a satellite-navigation system that wasn't Uber's. However, in confusing Windsor Castle, the royal residence,

with Windsor Castle, the pub, Mr. Chowdhury faced a situation familiar to regular Uber passengers: It is easy to mistakenly input a destination that shares a name with another destination. For instance, central London alone has at least four dining or drinking establishments called "Windsor Castle."

"Unfortunately the British are not the most original with names, so we always encourage people to use post codes as that's the best way to search

The alleged attacker's GPS took him to a pub named Windsor Castle, documents show.

for addresses in London," an Uber spokeswoman said.

She said its drivers must complete a thorough background check, which London's famous black-cab drivers must also undergo, run by a government agency. She said its London drivers must also be licensed by the city's transit agency, which requires a medical exam, among other checks.

The U.K. has been hit by a spate of deadly attacks in recent months, including three in which attackers used vehicles. U.K. security officials say the threat against the U.K. is unprecedented, particularly

Court documents said just before Mr. Chowdhury left his home in Luton, where he lived with his parents, he wrote a letter to his sister in which he said he would be in paradise by the time she read it, according to the documents.

"Tell everyone that I love them and that they should struggle against the enemies of Allah with their lives and their property," he wrote in a Word document on his laptop, which was later seized by police. "The queen and her soldiers will all be in the hellfire."

In interviews with police, Mr. Chowdhury said Queen Elizabeth II was the root of his problems and that he wanted to "confront" police because they work for the queen. He first decided to carry out an attack that morning, but hadn't determined an exact plan, he said.

If convicted, Mr. Chowdhury could serve a maximum sentence of life imprisonment. Mr. Chowdhury, who is currently in custody, had conducted numerous searches over the past two months related to Islamic State, including of the group's supporters celebrating the Westminster attack. No members of the royal family were there at the time Mr. Chowdhury attempted the Buckingham Palace attack.

Israeli Leader's Disclosures Suggest Effort to Shape Media Coverage

BY RORY JONES

TEL AVIV—Prime Minister Benjamin Netanyahu has regularly lambasted the Israeli press, but a new disclosure related to a continuing corruption probe shows the leader also worked hard to shape how the domestic media covers him.

The Israeli leader was forced by court order to disclose that he has regularly talked to both the owner and editor of one of Israel's most-read newspapers, Israel Hayom, a daily that critics say has covered the prime minister favorably in the past.

The newspaper, owned by U.S. billionaire Sheldon Adelson, is at the center of corruption allegations against the leader. Police are investigating whether the prime minister tried in 2014 to negotiate favorable coverage in another daily newspaper in return for limiting the influence of Mr. Adelson's Israel Hayom. In another probe, police also are exploring whether Mr. Netanyahu received unlawful gifts in return for favors.

The Israeli leader has repeatedly denied wrongdoing. He has criticized the twin graft probes as a media witch hunt.

Yet top executives at the Israel Hayom enjoyed privileged access to Mr. Netanyahu, in what the prime minister described as a typically close relationship between the media and politicians. "All the politicians in Israel speak to publishers, editors in chief and journalists," Mr. Netanyahu said in his Facebook post.

Mr. Netanyahu on Thursday night said he had spoken on average 0.75 times a week from 2012 to 2015 with Mr. Adelson, or roughly 39 times a year. He spoke to the paper's editor 1.5 times a week during that period, or roughly 78 times a year, Mr. Netanyahu said in the post.

Mr. Netanyahu was forced to disclose his calls after an Israeli journalist's court petition. The petition was made before the corruption probes but was filed amid criticism that Israel Hayom was a mouthpiece for his views.

The frequency of calls now illustrates that Mr. Netanyahu regularly talked with Israel Hayom's editor and owner at the same time when the prime minister is alleged to have tried to negotiate a deal to weaken the newspaper's influence.

Mr. Netanyahu has long appeared to have a love-hate relationship with the media. In a meeting with then-Israeli ambassador to the U.S. Michael Oren, he indicated his envoy should be published and interviewed in the media as much as possible, according to a biography by Mr. Oren.

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WORLD NEWS

China-India Trade Hits Geopolitical Snag

BY EVA DOU

BEIJING—A tense border standoff between China and India has magnified friction over trade and security between the two nations days before their leaders meet face to face.

ANALYSIS In India, the strife on a remote Himalayan plateau has fanned hostility toward Chinese companies and calls for economic retaliation against China, whose soaring exports to India have already invited criticisms of unfair trade.

The scenario echoes Chinese disputes with other nations, including the U.S., as China's trade relationships get caught up in other bilateral strains. President Donald Trump has launched a trade probe and threatened eco-

nomic retribution against Beijing, saying it doesn't pressure North Korea enough over its nuclear program. China, meanwhile, has lashed out at South Korea over the installment of a U.S. missile-defense system there, with Chinese consumers spurning the country's autos and other goods.

The Himalayan standoff, which had raised concerns about a potential military conflict, was sparked by China's construction of a road in an area claimed by China and Bhutan, a close Indian ally sandwiched between the two. India fears the road will be used for military purposes, reflecting territorial ambitions by China that have alarmed New Delhi and pushed it to seek closer defense ties with the U.S. and Japan.

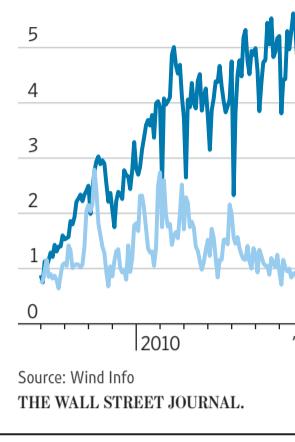
Beijing and New Delhi this week agreed, without disclos-

Trade Imbalance

China exports four times as much to India as a decade ago, while the reverse flow has stayed much the same.

China exports to India

China imports from India



\$6 billion

5

4

3

2

1

0

2010

17

Source: Wind Info

THE WALL STREET JOURNAL

ing details, to pull back from the brink ahead of a meeting between Indian Prime Minister Narendra Modi and Chinese President Xi Jinping at a Brics summit in Xiamen, China, that starts Sunday and also includes Brazil, Russia and South Africa.

China and India, the world's most populous nations, are the only Brics countries to have avoided recession in the past year, and they will likely find some common ground at the summit. On Friday, India's Commerce Ministry said the two countries had jointly called on the World Trade Organization to eliminate certain farm subsidies for developed countries like the U.S.

Still, the border clashes over the past month cloak the relationship in tension.

"This particular standoff is forcing India to rethink its

trade strategy," said Brahma Chellaney, a professor at the Centre for Policy Research in New Delhi. "A lot of Indians during the crisis were asking how India lets China rack up a growing trade surplus while treating India as an enemy."

Exports from China, India's largest trading partner, have quadrupled over the past decade, as China sold rising quantities of electronics, machinery and chemicals. But imports have barely grown as China's slowing economy suppressed its need for natural resources such as copper, cotton and petroleum from India. India also has complained that China is often selling goods below cost.

Much as China's untapped market once exerted a pull on the West, India now attracts China. Companies including Chinese smartphone maker Xi-

aomi Corp. count India as their largest overseas market. Indian consumption will triple to \$4 trillion by 2025, Boston Consulting Group estimates, and the country plans a \$59 billion infrastructure upgrade.

Chinese-Indian relations have also been strained by the billions of dollars Beijing has invested into infrastructure in Pakistan, India's neighbor and archrival. India is increasingly wary that China is using trade to advance its strategic aims, said Rajan Menon, a political-science professor at City College in New York. India says one planned route of China's flagship "One Belt, One Road" infrastructure initiative doesn't respect India's territorial integrity.

"India views [the corridor] not so much as an economic plan but as a strategic plan," Mr. Menon said.

archipelago—also included an air component.

According to U.S. officials, two P-8 Poseidon reconnaissance aircraft flew above the McCain in a part of the operation that hadn't been previously disclosed. More navigation patrols using warships likely now will include aircraft overhead, they said.

Pacific Command officials had no comment on the matter.

Together, the moves amount to a more extensive U.S. posture in the South China Sea, where the U.S. has attempted to counter what it sees as excessive Chinese claims around two island chains, the Paracels and the Spratlys, where Beijing has conducted reclamation activities, building or expanding islands to establish runways, ports, buildings and other facilities for military purposes.

Those structures worry the U.S. and other nations, which believe China's presence there could impede shipping lanes. The U.S. doesn't make claims to any of the islands,

CHINA

Continued from Page One

establish more regularity in the patrols. Doing so may help blunt Beijing's argument that the patrols amount to a destabilizing provocation each time they occur, U.S. officials said.

Chinese officials didn't immediately respond to a request for comment on the latest U.S. plans. Beijing has accused the U.S. of militarizing navigation in the region by conducting military patrols. There have been three navigation patrols so far under President Donald Trump; there were four during the Obama administration, according to the Congressional Research Service.

Officials described the new plan as a more predetermined way of conducting such patrols than in the past, though not immutable. The plan is in keeping with the Trump administration's approach to military operations, which relies on giving commanders leeway to determine the U.S. posture. In keeping with policies against announcing military operations before they occur, officials declined to disclose where and when they would occur.

The added military pressure on China comes while the U.S. is seeking greater cooperation from Beijing in reigning in North Korea's nuclear weapons and missile program. The Trump administration has complained that Beijing hasn't done all it can to pressure its allies in Pyongyang not to develop weapons or threaten the U.S. and its territories and allies.

In a new facet, some freedom-of-navigation patrols may be "multi-domain" patrols, using not only U.S. Navy warships but U.S. military aircraft as well.

Thus far, there have been three publicly disclosed freedom-of-navigation operations under the Trump administration. The last one was conducted on Aug. 10 by the navy destroyer, the USS John S. McCain, which days later collided with a cargo ship, killing 10 sailors.

That patrol around Mischief Reef—one of seven fortified artificial islands that Beijing has built in the past three years in the disputed Spratlys

More patrols will likely now include aircraft overhead, U.S. officials said.

but conducts the patrols to challenge China's claims, which overlap with those of Vietnam, Malaysia, Brunei, Taiwan and the Philippines, a U.S. treaty ally.

Col. Rob Manning, a Pentagon spokesman, said U.S. forces operate throughout the Asia-Pacific region every day, including in the South China Sea. "All operations are conducted in accordance with international law and demonstrate that the United States will fly, sail and operate wherever international law allows."

Col. Manning declined to comment on the new Pacific Command plan.

The chief of U.S. Pacific Command, Adm. Harry Harris, has publicly and privately pushed for more operations,

and on a more regular basis. Speaking to reporters last year, Adm. Harris put it simply: "More is better" when it comes to navigation patrols.

Troubled Waters

The U.S. military is planning a series of scheduled operations through the South China Sea to challenge Chinese maritime claims. The patrols have been conducted on an ad hoc basis since 2015.

Operations under: • Obama* • Trump

200 miles
200 km



Source: Congressional Research Service

Tropical Storm Lidia Leaves at Least Three Dead in Mexico



FERNANDO CASTILLO/REUTERS

MEXICO CITY—Tropical Storm Lidia moved across Mexico's Baja California peninsula on Friday, causing flooding and damage to roads and homes in the tourism resort of Los Cabos and leaving at least three people dead.

The storm maintained maxi-

mum sustained winds around 60 miles an hour around 4:30 p.m. EDT Friday as it moved up the west coast of the peninsula, the U.S. National Hurricane Center said. It is expected to lose strength through late Saturday, when it is forecast to veer out

to the Pacific Ocean.

Luis Felipe Puente, the head of civil protection at the Interior Ministry, said on the Televisa network that he had confirmed reports of three deaths—two adults and a child.

Mr. Puente said rescue teams

were working gradually to clear roads, although the highway linking Los Cabos, seen above on Friday, with the state capital La Paz remained impassable. Highways in the state were saturated with water, mud and fallen trees.

—Anthony Harrup

BY KEJAL VYAS

BOGOTÁ—Colombia's FARC rebel group recast itself as a political party on Friday, pledging to fight for power at the ballot box and reject a half-century legacy of war against the state.

After a five-day political convention here in the capital, a group that once deployed 20,000 armed fighters across a vast countryside said it would present candidates for congressional elections in March.

The FARC—whose new logo is a red socialist star surrounded by rose petals—will retain its Spanish-language acronym but change its meaning from the Revolutionary Armed Forces of Colombia to the Alternative Communal Revolutionary Force.

Led by former guerrilla

commanders, the party's political platform aims to ensure that terms of the peace deal that ended the conflict last year are advanced, mainly redistributing wealth in the countryside, ending political violence, weakening the drug trade and compensating victims of war crimes.

"We want to be an example of the democracy that Colombia needs," said Jorge Torres, a former guerrilla commander who swapped his fatigues for a sports jacket and a wartime alias for his real name.

The FARC's political journey will be a challenge. The government has long labeled it a terrorist organization and most Colombians revile it for waging a conflict that cost 220,000 lives. An influential former president, Álvaro Uribe, and his party have vowed to resist the FARC.

Some American officials have been removed from the country for treatment while others have stayed.

The Federal Bureau of Investigation and other U.S. agencies are investigating complaints by diplomats.

Some American officials have been removed from the country for treatment while others have stayed.

An investigation into the incidents is ongoing, and we revise our assessments as we

"We can't let these bandits into Congress," said Sen. Daniel Cabral, an Uribe ally. "This is like if the U.S. allowed al Qaeda or Islamic State to form a political party."

The government and its allies said the FARC's transition into a political party is good for Colombia. "This is precisely the purpose of the accord," said Humberto de la Calle, the government's lead negotiator on the peace pact. "They have disarmed."

Still, the FARC's pivot comes at a propitious time. Sluggish economic growth and a string of recent government graft scandals have stoked mistrust in Colombia's political establishment.

Cognitive disruption, severe headaches and brain swelling.

The State Department hasn't identified a cause of the health problems, though some officials have attributed the symptoms to sonic waves from covert listening devices.

The Federal Bureau of Investigation and other U.S. agencies are investigating complaints by diplomats.

Some American officials have been removed from the country for treatment while others have stayed.

An investigation into the incidents is ongoing, and we revise our assessments as we

BY FELICIA SCHWARTZ

WASHINGTON—The State Department said Friday that 19 American officials at the U.S. Embassy in Havana have been affected by sonic-harassment attacks with the union representing the diplomats saying symptoms include mild traumatic brain injury, hearing loss and other symptoms.

State Department spokeswoman Heather Nauert said another incident occurred last month and is part of a continuing investigation. Officials had previously said the attacks, which began in December 2016, ended in April. She said the State Department

receive new information," Ms. Nauert said.

The State Department hasn't identified a cause of the health problems, though some officials have attributed the symptoms to sonic waves from covert listening devices.

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Foreign guests walked out of the venue of the opening ceremony of the BRICS Political Parties, Think-tanks and Civil Society Organizations Forum in Fuzhou, capital of southeast China's Fujian Province, June 11, 2017. (XINHUA/JIANG KEHONG)

BRICS TO CONTRIBUTE MORE TO GLOBAL GOVERNANCE

By Xinhua writers
Qu Junya, Gao Wencheng

Changes in the global landscape call for a solidified, stronger BRICS with better contribution to the global governance as the bloc of five emerging economies enters its second decade.

"With the 9th BRICS summit scheduled for early September in Xiamen, China is attracting worldwide attention to how Brazil, Russia, India, China and South Africa will shape the bloc's future course amid challenges and uncertainties stemming from global economic sluggishness, increased anti-globalization sentiments in Western countries, regional security and geopolitical blackswans, among others."

The bloc representing some 44 percent of the world population and 23 percent of the world economic volume is striving towards a stronger identity, a leading platform for South-South cooperation and a larger role in global governance.

GROWING ROLE IN GLOBAL GOVERNANCE

Former Goldman Sachs chief economist Jim O'Neill, who coined the acronym BRIC (made BRICS by South Africa's participation later), said the bloc's economic performance has exceeded his expectations.

"Sixteen years later the BRICS share of the global GDP (gross domestic product) is bigger than every scenario I projected," he noted.

Currently, the bloc's five economies together contribute more than half to global growth,

serving as a major economic powerhouse.

"BRICS is at the center of solutions needed for international financial system reform," said Sergey Karatayev, deputy head of the Center for Economic Research at the Russian Institute of Strategic Studies, citing the increased voting rights of China and India in the International Monetary Fund and the World Bank.

"With the BRICS demands, many global governance structures are undergoing a gradual reform," commented Srikanth Kondapalli, professor at the Center of East Asia Studies under the New Delhi-based Jawaharlal Nehru University.

"In the last eight summits, BRICS has acquired certain momentum in international relations," he added, highlighting the bloc's increasingly more unified voice in international affairs. "It has advocated dialogue and peaceful resolution of disputes, in addition to lifting any curbs on trade and investments," he said.

"It tries to protect the interests of developing countries," he added.

A BRICS credit rating agency to end the Western monopoly, with its establishment still under discussion, is expected to enable the bloc to contribute more to global economic governance.

LEADING PLATFORM FOR SOUTH-SOUTH COOPERATION

The two-year operation of the Shanghai-based BRICS New Development Bank (NDB), which focuses on infrastructure and sustainable development projects, is hailed as a success



Xi spoke at a BRICS informal leaders' meeting ahead of a Group of 20 (G20) summit in the German port city of Hamburg on July 7, 2017. (XINHUA/MA ZHANCHENG)

story, handing out 1.5 billion U.S. dollars in loans last year alone.

The August 17 launch of its first regional office, in Johannesburg, signals a greater role it will assume in boosting growth in developing countries and promoting South-South cooperation.

The regional office will act as a "face to Africa," and the bank intends to open others, said NDB President K.V. Kamath.

Experts also highlight the "BRICS Plus" model as important in the bloc's efforts to expand partnerships, particularly with developing countries.

Chief economist of the Eurasian Development Bank Yaroslav Lissovlik calls "BRICS Plus" an important initiative aimed "at increasing its openness and accessibility to integration for the states of the developing world."

Karatayev said, "The 'BRICS Plus' model will help make the intra-BRICS cooperation as well as the bilateral and multilateral cooperation between bloc members and their partners more effective."

"Comprehensive and complementary development strategies will enable BRICS members and participants of 'BRICS Plus' to conduct fruitful cooperation," he further explained.

A STRONGER SELF

Karatayev thinks "it is necessary for the BRICS bloc to strengthen internal cooperation in order to tackle challenges from a rise in protectionism in rich countries and uncertainties from their economic policies."

Moreover, the Russian expert said, the China-proposed Belt

and Road Initiative complements efforts by the bloc to facilitate trade and capital flows.

At the same time, he said, the Initiative, which aims to build infrastructure and trade networks along ancient Silk Road trade routes, is "a showcase for economic collaboration."

Professor Kondapalli from Jawaharlal Nehru University believes there is plenty of potential to tap into intra-BRICS cooperation. "The total trade between the five BRICS countries accounted for only 4.9 percent of the total foreign trade of these countries," and "much of the trade is of low-end products," he said.

In addition to deepening economic and trade cooperation, increased cultural cooperation and people-to-people exchanges are deemed necessary for building a more stable and solid BRICS bloc.

"People-to-people exchanges are the pillar of all the bilateral and multilateral exchanges. It is the cultural capital of a country that has attraction and lays foundations of understanding between the peoples," said B.R. Deepak, sinologist and professor at the Jawaharlal Nehru University.

Deepak added that it is needed to institutionalize such mechanisms as cultural festivals, media and film exchanges, and BRICS scholarship programs.

There are also calls for the bloc's foreign ministers to meet regularly as part of its mechanism building efforts, as well as for the bloc to speak with one, loud and strong voice on global political, security and economic issues.

Qu Junya, Gao Wencheng are writers for Xinhua News Agency.



Photo taken on May 21, 2017 by a drone shows nearby scenery of Xiamen international conference and exhibition center in Xiamen, southeast China's Fujian Province. The 9th BRICS Summit will be held in Xiamen in September. (XINHUA/JIANG KEHONG)



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WORLD NEWS

WORLD WATCH

BRAZIL

Consumers Drive Economic Recovery

Brazil's economy posted a second consecutive quarter of growth on the back of a rebound in consumer spending, reinforcing hopes for a recovery from the country's deepest recession on record.

Brazil's gross domestic product expanded 0.2% in the second quarter from the first and 0.3% from the year-earlier period, the Brazilian Institute of Geography and Statistics said Friday. Demand was buoyed by a 1.4% rise in consumer spending in the second quarter from the previous three months.

Brazil's GDP shrank 7.8% in 2015 and 2016, marking the deepest economic downturn in more than a century, according to official estimates. Economists surveyed by Brazil's central bank expect GDP to grow 0.4% in 2017.

—Paul Kiernan

MYANMAR

Hundreds Killed In Rohingya Clashes

Myanmar's military said almost 400 people died in recent violence in the western state of Rakhine triggered by attacks on security forces by insurgents from the Rohingya ethnic minority.

The numbers, posted Friday on the Facebook page of the country's military commander, are a sharp increase over the previously reported toll of just over 100. The statement said all but 29 of the 399 dead were insurgents.



Members of Myanmar's Rohingya ethnic minority group walked through rice fields after crossing over to the Bangladesh side of the border south of Cox's Bazar on Friday, fleeing violence at home.

The statement said there had been 90 armed clashes including an initial 30 attacks by insurgents on Aug. 25. The army, responding to the Aug. 25 attacks, launched what it called clearance operations against the insurgents.

Advocates for the Rohingya, an oppressed Muslim minority in overwhelmingly Buddhist Myanmar, say security forces attacked and burned Rohingya villages. Hundreds of civilians have been killed, they say. Tens of thousands have fled into neighboring Bangladesh, an exodus that continued Friday.

—Associated Press

GREECE

Economy on Track To Return to Growth

Greece's economy continued to expand in the second quarter, keeping the country on course for growth in 2017, according to figures published Friday.

Gross domestic product increased by 0.5% in the April-to-June period from the previous quarter, compared with 0.4% growth in the first quarter, Greece's statistics service Elstat said. The latest snapshot of the economy boosts hopes that the country remains on track to return to growth this year after having been in recession for most of the past decade.

"Public consumption and exports have been the main drivers of growth," said Eurobank economist Platon Monokroussos. According to the last budget forecast, Greece's economy is officially expected to expand by 1.8% in 2017.

—Nektaria Stamouli

On at least four separate occasions since Aug. 22—in speeches, on Twitter, and a press conference—Mr. Trump has raised the prospect, most recently on Wednesday.

"We're working right now on Nafta, the horrible, terrible Nafta deal that took so much business out of your state and out of your cities and towns," he told a cheering crowd in Missouri. "Hopefully we can renegotiate it, but if we can't, we'll terminate it and we'll start all over again with a real deal."

Mexican Foreign Minister Luis Videgaray told reporters this week that if the Trump administration begins the required six-month process of terminating the accord—a move some Mexican and Canadian government officials say is a negotiating tactic—Mexico would walk away from the talks.

"We don't think it would be the right path or a viable path to terminate the agreement just when we're in negotiations," Mr. Videgaray said.

Mexico's business and political classes are increasingly pessimistic over the Nafta talks. The front-runner in Mexico's 2018 presidential election, populist Andrés Manuel López Obrador, pledged Wednesday in an interview

U.S., Mexico Spar on Nafta

Both sides threaten to pull out of trade pact as talks to renegotiate it kick off in Mexico City

The second round of talks to renegotiate the North American Free Trade Agreement began on Friday under a dark cloud after both the U.S. and Mexico raised the stakes dramatically in recent days.

By Robbie Whelan
in Mexico City and
Jacob M. Schlesinger
in Washington

President Donald Trump has jolted the tone of the meetings with renewed calls to pull out of the 23-year-old deal linking the economies of the U.S., Canada and Mexico—a drastic course U.S. officials said he came close to pursuing in April before backing down and agreeing instead to negotiate.

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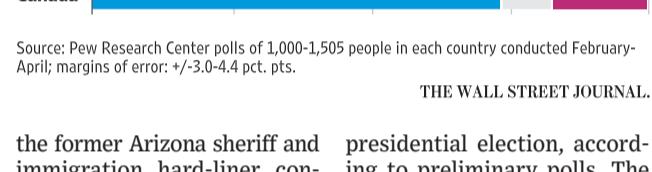
GUSTAVO MARTINEZ CONTRERAS/ASSOCIATED PRESS

A man waved a union flag during an August march in Mexico City to protest the Nafta renegotiation.

Image Issues

People in the U.S. have a more negative view of the North American Free Trade Agreement than their counterparts in Mexico and Canada.

■ Good □ Don't know/refused ■ Bad



Source: Pew Research Center polls of 1,000-1,505 people in each country conducted February-April; margins of error: +/-3.0-4.4 pct. pts.

THE WALL STREET JOURNAL.

with The Wall Street Journal to cancel any deal that hurts Mexico if he wins.

A day earlier, Mexico's Economy Minister Ildefonso Guajardo told a Senate panel that Mexico was planning for "a scenario where Nafta doesn't exist," and later outlined what he called a "Plan B" if the U.S. withdraws from the accord.

The plan includes diversifying trade with non-U.S. partners, including grain producers like Brazil, Australia and Argentina, passing legislation to guarantee the safety of foreign direct investment in Mexico and falling back on World Trade Organization rules—which set an average tariff of about 3.5% on goods exported from Mexico to the U.S.—to govern trade with America.

"We can't be irresponsible and not have an alternative plan," Mr. Guajardo told reporters Tuesday.

Mr. Trump also resurfaced a dig at Mexico by insisting again this week that the country pay for a border wall between both nations and on Thursday his administration announced four winners of a bid to build prototypes. Tensions also ramped up over Mr. Trump's pardon to Joe Arpaio,

the former Arizona sheriff and immigration hard-liner convicted of disobeying a court order to put an end to immigration raids.

The wall is such a humiliating topic in Mexico that the discussion only adds to political pressure on Mexican President Enrique Peña Nieto to withdraw from negotiations with the Trump administration, said Jorge Guajardo, a political consultant unrelated to the Mexican economy minister of the same name.

Mr. Peña Nieto's ruling Institutional Revolutionary Party, or PRI, faces stiff competition from both the right and left wings in the July

presidential election, according to preliminary polls. The PRI is expected to announce its candidate later this year.

"No one wants to present a candidate who bowed to a bully on Nafta, the same bully who wants you to pay for a wall, who levels daily insults at Mexico," Mr. Guajardo said.

The Trump administration officials who have been briefing Congress and business groups on U.S. strategy over the past week haven't raised the withdrawal threat, according to people familiar with those discussions, leading many of those stakeholders to conclude that it isn't a serious risk, at least in the near term.

FROM PAGE ONE

STYLE

Continued from Page One
generation gap with older millennials. Some of them who came of age during the 1990s are baffled to see new passion for the brands of their youth—and many are rattled by the

idea that the clothes are old enough to be called vintage.

Emily Collins, a 26-year-old communications manager in New York, says she couldn't believe a Tommy Hilfiger sweater was priced at more than \$100 at The Vintage Twin in New York City. She took a picture and tweeted, "How?"

She remembers when such

sweaters sold for less than \$20, she says, back when she was a middle-school student in West Haven, Conn.

"Fashion is rooted in nostalgia, so in some weird way it does make sense for something like Tommy Hilfiger to resurface," says Amber Snider, a 30-year-old design editor in New York. In middle school,

she wore yellow and green Hilfiger Windbreakers occasionally paired with a Ralph Lauren purse, a look she would revisit only out of jest, she says, though "I do miss that yellow Windbreaker."

Mr. Hilfiger says his brand was a pioneer of baggy dress and oversize logos: "Today, we're seeing the resurgence of this look with millennials that are discovering the '90s trend for the first time."

The era also featured choker necklaces, button-down flannel shirts, striped sweaters and acid-wash denim. Many items arrived in the first big wave of fashion imports after U.S. retailers shifted production to China.

Resurrection of the '90s look has sparked debate among sellers over what, exactly, is vintage."The online marketplace Etsy Inc. says it is anything older than 20 years, making most '90s clothes fair game. Some old-school sellers object. "The fact that they can get away with calling that stuff vintage just kills me," says Kristine Anderson, a 68-year-old in San Diego. She sells clothes and accessories dating to the 19th century, as well as 1940s dresses and 1930s lingerie.

The term "vintage" should be limited to describing apparel produced before 1965, or what Ms. Anderson calls the "pre-polyester era." Clothes from the 1990s reshaped older styles and weren't particularly well made, she says: "Even the street fashion, which is usually interesting, was terrible."

Gail Higgins, 69 years old, opened her vintage clothing store in London in 1988, and says lately she has started avoiding the term altogether: "Nowadays everyone calls themselves a vintage dealer."

She sells clothing that spans the 1930s to 1970s, fashion that has withstood the test of time, she says, in contrast to the 1990s.

"There are things that will always be beautiful and they are much harder to find," she says. "And then there are

things people throw in the trash."

Tommy Hilfiger's U.S. sales hit a peak in 2000 from its start in 1985, losing its cool as clothing ended up on the racks of off-price retailers and outlet stores. Sales have since climbed overseas, and the brand has benefited from recent collaborations with supermodel Gigi Hadid.

Several retailers have been trying to get in on the '90s-as-vintage trend. Gap Inc., which has long struggled to recapture the magic of those glory retail years, said earlier this year it was reissuing a 1990s collection that included body-suits and pleated khakis. Urban Outfitters Inc. also has been selling the era's signature brands, including FILA and Tommy Hilfiger. Gap declined to comment. Urban Outfitters, Nautica and Guess didn't respond to requests for comment.

"We have an opportunity to inspire a new generation of consumers who are discovering and embracing the brand," says Danny Lieberman, a senior vice president at FILA North America. Fubu co-owner Bruce Weisfeld agrees it is a welcome trend.

For some people, the 1990s

comeback echoes happier times. "It brings back the last memories of my parents being my age," says Isa Cruz, a 27-year-old Etsy seller in Portland Ore. "I get scoffed at from old people," she says, "but I don't care."

Many older millennials and Gen Xers haven't yet come to terms with the idea that their childhood clothes have taken a turn on fashion's nostalgia rack. "I definitely don't feel old enough for my high-school clothes to be considered vintage," says Megan Wirts, a 35-year-old writer near Grand Rapids, Mich.

She was aghast when her 13-year-old daughter, searching for a vintage look, made her way to mom's closet and emerged with some flannel shirts, Ms. Wirts said. "I thought she meant '60s or '70s—not my things!"

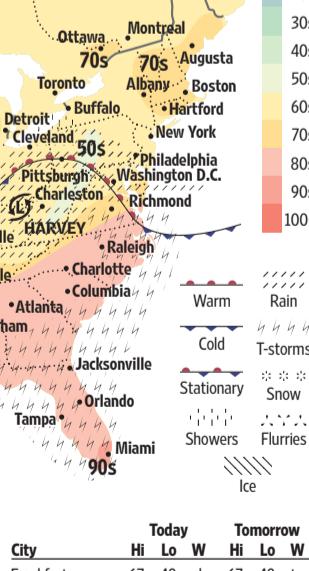
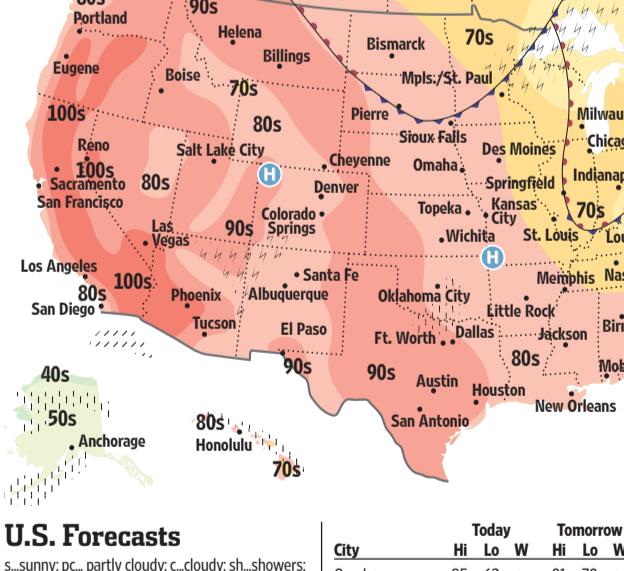
Andrea Ezell, a 22-year-old Kennesaw State University student in Atlanta, raided her dad's closet for Fubu jerseys and other era throwbacks. The clothes fit big, she says, but have an attractive "retro vibe."

"Your kids are never going to tell you that you're hip," she says, "but they will go into your closet."



BRIANNA BROWNE

Weather



U.S. Forecasts

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

t.tstorms; r.rain; sf.snow; fl.flurries; sn.snow; l.ice

Today Hi Lo W Today Hi Lo W

City Hi Lo W Hi Lo W

Anchorage 57 49 c 59 50 c

Atlanta 83 65 pc 84 64 s

Austin 92 69 pc 90 69 pc

Baltimore 66 62 r 80 59 s

Boise 98 66 s 100 65 s

Boston 70 56 pc 68 60 r

Burlington 71 52 pc 63 54 r

Charlotte 85 61 c 86 61 s

Chicago 77 60 s 83 68 s

Cleveland 69 58 c 78 61 s

Dallas 90 72 pc 90 73 pc

Denver 89 60 s 96 60 s

Detroit 68 56 pc 79 59 s

Houston 87 74 pc 86 73 pc

Indianapolis 93 72 pc 92 72 pc

Los Angeles 70 60 s 83 68 s

Las Vegas 84 64 s 88 68 s

Memphis 73 60 s 81 68 pc

Minneapolis 79 59 t 85 64 s

Nashville 77 56 c 83 61 s

New Orleans 88 73 pc 89 73 pc

New York City 68 62 r 76 63 r

IN DEPTH

FLOOD

Continued from Page One

"I try to explain that this is my home, this is where I grew up, and it didn't used to be this way, at least not this bad."

Similar stories played out in homes, businesses and places of worship all along the Meyerland neighborhood near Brays Bayou, one of the swampy waterways that course through the city and serve as the primary conduits to carry runoff to the Gulf of Mexico. Many in the swollen bayou's path are now pondering the same question: Is it time to leave for good?

Known as the Bayou City, Houston has long favored rapid development and maintaining a low cost of living. It doesn't have a formal zoning code, which some cities use to force builders to incorporate flood-management measures. Large-scale planning is complicated by the city's sprawling 10,000-square-mile metro area, nearly the size of Massachusetts, home to almost seven million people.

Houston and Harris County, where it is located, have passed referendums to fund drainage projects, moved to widen waterways, boosted deed restrictions and planning regulations, and even required new houses in certain areas such as Meyerland to be built to withstand rising water. Some of the measures have worked. But it hasn't been enough.

"They've been playing catch up," said Philip Bedient, an engineering professor and flooding expert at Rice University in Houston. "It's all sorry, a day late and a dollar short."

In London, massive flood gates on the Thames can rise during a storm surge and hold back water. New York City has spent years deliberating whether to follow London's lead and build storm barriers for the Hudson and East rivers.

From Florida to the Netherlands, deep water catchment systems paired with storm water pumps allow flat areas to withstand drenching rains by slowly releasing the water over time to prevent floods. The Houston area doesn't have pumps.

New Orleans had storm water pumps before Hurricane Katrina, although the anti-flooding safeguards were destroyed when levees broke, killing about 1,400 of the total of more than 1,800 who died from the storm, and showing the perils of underfunding critical infrastructure.

Houston's disaster will intensify a debate that is already upending insurance markets and worrying federal officials, whose coffers are increasingly tapped to pay for calamities. The U.S. has seen 20 storms causing a billion dollars or more in damage since 2010, not including Harvey, compared with nine billion-dollar floods in the full decade of the 1980s, according to inflation-adjusted estimates from the National Oceanic and Atmospheric Administration.

One option for preventing future superfloods would be radical reconstruction, a move that would likely force the government into battles with private property owners. After Katrina, Louisiana officials tried to tell flooded homeowners not to rebuild in some areas, but the instructions were ignored.

In the case of Meyerland, Mr. Bedient said the government should buy out thrice-flooded homeowners and use the land to create more detention ponds and widen storm channels. Farther upstream, at least three new reservoirs



Flood-damaged furniture, floors and sheet rock heaped along the sidewalk in Meyerland. The tight-knit neighborhood along Brays Bayou on Houston's southwest side has been flooded three years in a row. An image on Chris Bisel's phone, below, showed water from the Memorial Day Flood in 2015 inside his house.



should be constructed west of Houston, and the existing two reservoirs, which were built in the 1940s and which engineers say could be at risk of failing, should be upgraded, he said.

That said, Houston's flat landscape and hardpan clay makes it nearly impossible to absorb intense rainfall the way geographies with sandier soil do. And 50 inches of rain would swamp virtually any U.S. city. "It was an outrageous storm event," he said. "We've never seen anything like this."

Houston Mayor Sylvester Turner rejected the notion that the city's flood-control efforts and approach to zoning and planning were to blame. "You cannot significantly mitigate flooding and drainage on the cheap," the mayor said. "And a lot of people don't want to pay, but you're going to pay sooner or later."

Meyerland, built on former rice fields, has for decades served as the center of Jewish life in Houston, a place where families who felt unwelcome elsewhere due to their religion forged a community of their own.

Today, Meyerland remains one of Houston's most desirable family neighborhoods, with high-performing public schools and lush parks. It is increasingly diverse, like much of the city—one of America's most ethnically multifaceted places, with immigrants who

speak more than 140 languages.

Mr. Bisel, who owns a hearing-aid business in Meyerland, bought his current home three weeks before Tropical Storm Allison, the plodding 2001 rainstorm that until Harvey served as the high-water mark for modern Houston flooding.

The house took in about 10 inches of water then. Like most Houstonians, Mr. Bisel thought that was a once-in-a-lifetime event, until it happened in 2015, 2016 and again this week.

After the 2015 flood, which took place around Memorial Day and poured 34 inches of water into his house, he was among several dozen residents approved to receive federal grant funds aimed at reducing repeat flood insurance claims by tunneling under homes and raising them on pillars.

Since the government is likely to have to pay for catastrophic flood damage anyway, the Federal Emergency Management Agency has sought to pay to shore up homes against flooding instead of the \$350,000 it can cost to rebuild them.

Mr. Bisel was hopeful his home could be raised before the next big flood. But the construction faced chronic delays, he said. After living in one second-floor room with his wife, two children and a dog for nearly a year during

renovations, he settled back into the full home in April 2016 after most of the rebuilding work was completed, while he waited along with about 40 others for their houses to be raised.

Less than two weeks later, another storm, dubbed the Tax Day Flood, inundated his house with 20 inches. He pressed the city to move more quickly.

This July, the Houston City Council approved the elevation plans for the first batch of homes being raised with FEMA money. But Mr. Bisel was in the second batch,

14th on the list. As he saw the forecast for Harvey last week, he feared he had run out of time. He, his wife and son went through the now-familiar ritual of moving their furniture and treasured belongings to higher ground.

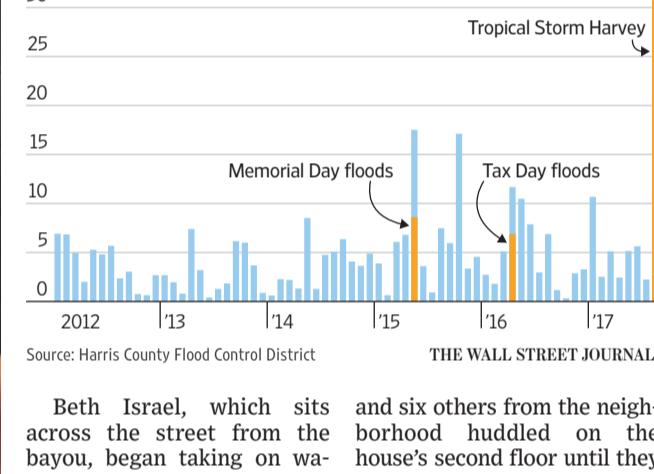
By the time Harvey was done dumping trillions of gallons over the Houston area, forcing his wife to escape in a kayak, his home had taken on 55 inches of water. That would have been 5 inches short of his first floor if his house had been raised. Neighbors who had elevated their homes earlier with their own money stayed dry.

More than 700,000 people live near Brays Bayou, which meanders through Meyerland, draining 127 square miles around it. A \$500 million city project aimed at reducing flooding was under way on another part of the bayou when Harvey hit.

Lined with hiking and biking trails, the waterway winds past many areas that have seen rapid urbanization, including NRG Stadium, where the Houston Texans play; the Texas Medical Center, the largest collection of hospitals and health-care research institutions in the world; and Beth Israel, the oldest synagogue in Texas.

Repeat Floods

Houston's Meyerland neighborhood has been hit by three major floods in the past three years, after years of relatively minor flooding. Rain as measured at a gauge on the Brays Bayou in Meyerland



Source: Harris County Flood Control District

Beth Israel, which sits across the street from the bayou, began taking on water Sunday for the third time in three years. When Rabbi David Lyon walked into the sanctuary Monday morning, he said he took a long look around and began to weep. About 3 feet of floodwater had risen to the platform where he gives his sermons.

The synagogue, which dates to the 1850s, has been at its Meyerland location since 1968. A staple of the community, it never flooded before 2015. After Harvey, cleanup crews and volunteers on Wednesday cleared floodwater with heavy equipment. The synagogue's Torahs had been safely carried to higher ground inside the building in advance of the storm.

Following the 2015 floods, the synagogue laid plans to install new carpets and re-wallpaper, and began consulting with waterproofing experts. It put off a \$300,000 remodel until November of 2016, nervous about more flooding.

Rabbi Lyon said he realizes that the question of whether Beth Israel should move is now likely "in the back of people's minds."

"There are people who say 'Why do you stay in Meyerland?'" he said. "The reality is, where we're located is a very central Jewish address. Many people centralize their life around this area."

More pointedly, he noted that people had settled here long before the flooding problems started.

"Families have every right to say, 'We chose these homes not yesterday, but years and years ago,'" said Rabbi Lyon, 54. "What's different? What changed?"

Farther along the bayou, Natalie Hausman-Weiss surveyed the history of her family as it was splayed out in tatters across her Meyerland backyard.

There were the loose pages from her husband's baby album. There were the booklets of Hebrew school lessons her two sons had used. There were her husband's dress shirts dangling from hangers. Somehow, the Fleetwood Mac and Sting records had stayed dry.

When the rising waters of Brays Bayou hemmed in their one-story ranch home, her younger son, Samuel, 15, waded over to an empty two-story home for sale next door and smashed a window with a hammer so they could all clamber inside. The family

and six others from the neighborhood huddled on the house's second floor until they were rescued by boat.

Ms. Hausman-Weiss, 49, had moved to Houston from Birmingham, Ala., in 2011, and got a job as director of a nonprofit that takes disabled children into the outdoors. As Reform Jews, the family had been drawn to Meyerland and loved the Jewish life here.

They had initially been under contract to buy a spacious family home near the bayou, but pulled out at the last minute when they learned it had flooded three times. They were told the home they eventually bought had never taken on water.

But three months after they moved in, a small amount of rain caused water to pool up from the floor. They quickly spent \$30,000 on upgrades for protection including new gutters, French drains beneath the windows and waterproofing for bricks on the chimney.

When the bayou overflowed its banks during the Memorial Day Flood of 2015, water came in again, this time an inch high. The family replaced the floors and portions of the walls from 4 feet down, costing them roughly \$70,000, much of which was covered by their flood insurance. But the experts called that flood an anomaly, so surely nothing similar would happen again, Ms. Hausman-Weiss remembered thinking.

After Harvey, the bayou swamped their home with 3 feet of water.

When they returned Sunday, "It looked like a war zone. Brown muck everywhere," she said. "We've been through a lot in our lives. And I know this is just stuff. But this is our stuff."

The family already had the maximum amount of flood insurance made available by FEMA's National Flood Insurance Program, she said. But to do any further renovations, they would likely have to spend \$200,000 to raise the house—money they didn't have. And who would buy it now, she said.

For now, the family is staying in a two-bedroom home owned by a friend. But eventually, they will have to return to Meyerland, and somehow reckon with their damaged home. Amid all the uncertainty about the future, there was one thing of which she was sure.

"It's going to flood again," she said.



Catastrophe adjuster Ian Richardson spoke to Ian Hartman, right, on Thursday at his Meyerland home.

OPINION

THE WEEKEND INTERVIEW with Betsy DeVos | By James Taranto

The Teachers Union's Public Enemy No. 1

Etahassee, Fla. education Secretary Betsy DeVos liked what she saw Tuesday when she visited a pair of schools in Florida's capital. When we met that afternoon, she had just come from the Florida State University School, a K-12 charter sponsored by the FSU College of Education. "I had a little roundtable with teachers," she says. They raved about the school's culture, which enables them "to be free to innovate and try things in the classroom that don't necessarily conform with the instructor in the next classroom."

Earlier in the day Mrs. DeVos had been at Holy Comforter Episcopal, a parochial school that serves pupils from prekindergarten through eighth grade. "They started STEM programs before STEM became the cool thing to do," she says, "and it was just great to visit a variety of the classrooms and see some of the fun things that they're doing to get kids interested."

She is Trump's stylistic opposite, but she stirs more antagonism than any other cabinet member.

Local officials in this heavily Democratic area were less enthusiastic. "It's obvious that the secretary and our federal government have very little respect for our traditional public-school system," Rocky Hanna, Leon County's superintendent of schools, groused to the Tallahassee Democrat. "And it's insulting that she's going to visit the capital of the state of Florida, to visit a charter school, a private school and a voucher school." (A correction on the newspaper's website noted that she did not visit the voucher school, Bethel Christian Academy, but rather attended a "private roundtable event" at the church center that houses it.)

Mrs. DeVos, 59, stirs more passionate antagonism than any other member of President Trump's cabinet—and that was true even before she took office. Two Republicans dissented from her February confirmation and no Democrat supported it, resulting in a 50-50 vote. She is the only cabinet secretary in U.S. history whose appointment required a vice-presidential tiebreaker.

Since then Mrs. DeVos has hit the road and visited 27 schools. Her first call, three days after she was sworn in, was Jefferson Middle School Academy in Washington, less than a mile from the Education Department's headquarters. She was met by protesters, who blocked the entrance and shouted: "Go Back! Shame, shame!" When I ask about that incident, she plays it down: "There were just a few people that

really didn't want to see me enter the school. I don't think they had anything to do with that school. But we, fortunately, found another way to get in, and I was greeted very warmly by all of the teachers."

The hostility toward Mrs. DeVos is curious, because in many ways she is Mr. Trump's stylistic opposite. Whereas the president is a bellicose, brash outer-borough New Yorker, the secretary is a pleasant, staid Midwesterner, a native of Holland, Mich. While Mr. Trump gleefully defies the strictures of political correctness, Mrs. DeVos approaches them with caution.

That becomes clear when I ask my most provocative question, about an Obama administration Title IX policy now being reconsidered. In 2011 the Education Department's Office of Civil Rights construed Title IX, which bars sex discrimination, as mandating that colleges and universities take a series of actions meant to prevent and punish "the sexual harassment of students, including sexual violence." That prompted campus administrators to set up disciplinary tribunals that lack basic due-process protections for the accused.

Candice Jackson, Mrs. DeVos's acting head of the Office of Civil Rights, told the New York Times in July that "the accusations—90% of them—fall into the category of 'we were both drunk,' 'we broke up,' and six months later I found myself under a Title IX investigation because she just decided that our last sleeping together was not quite right.'" I tell the secretary this is consistent with my own reporting on the subject. Was Ms. Jackson right?

"Well, she has apologized for those remarks," says Mrs. DeVos, looking somewhat pained. "They were made in a flippant manner, and she has acknowledged that." The secretary adds that "sexual assault has to be taken seriously" and is "not something to be dismissed." That's indisputable, but Mrs. DeVos carefully avoids stating a view on whether Ms. Jackson's assertion was factually accurate.

Understandably, Mrs. DeVos also doesn't tip her hand as to what direction the review of the Obama policy may be taking. "I actually give credit to the last administration for raising this issue and trying to address it on campuses," she says. But as to the current policy, "it's clear that for many people, it's not working, and for many institutions, it's not working."

She has met with advocates on both sides, including sexual-assault survivors and wrongfully accused students; the latter meeting prompted another protest, outside her office. "It's important to listen to all perspectives, and to hear from those who, as I heard that day, have never felt that they've had a voice in this discussion," she says. "We're listening and we're



considering what future options might be." Stay tuned.

Mrs. DeVos had a rhetorical stumble of her own in February, when she praised historically black colleges and universities as "real pioneers when it comes to school choice." She now says: "I should have been very clear about decrying the horrors and ravages of racism. I also should have been clear that when I said pioneers of choice, it was because it was the only choice that black students had at that time." Yet there is a contemporary parallel: "There are millions of kids today that are stuck in schools that are not doing justice for them, and I think we need to do something totally different and allow them the freedom to have choices like I did for my kids."

Unlike Mr. Trump, Mrs. DeVos does not relish the culture wars, and her instinct is for conciliation rather than confrontation. But don't mistake that quality for a lack of determination. On the cause she most cares about, school choice and innovation, she leaves no doubt where she stands: "The reality is, for many students today, they have no choice in the K-12 system, and I am an advocate for giving those students more choices—and I've been an advocate for them for 30 years."

In 2000 she and her husband, Dick, led a ballot initiative to allow vouchers in Michigan. It failed, with 69% of voters opposed, as did similar school-choice measures in other states. In part that was because of opposition from suburban parents, who, as Mrs. DeVos puts it, already "had the economic means to make those choices" by living in areas with better schools. Since then, however, "times have continued to change and move more in favor of giving parents and students more choices, because we've seen consistently that too many kids are not being served in the schools to which they've been assigned."

She notes that Illinois, one of "the

bluest of blue states," is "on the brink of adding to the number of states—bringing it to 26—that will have some form of a private choice program." Two days after our interview Gov. Bruce Rauner, a Republican, signed a bill establishing a tax-credit scholarship program for poor students—a concession he exacted from the Democratic Legislature as the price for bailing out Chicago's public schools.

Mrs. DeVos sees choice as a means to the end of promoting educational innovation—including within traditional public schools. "Instead of focusing on systems and buildings, we should be focused on individual students," she says. That means encouraging young people "to pursue their curiosity and their interests, and being OK with whatever that takes them—not trying to conform them into a path that everybody has to take."

What stands in the way? "I think a real robust defense of the status quo is the biggest impediment," Mrs. DeVos says. She doesn't mention teachers unions until I raise the subject, whereupon she observes: "I think that they have done a good job in continuing to advocate for their members, but I think it's a focus more around the needs of adults" rather than students.

Many of the adults are frustrated, too. Recently I met a veteran middle-school teacher who said his creativity in the classroom has been increasingly constrained by federal and state mandates on curriculum and testing. Another teacher I know, who wants to start a charter, complains that "it is getting harder and harder to work for the idiots in traditional schools."

That sounds familiar to Mrs. DeVos. "I do hear sentiments from many teachers like that," she says, "and particularly from many teachers that are really effective and creative themselves. I've also heard from many teachers who have stopped teaching because they feel like they can't really be free to do their best, because they're either

subtly or not subtly criticized by peers who might not be as effective as they are—or by administrators who don't want to see them sort of excelling and upsetting the apple cart within whatever system they're in."

She continues: "I talked to a bunch of teachers that had left teaching that had been Teachers of the Year in their states or their counties or whatever. I recall one of the teachers said he just felt so beaten down after being told repeatedly to have his class keep it down—that they were having too much fun, and the kids were too engaged. Well, what kind of a message is that?"

Mrs. DeVos is unfailingly polite, even toward her antagonists. In April, Randi Weingarten, president of the American Federation of Teachers, invited the secretary to join her on a visit to the public school district in rural Van Wert, Ohio. "It was clear that the school is strongly supported by the community," Mrs. DeVos recalls. "But my suspicion is that if you polled every single parent in that school, a few of them would probably say if they had a choice to do something different, they probably would for their child." Still, she believes she and Ms. Weingarten "can find some common ground on some of the things that we are both advocating for."

Ms. Weingarten is not so agreeable. At a union conference in July she gave a speech with the portentous title "Our David vs. Goliath Battle to Resist Injustice and Reclaim Promise of Public Education." The talk noted that Van Wert "went overwhelmingly Republican" in the 2016 election. (Mr. Trump took 76% of the county's vote.) "Does that mean that the people of Van Wert agree with everything Donald Trump and Betsy DeVos are trying to do, like end public schools as we know them in favor of vouchers and privatization and making education a commodity?" Ms. Weingarten asked. "Not in the least. The people of Van Wert are proud of their public schools."

She went on: "Unfortunately, just like climate change deniers deny the facts, Betsy DeVos is a public school denier, denying the good in our public schools and their foundational place in our democracy." She answered Mrs. DeVos's clumsy remark about black colleges with a calculated show of racial demagoguery: "The 'real pioneers' of private school choice were the white politicians who resisted school integration."

Mrs. DeVos's opponents show no indication of repaying her civility in kind. Perhaps that is a back-handed acknowledgment that they regard her as a formidable foe.

Mr. Taranto is the Journal's editorial features editor.

L.A. Discovers Historic Preservation, and Promptly Goes Overboard



CROSS COUNTRY
By R. Daniel Foster

Los Angeles once had a reputation for tearing down buildings without consideration of historical merit. No longer. Today only New York exceeds Los Angeles in the number of structures covered by historical designation. The trend extends throughout Los Angeles County, which contains 88 distinct local governments. That's a victory for history, but not for homeowners, who say this patchwork of preservation programs has depressed housing prices and complicated sales.

Ellen Alperstein's 1905 Santa Monica beach cottage has been on her city's "historic resources inventory" for nearly a decade. But she only discovered this in January—after she accepted an offer from a buyer. (Los Angeles homeowners are not informed when their homes are listed on historic inventories, which include photos of homes as well as property descriptions.) When the historical designation surfaced, the buyer fled, knowing it would hamper demolition. Ms. Alperstein sold the home a few months later to someone with keener historical interests, though for about 20% less than the first offer.

"I believe in the importance of preservation—cities have an obligation to protect structures of historic value—but I was sandbagged," Ms. Alperstein told me. "I realized I was going to spend my retirement fighting to save my retirement. If a home is deemed that historically valuable, you can't expect a homeowner to donate it. Government should compensate you for the loss of your investment."

A few states have laws requiring

precisely that. In Arizona, thanks to a ballot initiative passed in 2006, landowners must be reimbursed when government regulations, such as historical designations, hit their property values. A 1995 Florida law provides similar relief.

"Your average Joe Homeowner doesn't have the money, resources, or energy to fight city hall," Christina Sandefur, executive vice president of the Phoenix-based Goldwater Institute, said in an interview. "The scales

always tip in the favor of preservation.

Laws like these force the government and community to determine whether so-called preservation is really worth it—because currently, the cost is always borne by the property owner.

The Goldwater Institute wants to take these kinds of protections national. It drafted a bill, the Property Ownership Fairness Act, that if passed by Congress would require governments to pay fair compensation for regulatory "takings," except when they are needed to protect public health or safety. For example, a local government could compel homeowners to fix structurally unsound roofing that could harm pedestrians. The bill would also mandate that private property may be taken only for "truly public uses," language aimed at the Supreme Court's much maligned 2005 decision in *Kelo v. City of New London*.

Los Angeles is taking its own steps

toward reform. One problem has been that anyone can file a landmark nomination for a house, leading to a public review hearing, without anyone ever having informed the homeowner what is happening. Ken Bernstein, L.A.'s principal city planner, acknowledged that it's true homeowners can be "blindsided" by the process. The Department of City Planning proposed amendments to the city's Cultural Heritage Ordinance earlier this year to fix the untoward practice. Homeowners would receive earlier notification of a landmark nomination—when it is "deemed complete," said Mr. Bernstein. Stays on demolition and alteration permits would also be moved up to match that notification. He expects the city council to approve the amendment by the year's end.

Backers of historical preservation can also be overzealous, Ms. Sandefur said, giving homeowners the impression that there are no set rules. Consider the fate of Bob Hope's 1939 estate in Toluca Lake. Hope and his wife had directed that the property be sold after their deaths and the money given to charity. But last year a would-be buyer, already in escrow, applied for a demolition inspection permit for a pool house and garage. When word of the demolition permit reached David Ryu, a Los Angeles city councilman, he introduced emergency legislation to landmark the property.

That set off a hurried political battle. The city's Cultural Heritage Commission, after hearing the charitable plan for the sale proceeds, voted in November against preservation. The City Council failed to override that decision in a February vote. Meanwhile, the pending sale fell through and other potential buyers were scared off.

It also must be said, however, that

careless demolition by homeowners helped create today's problems. Some cities had their preservation ordinances tightened about 15 years ago, after several high-profile homes were willfully razed. The standout example was a modernist house in Rancho Mirage, designed in 1962 by the famed architect Richard Neutra. A man named Richard Rotenberg bought the home for \$2.45 million in 2002. Within weeks, without any explanation, he had it demolished. He sold the empty lot after about a year, leaving a scar on the land. The architectural world went apoplectic.

Notable & Quotable: Melania

Lynn Yaeger, writing at Vogue.com, Aug. 29:

This morning, Mrs. Trump boarded Air Force One wearing a pair of towering pointy-toed snakeskin heels better suited to a shopping afternoon on Madison Avenue or a girls' luncheon at La Grenouille.

While the nation is riveted by images of thousands of Texans wading with their possessions, their pets, their kids, in chest-high water, desperately seeking refuge; while a government official recommends that those who insist on sheltering in place write their names and social security numbers on their arms, Melania Trump is heading to visit them in footprint wear that is a challenge to walk in on dry land....

What kind of message does a fly-in visit from a First Lady in sky-high stilettos send to those suffering the enormous hardship, the devastation of this natural disaster? And why, oh why, can't this administration get anything, even a pair of shoes, right?

Every city ought to work to preserve its historical architecture, which does nothing less than tell the area's evolving story. But preservation should not trample on homeowners' rights to receive fair market value for their property. Ms. Alperstein bought her house nearly 30 years ago, and the reduced sale price put a significant dent in her savings.

"I bought that house to secure my future," she said. "My retirement is less secure because of that one step taken without my knowledge."

Mr. Foster is a writer in Los Angeles.

CROSS COUNTRY
By Lynn Yaeger, writing at *Vogue.com*, Aug. 27, 2007:

The country may be ready for a woman in high office, but can we shed its lurid fascination with the details of her wardrobe? ...

The problem, in a nutshell, is this: Unlike their male counterparts, women politicians have no single way that they are expected to dress. Whatever you do, you're wrong: You're either too sexy or too dowdy; too soignée or too sloppy. The apparently irresistible desire to savage women transcends party and even international lines: Condi Rice's butchy boots and her shopping trip to Ferragamo on Fifth Avenue (OK, so it was only a few days after Hurricane Katrina) were widely excoriated; Sérgoléne Royal, the Socialist candidate for the presidency of France (if she wins, she'll be that country's first female head of state) was hammered for traipsing around the slums of Chile in spike heels ...

OPINION

REVIEW & OUTLOOK

More Worker Visas for Less Government

The biggest labor story this Labor Day is the trouble that employers are having finding workers across the country. Friday's report of a modest gain of only 156,000 new jobs in August doesn't change that reality even though the jobless rate rose a tick to 4.4%.

There are many reasons for the shortage, including drug use among the young, the disincentive to work due to easier disability, and the skills mismatch between what employers need and what kids learn in poor K-12 public schools. But the shortage will increase if the economy grows faster, so it's good news that some in Congress have ideas to mitigate labor shortages in fields like construction and technology.

Senator Ron Johnson (R., Wis.) recently introduced a bill that would allow states to start visa programs for foreign guest workers that are currently managed by the federal government. The State-Sponsored Visa Pilot Program Act would allow for about 500,000 visas, with 5,000 for each state and the rest divvied up by population. The cap would be indexed to GDP growth. States would be free to decide which skill levels or industries would be eligible—and free not to participate in the program. Rep. Ken Buck (R., Colo.) is working on companion legislation.

Such visas might alleviate a shortage of farm hands in places like California's Central Valley, which is leaving millions in crops to rot unharvested even as employers are raising wages and offering benefits. In Sen. Johnson's Wisconsin, the unemployment rate is 3.2%, and manufacturers report thousands of openings. Wisconsin's boat industry is hunting for mechanics; a state vocational school in Ashland reports that

employers around the country are bidding for its graduates in marine mechanics.

The Johnson bill would permit workers to change employers, which would force companies to bid for workers. A worker who came from Canada or elsewhere would not be eligible for welfare such as food stamps. Also included: Restrictions for states whose workers are routinely discovered as working illegally outside the sponsor state.

Legislators in Colorado (jobless rate: 2.4%) and Utah (3.5%) have in past years passed measures to start state worker programs, as a Cato Institute brief on the bill points out, though the federal government has refused to grant legal clarity. The American Action Forum's Jacqueline Varas reports that allowing state programs would create 900,000 to 1.2 million jobs—for American workers. Bringing in workers from abroad allows companies to grow and expand opportunities for U.S. citizens.

Another benefit would be political accountability. Voters could hold their governors and state legislators responsible for success or failure. The idea also concedes the reality that the labor market in Fort Wayne, Ind., differs from the one in Silicon Valley. States are better able to notice which industries need workers, and tailor the visa eligibility accordingly.

Congress has tied itself in knots for years over immigration because the Members insist on trying to move grand bills to settle every issue rather than discrete bills to address specific problems. The bills collapse of their own weight. Sen. Johnson's idea would be a good start in addressing the urgent problem of America's labor shortage.

Navigating ObamaCare

One of the more evidence-free claims on the left is that the Affordable Care Act worked brilliantly before Republicans tried to dismantle it. Witness the claim this week that the Trump Administration is trying to tank the law's exchanges, which are struggling from lack of consumer choice and affordability, not from a lack of government marketing.

Health and Human Services announced on Thursday that the agency will alter the funding structure for ObamaCare "navigators." These are the community outfits the Obama Administration paid to steer folks through the Affordable Care Act's subsidies and penalties. Last year the Obama Administration handed out \$62.5 million in grants for open enrollment for 2017, and the period arrives again in November.

The Trump Administration will tie grants to performance, and this is a classic government jobs program. One grantee took in \$200,000 to enroll a grand total of one person. The top 10 most expensive navigators collected \$2.77 million to sign up 314 people, and it would have been much cheaper to offer to pay all of their premiums for a year.

All told, the navigators last year enrolled about 81,000 people, less than 1% of the total. In fairness to the navigators, it would be tough to sell any product that millions of people are paying fines to avoid buying.

HHS will reduce funding for enrollment advertising—television ads, for example—to \$10 million from \$100 million last cycle. The new budget is about the figure for promoting Medicare Part D and Medicare Advantage, HHS

has noted. The money will be directed to targeted campaigns like emails and texts.

Critics accuse the Trump Administration of trying to sabotage the exchanges, and it's amusing to imagine that the problem with ObamaCare is that not enough people have heard about it. Navigators will receive funding based on enrollment goals; a grantee that enrolled 50% of projections will receive 50% of last year's funding. More than \$36 million will be paid out. So those who are competently enrolling people will still receive funding, and why pay those who aren't?

Last year's marketing blitz—double the \$50 million spent in 2015—produced no bump in enrollment, so classify as bogus the complaint that such moves "will create chaos in the health marketplaces," as Democratic Leader Nancy Pelosi claimed in a statement this week. Individuals who want to sign up for ObamaCare can find Healthcare.gov easily enough, and the website lists a number for staffed call centers. Another false contention is that this won't save taxpayer money because much of the funding comes from fees on insurers, as if that isn't a tax passed onto consumers and individuals that will end up in larger taxpayer subsidies.

HHS is in the unenviable position of having to manage a broken law that the GOP failed to repeal, and the agency has an obligation to direct resources to their best use. There are more urgent health-care priorities than informing the public about insurance that Americans know is available but may not want or can't afford.

French Labor Liberation Day

French voters this spring gave themselves their best shot in a generation at reviving their moribund economy, and President Emmanuel Macron is now taking advantage of the opportunity. The final draft of the labor-market reforms he unveiled Thursday could remake the eurozone's second-largest economy.

Few areas of French labor law remain untouched. Most important, Mr. Macron will limit the severance payouts courts can mandate for fired workers. He will free small companies with nonunion workers from the straightjacket of national collective-bargaining agreements covering working hours, overtime pay, vacation benefits and the like. Companies will have more scope to negotiate labor deals at the firm level rather than being forced to abide by national agreements.

The severance overhaul will go a long way toward inducing businesses to hire more workers. Small- and medium-size French companies report pervasive fear of expanding their workforces lest they be stuck with problem employees or face ruinous expenses to lay off workers if economic conditions change.

These restrictions help explain why French unemployment is still 9.5% even at its five-year low. That's double the rate in Germany, and French unemployment has become a social crisis, especially for young people frozen out of the job market. The jobless rate for French between ages 15 and 24 is 25%—for those who haven't moved to London or the U.S.

Mr. Macron speaks often of France's need to transform itself into a "start-up nation," and what entrepreneurial companies need as much

as capital is flexibility. His labor reforms would give them new freedom to innovate and are crucial to the larger cultural shift in France's attitude to entrepreneurship and risk-taking that Mr. Macron wants to promote.

None of these reforms are new ideas. Previous governments recognized the need for them, and Mr. Macron was

hired by his predecessor, François Hollande, in a failed bid to pull off similar overhauls. But the politics are different now, and this is Mr. Macron's main achievement. He won the May election, and he then led his party to a majority in the National Assembly in June on these reforms.

This mandate helped Mr. Macron wrest grudging acquiescence from some of France's biggest labor unions after a months-long negotiation in which he appears not to have made major concessions. Several union leaders said Thursday they will not join street protests planned by more radical unions.

France isn't becoming a laissez-faire paradise. Even if Mr. Macron's labor overhaul takes effect, the French workplace will still be considerably more regulated than America's. Mr. Macron also promises tax reforms, including rate cuts for businesses and individuals, and a pension overhaul. Both face considerable political headwinds. But those looming battles are all the more reason for Mr. Macron to go big and early on his labor promises.

The labor reform by itself would be transformative for France's economy. Mr. Macron's political rise has been a reminder that French torpor is a choice. His policy ambition is a sign that France may finally choose something else.

LETTERS TO THE EDITOR

Economics Is About Trade-Offs, Not Solutions

Thanks to Greg Ip for sticking up for my profession ("In Defense of the Dismal Science," Review, Aug. 26). Naturally, like any good economist, I disagree with one of his points.

Mr. Ip quotes Vice President Mike Pence as saying, "People in Fort Wayne, Indiana know different" about the state of the economy. Seven years of 1.5% annual growth isn't a sign of a healthy economy. Indeed, the government's own statistics tell the story. The labor-force participation rate remains at historic lows. Much of the decrease is in the 18-34 age group, while participation rates have increased for those 55 and older. Getting your first job is an important event in that it prepares you for working life. The longer that event is postponed, the more likely you won't get a very good job or have a very good career.

Second, look at the underemployed. The Bureau of Labor Statistics calls these folks "part-time for economic reasons." Across all age groups that percentage jumped in 2010 because those who wrote the regulations for the ACA defined full-time work as 30 hours a week. Employers aren't required to offer health insurance to part-time workers. In effect, that increases the cost of full-time workers relative to the cost of part-time workers. And, as basic economics predicts, increasing the cost of an activity means there will be less of that activity.

The labor market isn't in very good shape. People in Fort Wayne do, indeed, understand this. It amazes me how few economists realize this.

EM. PROF. TONY LIMA, PH.D.
*California State University, East Bay
Hayward, Calif.*

Mr. Ip is correct in saying we are asking the wrong thing from economists—that is, predictive solutions for an unknowable future. I liken this to our often blind faith in elite experts of every stripe to solve our problems for

us. Thomas Sowell had the best answer for setting our expectations for economists when he sagely noted, "Economics is not about solutions; it is about trade-offs." Overlaying all economic pronouncements with this insight would give everyone a more reliable model of how the world actually works.

JACK LOCHRIE
Farmington Hills, Mich.

Mr. Ip writes that bankers and traders "took on so much risk that they nearly destroyed the global financial system." The reality is that U.S. taxpayers took on this risk as Fannie Mae and Freddie Mac, among others, were large purchasers of mortgage-backed securities. This was a classic case of moral hazard, and everyday Americans were crushed.

Meanwhile, I'd argue there has never been more need of economic analysis as we face looming crises with our Social Security and Medicare programs. We have obvious need for better fiscal policy to aid our slumbering economy, which has been growing below trend for nearly a decade now.

JOHN FLETCHER
Cedar Rapids, Iowa

Maybe undergraduates should substitute the "Day Without Art" they celebrate annually with a "Day Without Math." A serious problem with today's culture is that knowledge of Proust and Joyce is requisite to be considered "educated" while familiarity with Euler and Gauss is not. Your iPhone works without the former pair but not without the latter. It is high time our leaders got beyond the culture wars and recognized this fact. It would do more than any economist could to bolster the economy. Proust famously wrote there is no place for facts in this world of preconceived ideas. It's about time we made room for them.

BRETT HOLLEMAN
Los Angeles

support it is the only way to make that a reality.

JAY CLEVELAND
*President & CEO
Cleveland Brothers Equipment Co.
Murrysville, Pa.*

Gov. Cuomo deserves credit for exercising restraint. Just because there are abundant energy resources deep beneath the land, it's not necessarily the best plan to extract them. Do we truly understand the long-range repercussions and trade-offs? Gov. Cuomo seems to at least be considering this question with the seriousness it deserves.

KATHLEEN DESMARTEAU
Marietta, Ohio

Googlers: How Free Do You Feel to Express Your Views?

Regarding the Aug. 18 letter from Scott Williams, which states that James Damore's "most dishonest claim is that his views were suppressed": the writer's rationale for this absurd statement is that Mr. Damore's letter was freely circulated at Google and he wasn't forced to delete it.

This is a perfect example of muddled leftist thinking. Did the writer miss the part where Google fired the guy? What message does that send, I wonder, to anyone else at Google thinking of expressing a different point of view. Let's see: "Should I freely express my opinions and ideas which, if they don't happen to reflect my company's liberal party line, will most likely cost me my job—or should I just keep my mouth shut?" If that's not suppression, I don't know what is.

ESTELLE SHAY
Riverside, Calif.

The brilliant Mr. Damore should have realized that $(X + X) > (X + Y)$.

DAVID J. GROSS
St. Augustine, Fla.

*

Pepper ... And Salt

THE WALL STREET JOURNAL



Sometimes Stereotypes Can Be a Helpful Formulation

Regarding Christine Rosen's review of Jean M. Twenge's "iGen" (Bookshelf, Aug. 24): "iGen" is a book that makes sweeping generalizations about an emerging demographic, and if it is reductive it is also fascinating and useful. I find it very interesting that while it is no longer valid or allowable in the U.S. to recognize that stereotyping groups of people or situations still has relative value, this article does just that. Yet it still draws the correct conclusions. It also encourages me to pick up my old copies of "1984" and "Animal Farm" and reread them as quickly as possible.

DOUGLAS ELSLAGER
Jupiter, Fla.

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"After seventeen years of marriage, could we not split the check?"

OPINION

The American Spirit Is Alive in Texas



DECLARATIONS
By Peggy Noonan

Give Texas what it needs. It has endured a disaster without precedent. Washington must move quickly, generously. There should be no "The relief bill must be offset by cuts in federal spending." There should be no larding it up or loading it down with extraneous measures. This is an emergency.

This is no time to threaten government shutdowns. It's no time to be dilating on debt ceilings. This is the time to know as never before that everything that holds us together as a nation must be strengthened whenever possible, and whatever sinks us in rancor avoided and shunned.

'Hold the line,' Jim Mattis exhorted soldiers. In the face of a disaster, civilians are doing just that.

Give Texas everything it needs, and do it right quick.

Most Americans, including Texans, don't have more than a few hundred dollars in available savings. Most live close to the edge, paycheck to paycheck. Most homeowners in Houston don't have flood insurance. When they're lucky enough to get out of the shelter, they'll return to houses that are half-ruined—wet, moldy, dank, with no usable furniture—and with kids coming down with colds and stomach ailments from stress or from standing water that holds bacteria and viruses. It will be misery for months. When the trauma is over, there'll be plenty of time for debate. Do we need

to hold more in reserve for national disasters? Do local zoning laws need rethinking? All worthy questions—for later.

There is such a thing as tact. It has to do with a sense of touch—an ability to apprehend another's position or circumstances, and doing or saying the right thing. There is, believe it or not, such a thing as political tact. It too involves knowing the positions of others, and knowing what time it is.

Politicians, don't use this disaster to score points or rub your ideology in somebody's face or make your donors smile by being small, not big.

Give Texas what it needs. Keep the government up and running. Don't even consider doing otherwise.

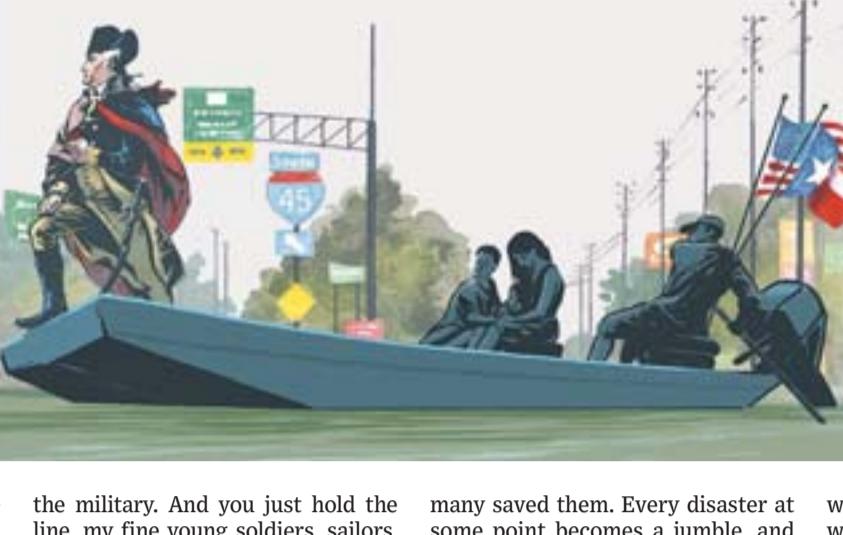
Now another subject, which ties back to Houston. A lot of people this week were saying, "You should see that Mattis speech." A frequent answer was: "I did. I play it over and over."

A week or so ago, probably in Jordan, Defense Secretary Jim Mattis had an impromptu meeting with what looked like a few dozen U.S. troops. Someone taped it. This is what Mr. Mattis said: "Hold the line."

"For those of you I haven't met, my name's Mattis," he began. "Thanks for being out here, OK? I know at times you wonder if any of us know . . . but believe me, I know you're far from home every one of you, I know you could all be going to college you young people, or you could be back on the block. [We're] just grateful. . . ."

"The only way this great big experiment you and I call America is gonna survive is if we've got tough hombres like you. . . . We don't frickin' scare, that's the bottom line."

"You're a great example for our country right now. It's got some problems—you know it and I know it. It's got problems that we don't have in



the military. And you just hold the line, my fine young soldiers, sailors, airmen, Marines. You just hold the line until our country gets back to understanding and respecting each other and showing it, of being friendly to one another. That's what Americans owe to one another—we're so doggone lucky to be Americans."

He ended: "I flunked retirement, OK? Only reason I came back was to serve alongside young people like you, who are so selfless and frankly so rambunctious."

This was the voice of true moral authority, authority earned through personal sacrifice. Speeches like that come only from love.

But it was particularly poignant that Mattis's speech, with its refrain—"Hold the line"—spread so far and fast this week.

And so, to selfless and frankly rambunctious Texas:

If you gave just a few minutes to the news, you saw it all—the generosity and courage, the sense of community, of people who really care about each other. You saw the pontoons and air mattresses and bass boats and rowboats and pool floats in which people were rescued. No one knows how many were saved or how

many saved them. Every disaster at some point becomes a jumble, and people stopped counting. But surely tens of thousands were saved.

We all saw it, often live, on television and the internet because of excellent reporters and crews:

A mother with little children was marooned, the water in her home rising dangerously. "I didn't know who to call. I didn't know if it was going to be too late." Suddenly, there were men outside the house coming for her. "It was just an angel," she said as she wept from the back of their boat.

Houston Police Chief Art Acevedo honored Steve Perez, the 60-year-old cop who drowned in his patrol car. When Mr. Acevedo spoke to Perez's widow, she told him she'd begged her husband not to go in but he'd told her, "We've got work to do." The chief told her: You know who he was, if he had to die, he wouldn't want it to be home in bed, he would have wanted it to be on the job and trying to help. "Because he has that in his DNA," said Mr. Acevedo.

On one channel they were looking for what they'd heard was a group of abandoned horses being led through the streets by a guy in a jet ski. In Columbia Lakes a local man showed a

reporter the homemade barrier he'd built to protect his neighbors in case the levee broke. He wasn't afraid: "We don't do drama."

On Facebook there was the story of the woman who went into labor while the waters quickly rose. Word spread through the apartment complex. Soon a huge, heavy truck made its way to her door. Neighbors formed a human chain to help her out. She got to the hospital and gave birth to a girl.

There were a lot of human chains. And often when they showed people being pulled from houses the families were all ethnicities and races, the whole American mix—black mamas, white papas, mixed kids, an Asian child. On the national level America always sounds like a constant argument over race. On the local level, meantime, everybody has been happily integrating in the most personal possible ways.

The local ABC station caught a young Catholic priest, a French Canadian assigned to a Houston parish, out in a kayak in heavy rain looking for people who could use a Mass. "I guess this is how the Americas were evangelized as well with a canoe," he said, "and this is a kayak. I hope that can bring a smile to a few people." Noticing the TV cameras, he said: "I guess we're live. The Lord is alive, and the Lord is always with us as well."

And of course there was the Cajun Navy, from Louisiana, performing its own spontaneous Dunkirk. Texas had taken them in after Katrina. Now it was "Sam Houston, we are here."

We are a great nation. We forgot. But what happened in Texas reminded us. It said: *My beloved America you're not a mirage, you're still here.*

If they'd done only that, they'd deserve whatever they need.

They held the line.

From Cicero to Trump, They're All in Plutarch's 'Lives'

By Rebecca Burgess
And Hugh Liebert

Thuscides has been enjoying quite the media moment, despite being dead for more than 2,400 years. Defense Secretary Jim Mattis and national security adviser H.R. McMaster have both been known to cite the Greek historian's "Peloponnesian Wars," which narrates the ancient conflict between Athens and Sparta. In May a group of

Truman said the essayist 'knew more about politics than all the other writers I've read put together.'

staff at the National Security Council reportedly received a briefing from Graham Allison, who wrote a recent book about the "Thucydides trap." Not to knock Thucydides, but Washington should reconfigure its reading list. There's a better book for today's times: Plutarch's "Lives."

"They just don't come any better than old Plutarch," President Harry Truman told biographer Merle Miller after he'd left office. "He knew more about politics than all the other writers I've read put together. When I was in politics, there would be times when I tried to figure somebody out, and I could always turn to Plutarch, and 9 times out of 10 I'd be able to find a parallel in there."

Until fairly recently, the leading lights of Europe and America would have agreed. Plutarch's "Lives," which details the characters and careers of Greek and Roman men of action, were considered essential reading for citizens and statesmen. When the Founding Fathers clashed in political pamphlets, they wrote under names like Publius, Cato and Brutus. Alexander Hamilton was a huge Plutarch fan. So was his rival Thomas Jefferson, who recommended the

"Lives" to several correspondents and made sure the University of Virginia had a copy. For more than a century after America's founding, the classicist Meyer Reinhold has claimed, Plutarch's Lives was the country's most-read book after the Bible.

What made Plutarch so popular? He offered an education in civic virtue, packaged in a way that was pleasant to read. Our closest translation of the Greek word for "life" used in the book's title is "biography," but it can also mean "way of life." Plutarch's "Lives" offered both: It described each subject's actions and character from birth to death, providing models for the reader to emulate. Thanks to Plutarch's taste for the fine details that he says reveal "the signs of the soul in men," citizens of the new American republic could intimately know the legends of antiquity and shape their own souls accordingly.

Plutarch also wrote his lives in parallel: He paired Greeks and Romans, concluding each presentation with a short "comparison" that prodded readers to decide which of the two was superior and in what respects. The point wasn't to show that the Greeks were better than the Romans or vice versa, but to reveal the character of the competitors and nudge readers to form judgments about virtue.

Consider one pairing: Pericles, the great Athenian general who lived around 450 B.C., and Fabius, the consul of the Roman Republic who came along about 200 years later. It's easy to admire both passively. Asking readers which of the two is better forces them to consider what exactly "better" means and how it applies to particular cases. Plutarch put his readers into the role of citizens casting a vote between worthy statesmen.

Plutarch did so, however, long after the ancient republics had declined. A citizen of the Roman Empire, he lived around A.D. 100 in the

small Greek city of Chaeronea. He held local office and spoke with disdain of talented peers who decamped for careers in the metropolis. Fellow Greeks, he advised, should keep good relations with their Roman rulers, but not be too hasty to involve Rome in local affairs. Plutarch worried that demagogues might elicit Roman intervention, and thus he offered tips to fellow elites in how to oppose them. His "Lives" were meant in part to remind contemporaries what politics looked like before centralized Roman power eclipsed the cities. If a man acts on behalf of the polis, Plutarch once wrote, he is not ignoble; on the contrary, his "attention to duty and zeal are all the greater when applied to little things."

Because Plutarch wrote at some remove from the lost world he depicted in his "Lives," some readers have found him unreliable and out

of touch. The British historian Thomas Macaulay wrote in 1828 that Plutarch and similarly earnest writers "conceive of liberty as monks conceive of love." But Plutarch's distance from the pre-imperial politics he depicted was also an advantage. It allowed him to view the sweep of history, from the formation of the Greek cities to their subjugation, and from the mythical founding of Rome to the end of the Republic. Plutarch distilled it all into a curriculum of contests meant to stimulate civic virtue no matter the context of his readers.

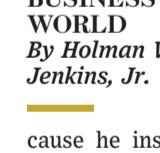
Today statesmen are scouring Thucydides for some rule so timeless that it applies to modern America just as well as it did to ancient Greece. To the extent that any such rules exist, Thucydides is surely a worthy guide. But Plutarch suggests that citizens and politicians need a different kind of education. The goal

is teaching them to practice good judgment and hone their ability to discern when a proposition holds true and when it does not.

Plutarch aspired to shape character, whether his readers were local leaders in small Greek cities or important officials in Rome's imperial hierarchy. He showed citizens how to admire and censure those in power, not to mention how to evaluate candidates for such positions. Two millennia later, in an age of novel threats and rising dangers, they still don't come any better than old Plutarch.

Ms. Burgess manages the Program on American Citizenship at the American Enterprise Institute. Mr. Liebert is an associate professor of political science at the U.S. Military Academy and author of "Plutarch's Politics: Between City and Empire."

When the Truth Is Crazy



BUSINESS WORLD
By Holman W. Jenkins, Jr.

Two things are intriguing about the "Trump is mentally ill" murmur that CNN's Brian Stelter, on his show "Reliable Sources," claimed is rife among the media. Mr. Trump's mental health is being questioned because he insists on saying a true thing about the violence in Charlottesville. Even the visible dismay on the faces of his own aides at his Aug. 15 press conference was there because he spontaneously reverted to the truth when they thought they had extorted his promise to refer only to the violence of the white-supremacist groups.

The other thing to notice is that "Trump is a liar," another favorite media theme (one with considerable validity), has had to be put on hold for the duration.

Mr. Trump is being diagnosed as crazy for insisting on an undisputed fact. Sociologically, this is interesting. A columnist of a more polemical bent might even make reference to the Soviet-era practice of condemning citizens to mental institutions for questioning the lies of the state.

This would be a cheap shot. Failure to conform, in any society, is treated in casual parlance as prima facie evidence of insanity. And the media, in any society, exist at least partly to enforce such conformity, not truthfulness.

Let me repeat: Many who enter the media profession do so because they have an extraordinary need to conform, to be seen conforming, to make others conform.

It is only a slight oversimplification to say there are two kinds of people in the world.

Call one Steven Mnuchin. He, with

genuine perplexity, answered an open letter from his Yale colleagues by saying: "While I find it hard to believe I should have to defend myself on this, or the president, I feel compelled to let you know that the president in no way, shape or form, believes that neo-Nazi and other hate groups who endorse violence are equivalent to groups that demonstrate in peaceful and lawful ways."

Trump is diagnosed with a severe case of conformity-resistance syndrome.

Call the other Gary Cohn, who felt the need to proclaim his dismay that anybody would "equate" violent racists with peaceful protesters, though no one did, including President Trump.

Now here's where we throw a curveball. There is a reason politicians constantly preach to themselves to stay "on message." The goal of political speech is always instrumental, to bend the game to your benefit, to minimize the opposition's opportunity to gain advantage.

Mr. Trump's failure to stay on what his staff, including Mr. Cohn, obviously think is the proper message in relation to Charlottesville has been costly. If Mr. Trump hoped to deliver tax reform, his chances seem slimmer now. If he hoped to build his rapport with Republicans and lead them to victory in the 2018 midterms, that also seems a mite less likely now.

Then again, does Mr. Trump really want these things? Did he really want to be president at all? These questions at the time made nominating him seem like a bad idea. Mr. Trump's purposes are not your purposes, Republicans. You forget this at your peril.

Unfortunately another accident intervened: Russia. That Democrats and the media spent so much of his first months trying to paint Mr. Trump as a Russian agent needs to be explained: this theme hand-delivered to them by a U.S. intelligence establishment now trying to cover up its earlier Inspector Clouseau efforts to keep Mr. Trump out of the White House.

The true story of the Trump era will take a novelist, not a historian, to do it justice.

THE WALL STREET JOURNAL.

PUBLISHED SINCE 1889 BY DOW JONES & COMPANY

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SPORTS

NCAA

2017 College Football's Grid of Shame

WINNING GOES a long way in college football. It packs stadiums, brings in money and can even lead to the glory of a national championship. But at many programs, there's a qualifier: How much did fans have to grit their teeth and pinch their noses on their way to those victories?

This is the awkward harmony of college football. There's what happens on the field, which grips fans like nothing else on Saturdays.

Then there's what goes on off the field, which may be the only thing capable of overshadowing the football itself.

Now the season is set to kick into full gear this weekend. Which means it's time for The Wall Street Journal's annual Grid of Shame, an exercise that quantifies answers to the two most important questions about your favorite team: How good are they? And how embarrassed should you be about them?

For the top programs in the country, the Grid calculates answers to both of these questions. It's mostly pure numbers, with the slight help of college football's invisible hand to fix anything that doesn't come through in the data.

The simple part is the horizontal axis: It measures how good a team is expected to be on the field this season. On this axis, you want to be as far right as possible—where you'll find No. 1 Alabama.

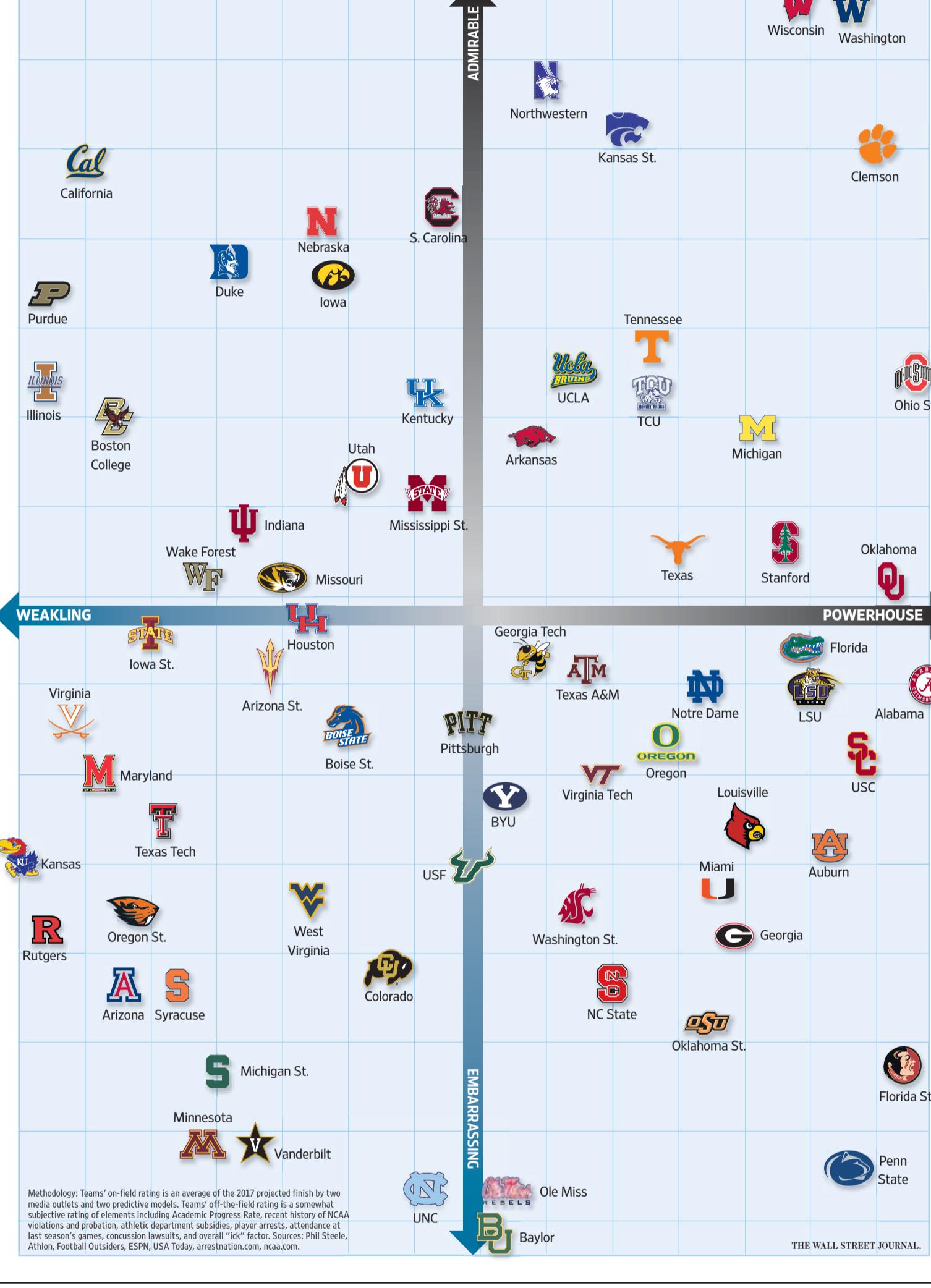
The vertical axis—also known as the shame meter—is more complicated. The basis of it is still in raw data. It begins with a weighted calculation of academic performance, recent NCAA violations and probation, attendance figures, athletic-department subsidies and player arrests.

Except even this rich set of data doesn't fully capture the breadth of scandal and disgrace possible in this sport. For example, how do

you quantify what has gone on at Ole Miss? The school faces not just an investigation for NCAA violations, but also a sticky situation in which the coach, Hugh Freeze, left after revelations he called escorts on his university cellphone.

These situations help explain the "ick" factor. We penalize teams for the things that bring shame to their fans but may not show up in any spreadsheet.

—Andrew Beaton



U.S. OPEN | By Tom Perrotta

A WIDE OPEN FIELD IN FLUSHING

BY TOM PERROTTA

AS LABOR DAY weekend approaches for the U.S. Open, there's an unusual vibe among tennis observers: No one has any idea what's going to happen next.

The U.S. Open is wide open this year, for both the men and the women. For the men, injuries to four top players—Novak Djokovic, Andy Murray, Kei Nishikori and Stan Wawrinka—made the tournament a fine opportunity for the rest, especially 20-year-old Alexander Zverev and 26-year-old Grigor Dimitrov. And then presto, both of them went down in the second round to unseeded players.

Tomas Berdych, the 15th seed, choked, with a loss to the unseeded Alexandr Dolgopolov in four sets.

Then on Friday, Marin Cilic, the fifth seed, was beaten, too: 4-6, 7-5, 6-4 by Diego Schwartzman, a 29th seed from Argentina. The upset means a first-time

Grand Slam finalist will come from that half of the draw. Roger Federer and Rafael Nadal are on the other side of the draw.

The uncertainty for the women is in part due to the absence of Serena Williams, the winner of 23 Grand Slam singles titles who gave birth to her first child on Friday. Maria Sharapova started the wildness by beating Simona Halep, the second seed, in the first round. Karolina Pliskova, the top seed, struggled against unseeded American Nicole Gibbs in the second round while Svetlana Kuznetsova, seeded eighth, lost to an unseeded woman from Japan, Kurumi Nara.

This weekend, at last, the tournament could begin to settle. Take Federer, who has won two matches so far but needed five sets in both. Either he'll win more easily this weekend, or he could run out of energy. Federer, 36 years old, chose the positive view.

"I still believe I'm going to pick up my game and become just more consistent because I'm not playing

all that bad," Federer said. "With a bit of fatigue, that's OK. I've done that hundreds of times."

Nadal, 31 years old, has so far looked the best among the men, but he hasn't looked like a true Nadal just yet. On Thursday evening he had to battle Taro Daniel, an unseeded player, and looked out of sorts when he lost the first set before winning the next three. Nadal has played poorly on the hard courts this summer and made 35 unforced errors against Daniel.

"That's a bad number for me," Nadal said. "I need to fix that." Nadal's next match is on Saturday, against Leonardo Mayer, who is unseeded.

In the women's tournament there has been a surprise: Petra Kvitova looks like herself again.

Kvitova, 27 years old, lost much of this season after being robbed at home last year and attacked by a man with a knife. Kvitova, who received damage to her left hand, returned to the tour at this year's French Open and now plays power-

ful and loose. She won her third round match against Caroline Garcia on Friday in straight sets, 6-0, 6-4.

Kvitova will next face the top player in women's tennis this summer, Garbiñe Muguruza, who is seeded third. Muguruza won an easy match on Friday, losing just two games.

Among the American women, 22-year-old Madison Keys looks promising. She'll face Elena Vesnina, from Russia, in the fourth round. Another American woman

playing on Saturday: Shelby Rogers, who won a three-hour and 33-minute match on Thursday, the longest women's match in U.S. Open history.

Last but not least is Venus Williams, 37 years old and still hitting and scrambling like a Grand Slam contender. Williams, who won on Friday, could advance to the quarterfinals with a victory on Sunday. She would then face either Kvitova or Muguruza in an exciting match.



Petra Kvitova is staging a comeback after being injured in a robbery last year.

SHANNON STAPLETON/REUTERS



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THE WALL STREET JOURNAL.

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DJIA 21987.56 ▲ 39.46 0.2% NASDAQ 6435.33 ▲ 0.1% STOXX 600 376.14 ▲ 0.6% 10-YR. TREAS. ▼ 10/32, yield 2.157% OIL \$47.29 ▲ \$0.06 GOLD \$1,324.50 ▲ \$8.30 EURO \$1.1863 YEN 110.27



After setting a record in 2016, U.S. auto-industry sales have posted lower growth in each of the first eight months of this year.

Stop and Go

GM reported strong results but overall vehicle sales in the U.S. continued to struggle in August.

Vehicle sales by company



*Seasonally adjusted Sources: Autodata (sales); St. Louis Fed (selling rate)

Annualized selling rate*



THE WALL STREET JOURNAL.

Car Sales Wheeze After Long Climb

BY MIKE COLIAS
AND CHRISTINA ROGERS

U.S. auto industry sales continued to slump in August amid mounting signs that American car buyers have become more fickle following a seven-year growth streak.

While General Motors Co. and Toyota Motor Corp.

notched relatively strong gains, fueled in part by heavier discounting, others reported lower results, with some citing lost sales tied to Hurricane Harvey.

U.S. light-vehicle sales in August fell 1.9% from a year earlier, according to Autodata Corp. The industry's annualized selling pace, a measure of

how sales are tracking for the full year, was 16.14 million last month, below analysts' expectations and down from 17.22 million a year ago. The weaker performance comes despite last month having an extra selling day.

GM's August sales jumped 7.4% from a year earlier, totaling 275,552 vehicles, as the De-

troit giant deepened discounts on many SUV models, aiming to make room on dealer lots for newer versions.

The nation's largest auto maker cleared out much of the excess inventory that has been worrying investors this year, with stocks on dealership lots falling to an 88-day supply,

Please see CARS page B2

Insurance Often Won't Cover Floods

Standard home policies typically exclude such damage; in Texas, they're checking the fine print

BY LESLIE SCISM
AND NICOLE FRIEDMAN

Hundreds of thousands of Texas homeowners are expected to lack adequate insurance for repairing flooded houses, if they have it at all.

Many homeowners never examine details of the policies they buy, and it is only after a flood they learn the basics:

Standard homeowners' policies provide payouts for damage from wind, fire, fallen trees and other storm-related events but not flooding. For that, people generally need to buy separate policies from the U.S. government, through its nearly 50-year-old National Flood Insurance Program.

As Houston residents started to return home Friday following Hurricane Harvey, many are for the first time checking the fine print on their insurance contracts and hoping for the best.

Among them is Andrea Womack, a 38-year-old mother of four.

The carpet and some clothing in her one-story house in Houston's Settegast neighborhood were damaged by water. On Friday morning, Ms. Womack was waiting for an insurance company representative to come by and go through what was covered.

"I signed up for insurance awhile back, but on my papers it says it does not cover flood insurance. So I'm not sure"

what will be covered, she said.

Early loss estimates are starting to show that Ms. Womack isn't alone.

Analytics firm CoreLogic has estimated total residential flood costs of \$25 billion to \$37 billion in 70 counties in Texas and Louisiana hit by Harvey. Of that, about 70%, or \$18 billion to \$27 billion, is uninsured.

Overall, households and businesses in Harris County, which includes Houston, held roughly 249,000 federal flood insurance policies as of June 30, according to the Federal Emergency Management Agency. There are about 1.7 million housing units in the county.

Those homeowners who do have flood insurance are likely those whose mortgage lenders require it, said Etti Baranoff, an associate professor of insurance at Virginia Commonwealth University.

"The mortgage company checks if your home is in a flood zone or not, and they'll make you take" a policy out if so, she said.

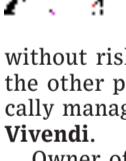
Even so, those with the government flood policies aren't always made whole, she said. These policies pay out a maximum \$250,000 for rebuilding and \$100,000 for personal possessions.

Among homeowners with flood coverage are Sydney Truss and his wife, who live in

Please see HARVEY page B2

HEARD ON THE STREET | By Stephen Wilmot

Hit Pause Button Before Investing In Music Industry



Universal Music Group is booming. It is a pity you can't invest in it without risking money on the other parts of quixotically managed media group Vivendi.

Owner of the world's largest catalog of music rights, Santa Monica-based Universal is a prime beneficiary of the popularity of streaming services like Apple Music and Spotify. First-half like-for-like revenue rose 14% year over year, led by 45% growth in subscription and streaming revenue, according to results published late Thursday by its French parent.

Having signed licensing agreements with Spotify and Chinese tech company Tencent Holdings, Universal is working closely with the new digital distributors. Having declined since the late 1990s, the recorded-music industry reached a nadir in 2014.

Last year, global revenue rose 5.9% to \$15.7 billion, a quarter of which came from streaming subscriptions. The profit is made by the rights owners, not the ultra-competitive streamers: Universal's first-half operating margin reached 10.7%.

It is a shame, then, that investors have no way to get pure stock-market exposure to the music busi-

ness. Second-ranked Sony Music accounts for less than a 10th of Sony's overall sales, while Warner Music was taken private in 2011 by industrialist Leonid Blavatnik.

Vivendi, which saw its shares rise 5.2% Friday, might seem the best bet as Universal now accounts for half of revenue.

But the other half is unappealing and its overall strategy dubious. There is an old-fashioned French cable-TV service that continues to face declining revenue; a videogame company that barely breaks even; a stake in Italy's former state telecom monopoly; and, following a takeover in July, a listed advertising agency.

Dominant shareholder Vincent Bolloré has offered little explanation for this mix beyond vague talk of media-industry "convergence."

Investors may be better off waiting until Universal is spun off. Vivendi's management hints that an IPO is the most likely eventual outcome.

This is understandable given the early stage of the music industry's recovery. Still, Mr. Bolloré needs to act while the beat is pumping.

Notice to Readers

The Intelligent Investor column will return next week.

Expecting Less, Jobholders Cheer Up

BY LAUREN WEBER

Americans are happier at work than before, but they might just be settling for less.

For the first time since 2005, more than half of U.S. workers say they're satisfied with their jobs, according to the Conference Board, a research group. Employment is up, wages are finally rising and layoffs are near record lows, resulting in a more optimistic, contented workforce.

That buoyancy is giving Americans confidence to pull out their wallets. Consumer spending has risen every month this year, with a strong pickup in August, and the U.S. economy grew in the second quarter at its fastest pace in more than two years.

Yet the data also suggest U.S. workers have changing views of what makes a job good, and a decade of bruising job cuts, minimal raises and lean staffing has led them to lower their expectations, econ-

omists and labor-market experts say.

The average employee today shoulders more risk for her retirement and health care than in past generations, and enjoys

less job security as the idea of a job for life has vanished. The traditional bond between employer and employee—in which companies provided job and retirement security in exchange

for hard work and loyalty—has eroded so much that young workers today "don't even know what they're missing," says Rick Wartzman, a management expert and author of "The End of Loyalty: The Rise and Fall of Good Jobs in America," released in May by PublicAffairs.

Almost 51% of employees say they are very satisfied or somewhat satisfied with their jobs, according to the Conference Board, which surveyed about 1,600 workers across the U.S. last November on various aspects of their work. Workers gave top ranking to their colleagues, commutes and job tasks, but were frustrated with companies' promotion policies, bonus plans, training opportunities and performance-review processes.

American workers remain scarred by the Great Recession, which reset expectations for a whole generation, says Peter Cappelli, a management profes-

Please see JOBS page B2

Robo Adviser's Chief Is Learning to Let Go

Betterment LLC sees technology as way to radically change wealth management

BY MICHAEL WURSTHORN

The 220 people who work for robo adviser Betterment LLC gather in the New York company's cafeteria twice a year to hear from their chief executive.

There, Jon Stein, a 38-year-old former bank consultant, often has addressed one of their biggest beefs with him: Even after years of trying to rein in his own worst habits, Mr. Stein remained a micromanager.

Mr. Stein sometimes was "sticking his nose in when he wasn't being productive," said Eli Broverman, who co-founded Betterment with Mr. Stein in 2008.

"Maybe it's particularly tough for me because I built this company," Mr. Stein said. "The first lines of code were mine. I'm intimately familiar with all the workings of it."

Mr. Stein wants to do financial services using technology and automation what companies such as Amazon.com Inc. have done to

brick-and-mortar retailers. His mission is to make investment advice and financial services broadly accessible, while also lowering the cost and removing the compensation conflicts that investors sometimes grapple with when working with a financial adviser.

Mr. Stein's do-it-all mindset has been a key factor behind Betterment's success in delivering financial advice to investors. He has shaped a wealth-management business that one day looks to go public and become a household name.

Betterment relies on algorithms that gauge an investor's risks and goals to recommend cheap, long-term investments. Through its app and website, the firm suggests a basket of exchange-traded funds for investors, rebalances portfolios and offers securities sale strategies to minimize tax bills.

But Betterment clients pay less than half of the typical financial-adviser fee of as much as 1% of portfolio assets. Mr. Stein said the firm

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CARS

Continued from the prior page from 104 days in July.

Ford Motor Co.'s sales slipped 2.1%, to 209,029 vehicles, as demand for SUVs cooled. Still, it reported a 15% surge in sales of pickup trucks, its biggest profit generator.

Fiat Chrysler Automobiles NV's August sales dropped 11%, to 172,773 vehicles, as five of its six brands reported declines. Sales for Jeep—FCA's highest-volume brand—fell 15%, while sales of its Ram pickups dropped 7%.

Shares of the Detroit auto makers rallied. GM and Ford shares were up 2.2% and 2.9%, respectively at Friday's close. FCA shares jumped 4.8% after Standard & Poor's revised its outlook for the stock to positive.

Strong auto sales have helped underpin the nation's economic recovery since the financial downturn, rising seven straight years to a record of more than 17.5 million vehicle sales in 2016. That streak is almost certain to end this year though, after the industry posted lower growth in each of the first eight months. August's seasonally adjusted annual selling pace was the slowest for the closely watched benchmark since October 2014.

Market watchers believe auto sales could get a lift in coming months as owners of vehicles lost to the flooding in Texas and Louisiana buy replacement cars. Between 500,000 and 1 million vehicles likely were totaled during the storm and subsequent flooding, according to Black Book, a research firm that compiles car valuations.

August results were mixed for Japanese brands. Toyota's sales rose 6.8%, to 227,625 vehicles, while **Nissan Motor** Co.'s sales tumbled 13%, to 108,326 vehicles. **Honda Motor** Co.'s sales dipped 2.4%, to 146,015.

The muted August results could lead to some especially

sweet deals for car shoppers visiting dealership lots for Labor Day promotions in the coming week, typically one of the busiest selling periods for the car business.

Auto makers have been sitting on bloated inventories for months and are scrambling to purge their lots of current-year models to make way for fresher versions. The car companies are behind on the annual model changeover this year—an unusually high 91% of vehicles sold in the first half of August were from model-year 2017, according to research firm J.D. Power.

The lag could pressure auto makers' profitability because later-model vehicles generally entail lower discounts and thus carry higher profit margins.

Crossover SUVs have become a key battleground at the expense of sedans.

GM's incentive spending rose sharply in August as the company cleared out older crossover SUVs to make way for the launch of several redesigned models. GM's SUV sales jumped 47% compared with a year earlier, while Ford's fell 11%.

Crossover SUVs, which ride on car platforms and return better fuel economy than truck-based SUVs, have become a key battleground as car buyers migrate away from sedans. Auto makers "have gotten much more aggressive from an incentives and marketing standpoint" in SUVs, Nissan U.S. sale chief Judy Wheeler said in an interview.

Toyota outsold Ford in August for the second straight month—a rarity—amid a sharp increase in SUV sales. Mark LaNeve, Ford's U.S. sales chief, said the car maker has new models coming, including a new full-size Expedition SUV and EcoSport small crossover.

Standard homeowners' policies do pay for some damage

JOBS

Continued from the prior page

sor at the University of Pennsylvania's Wharton School of Business. Unemployment reached a 25-year high of 10% in 2009, sending record numbers of Americans into long stretches of joblessness. Those who did remain in jobs were asked to do more with less, for smaller rewards.

"In the dot-com period, we had M.B.A. students who literally were expecting to be millionaires within two or three years," Mr. Cappelli says, referring to the late-1990s tech bubble. "After 2009, we had people who were just glad to get any kind of job."

Now, with unemployment at 4.4% and wages showing signs of lifting, workers are feeling greater peace of mind and ful-

fillment than they have in years, finding roles in line with their skills and ambitions.

Mechanical engineer David Hunt was let go from an engineering job in 2012 and spent the next five years unemployed or working short-term contracts. When Mr. Hunt, who holds two master's degrees, was offered a job at a Boston-area high-tech company in June, the firm's human-resources manager called him with "good" news and "bad" news about his salary. Mr. Hunt, 52 years old, asked for the bad first. We can't pay what you asked for, the manager told Mr. Hunt. Instead, the company offered 10% above that number.

Worker satisfaction is mixed but improving in areas like wages and job security. Just over 52% of workers feel safe from a layoff, up six percentage points from 2011, and 41.6% say

they are pleased with their wages, up from 36.1% five years earlier, according to Conference Board.

Average hourly earnings are growing at a slow pace by historical standards—rising 2.5% from July 2016 to July 2017—but low inflation means paychecks are buying more and workers are feeling more flush.

After starting a new job as a business-process analyst with an automotive supplier in May, Peter Bynarowicz, 24, was impressed to discover free coffee—regular, flavored and decaf—on every floor. The new job also came with a 20% salary increase and promises of growth. During a job interview, his manager told him, "I won't let you be in this position for two years. I want you to grow," recalls Mr. Bynarowicz, of Greenville, S.C.

Amid a continuing shift away from pensions toward

401(k) plans with unpredictable returns, satisfaction with retirement plans rose from 35% in 2011 to 37.3% in 2016, the Conference Board says, possibly reflecting higher 401(k) returns from stock investments.

Overall, Americans' sense of retirement security has dropped. In 1993, 73% of U.S. workers felt confident they could afford a comfortable retirement, according to the Employee Benefits Research Institute. In 2017, 60% felt that way.

Also falling in workers' esteem are health-insurance and family-leave plans. Employees are paying more for health care and coping with higher deductibles.

Haley O'Donnell, 33, works part time as a writer for Armstrong & Associates, Inc., a logistics consulting firm in Milwaukee. She recently had her first child and has eight weeks' paid maternity leave, a rare benefit for part-timers.

HARVEY

Continued from the prior page south of Houston in Friendswood, Texas.

When they were house hunting last year, the couple worried about possible flooding. So, before they settled on a home, they looked up whether it flooded during Tropical Storm Allison in 2001.

"That's kind of the storm Houstonians judge everything by," said Mr. Truss, 36 years old. "It did not flood during Allison." Even so, the couple's bank still required them to get a federal flood policy that they bought through their Allstate agent.

Standard homeowners' policies do pay for some damage

from water—such as if it enters the house after the wind rips off the roof or a tree crashes through the attic. But if water overflows a riverbank or gushes down a street to seep into a house, the homeowner can expect a claim to be rejected, according to industry lawyers.

The federal flood insurance program's payouts for Harvey appear on track to rival those made for superstorm Sandy in 2012, the nation's third-costliest hurricane (behind Katrina in 2005 and Andrew in 1992). So far, 130,622 Sandy claims have cost the program \$8.4 billion, an average of \$64,331 apiece, according to the Insurance Information Institute trade group.

Insurers' payouts for cars damaged by Harvey's flooding could be several times as large

as those they make for homes. Investment bank Keefe, Bruyette & Woods puts insured personal and commercial auto costs at roughly \$4.7 billion. But not all the estimated 500,000 vehicles flooded by Harvey are covered

high end, they would likely top those for Sandy, which cost \$19.8 billion in 2016 dollars, according to the Insurance Information Institute.

A frequent area of dispute after hurricanes has been how much an insurer ought to pay in instances in which both winds and flooding damaged a property. Those disputes could arise in coastal communities where Harvey landed as a Category 4 hurricane with its strongest winds.

"If there is a breath of wind and a breath of storm surge, that ought to be enough to put in front of the Texas courts and ask for relief for these people," said David Wood, a policyholder lawyer for corporate clients at Barnes & Thornburg LLP in Los Angeles.

—Erin Ailworth contributed to this article.

game together in 2003.

Mr. Broverman continues to serve on the robo-adviser's board after stepping down from his role as president in April to focus on working with newer startups.

"My partnership with Jon is easily the best working relationship I've ever had," Mr. Broverman said.

In the years after Betterment's launch, brokerage executives said the emergence of robo advisers wasn't a threat. They said their firms tended to focus on wealthier investors whose more sophisticated needs usually necessitated having a broker.

That mind-set has changed over the past year or so as traditional brokerages such as Bank of America's Merrill Lynch and Morgan Stanley, as well as others like Vanguard Group and Charles Schwab Corp., have worked on launching their own robo-advisory services to attract younger and less-wealthy clients who have the

potential to become bigger clients later.

Betterment's \$800 million valuation, provided by investors such as Bessemer Venture Partners and Swedish fund Kinnevik AB, has risen as robo advisers have collected more assets. Researcher Cerulli Associates estimates the robo-advice industry had more than \$80 billion in assets by the end of 2016, and will have \$385 billion in the next five years, eating into the multitrillion-dollar asset base of traditional brokerage firms.

While Mr. Stein says he has gotten better at delegating tasks to the various teams that report to him, he still keeps a hand in activities such as answering customer-service calls several times a year—something all employees of Betterment have to do, too.

"It's one way of creating a connection with the people we serve," he said.



Jon Stein, CEO of Betterment LLC, says he has gotten better at delegating tasks to various teams.

MICHAEL BUCHER/THE WALL STREET JOURNAL

Consulting, where Mr. Stein worked following graduation from Harvard University in 2001 with a degree in economics. That shell "hides a very demanding internal drive."

In 2007, when Mr. Stein started work on his M.B.A. at Columbia University, he also

took up coding in his spare time to build an early version of Betterment. "I really thought I could build it all myself," he said, "but I quickly realized that was stupid."

Mr. Stein eventually turned to his roommate at the time, an engineer at

Google, to help build Betterment, as well as other friends, including Mr. Broverman, a securities attorney, to assist with the regulatory and operational work of launching a new wealth-management firm. Messrs. Stein and Broverman met when they played their first poker

STEIN

Continued from the prior page isn't encumbered with hundreds of branches and hefty salaries for thousands of brokers.

The firm's success—it has more than 250,000 clients—has spawned a raft of rivals, ranging from upstarts such as Wealthfront Inc. to Wall Street giants. Industry veterans say the onslaught of competition will make the firm's next chapter that much more challenging.

"It'll be about having a clear vision of the best way to serve customers," Mr. Broverman said.

Along the way, Mr. Stein has had to grow into his CEO role and learn how to trust his employees, according to himself, colleagues and mentors, some of whom are investors in his company.

"There's an easygoing exterior," said Jim McCormick, chairman of First Manhattan

BUSINESS NEWS



ADRIEN LAFITTE/REUTERS

Floodwaters caused by Tropical Storm Harvey covered a refinery in Port Arthur, Texas, on Thursday. A wind farm near Corpus Christi was back on line producing power within days after the hurricane.

Wind Farm Withstands Blow From Storm

Installations built to hold up in hurricane-force winds pass first major test in U.S.

BY RUSSELL GOLD

For the first time in the history of the burgeoning U.S. wind industry, a wind farm got hit by a hurricane—and it was back producing power within days.

Harvey made landfall as a Category 4 hurricane with

winds of more than 130 miles an hour a week ago Friday about 20 miles from the Papalote Creek Wind Farm near Corpus Christi, Texas.

One section of the onshore wind farm was producing electricity on Thursday and the other was expected to be back online on Friday, according to its owner, German power company E.ON SE.

"Papalote actually survived really well," said Patrick Woodson, chairman of E.ON's North American operations. The delay in restarting was

mostly because the power lines were damaged, he said.

Weather gauges suggest the wind farm didn't take the brunt of the storm: they recorded sustained winds of 90 miles an hour, or the equivalent of a Category 1 hurricane on the Saffir-Simpson scale.

The wind farm has a total of 196 turbines and can generate 380 megawatts, making it a fairly large power generator. The turbines were made by Vestas Wind Systems A/S and Siemens AG.

The storm was the first ma-

jor test of how U.S. wind-power installations, which now provide roughly 6% of the nation's electricity, hold up in hurricane-force winds.

Justin Sharp, a consultant and chairman of the American Meteorological Society's renewable-energy committee, said he wasn't surprised the wind farm survived. The turbines are designed to shut down and feather their blades when the wind gets too strong.

He said turbines would probably begin to fail when winds reached 140 miles an

hour, with blades detaching and smashing into nearby towers. At those speeds, Dr. Sharp said, "all bets are off."

A Category 4 storm, super typhoon Usagi, hit a Chinese wind farm in 2013 and did extensive damage.

Whether a wind farm can survive a hurricane is hardly an academic question. More wind farms are being built close to coastlines and offshore, where wind speeds tend to be strongest.

Dr. Sharp said he calculated that a wind farm build right

on the Texas coast would have a 15% chance of facing a Category 4 or 5 hurricane in a 20-year lifespan.

"What we learned from Harvey is that the design being used right now and the operating rules work very well," said Julie Lundquist, a professor of atmospheric sciences at the University of Colorado Boulder. For a milder hurricane, this is a "success story."

The first offshore wind farm in the U.S. went into operation this year off the coast of Rhode Island.

Pfizer Revives Cancer Drug At Higher Price

BY PETER LOFTUS

Pfizer Inc. is bringing back a cancer drug it pulled from the U.S. market over safety concerns in 2010—but the drug this time carries a higher cost, in the latest sign of the industry's pricing power.

Mylotarg, which treats a form of leukemia, will cost \$24,600 per patient for an average course of treatment, Pfizer said Friday after the Food and Drug Administration approved the product's comeback. Pfizer says most patients will receive only one course. The new price is 58% higher than the \$15,522 cost for the drug when it was pulled in 2010.

Drugmakers have taken heat from politicians, patients and health insurers for charging high prices for new drugs and raising prices of older drugs in recent years. This week, the FDA approved a pioneering leukemia treatment from Novartis AG that costs \$475,000 per patient, which some critics termed excessive but which the company defended as a responsible price in light of the treatment's benefits.

Pfizer says the new price for the resurrected Mylotarg doesn't look as steep once inflation is factored in. Accounting for average annual U.S. medical-price inflation of about 3% as calculated by the government, the 2010 price would be about \$19,128 in today's dollars, Pfizer said. Company spokeswoman Sally Beatty added that

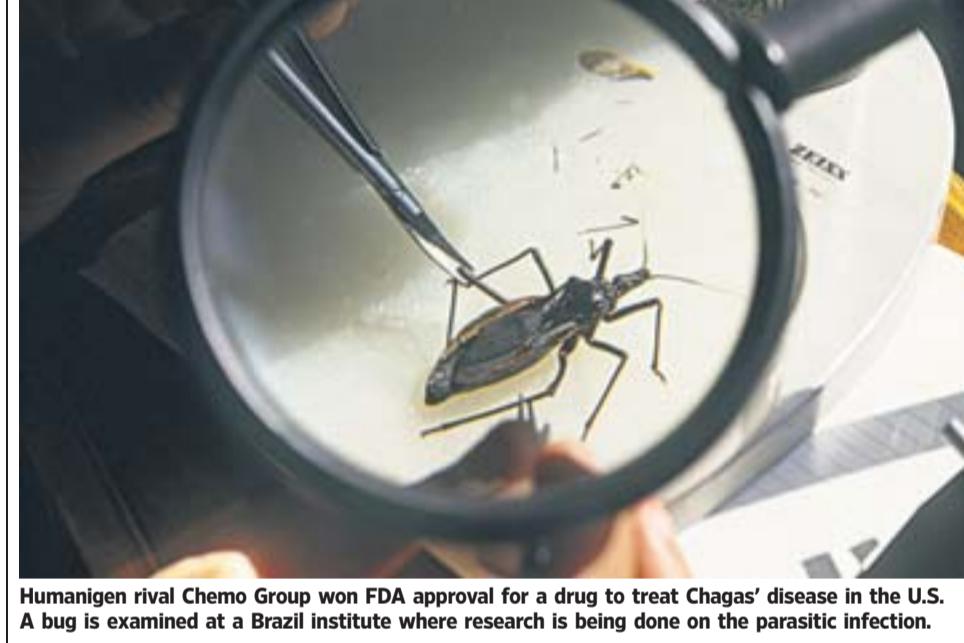
the inflation rate for branded drugs is significantly higher by some estimates.

Ms. Beatty said the company arrived at the new price after consulting with doctors, insurers and patients to assess the drug's clinical and economic benefits. "Based on clinical data and real-world evidence, and support from oncologists, we believe Mylotarg has the potential to provide meaningful improvement to the majority of patients with AML," she said.

The American Cancer Society estimates there are about 21,380 new cases of acute myeloid leukemia—a particularly aggressive form of blood cancer—annually in the U.S., and about 10,590 deaths from the disease.

The FDA first approved Mylotarg in 2000 to treat patients age 60 and older with a type of AML. After the drug's 2000 approval, additional patient studies failed to confirm its efficacy, and revealed an elevated risk of death of patients early in treatment. The FDA requested that Pfizer stop selling the drug in 2010. After the withdrawal, independent researchers tested different doses and other ways to make Mylotarg safer and more effective, with Pfizer providing the drug for testing purposes, the company said.

An estimated 300,000 people in the U.S. are dealing with



GETTY IMAGES

Humanigen rival Chemo Group won FDA approval for a drug to treat Chagas' disease in the U.S. A bug is examined at a Brazil institute where research is being done on the parasitic infection.

Ex-Shkreli Firm Loses FDA Bid

BY PEG BRICKLEY

Humanigen Inc., a drug-development firm run briefly by convicted swindler Martin Shkreli, lost out this past week in a competition for fast-track regulatory treatment for a drug to treat Chagas' disease, a dangerous parasitic infection.

Chemo Group, not Humanigen, won approval from the U.S. Food and Drug Administration for benznidazole, an established treatment for the disease, in the U.S. The FDA also granted Chemo Group a neglected-tropical-disease-priority-review voucher, a designation that is supposed to motivate drug companies to address diseases that don't have a ready remedy.

An estimated 300,000 people in the U.S. are dealing with

Chagas' disease, and benznidazole is tough to get in the U.S., available through the Centers for Disease Control and Prevention only through a cumbersome administrative process. Benznidazole has been used for decades in South America to treat the infection, which can lead to serious heart damage.

Humanigen was known as KaloBios when it was led by Mr. Shkreli. The company fired him and filed for bankruptcy in December 2015 shortly after he was arrested by FBI agents on securities-fraud charges.

Even though Humanigen had divorced itself from Mr. Shkreli and his price-gouging past, public-health advocates had trained a wary eye on the company's chase after benznidazole.

Chemo Group got the nod from the FDA for benznidazole after working in conjunction with Mundo Sano, an Argentine nongovernmental organization, and with the Drugs for Neglected Diseases Initiative, a nonprofit drug-development organization.

Mr. Shkreli gained notoriety after raising the price of another vital drug, Daraprim, from \$13.50 a tablet to \$750 a tablet.

Shortly before his arrest, he told KaloBios shareholders that benznidazole was in for a price increase, too, once it eased through the U.S. regulatory process.

Mr. Shkreli is awaiting sentencing after being convicted of securities fraud involving hedge funds he managed at another company, Retrophin.

New York Times Tries New Source Of Funding

BY IMANI MOISE

The New York Times is exploring another source of funding: philanthropy.

The newspaper said one of its top editors, Janet Elder, will be setting up an operation to seek nonprofit funding that can help support ambitious newsroom projects.

"Over the past year a host of philanthropies and universities have come forward asking to help support our journalism," the paper said in a Friday note signed by Editor in Chief Dean Baquet and Managing Editor Joseph Kahn. "There are opportunities to extend the reach and impact of our journalism with additional support."

The Times, like all legacy news outlets, is battling steep declines in print advertising. And though it has enjoyed a surge in digital subscriptions and solid digital ad growth recently, the company said nonprofit funding can provide greater flexibility.

"We think there are journalism projects we are eager to pursue that could be more ambitious and have greater impact with outside support," the note from Messrs. Baquet and Kahn said.

Publications like the Times have often done stand-alone projects with nonprofits or philanthropic organizations, but the new arrangement with Ms. Elder formalizes the process and signals a bigger commitment to nonprofit partnerships.

Other newspapers are pursuing similar models. Earlier this week, the U.K.'s Guardian launched a nonprofit arm to focus on raising money from philanthropies, corporate foundations, and private citizens.

"We all have to be thinking about how to diversify revenue and find support beyond advertising," said Rachel White, president of the newspaper's nonprofit venture, theguardian.org.

The Times said Ms. Elder's first job will be to explore which types of funding to bring in and which initiatives it should pay for. She will also look at the legal or ethical questions associated with taking donations.

The note described Ms. Elder as a newsroom veteran who has "guided us through ethical quandaries, arranged for the rescue of journalists in danger around the world," and "been a big force in our political coverage for years."



BY IMANI MOISE

Millions of personal records of Time Warner Cable subscribers were left exposed on a cloud-based server in recent weeks, apparently by one of the company's vendors, according to cybersecurity company Kromtech Alliance Corp.

The security firm said it discovered about 600 gigabytes of data from a range of companies associated with communications software company BroadSoft Inc., including Time Warner Cable. BroadSoft manages its partners' services using Amazon.com Inc.'s cloud-computing capabilities.

One file held approximately four million records containing, among other things, personal information such as billing addresses and phone numbers for

Time Warner Cable customers. It is unclear how many individual subscribers those records cover. BroadSoft didn't respond to a request for comment, but it told Gizmodo, which reported Kromtech's findings earlier Friday, that none of the unsecured information was "highly sensitive."

Kromtech said it has found no evidence that financial information or social security numbers were part of the breach. The firm is still investigating the scope of what was exposed and said it is possible some duplicate data was left unsecured.

Time Warner Cable was acquired by Charter Communications Inc. last year, and those cable services are now marketed under the Spectrum brand. A Charter spokesman

said that the exposed information has been removed, and the company will contact customers whose data was compromised. "Protecting customer privacy is of the utmost importance to us," the company said in a statement.

The data also included company information like internal emails, administrative passwords and emails that could have been used to access additional sensitive information.

Kromtech said it couldn't determine whether anyone else accessed the data while it was unsecured.

"We see more and more examples of how bad actors use leaked or hacked data for a range of crimes or other unethical purposes," said Bob Diachenko chief security communication officer at Kromtech.

RON ANTONELLI/BLOOMBERG NEWS

Data Breach Affects Time Warner Cable Subscribers



BY IMANI MOISE

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WEEKEND INVESTOR

TAX REPORT | By Laura Saunders

Get a Storm Tax Break While You Can



Thousands of victims from Hurricane Harvey will soon turn to tax deductions for help with losses not covered by insurance. If so, they could be getting in under the wire.

Floods such as the ones caused by Harvey illuminate an important gap in disaster coverage. While insurance policies typically provide better compensation to disaster victims than tax deductions, most coverage for homeowners excludes flood damage. In addition, potential victims often don't buy flood-insurance policies through a program run by the Federal Emergency Management Agency, or FEMA.

As a result, many victims of Harvey will need to take casualty-loss write-offs to recoup what they can.

These victims may be the last to benefit from this tax-code provision, however. Separate tax-overhaul plans proposed by President Donald Trump and Republican leaders in the House would eliminate the casualty-loss write-off in an effort to simplify the tax code. Congressional leaders and the White House haven't agreed on a plan.

There is a chance Harvey's damage could prompt lawmakers to reconsider the casualty-loss provision. House Ways and Means Committee Chairman Kevin Brady (R., Texas), whose district is just north of Houston, "will work with the Texas and Louisiana delegations to make policy decisions as recovery needs become clearer," according to a spokeswoman.



A house being rebuilt in Toms River, N.J., two years after superstorm Sandy.

But given the likelihood the write-off will be eliminated if a tax overhaul passes, people should reassess their insurance coverage, especially if flooding is a possibility.

"The deduction doesn't make victims whole, but it provides important compensation," says Gerard Schreiber, a New Orleans-area certified public accountant. Mr. Schreiber has extensive experience preparing returns after disasters such as hurricanes and is advising the Texas Society of Certified Public Accountants in the aftermath of Harvey.

As people in Harvey's path prepare to rebuild, here are helpful details regarding taxes.

♦ Tax-deadline extensions: As is typical after a disaster, the Internal Revenue Service has postponed due dates. Taxpayers living in counties designated by FEMA as a federal disaster area have until Jan. 31, 2018, to make quarterly esti-

mated payments for Sept. 15, 2017, and Jan. 16, 2018, with no penalties.

The Jan. 31 due date also applies to 2016 tax returns due on Oct. 16. Tax payments due this past April 18 don't qualify for this extension.

The IRS has also made it easier for Harvey victims and their families to take loans and hardship distributions from 401(k) and similar workplace retirement plans. For details, see release 2017-138.

Many businesses can obtain relief from penalties for late deposits of payroll taxes. For information, see release 2017-135.

♦ Records: Good records are the key to proving tax deductions and insurance claims. Don't throw out ruined items until you have photographed them. Get a notebook and paste in dated receipts for cleaning supplies and other out-of-pocket expenses.

Be specific and don't exaggerate. Mr. Schreiber says the IRS audited a raft of returns from one tax preparer after Hurricane Katrina when it noticed that each claimed \$150,000 of losses for household contents.

♦ Determining a loss: The law can be complex, and details are in IRS Publication 547.

For many taxpayers, the loss will be the "cost to cure" the damage done by Harvey, as long as the repairs come to less than the cost of the property plus adjustments. If the cost of re-

pairs is greater than that sum, then victims must use the cost of the property plus improvements.

For example, say the cost of repairs to a home damaged by Harvey is \$100,000. If the owner bought the house for \$400,000 and put in \$50,000 of improvements, then the repair cost is less than \$450,000, so \$100,000 is the amount of the loss.

The same process holds true for contents. IRS Publication 584 is a workbook with helpful logs for each room of the house and typical contents.

♦ Loss limits: Losses are reported on IRS Form 4684, but there are important limits. The loss must be reduced by any insurance reimbursements.

In addition, taxpayers can only deduct losses greater than 10% of their adjusted gross income, the number at the bottom of the front page of the 1040 form. The 10% limit didn't apply to losses from Hurricane Katrina and some other disasters, but it did apply to losses from superstorm Sandy. It applies under current law.

♦ Loss carry-back: Harvey victims with a deductible loss have the option of claiming it on their 2017 return or applying it to their 2016 taxes and getting a refund sooner.

Taxpayers who already filed for 2016 will need to file an amended return using Form 1040-X. Those on extension can incorporate the loss on their 2016 return.

eris has questioned such assumptions.

"Our teams have been working for more than a year on integration planning, and—as of today—we will hit the ground running on executing those plans with an intention to complete the separations as quickly as possible," he said in prepared remarks Friday.

Glenview Capital Management LLC also said in a July letter it supports a plan from Daniel Loeb's Third Point that calls for shifting nearly a third of the earnings from the proposed materials business to the specialty-products operation to form a specialty company with units that could be separated or sold off.

Dow and DuPont executives at the time said they would review the plan and consult with investors.

DowDuPont will be overseen by former DuPont Chief Executive Ed Breen. The company says the merger will generate cost savings of \$3 billion within two years.

Under terms of the merger, Dow shareholders received one DowDuPont share for each of their shares in the merger while DuPont shareholders received 1.282 shares in the new company for each of their shares.

DowDuPont's 16-member board now includes eight members from each of the companies' former boards.

BUSINESS NEWS

DowDuPont Joins DJIA After Merger

By CARA LOMBARDO

Dow Chemical Co. and DuPont Co. completed their merger and debuted Friday on the New York Stock Exchange as DowDuPont as questions remain about the \$150 billion chemicals giant's next steps.

DowDuPont will take DuPont's spot in the Dow Jones Industrial Average. Shares in the new company, which opened Friday at \$66.65—Dow's previous closing price, closed at \$67.18.

Executives plan to carve the combined companies' three segments—agriculture, materials science and specialty products—into separate publicly traded entities within the next 18 months. But several well-known investors have levied concerns that could derail the timeline.

A handful of major investors want to shrink the materials company expected to emerge, which the company said would be the first spinoff postmerger. They also take issue with Dow Chief Executive Andrew Liveris's plan to stick around as chairman of DowDuPont until July 2018.

Third Point LLC, Glenview Capital Management LLC, Jana Partners LLC and Trian Fund Management LP have all privately voiced concerns that Mr. Liveris could impede efforts to sufficiently retool the company's units. But Mr. Liv-



Roger Federer at this year's tennis tournament in New York.

Nike's Booth Skips U.S. Open

By SARA GERMANO

This year's U.S. Open is missing a few big names in tennis, including Andy Murray and Serena Williams.

It is also missing Nike Inc.—at least, the traditional swoosh store outside Arthur Ashe Stadium.

The world's largest sports-wear maker has vacated its usual spot at the Billie Jean King National Tennis Center in Flushing Meadows, instead choosing to sell tennis gear through its suite of smart-

phone apps and pop-up locations around New York.

It is the latest manifestation of Nike's goal to sell more of its wares online. For years, Nike has held prime commercial real estate outside Arthur Ashe Stadium, which it used to sell T-shirts, zip-ups and other gear worn by star players Roger Federer, Maria Sharapova and Ms. Williams, among others.

A spokesman for Nike said the company is continuing to talk with the USTA about retailing options for future U.S. Opens.

Cash Prices | WSJ.com/commodities

Friday, September 01, 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	Friday
Energy		
Propane,tet,Mont Belvieu-g	0.8117	*\$0.90
Butane,natv native steers piece fob-u	0.9709	n.a.
Wool,64s,staple,Terr del-u	4.55	
Farms and Feeds		
Barley,top-quality Mnpls-u	4.70	
Bran,wheat middlings, KC-u	61	
Corn,N.Y.2 yellow,Cent IL-bl,ppu	3.1650	
Corn glut feed,Midwest-u,w	78.5	
Corn gluten meal,Midwest-u,w	475.9	
Cottonseed meal,u,w	198	
Hornin feed,Cent IL-u,w	88	
Meat,bonemeal,50% pro Mnpls-u,w	323	
Oats,No 2,milling,Mnpls-u	2.7275	
Rice,5% Broken White,Thailand-l,w	370.00	
Rice,Long Grain Milled, No.2 Ar-u,w	23.75	
Sorghum,(Milo) No.2 Gulf-u	7.6388	
Soybean Meal,Cent IL,rail,ton48%-u	295.00	
Soybeans,No 1,ylw IL-bl,pbu	91.950	
Wheat, Spring 14% pro Mnpls-u	7.1425	
Wheat, No.2 soft red,St.Louis-bp,u	4.1850	
Wheat - Hard - KC (USD) \$ per bu	3.6000	
Wheat, No.1 soft white,Portl,OR-u	5.0250	
Food		
Beef,carcass equiv.index		
choice 1-3,600-900 lbs-u	166.66	
select 1-3,600-900 lbs-u	164.05	
Broilers,dressed,A'-u	0.8944	
Butter,AA Chicago	2.5075	
Cheddar cheese,bl,Chicago	152.00	
Cheddar cheese,blk,Chicago	154.00	
Milk,Nonfat dry,Chicago lb.	86.25	
Cocoa,Ivory Coast-w	n.a.	
Coffee,Brazilian,Cmp	1.2534	
Coffee,Colombian,NY	1.4860	
Eggs,large white,Chicago-u	0.7750	
Flour,hard winter KC	14.65	
Hams,17-20 lbs,Mid-US,fob	n.a.	
Hogs,Iowa-No. Minnesota-u	69.18	
Pork bellies,12-14 lb Mid-US-u	n.a.	
Pork loins,13-19 lb Mid-US-u	0.9890	
Steers,Tex.-Okla.,Choice-u	104.65	
Steers,feeder,Okla.,City-u,w	161.25	
Fats and Oils		
Corn oil,crude wet/dry mill-u,w	36.7500	
Grease,choice white,Chicago-h	0.3125	
Lard,Chicago-u	0.3450	
Soybean oil,crude,Cent IL-u	0.3467	
Tallow,bleach,Chicago-h	0.3450	
Tallow,edible,Chicago-u	0.3550	

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; E=Manfra,Tordella & Brooks; G=GE; H=Hurley Brokerage; I=Natural Gas Intelligence; L=liverpoolindex.com; M=midday; N=nominal; n.a.=not quoted or not available; R=SNL Energy; S=The Steel Index; T=Cotlook Limited; U=USDA; W=weekly; Z=not quoted. *Data as of 8/31

Source: WSJ Market Data Group

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04 575M Si/Blu \$139K
99 355 Spider Series Fiorano Blk/Bge \$139K
83 BB512i Red/Tan 1 owner \$329K
73 Daytona 365 GTB4 DUE
72 Dino 246 GTS DUE
72 365 GTC DUE
71 330 GTC DUE

MODERN 12 CYLINDER

17 F12 Si/Blk 400 mi SOLD
17 GTC4 Lusso DEMO CALL
17 F12 Red/Tan DEMO CALL
16 F12 Blk/Bk 6k \$289K
15 F12 Dk Gry 4k \$289K
15 FF Si/Blk 6k \$199K
15 FF Blu/Bge 3k \$199K
14 F12 Rosso Scuderia \$244K
14 FF Gry/Bk 8k SOLD
11 GTO Blk/Bk 2k \$719K
04 575M Si/Blu \$139K

488 MID ENGINE

17 Spider Red/Bk 1k CALL
17 Spider Blk/Bk 500 mi.
17 Coupe Red/Tan 1k mi.
17 Coupe Gry/Tan 3k mi.

563 MID ENGINE

15 Coupe Red/Bk 1k SOLD
15 Coupe Red/Bk/Bk \$244K
14 FIA 458 Red/Bge \$475K
14 GTC4 Lusso DEMO \$139K
14 GTC4 Lusso Hi Options \$159K
14 Coupe Blk/Bk 4k \$224K
13 Spider Nero/Couio 11k \$219K
13 Spider Blu/Bge 2k SOLD
13 Spider Red/Bk 1k SOLD
12 Coupe Gry/Bk 8k SOLD

CALIFORNIA

17 Wht/Bk HS CALL
16 Si/DkBm 1k \$199K
16 Red/Bk Speciale 1k SOLD
15 Red/Tan 7k \$172K
15 Red/Tan 2k \$187K
15 Wht/Bk 16k \$165K
14 Gry/Bk 1k \$159K
13 Dk Red/Dk Bge 5k \$144K
12 Gry/Dk Bge 12k \$139K
12 Blk/Bk 11k \$139K
10 Red/Tan 22k \$99K

430 MID ENGINE

06 Spider Red/Tan 12k \$129K
06 Coupe Blk/Bk 11k \$119K

360 MID ENGINE

03 Spider Red/Bk 13k \$89K
328 GTS DUE

89 GTS Whr/Red 20k \$119K
88 GTS Red/Tan 25k DUE

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18 AM Vanguish Volante Gry/Bge CALL
18 AM Rapide S Dk Blu CALL
17 AM DB11 Si/Si DEMO CALL
17 AM DB11 Mag Silver/Tan DEMO CALL
17 AM DB11 Luna White DEMO CALL
16 AM Vanguish Volante CALL
16 AM V12 Vantage S Rdstr. Blu CALL
14 FIA GT3 Rare \$475K
13 Aston Martin Volante 5k \$129K
13 Aston Martin Vantage ProDrive GT4 \$129K
91 SCCA/TA/Vint. GT1 Weaver Camaro \$89K
89 SCCA/TA/V

COMMODITIES

WSJ.com/commodities

Futures Contracts

Metal & Petroleum Futures

	Contract		Open	High	Low	Settle	Chg	Open interest
	Open	High	hi lo	Low	Settle	Chg	interest	
Copper-High (CMX) -25,000 lbs.; \$ per lb.	3.0870	3.1025	3.0730	3.0980	0.0190	8,980		
Sept	3.0870	3.1025	3.0730	3.0980	0.0190	8,980		
Dec	3.1020	3.1285	3.0910	3.1180	0.0195	222,574		
Gold (CMX) -100 troy oz.; \$ per troy oz.	1320.20	1327.70	▲ 1316.90	1324.50	8.30	867		
Sept	1320.20	1327.70	▲ 1316.90	1324.50	8.30	867		
Oct	1323.00	1330.80	▲ 1317.90	1326.60	8.10	45,451		
Dec	1326.90	1334.50	▲ 1321.40	1330.40	8.20	421,666		
Feb'18	1330.30	1337.40	▲ 1326.00	1334.20	8.30	27,929		
June	1337.60	1344.70	▲ 1334.50	1341.20	8.40	9,656		
Dec	1347.70	1352.00	1345.10	1352.00	8.60	8,273		
Palladium (NYM) -50 troy oz.; \$ per troy oz.	939.90	983.20	▲ 939.90	981.15	49.20	287		
Sept	939.90	983.20	▲ 939.90	981.15	49.20	287		
Dec	933.35	979.35	▲ 929.30	977.10	44.85	33,844		
March'18	933.05	969.90	▲ 933.05	968.70	39.95	585		
Platinum (NYM) -50 troy oz.; \$ per troy oz.	991.20	1006.90	991.20	1007.30	10.50	20		
Oct	1003.00	1012.70	998.10	1009.00	10.50	63,700		
Silver (CMX) -5,000 troy oz.; \$ per troy oz.	17.565	17.720	17.445	17.719	0.239	4,103		
Sept	17.565	17.720	17.445	17.719	0.239	4,103		
Dec	17.660	17.825	17.505	17.816	0.241	156,730		
Crude Oil, Light Sweet (NYM) -1,000 bbls.; \$ per bbl.	47.08	47.35	46.56	47.29	0.06	527,656		
Oct	47.08	47.35	46.56	47.29	0.06	527,656		
Nov	47.87	48.03	47.39	47.99	0.03	252,111		
Dec	48.50	48.66	48.05	48.54	-0.02	311,442		
Jan'18	49.00	49.15	48.60	48.99	-0.01	177,307		
June	49.85	50.03	49.52	49.90	0.08	151,142		
Dec	50.15	50.29	49.80	50.21	0.12	190,691		
NY Harbor ULSO (NYM) -42,000 gal.; \$ per gal.	1.7500	1.7534	1.7101	1.7468	0.049	101,331		
Oct	1.7500	1.7534	1.7101	1.7468	0.049	101,331		
Nov	1.7240	1.7329	1.6961	1.7304	0.010	65,407		
Gasoline-NY RBOB (NYM) -42,000 gal.; \$ per gal.	1.6106	1.6110	1.5606	1.6016	-0.042	91,937		
Natural Gas (NYM) -10,000 MMBtu.; \$ per MMBtu.	3.027	3.088	2.998	3.070	.030	326,873		
Sept	3.086	3.152	3.066	3.136	.034	140,884		
Dec	3.229	3.283	3.202	3.270	.038	93,514		
Jan'18	3.325	3.377	3.300	3.366	.040	144,405		
March	3.385	3.328	3.260	3.318	.039	101,292		
April	2.931	2.944	2.891	2.943	.017	118,006		

Agriculture Futures

	Open	High	Low	Settle	Chg	Open interest
Corn (CBT) -5,000 bu.; cents per bu.	341.50	345.50	338.00	340.00	-2.25	6,780
Sept	341.50	345.50	338.00	340.00	-2.25	6,780
Dec	357.00	360.75	353.25	355.25	-2.50	781,766
Oats (CBT) -5,000 bu.; cents per bu.	237.75	241.50	235.00	236.25	-.75	4,764
Sept	243.00	243.00	242.50	243.00	-1.25	882
Soybeans (CBT) -5,000 bu.; cents per bu.	937.25	943.25	935.50	942.00	5.75	2,845
Sept	945.25	952.00	943.00	949.50	4.25	383,732
Soybean Meal (CBT) -100 tons; \$ per ton.	294.30	296.70	292.90	293.20	-1.10	3,847
Sept	294.30	296.70	292.90	293.20	-1.10	3,847
Soybean Oil (CBT) -60,000 lbs.; cents per lb.	299.40	302.20	298.10	298.80	-.70	185,901
Sept	34.73	35.37	34.71	35.31	.60	4,066
Dec	35.06	35.76	35.05	35.67	.61	201,805
Rough Rice (CBT) -2,000 cwt.; \$ per cwt.	1266.50	1266.50	11.50	401		
Sept	1282.50	1304.00	▲ 1277.50	1294.50	12.00	9,109
Wheat (CBT) -5,000 bu.; cents per bu.	411.00	414.50	410.25	412.50	3.75	1,290
Sept	435.00	442.00	434.25	438.75	2.50	151,326
Wheat (MPLS) -5,000 bu.; cents per lb.	618.75	618.75	611.75	612.00	-6.50	987
Dec	640.25	646.50	631.00	631.75	-8.75	42,355
Cattle-Feeder (CME) -50,000 lbs.; cents per lb.	142.900	143.850	142.050	142.725	.150	8,247
Sept	143.425	144.600	142.650	143.550	.250	17,633
Cattle-Live (CME) -40,000 lbs.; cents per lb.	105.525	105.825	104.725	105.150	-.250	140,262
Dec	109.200	109.900	109.000	109.475	.375	82,042
Hogs-Lean (CME) -40,000 lbs.; cents per lb.	61.300	62.575	61.175	61.450	.050	96,903
Dec	57.900	59.100	57.750	58.050	.025	65,067
Lumber (CME) -110,000 bd. ft.; \$ per 1,000 bd. ft.	387.40	389.20	385.90	386.80	1.10	1,021
Sept	374.00	376.50	373.40	374.20	2.40	2,928
Milk (CME) -200,000 lbs.; cents per lb.	16.15	16.20	16.02	16.15	-.05	5,631
Oct	16.36	16.40	16.23	16.36	-.07	3,878
Cocoa (ICE-US) -10 metric tons; \$ per ton.	1,970	1,970	1,970	1,987	.21	162
Dec	1,924	1,972	1,921	1,947	.21	144,229
Coffee (ICE-US) -37,500 lbs.; cents per lb.	128.90	128.90	128.30	127.75	-.40	377
Dec	129.00	130.85	128.50	129.05	-.30	111,517

Sugar-World (ICE-US)-12,000 lbs.; cents per lb.

	Open	High	hi lo	Low	Settle	Chg	Open interest
Oct	14.25	14.38		13.71	13.75	-.65	373,160
March'18	14.88	14.96		14.31	14.36	-.62	245,712
Sugar-Domestic (ICE-US) -12,000 lbs.; cents per lb.	25.85	25.90		25.85	25.90	.05	3,227
Nov	25.85	25.90		25.85	25.90	.05	
Cotton (ICE-US) -50,000 lbs.; cents per lb.	71.90	72.71		71.89	72.55	1.07	181
Dec	71.00	71.95		70.56	71.88	.95	143,164
Orange Juice (ICE-US) -15,000 lbs.; cents per lb.	138.00	138.00</td					

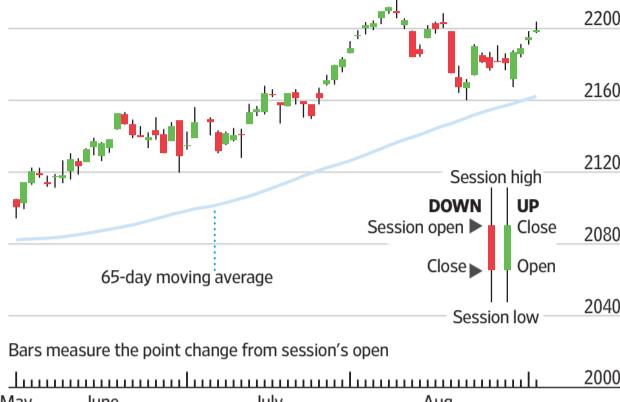
MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

21987.56 ▲ 39.46, or 0.18%
 High, low, open and close for each trading day of the past three months.

Current divisor 0.14523396877348



Bars measure the point change from session's open

May June July Aug. 20000

Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.

S&P 500 Index

2476.55 ▲ 4.90, or 0.20%
 High, low, open and close for each trading day of the past three months.

All-time high: 22118.42, 08/07/17



May June July Aug. 2350

Nasdaq Composite Index

6435.33 ▲ 6.67, or 0.10%
 High, low, open and close for each trading day of the past three months.

All-time high: 6435.33, 09/01/17



May June July Aug. 5900

Major U.S. Stock-Market Indexes

	Dow Jones		Latest		52-Week		YTD		% chg	
	High	Low	Close	Net chg	% chg	High	Low	% chg	3-yr. ann.	% chg
Industrial Average	22038.97	21974.91	21987.56	39.46	0.18	22118.42	17888.28	18.9	11.3	8.7
Transportation Avg	9396.39	9340.74	9356.02	36.97	0.40	9742.76	7755.40	17.7	3.5	3.6
Utility Average	745.48	738.85	740.95	-2.29	-0.31	748.16	625.44	10.1	12.3	9.5
Total Stock Market	25656.38	25589.34	25624.67	64.46	0.25	25692.25	21514.15	13.5	10.1	7.0
Barron's 400	647.85	645.47	647.40	2.77	0.43	661.93	521.59	16.3	7.6	6.2

Nasdaq Stock Market

Nasdaq Composite	6449.65	6417.87	6435.33	6.67	0.10	6435.33	5046.37	22.6	19.5	12.0
Nasdaq 100	6009.61	5972.27	5987.90	-0.70	-0.01	5988.60	4660.46	24.8	23.1	13.6

Standard & Poor's

500 Index	2480.38	2473.85	2476.55	4.90	0.20	2480.91	2085.18	13.6	10.6	7.3
MidCap 400	1740.11	1733.54	1737.79	6.91	0.40	1791.93	1476.68	10.1	4.6	6.5
SmallCap 600	847.40	841.66	847.05	6.62	0.79	876.06	703.64	11.2	1.1	8.0

Other Indexes

Russell 2000	1413.86	1405.82	1413.57	8.29	0.59	1450.39	1156.89	12.9	4.2	6.4
NYSE Composite	11934.97	11897.97	11918.08	42.39	0.36	12000.02	10289.35	9.8	7.8	2.6
Value Line	519.17	515.89	518.88	2.99	0.58	533.62	455.65	6.6	2.5	1.0
NYSE Arca Biotech	4246.99	4185.15	4232.90	23.96	0.57	4232.90	2834.14	30.2	37.7	10.6
NYSE Arca Pharma	531.91	528.26	528.61	-1.28	-0.24	549.20	463.78	1.4	9.8	0.3
KBW Bank	94.17	93.00	93.68	0.70	0.75	99.33	69.71	29.1	2.1	9.4
PHLX® Gold/Silver	90.79	89.59	90.54	0.41	0.46	101.55	73.03	-6.3	14.8	-4.0
PHLX® Oil Service	123.06	119.92	122.46	1.84	1.52	192.66	117.79	-21.5	-33.4	-25.4
PHLX® Semiconductor	1124.66	1117.42	1119.34	5.03	0.45	1138.25	768.37	38.7	23.5	20.2
CBOE Volatility	10.46	10.02	10.13	-0.46	-4.34	22.51	9.36	-15.4	-27.8	-5.4

\$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	% chg	After Hours	High	Low
SPDR S&P 500	SPY	12,381.8	247.75	-0.09	-0.04	248.06	229.01	
iShares MSCI Emg Markets	EEM	5,084.6	45.16	...	unch.	45.16	44.83	
iShares MSCI Brazil Cap	EWZ	4,642.0	40.71	0.10	0.24	40.71	40.15	
Cnsmr Staples Sel Sector	XLP	4,316.3	54.97	...	unch.	55.00	54.90	
Industrial Select Sector	XLI	3,403.9	68.52	...	unch.	68.71	68.52	
PwrShrs QQQ Tr Series 1	QQQ	2,215.2	146.00	...	unch.	146.39	145.93	
iShares MSCI Japan ETF	EWJ	2,066.4	54.54	0.05	0.09	54.58	54.49	
iShares MSCI Germany ETF	EWG	2,004.8	30.97	0.12	0.39	30.98	30.85	

Percentage gainers...

Cadiz	CDZI	20.8	12.85	3.15	32.47	13.00	9.65
Kronos Worldwide	KRO	6.0	22.36	1.13	5.32	22.40	21.23
EMCOR Group	EME	10.8	69.68	3.49	5.27	69.68	66.17
TRACON Pharmaceuticals	TCON	3.15	0.65	26.00	7.30	2.00	<span style

Wk % | **52-Wk %** | **52-Wk %** |

% | Stock 52-Wk % Sym Hi/Lo Chg

Friday, September 1, 2017														
Stock	Sym	52-Wk Hi	52-Wk Lo	% Chg	Stock	Sym	52-Wk Hi	52-Wk Lo	% Chg	Stock	Sym	52-Wk Hi	52-Wk Lo	% Chg
BancoBradesco	BBDO	10.49	1.6	-	CharlesRiverLabs	CRL	109.38	-0.5	-					

AlierianMLPTE	AMLP	11.25	0.45	-10.7	PIMCOEnvShMaturity	MINT	101.68	0.04	0.3
NcrnDispSelSector	XLY	90.07	0.46	10.7	PwrShQQQ1	QQQ	146.00	-0.14	23.2
CnsStapleSelSector	XLP	54.97	0.48	6.3	PwrSh&P500LoVol	SPLV	45.50	-0.04	9.4

DGF	29.77	0.37	29.2	POWERLEARN	PAW
DZZ	5.19	-0.45	-24.3	SPDRBloomBarcHYBd	JNIN
DREE	20.28	0.22	7.0	SPDR Gold	GLD

U.S. consumer price index			
All items	244,786	-0.07	1.7
Core	251,936	-0.03	1.7
International rates			
Fannie Mae			
30-year mortgage yields			

	Latest	Week ago	-52-Week High	-52-Week Low	30 days	3.338	3.393	3.865	2.832
					60 days	3.361	3.419	3.899	2.861

American Century Inv	NwWrldA	63.85	+0.21	24.1	Value
Ultra	SmpCpA p	54.24	+0.15	18.0	Dimension
American Funds Cl A	TxExA p	13.06	...	4.7	5GlbFxdI

AMutIA p	39.76	+0.06	9.0
BalA p	26.82	+0.03	9.3
BondA p	13.02	-0.02	3.6

Bonda p	13.02	-0.02	3.6	CorbDistrn	11.30	-0.02	4.3	Int'l Val	19.07	+0.00	15.8
CapI/Ba	62.36	+0.02	10.0	BlackRock Funds A				Int'l SmCo	20.84	+0.05	21.4
Cap/WGr	50.27	+0.03	16.0	GblAlloc p	20.02	+0.01	10.1	Int'l SmVa	22.75	+0.09	19.9
EupacA p	54.74	+0.08	23.9	BlackRock Funds Inst				US CoreEq1	21.01	+0.07	9.9
FdlnvA p	60.73	+13.15	13.4	EqtyDivd	22.08	+0.09	7.6	US CoreEq2	19.91	+0.09	7.8
GwthA p	48.89	+0.08	16.3	GblAlloc	20.14	+0.02	10.3	US Small	34.04	+0.24	1.1
Hf Tr p	10.43		5.4	HvYldBd	7.81	+0.01	6.2	US Sm CpxVal	36.17	+0.24	2.0
ICAA p	39.40	+0.08	9.6	Int'l ShortCpxtys	9.95			US TgDval	23.52	+0.17	1.5
IncoA p	22.93	+0.03	7.4	Bridge Builder Trust				US LsGvL	37.25	+0.18	7.1
N PerA p	43.17	+0.06	22.2	CorBond	10.25	-0.02	3.9	Dodge & Cox			
N FcoA p	44.52	+0.12	23.9	Del Invent Instl				Balanced	107.11	+0.24	6.3

Dividend Changes		Dividend announcements from September 1.				Dividend announcements from September 1.				Dividend announcements from September 1.							
Company	Symbol	Yld%	Amount New/Old	Frq	Payable / Record	Company	Symbol	Yld%	Amount New/Old	Frq	Payable / Record	Company	Symbol	Yld%	Amount New/Old	Frq	Payable / Record
iShares 0-5% HYd Corp Bd	SHYG	5.5	21824	M	Sep08/Sep06	iShares Floating Rate Bd	FLOT	1.6	.0674	M	Sep08/Sep06	SPDR Bloomberg TIPS	IPE	1.2	.0579	M	Sep12/Sep00
ISH 10-20% Treasury Bond	THU	1.9	21126	M	Sep09/Csep06	iShares CNMA Bond ETF	CNMA	2.5	10294	M	Sep09/Csep06	SPDR RefA Ml CrsOv/Cp	CINV	4.1	.0902	M	Sep12/Sep00

Increased
EastGroup Properties EGP 2.9

EastGroup Properties	EGP	2.9	.54/.52	Q	Sep 29/Sep 12	iSh Core 5-10 Y
Eaton Vance Global Income	EVGBC	1.5	.1279/.10	M	Sep 08/Sep 06	iSh Core Total
Eaton Vance TABS 5-to-15Y	EVIMC	0.5	.0375/.035	M	Sep 08/Sep 06	iSh Core Total

Eaton Vance TABS3-10-15Y	EVLMC	0.5	.0579/.059	M	Sep08/Sep06	iSh Core US Aggregate Bd	AGG	2.5	.22974	M	Sep08/Sep06	Ivy High Income Opps Fund	IVH	9.2	.12	M	Sep29/Sep15	SPDR Nuveen Muni Bd	TFI	.21	.08727	M
TFIS Financial	TFSL	4.4	.17/.125	Q	Sep25/Sep11	iSh Em Mkts Corp Bd Fd	CEMB	3.9	.16661	M	Sep08/Sep06	Janus Henderson Short Dur	VNL	1.1	.04727	M	Sep08/Sep06	SPDR Nuveen ST Muni Bd	SHM	.10	.04088	M
Initial						iSh Fallen Angels USD Bd	FALN	6.0	.1369	M	Sep08/Sep06	Monroe Capital	MRCC	10.1	.35	Q	Sep29/Sep15	SPDR SSgA Ultra Shrt	ULST	.14	.04702	M
iSh Edge HY Defensive Bd	HYDB	.36408			Sep08/Sep06	iSh Gbl Hi Corp Bd Fd	GHYG	3.8	.1635	M	Sep08/Sep06	MV EM Inv Grade + BB	IGEM	3.4	.0705	M	Sep08/Sep06	Templeton Global	GIM	.25	.0142	M
iSh Edge Inv Grade Enh Bd	IGBE	.21287			Sep08/Sep06	iSh iBds Mar2018 Cp xFin	IBCC	1.1	.02357	M	Sep08/Sep06	Neubrgr Brm RI Est Sec Fd	NRO	9.8	.045	M	Sep29/Sep15	Van Eck AMT-Fr Intern Muni	ITM	.22	.0447	M
iSh ESG1-5 Year USD Cpd	SUSB	.06525			Sep08/Sep06	iSh iBds Mar2020 Cp xFin	IBCD	1.8	.03775	M	Sep08/Sep06	NuShares Enh Yld 1Y	NUSA	2.9	.0599	M	Sep08/Sep06	Van Eck AMT-Fr Lg Mun	MLN	.31	.0512	M
iSh ESG USD Corp Bd	SUSC	.09297			Sep08/Sep06	iSh iBds Mar2023 Cp xFin	IBCE	2.7	.05499	M	Sep08/Sep06	NuShares Enh Yield US Bd	NUAG	3.0	.0623	M	Sep08/Sep06	Van Eck AMT-Fr Sh Muni	SMB	.12	.0179	M
Funds and investment companies																						
Arrow Reserve Cap Mgmt	ARCM	1.6	.0273	M	Sep11/Sep05	iSh iBonds Dec 2017 Corp	IBDJ	1.1	.02228	M	Sep08/Sep06	PIMCO 0-5 Yld Hr Corp	HYS	4.9	.41	M	Sep08/Sep06	Van Eck AMT-Free 12-17Y	ITML	.18	.0372	M
BulletShares 2017 CB	BSCH	1.2	.0229	M	Sep08/Sep06	iSh iBonds Dec 2018 Corp	IBDH	1.6	.03251	M	Sep08/Sep06	PIMCO 1-3 US Treaxl	TUZ	1.0	.043	M	Sep08/Sep06	Van Eck AMT-Free 6-8Y	ITMS	.14	.0284	M
CurrencyShares AUD Tr	FXA	0.8	.05405	M	Sep11/Sep06	iSh iBonds Dec 2019 Corp	IBDK	1.9	.03887	M	Sep08/Sep06	PIMCO 1-5 Yrs US TIPS Idx	STPZ	0.2	.01	M	Sep08/Sep06	Van Eck Fallen Angel Hy Bd	ANGL	.49	.1223	M
DBX Emerging Markets Bd	EMIH	4.1	.08572	M	Sep08/Sep06	iSh iBonds Dec 2020 Corp	IBDL	2.2	.04615	M	Sep08/Sep06	PIMCO 15+ Yr US TIPS Idx	LTPZ	1.6	.09	M	Sep08/Sep06	Van Eck Pre-Refunded Mun	PRB	.12	.0251	M
DBX High Yield Corp Bd	HYIH	51	.0984	M	Sep08/Sep06	iSh iBonds Dec 2021 Corp	IBDM	2.5	.05132	M	Sep08/Sep06	PIMCO Active Bond ETF	BOND	4.0	.29	M	Sep08/Sep06	Van Eck Vctr JPM EM LC Bd	EMLC	.53	.085	M
DBX Investment Grade Bd	IGHI	3.1	.06143	M	Sep08/Sep06	iSh iBonds Dec 2022 Corp	IBMJ	1.2	.02609	M	Sep08/Sep06	PIMCO Broad U.S. TIPS Idx	TIPZ	0.8	.04	M	Sep08/Sep06	Van Eck Vctr Pfd Secs xFin	PFVF	.53	.0883	M
Deutsche X Barl Int'l Cpd	IFIX	2.5	.10313	M	Sep08/Sep06	iSh iBonds Dec 2023 Corp	IBMK	1.4	.03034	M	Sep08/Sep06	PIMCO Enh Low Duration	LDUR	2.3	.196	M	Sep08/Sep06	Van Eck Vctr Tre-Hd Hy Bd	THHY	.47	.0918	M
Deutsche X Int'l Trea Bd	IGVT	2.4	.09849	M	Sep08/Sep06	iSh iBonds Dec 2023 Muni	IBDO	2.9	.06202	M	Sep08/Sep06	PIMCO Enh Shrt Maturity	MINT	1.7	.146	M	Sep08/Sep06	Van Eck Vectors CEF Mun	XMPY	.47	.1066	M
Deutsche X Multi-Strat Bd	IPXY	2.6	.0572	M	Sep08/Sep06	iSh iBonds Dec 2023 Corp	IBML	1.4	.03096	M	Sep08/Sep06	PIMCO Intermediate Mun Bd	MUNI	2.3	.104	M	Sep08/Sep06	Van Eck Vectors China Bond	CBON	.32	.0622	M
Deutsche X Short-Term Muni Bd	IPYM	2.2	.0572	M	Sep08/Sep06	iSh iBonds Dec 2024 Corp	IBDP	2.2	.06697	M	Sep08/Sep06	PIMCO Short Term Mun Bd	SMUNI	1.5	.062	M	Sep08/Sep06	Van Eck Vectors EM Agg Bd	EMAG	.43	.0789	M
Deutsche X Total Bd	IPYL	2.6	.0572	M	Sep08/Sep06												Van Eck Vectors EM Hrd Bd	LIVEAM	.56	.1159	M	

Flex Credit-Scored US Lg	LKOR	3.3
Flex iBX 3Y Dur TIPS	TDTT	0.7
FlexShares Discip Dur MBS	MBSD	3.2
The Flex Fund	THEF	1.1

FlexShares iBoxx 5Y TIPS TDTF 1.1 .0225 M Sep0
 FlexShares Ready Access RAVI 1.4 .08665 M Sep0

9	M	Sep08/Sep09
35	M	Sep08/Sep09
57	M	Sep08/Sep09
55	M	Sep08/Sep09
67	M	Sep08/Sep09
21	M	Sep08/Sep09
75	M	Sep08/Sep09
55	M	Sep08/Sep09
27	M	Sep08/Sep09
51	M	Sep08/Sep09
352	M	Sep08/Sep09
49	M	Sep08/Sep09
24	M	Sep22/Sep11
8889		/Sep11
1	A	Nov14/Oct31
2	Q	Sep22/Sep11
994	Q	Sep29/Sep11
125	Q	Sep29/Sep11
0	Q	Sep05/Aug29
971	Q	Oct31/Oct09
32		Sep29/Sep11

MONEY & INVESTING

The Outlook for Crude: Lower for Longer

Banks in survey again cut forecast amid doubts about OPEC and rising U.S. output

By MARINA FORCE

Banks have cut their forecasts on oil prices for a fourth consecutive month, as markets brace for more supply when OPEC's agreement to cap output—put is expected to end next year.

Members of the Organization of the Petroleum Exporting Countries renewed a deal with other crude-oil producers in May to withhold almost 2% of global oil supply. The accord is set to expire in March and concerns are mounting among investors as that date approaches, although Saudi Arabia and Russia are pushing to extend the deal for three more months.

A poll of 14 investment banks, surveyed by The Wall Street Journal at the end of August, predicted that Brent crude, the international benchmark, will average \$54 a barrel next year, down \$1 from

the July survey. The banks expect West Texas Intermediate, the U.S. oil gauge, to average \$51 a barrel in 2018, down \$2 from the previous survey.

On Friday, Brent crude fell 0.2%, to \$52.75 a barrel, while West Texas Intermediate rose 0.1%, to \$47.29.

The survey was conducted before Hurricane Harvey crippled refineries on the U.S. Gulf Coast. Analysts say it is too early to say what the longer-term impact will be of the storm, but it could have some beneficial effects on the oil price given U.S. supply has been hit.

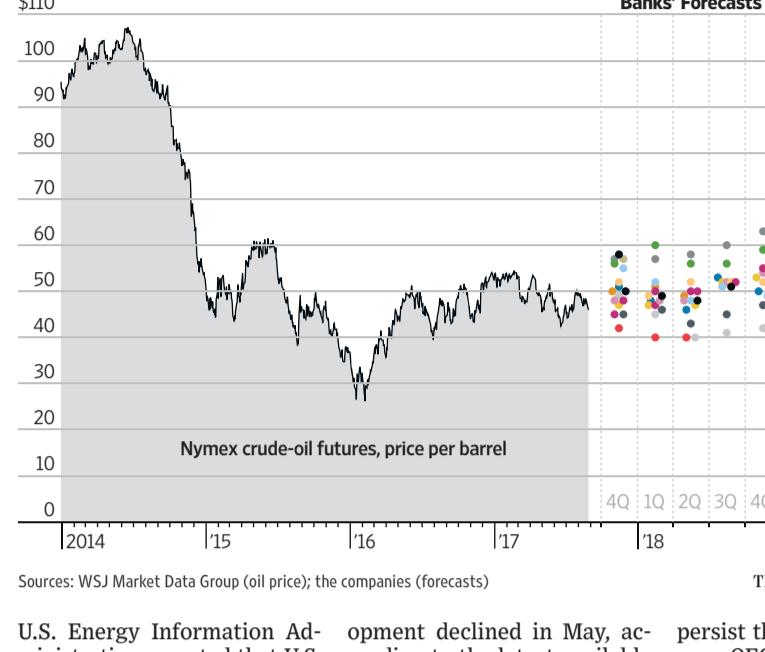
"We still expect prices to fall back next year as the OPEC deal comes to an end and U.S. production growth accelerates again due to higher prices," Tom Pugh, commodities economist at Capital Economics, wrote in a report.

The OPEC production deal is aimed at ending a global glut that has weighed on oil prices and shaken the economies of countries dependent on crude.

Fundamentals have been going oil producers' way in recent months as inventory levels fall. On Wednesday, the

Looking Ahead at Oil Prices

Where investment banks in August's survey see the price of U.S. crude-oil futures in the next few quarters



Sources: WSJ Market Data Group (oil price); the companies (forecasts)

U.S. Energy Information Administration reported that U.S. stockpiles, excluding the Strategic Petroleum Reserve, declined last week by 5.4 million barrels.

Stockpiles held by members of the Organization for Economic Cooperation and Development

declined in May, according to the latest available data from the International Energy Agency.

Despite this bullish data, analysts don't believe prices will be heading much higher.

"While we estimate that a very modest undersupply will

may rise, flooding the markets with crude and potentially sinking prices. Even if the agreement was renewed, analysts doubt compliance with it would be guaranteed.

"We could see increasing dissatisfaction within individual members, who then will begin to overproduce on their quotas," said Hamza Khan, head of commodity strategy at ING Bank.

Indeed, many OPEC nations, which rely on oil for a substantial part of their budgets, are already failing short of their reduction targets.

Rising U.S. production, and increased supply from Libya and Nigeria, two OPEC members that are exempt from production caps, has added to the bearish sentiment on the market, said Carsten Fritsch, an analyst at Commerzbank AG.

On the demand side, growth in global oil consumption has been lackluster this year, further hampering efforts to reduce the glut.

"If you add higher supply with weaker demand growth, you end up with a market we believed is oversupplied and susceptible to lower prices," Mr. Khan said.

In Germany, the 'Locals' Are Tops

By MIKE BIRD

The German economy is famous as an export powerhouse, but this year, in the country's stock markets, the companies closest to home are outperforming their internationally focused peers by a mile.

The country's flagship stock index, the DAX, is up 5.8% for 2017. Meanwhile, the FTSE Local Germany Index has returned more than 20% since the year began.

The increasing strength of the euro and the still-improving picture for the German domestic economy have both helped drive a wedge between the two indexes.

Only stocks that receive 70% or more of their total revenue from their home countries are included in FTSE Local series, leaving out Germany's major export champions.

The DAX itself is dominated by companies that make most of their money abroad, with over 75% of revenue coming from outside Germany.

The outperformance of domestic-focused stocks began most clearly in May, when the trade-weighted euro—a measure of the common currency's value against the currencies of



A Claas factory in Harsewinkel, Germany. The country's domestic-focused stocks are outperforming their export-oriented peers.

its main trading partners—began to pick up sharply in the wake of France's presidential election.

That makes sense, because Germany's major exporters see drawbacks from a stronger euro. A dollar in revenue translates into fewer euros, meaning lower profits. The stronger euro also makes German products more expensive for consumers outside the eurozone, which can weigh on demand.

But the different perfor-

mances of the two indexes is not just down to the euro. In 2014 and 2015, when the euro fell by more than 10% against its main trading partners' currencies, the FTSE Local Germany's total return was practically identical to the DAX. In essence, Germany's strong national economy in those years helped domestic firms match the gains reaped by exporters that were enjoying the benefits of a cheap local currency.

Now that the euro has taken

an upward trajectory, the buoyant German economy is amplifying the differences between inward- and outward-focused businesses.

In the past four years, the recovery in domestic demand outstripped previous recoveries beginning in 1993, 1999, 2005 and 2009, according to UBS Group AG economist Felix Huefner.

Household consumption rose 2.2% in the second quarter of 2017, compared with the year-earlier period, the strongest increase in over 10 years.

HSBC Holdings PLC economists cited the rise in consumption for raising their growth forecasts.

The bank now expects a 2.2% rise in gross domestic product from "the German economic juggernaut" this year, up from the 1.8% expected previously.

There is no guarantee that Germany's home-focused stocks will keep outperforming, but many analysts are projecting further support for household spending, too.

Both the center-left Social Democrats and Chancellor Angela Merkel's center-right Christian Democrats have promised tax cuts. The country goes to the polls in three weeks.

Roku IPO Filing Has 2 Classes

By MARIA ARMENTAL

Roku Inc., which makes streaming-media devices and software, filed preliminary documents for an initial public offering of shares.

The Wall Street Journal previously said the California company was targeting a valuation of roughly \$1 billion.

The documents, filed Friday with the Securities and Exchange Commission, don't offer much detail on the planned IPO, beyond saying that the company seeks to trade on Nasdaq under the ticker ROKU. The filing includes a figure of \$100 million for its issuance, but that figure is used to calculate filing fees and is often changed.

The filing says owners of Class B shares—including founder and Chief Executive Anthony Wood—will retain control based on voting power. Class A shares, to be sold to the public, would have one vote each, while Class B shares would have 10 votes.

Roku made its name through small boxes that hook up to TVs and stream video from services such as Hulu and Netflix Inc. However, it has been shifting its business to draw more of its revenue from ads and revenue-sharing deals with those companies.

On Friday, Roku said its loss for the first half had narrowed to \$24.2 million, while revenue rose 23% to \$199.7 million.

SoFi Opens Harassment Probe

By PETER RUDEGEAIR

Online lender Social Finance Inc. said that it has launched an outside investigation into claims that current and former female employees were sexually harassed at work, the latest Silicon Valley startup to face accusations about its behavior toward women.

The San Francisco-based company, one of the most highly valued financial-technology firms in the U.S., announced the move Friday, a day after a former employee said in a court filing related to his wrongful termination lawsuit that the company's CEO allowed "male employees to engage in inappropriate sexual conduct" in the workplace.

SoFi has denied the specific allegations of that former worker, Brandon Charles. However, Chief Executive Mike Cagney said in a note to all employees Friday that as its lawyers were weighing a response to the lawsuit, they learned that several people are prepared to formally allege they had witnessed or had been the victims of "improper activity" at SoFi's operations center in Healdsburg, Calif.

"That kind of behavior has no place at SoFi, and we're not going to tolerate it," Mr. Cagney wrote. He said SoFi's outside lawyers are reviewing the matter and that the company would bulk up its training and add ways for employees to give anonymous feedback on any issue.

The lawsuit and action by

SoFi occur as questions swirl around the culture of the technology industry that have sparked debate about a lack of diversity and the treatment of women in typically male-dominated companies. In February, a former engineer at Uber Technologies Inc. said the company hadn't disciplined a manager who mistreated female employees.

That kicked off an investigation into Uber's operations and culture that ultimately led to the resignation of its chief executive and founder, Travis Kalanick. Uber's board this past weekend voted in Expedia Inc. chief Dara Khosrowshahi as the company's new top executive.

At SoFi, the August lawsuit filed against the company by Mr. Charles said he was wrongfully terminated for reporting that some managers

had hidden errors made in processing loan applications. The legal action also claimed another manager had made sexual or inappropriate comments about women who worked at SoFi.

Mr. Charles's attorney couldn't be reached to comment.

Mr. Charles amended his lawsuit on Thursday to include accusations that Mr. Cagney defamed him in a company-wide videoconference days after his original complaint was filed. According to the amended lawsuit, Mr. Cagney told SoFi's staff that Mr. Charles was a liar and that SoFi would take "unspecified action" against him at a later date.

A SoFi spokesman said the company had investigated Mr. Charles's claims internally and found them to have no merit.



A court filing accuses CEO Mike Cagney of allowing 'male employees to engage in inappropriate sexual conduct.'

Streak of Outflows From Stocks Ends

By AKANE OTANI

Investors finally stepped back into the U.S. stock market again this past week.

After pulling \$30 billion out of equity funds

EQUITIES over a 10-week span this summer, investors

put \$300 million back into the funds for the seven days ended Wednesday, according to Bank of America Merrill Lynch data.

Stocks have ticked higher in recent days as a fresh batch of economic data showing the U.S. consumer on strong footing helped investors look past renewed tensions between North Korea and the U.S.

Before the latest week, mutual funds and exchange-traded funds that invest in U.S. equities had posted their longest streak of withdrawals in 13 years—the latest indication to some analysts that investors were increasingly wary of the long U.S. stock rally.

There are plenty of reasons not to love the stock rally at the moment, investors say. Stocks are trading at higher-than-average valuations; economic data has shown lagging measures for inflation, wage growth and U.S. auto sales; and turbulence in Washington has cast doubt on the Trump administration's ability to push through policies such as tax

Treasury Yields Rise After Factory Report

By SAM GOLDFARB

U.S. government-bond yields bounced off 2017 lows as investors booked profits following a strong report on the U.S. manufacturing sector.

The yield on the benchmark 10-year Treasury note settled at 2.157% Friday, compared with 2.122% Thursday, its lowest close since Nov.

10. Yields rise when bond prices fall.

In a choppy day of trading, Treasury yields fell sharply after the latest monthly jobs report showed continued slow growth in workers' wages. That reaction, though, was influenced by confusion over whether wage data had been revised for previous months, and yields quickly recovered once investors determined the report wasn't as bad as initially feared, analysts said.

Later, yields rose further when the Institute for Supply Management said its index of factory activity reached a six-year high in August. They also got a lift from a report in the Washington Post that President Donald Trump is no longer demanding that a coming spending bill include funding

for a border wall with Mexico; analysts said that could reduce the chances of a government shutdown that would boost assets considered havens.

Even with Friday's move, it was still a good week for Treasurys' prices, with the 10-year yield settling below its 2.169% close the previous Friday.

Still, U.S. inflation remains comfortably below the Federal Reserve's 2% target. That has eased pressure on the central bank to raise interest rates and alleviated a major threat to bonds, which is for rising inflation to chip away at the purchasing power of their fixed payments.

Meanwhile, yields on some short-term Treasury debt have climbed in recent days as investors continue to pay close attention to debt-ceiling discussions in Washington.

The yield on a Treasury bill due Oct. 5 was 1.259% Friday afternoon, up from 1.119% Thursday and 1.063% Wednesday, according to Tradeweb. The higher yield, analysts said, reflects concern that there is a small chance the U.S. government could temporarily fail to honor its obligations on debt that matures right after the government is expected to reach the limit of its current borrowing authority.

MARKETS

Stocks Get a Lift From Strong Economy

Nasdaq gains 2.7% for the week to a record as biotech shares rise; gasoline futures surge

By CORRIE DRIEBUSCH
AND RIVA GOLD

The Nasdaq Composite rose to its biggest weekly gain of the year, boosted by signs of strength in the U.S. economy and a rise in biotechnology companies.

In the past week, investors navigated the damage caused by Hurricane Harvey and renewed tensions between the U.S. and North Korea, while also focusing on upbeat data on personal spending as well as steady job creation and low unemployment. Some large acquisition announcements and a landmark new drug approval helped catapult major indexes higher.

On Friday, stocks edged higher following a roughly inline jobs report. The pace of hiring slowed and the U.S. unemployment rate rose slightly last month, according to the Labor Department, but wages ticked up less than expected. This is good for stock prices, some analysts said, as wages are rising enough to spur more consumer spending but not at a fast-enough pace to compel the Federal Reserve to raise interest rates.

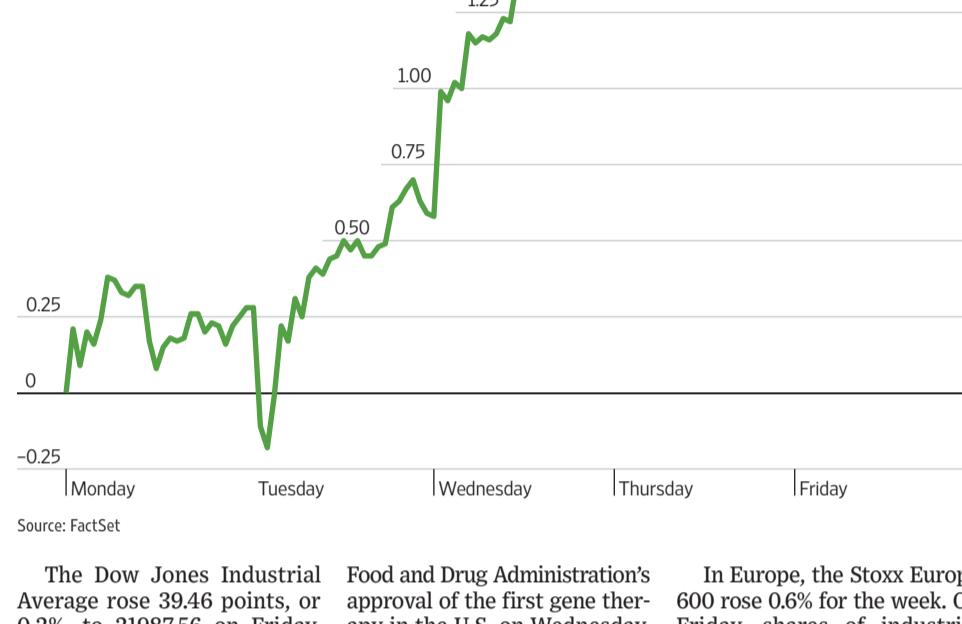
"Thankfully, the improvement in the labor market is not leading to too-fast wage growth," said Sameer Samana, global quantitative and technical strategist at Wells Fargo Investment Institute. "It's right now in the sweet spot where it's enough to drive consumption, but not enough to lead to inflation jumping up so the Fed feels it needs to be more aggressive. It's also not affecting profit margins yet."

In August, average hourly earnings ticked up 0.1% from the prior month. Economists surveyed by The Wall Street Journal had expected a 0.2% rise.

Summer Breeze

U.S. share indexes rallied this past week. Enthusiasm for a large biotech deal and generally solid economic data outweighed concerns about the prospect for conflict with North Korea, which pushed down bond yields and hit bank stocks.

The Nasdaq Composite soared to its largest weekly gain this year.



Source: FactSet

The Dow Jones Industrial Average rose 39.46 points, or 0.2%, to 21,987.56 on Friday, putting its weekly gain at 0.8%. The S&P 500 added 4.90 points, or 0.2%, to 2,476.55, for a weekly gain of 1.4%, its biggest since mid-July.

The Nasdaq Composite added 6.67 points, or 0.1%, to 6,435.33, a record close.

The Nasdaq Composite finished the week up 2.7%, lifted by an 8% rise in the Nasdaq Biotechnology Index in the period. Biotech shares soared after the

Food and Drug Administration's approval of the first gene therapy in the U.S. on Wednesday. The group earlier got a boost from **Gilead Sciences**, which Monday agreed to pay about \$11 billion for **Kite Pharma**.

In other merger news, shares of **United Technologies** surged on Tuesday after The Wall Street Journal reported the aircraft-equipment maker was near a deal to buy **Rockwell Collins** for more than \$20 billion. United Technologies ended the week up 2.5%.

In Europe, the Stoxx Europe 600 rose 0.6% for the week. On Friday, shares of industrial goods and construction companies were among the best performers, as data showed activity in the eurozone's manufacturing sector increased in August to a 74-month high.

Earlier Friday, Asian shares mostly inched higher, with China's market gaining slightly after a private gauge of Chinese factory activity rose in August for the third straight month. The Shanghai Compos-

ite Index rose 0.2% to its highest close since December 2015 as coal and steel stocks advanced. Stocks in Shenzhen added 0.6%.

Japan's Nikkei Stock Average added 0.2% amid gains in energy companies, finishing the week 1.2% higher. The index ended a six-week losing streak, its longest since early 2014, with its biggest weekly gain since June.

In commodities, gasoline futures jumped 13%, for their biggest one-week percentage

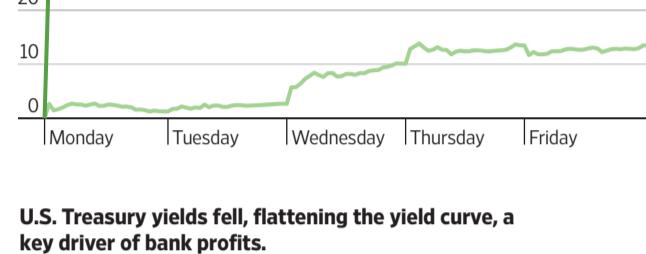
gain in more than five years, as Hurricane Harvey caused U.S. refinery and pipeline shutdowns. U.S.-traded crude oil fell 1.2% during the week to \$47.29 a barrel.

The price of gold for September delivery jumped 2.5% to \$1,324.50 an ounce during the past week following the missile launch in North Korea, uncertainty about when the Fed may next raise interest rates and a weaker dollar. The rise was gold's biggest weekly gain since April.

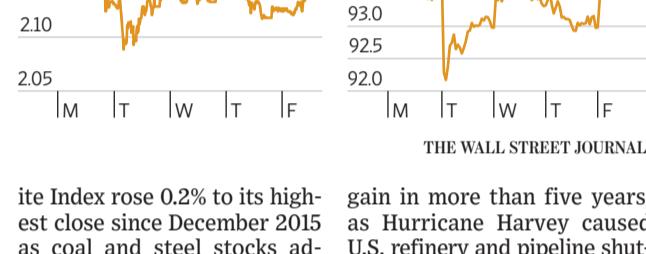
Investors bought biotech shares following a notable gene-therapy approval.



Gilead Sciences' plan to buy Kite Pharma sent both firms' shares soaring.



U.S. Treasury yields fell, flattening the yield curve, a key driver of bank profits.



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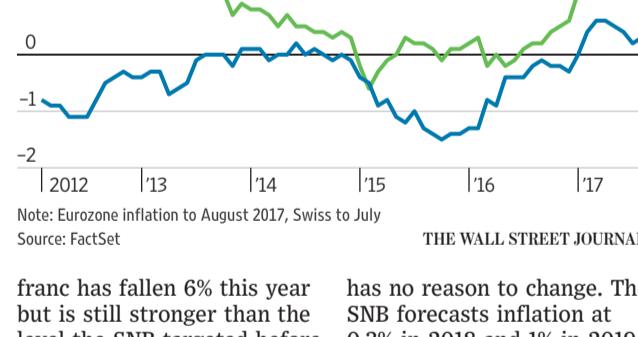
FINANCIAL ANALYSIS & COMMENTARY

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A Case for Selling the Swiss Franc

Even Lower, Even Longer

Consumer prices, change from a year earlier



Source: FactSet

Swiss outward investment flows, much of which traditionally landed in the eurozone, have collapsed since the crisis. As those fears fade, so should the franc. The first time the Swiss franc showed signs of weakening this year was in the wake of the French elections, won by the staunchly pro-Europe Emmanuel Macron.

The Swiss franc won't stop being a haven. When risk aversion rises, investors seem hard-wired to embrace it. Italian elections next year could be a flashpoint. But unless there is a specific threat to eurozone cohesion, such reversals shouldn't prove too disruptive.

All that makes the Swiss franc a sell against the euro. Even if the franc falls from its current €0.875 to €0.83, a big move in currencies, it would only be at the highest level that the Swiss central bank allowed it to go in 2015. A further decline would make them happier. Investors should go along for the ride.

—Richard Barley

OVERHEARD

While they still beat car salespeople and members of Congress, the legal profession doesn't score very highly in public surveys about perceived ethics. Penny-ante tactics like this might be one reason why.

TD Bank branches in the U.S. used to be known for coin-counting machines called penny arcades, but they were removed over the past year or so. Blame a lawsuit that accused the bank of undercounting. While the bank didn't admit this happened, it chose not to litigate.

The 13 "class representatives" named in the lawsuit are set to receive awards not to exceed \$65,000. The lawyers have requested an award for their work not to exceed \$1,935,000. And the thousands of other customers allegedly shortchanged? The settlement should amount to at least 26 cents per \$100 exchanged, which, in the case of most customers, probably doesn't exceed the value of a first-class postage stamp.

Jobs Report Gives Boost To the Doves

Economists are famously said to worry whether what works in practice will also work in theory. Friday's modestly disappointing jobs report should put their minds at ease for now.

Before the revisions in August's report, five of the seven months through July had seen payroll growth of over 200,000 and the average of the preceding 12 months had been a robust 180,000, high figures so late in an economic recovery. According to a calculator maintained by the Federal Reserve Bank of Atlanta, a pace of just 166,000 jobs a month for the next 12 months would have taken the unemployment rate below 4%, a number not seen since the start of this century.

In that sense, then, August's payroll growth of just 156,000 and downward revisions to the past two months are a pause that refreshes. That could be seen immediately in the currency market as the dollar, which already was in a rut, fell sharply. Currencies weaken when economic data are awful—not the case now—and when the market reckons interest rates will fall or won't rise as much as believed.

Another blowout jobs number might have undercut doves on the Federal Open Market Committee who would like to slow down the pace of interest-rate increases until there were signs of stronger wage growth and inflation. Unemployment already is at the theoretical level that sparks price pressure. But if payroll growth is cooling off, then the Fed can focus on hard data without worrying about labor market slack and could well be on hold for the rest of 2017.

—Spencer Jakab

Hewlett's Meg Whitman Has a Different Mess to Clean Up

If Meg Whitman is looking for a fix-up job, she doesn't have to go far.

The **Hewlett Packard Enterprise** chief executive was apparently interested in the top job at **Uber Technologies** after all, though exactly how much seems a matter of some dispute. Regardless,

that job has now gone to someone else, leaving investors to wonder just what's in store for Hewlett Packard.

Ms. Whitman put the one-time tech behemoth on a crash diet that has left it smaller and, based on recent sales trends, weaker. Then she flirted with the idea of taking charge of Silicon Valley's most pre-eminent mul-

ticar pileup.

So Ms. Whitman has some explaining to do, which hopefully will come during the company's fiscal third-quarter earnings call this coming week. Hewlett Packard's stock price has fallen 7% following each of its last two quarterly reports. A slump in the sales of servers, data-storage gear and other enterprise tech hardware have put pressure on what is left of the business following the divestitures of its services and software divisions.

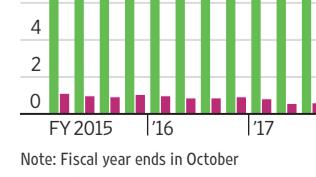
Ms. Whitman needs to show a way out of that slump, which won't be easy. Splitting from the computer-and-printer half nearly two

years ago established Hewlett Packard Enterprise with a little over \$50 billion a year in annual revenue. The subsequent divestitures leave the enterprise group and financial services units remaining, which are projected to generate about \$29 billion in combined revenue for the fiscal year ending in October, according to FactSet. That is down 6% from last year.

A big problem is servers, which will account for more than 40% of Hewlett Packard's revenue. Server sales for the six-month period ended April 30 slid more than 13% from the same period last year. Rival Dell has been pricing its own servers

Server Crash

Hewlett Packard operating results for enterprise group, quarterly



aggressively and has gained share. And Microsoft—Hewlett Packard's largest customer—has been cutting back on server orders. Hewlett Packard needs to

stave off those declines, as well as show investors that the remaining business will still generate a healthy cash flow that can fund its dividend, buybacks and an acquisition campaign that has netted four companies already this year.

Ms. Whitman's flip-flop on the Uber job gave Hewlett Packard's investors and employees reason to question her commitment to the company. To win them back, Ms. Whitman has to prove she's either in it for the long haul or has a plan to put Hewlett Packard's wheel into other capable hands.

—Dan Gallagher

Why is the
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REVIEW



He helped end
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FROM TOP: GALLERY STOCK; ALFRED BUELESBACH/VISUM/REDUX
IN HER AUTOBIOGRAPHY, Edith Wharton wrote of 'exploring slumberous mountain valleys' by car and coming back 'weary but laden with a new harvest of beauty.'

BY PAUL THEROUX

ONE MORNING in Westport, Conn., in the summer of 1920, about three months after her marriage to F. Scott Fitzgerald, Zelda Fitzgerald became slightly cranky over breakfast. She said that she hated Yankee bacon and eggs. Alabama-born and -raised, she craved Southern biscuits, "and I wish I could have some peaches anyhow."

This made Scott smile. Jumpy, not to say reckless and self-destructive, he shared with Zelda that most familiar of American impulses: Let's go.

"I will dress, and we will go downstairs and get in our car," he promised, and went on: "Seating ourselves in the front seat we will drive from here to Montgomery, Alabama, where we will eat biscuits and peaches."

"Let's go" is on the minds of many people in these last days of summer, especially the getting-out-of-here, going-away, going-home mood of Labor Day weekend. And it is much simpler by car.

In their secondhand 1918 Marmon Speedster, the Fitzgeralds set out on one of the first literary automobile trips in the U.S., which Scott recorded in his memoir "The Cruise of the Rolling Junk." The trip started as a lark: two novice drivers on a 1,200-mile journey to the deep South on bad roads. As klutzies, they experienced many mishaps and reverses and an assortment of crashes, but in its modest, merry way, it was a trailblazing effort.

Like many road trips, the Fitzgeralds' journey was a venture into the past (the one that Jay Gatsby longed to make), with the long shadow of the Civil War hanging over it. In 1920, it was still

possible to encounter, as Fitzgerald writes, grizzled Civil War veterans, as well as formerly enslaved men and women with tales to tell. The trip turned serious. Such things happen on back roads.

Cruising around in cars was nothing new or even especially American in 1920. In France 20 years earlier, Marcel Proust was riding shotgun with his 19-year-old chauffeur friend Alfred Agostinelli, sightseeing in provincial towns and extending his motoring as far as Venice. Stimulated by road trips, Proust wrote one of the earliest essays on the subject in 1907, "*Impressions de route en automobile*" ("Impressions of Travel in a Motor Car"), which is a nice link between Proust and Jack Kerouac and many others, including you and me.

Our first major literary road-tripper may have been a woman, the passionate, brilliant Edith Wharton, who began motoring in 1904 in her new Pope-Hartford. She was not only vitalized by the freedom and enlightenment of the open road but found essential detail and inspiration for her novels there.

In her 1934 autobiography, "A Backward Glance," Wharton spoke of the bad roads and the uncertainties of a road trip. But in a car, she wrote, "our imagination [was] so tantalized by the mystery beyond the next blue hills, that there was inexhaustible delight in penetrating to the remoter parts of Massachusetts and New Hampshire, discovering derelict villages with Georgian



churches and balustraded house-fronts, exploring slumberous mountain valleys, and coming back, weary but laden with a new harvest of beauty." And these sights are still available to anyone on a New England road trip.

Please turn to the next page

Mr. Theroux's many books include "Deep South: Four Seasons on Back Roads," the novel "Mother Land" and a forthcoming essay collection, "Figures in a Landscape."

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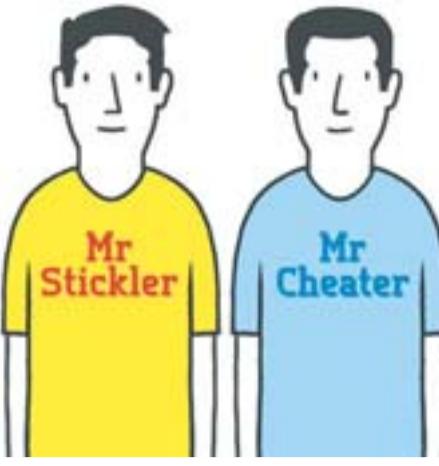


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REVIEW



MIND & MATTER:
ROBERT M. SAPOLSKY

Does Belief in Free Will Make Us More Ethical?

PEOPLE DIFFER in the degree to which they see themselves as controlling their own lives, acting effectively and making choices—that is, in how much they believe in free will. Intriguingly, researchers also have found a strong relationship between belief in free will and various behaviors and attitudes. A new paper suggests that another factor shapes our world view perhaps even more profoundly: the sort of society in which we live.

There's no question that beliefs about free will have wide-ranging effects. For example, participants in a study published in 2016 received readings stating that recent advances in neuroscience cast doubt on the concept of free will. Believing this, they tended to become more dishonest in economic games.

How much we believe in free will also influences our judgments about how others behave: The more that people believe humans can choose what they do, the more they advocate harsh punishment for criminals.

The one big problem with all of this research on how free will affects behavior is that the participants in it typically have been WEIRD—not strange in the usual sense but described by the acronym “Western, educated, industrialized, rich and democratic,” which critics sometimes apply to such studies to highlight their limits.

This problem prompted Nathan Martin of Arizona State University and colleagues to conduct a more far-reaching study, published in June in the *Proceedings of the National Academy of Sciences*. The authors mined the World Values Survey, a questionnaire completed in 2005–09 by 65,111 people in 46 culturally varied countries. The survey included questions about free will in which respondents rated how much self-determination, control and choice they perceived in their own lives. The researchers then correlated these answers with what the respondents said about how they judged moral transgressions.

In one respect, the results of the new study echoed the old ones. The more people believed in free will, the more they advocated harsh punishment for hardened criminals. No WEIRD-ness there: This tendency looks like a human universal. But something different emerged when researchers asked people to judge milder ethical transgressions (such as cheating on taxes, dishonestly claiming government benefits, avoiding transit fares, accepting bribes). In many countries, belief in free will had a much smaller effect.

Hypothesizing that nationality may be key, the authors sorted results into three categories of

countries as determined by various measures of the World Bank. For countries with high degrees of governmental transparency and minimal corruption, such as Japan, Scandinavia, and the U.S., a greater belief in free will predicted harsher condemnation of milder unethical behaviors. The same went for countries with moderate degrees of transparency and corruption, such as Poland or South Korea. But in places like Somalia or Moldova—rated as governmentally opaque and highly corrupt—how much people believed in free will had no effect on their readiness to condemn unethical behavior.

This makes sense to me. I spent 30 years regularly doing primatology research in a country that ranks in that bottom third of nations. Some park rangers poached animals, and plenty of people knew about it. “Of course he killed that zebra,” they would say. “The warden is stealing half the salaries of the men in his unit, and they’re hungry.” Or: “Of course he shot that elephant—now he can pay for all his children to go to school.”

What do the findings of Dr. Martin and his colleagues mean? For starters, that if you want to understand human behavior, don’t just study, say, freshmen at a suburban university taking Psych 101. More fundamentally, the research suggests that when our lives are surrounded by corruption, our ethical compass equilibrates to a new norm of “That’s just how things work”—which makes change that much harder, no matter what country we live in.

Behind the Wheel and Free to Roam

Continued from the prior page

The long, improvisational trip by car is quintessentially American, just as the road book is a peculiarly American form. Many other road books followed Fitzgerald and Wharton: by Henry Miller, Kerouac, John Steinbeck, William Least Heat-Moon and other notables. Larry McMurtry’s “Roads: Driving America’s Great Highways” (2000) is a wonderful meditation on motoring. The road trips that Vladimir Nabokov took all over America with his wife at the wheel, seeking butterflies, resulted in “Lolita,” a novel that is also incidentally a desperate and erotic road trip. Charles Portis’s “The Dog of the South” (1979) is one of the great road-trip novels, starting in Arkansas and ending in Honduras—a wild ride, played for laughs, and wise too: “The car ran well and I glowed in the joy of solitary flight. It was almost a blessed state.”

“The motor car has restored the romance of travel,” Wharton declared in 1908 in her road book “A Motor-Flight Through France.” This is quite an assertion, when you consider that, as a Newport heiress, she had sailed first class in great ships and taken luxury trains and elegant horse-drawn carriages.

Yet it is perhaps truer today to say that the road trip has kept alive the romance of travel. Consider the misery of air travel, in what constitutes an average journey by plane.

Much has been written about the stress, intimidation, limited space, germ-laden air and the intrusion of other people—the oaf in the seat in front of you who lowers his chair back into your lap, the child behind kicking your spine, the agony of the middle seat. Then there is the sludge that passes for in-flight meals, or the option to pay \$7 for a “meal box” of chips, pretzels, cookies, candy, three crackers and a rectangle of industrial cheese that resembles a yellow piece of Lego but isn’t as tasty, and it’s five hours to LAX.

After Sept. 11, 2001, casually showing up at the airport—often at the last minute, in my case—and easy boarding became distant memories, and since then air travel has degenerated further, so that the simplest flight is a secular version of hell. I know this is in the interest of passenger safety. But it is axiomatic that security officers are seldom graduates of charm school, and those of us who traveled in Eastern Europe and the Soviet Union long ago are familiar with the sadistic interrogator, the intrusive frisker, the busy ransacker of bags and the “Listen-buddy-this-is-in-your-best-interests” sadist. Who has not been insulted with “Get those shoes off!” or “Did I tell you to move?” or “Open your bag!”

This is why—for reasons of dignity and personal freedom—more and more Americans are re-thinking the air journey and seeking the pleasures of the open road.

The possibility of the road trip has been ours for more than a century. The first cross-country road, the Lincoln Highway, was inaugurated in 1913. Linking New York to San Francisco, this notional thoroughfare, pieced together from an assortment of east-west trending roads, was not a U.S. government project but rather an idea seen through to completion by private businessmen. These men, all of whom were associated with the automobile industry, were supervised by Carl G. Fisher, who manufactured car headlights in Indianapolis. An accepted north-south route was established at around the same time.

Not much on Earth can beat the American road trip in travel for a sense of freedom—no pat-down, no passport, no airport muddle, just revving an engine and leaving at will.

Though the driverless cars that await us might have their uses in dense city traffic or on tedious L.A. freeways, they will certainly diminish the exuberance of a driver gripping the wheel, flooring it and rejoicing, “Eat my dust.”

My experience of the open road began in Central Africa in the early 1960s, where, first as a Peace Corps volunteer and later as a college teacher, I drove Land Rovers and sometimes Willys Jeeps for six years, through foot-deep sand, across trackless plains and over bone-shaking corrugations. The landscape was magnificent, yet the ordeal of driving, and the frequent mishaps, detracted from contemplating the passing scene.

In 1965, I drove 2,000 miles in a Peugeot station wagon from southern Malawi to Uganda. Every hour of the trip was an anxiety, as I bumped along, cursing the road. Thirty-five years later, I made an overland trip from Cairo to Cape Town. None of the

roads had improved, but the worst journeys make the best books, so I had plenty to report when I described the trip in my travel memoir “Dark Star Safari.” Ten years later, I was defeated and demoralized on the awful roads of Angola and swore in “The Last Train to Zona Verde” that I would never travel that way again—jolted and slowed by bangers and jalopies, mocked by locals, abused by officialdom.

It is no better in many other parts of the world. Just a few years ago, in India, I spent nine hours traveling 137 miles on the main road from Haridwar to New Delhi. There were no traffic jams to speak of, but I did contend with elephants, cyclists, push carts, a human corpse and now and then a mob scene.

The American road trip rekindled my interest in travel and, most of all, reminded me how lucky we are in our country’s spaciousness and modernity. After my last trip in Africa, and its repetitions and frustrations, I wrote, “On the red clay roads of the African bush among poor and overlooked people, I often thought of the poor in America, living in just the same way, precariously, on the back roads of the Deep South, on low farms, poor pelting villages, sheepcotes, and mills—people I knew only from books, as I’d first known Africans—and I felt beckoned home.”

So over the course of 2012–14, in four seasons, I drove tens of thousands of miles, meandering through the back roads of the deep South, listening to the blues on the radio, visiting churches and gun shows and family farms, and writing down people’s stories—of hardship and striving, raising families, struggling in adversity and remembering the past.

I stuck to rural areas because I liked driving on back roads, where it was easier to meet people. Most of what I saw was new to me—and much of it was surprising, such as the dereliction of the Mississippi Delta, the impoverished townships in Alabama and South Carolina, failing schools, poor medical care, child hunger in Arkansas.

Scott and Zelda Fitzgerald, intending an enjoyable road trip, ended up in an adventure, discovering a country that was new to them. My road trip in the deep South was similarly enlightening—and I kept thinking how the great majority of Americans, especially in the heartland, are unnoticed, their stories unknown, their concerns unheard. On a bus, in a plane, on a train, I would not have known this. In my car, driving slowly, stopping often, the word that occurred to me was overlooked. Later, during the turmoil of last year’s election, I began to think of them as the people no one listens to.

Nowhere else in the world (though Canada is a contender) is it possible to drive 3,000 miles—the distance from Boston to Los Angeles—and be certain that you will encounter no roadblocks or obstructions; that you will always find a place to stay and somewhere to eat; and that you will be privileged to observe a river the equal of the Ganges or the Yangtze, mountains as great as the Himalayas, a desert as dramatic as any in Africa or Asia, and fertile fields and pastures of grazing animals unmatched in the world.

Though I’ve been driving in the U.S. since I got my license 60 years ago, there is an immense amount of landscape I have yet to see. Driving through the deep South was a wish fulfilled, and so was my trip along the entire 1,900 miles of the Mexican border.

But I still have plans. My Road Trip Wish List includes: driving from Cape Cod to Seattle with many detours.

Heading north from Cape Cod and keeping on, past the villages of my ancestors, until I run out of road around Lac Albenal in northern Quebec.

Or heading south, as I mean to do soon, crossing La Frontera and taking an extended road trip in Mexico.

In a long traveling life, I had depended on public transport, the clattering train, the slow boat, the rusted chicken bus, the shuttling ferry. And then I began to travel by car.

What made the experience a continuing pleasure was that, in my car, I never knew the finality of a flight, or the ordeal of being wrangled and ordered about at an airport, the stomach-turninggulp of liftoff or the jolt of a train, but only the hum of tires, of telephone poles or trees whipping past, the easy escape, the gradual release of the long road unrolling like a river through America. It is in many respects a Zen experience, scattered with road candy, unavailable to motorists in any other country on Earth.



NEVADA'S VALLEY OF FIRE, in the Mojave Desert northeast of Las Vegas.

REVIEW

The Smartphone Generation Vs. Free Speech

Risk-averse and unaccustomed to independence, they flee from the 'hurt' of words



JAMIE KERKOWSKI/MISSOURIAN/ASSOCIATED PRESS

BY JEAN M. TWENGE

IN THE PAST FEW YEARS, many U.S. college campuses have become embroiled in controversies over free speech. Students have insisted on "safe spaces" to protect themselves from ideas with which they disagree and have demanded the dismissal of faculty members who offend their sensibilities. Campus speakers have been "disinvited" when students object to their point of view. Such events were rare just five years ago but now seem to occur constantly during the school year. Why has this happened? What is so different about today's students that many of them denounce faculty and administrators who suggest that a basic expectation of university life is for people with differing perspectives to talk to each other?

Meet iGen, the generation of young Americans born after 1995 and the first to spend their entire adolescence with smartphones in their hands. Puzzling as the recent campus controversies might seem, they are rooted in the unique psychology and life experiences of this cohort.

First, iGeners grew up in an era of smaller families and protective parenting. They rode in car seats until they were in middle school, bounced on soft-surface playgrounds and rarely walked home from school. For them, unsurprisingly, safety remains a priority, even into early adulthood.

As I found in analyzing several large national surveys of teens from all backgrounds, fewer of them in the 2010s (as compared with

the 2000s) say that they like to take risks, and fewer say they get a thrill out of doing something dangerous. That has real benefits. Fewer get into car accidents or physical fights. In the annual Monitoring the Future survey of more than a half million 12th-graders, the number who binge-drunk was cut in half between the late 1990s and 2016. In previous eras, teens were willing to live on the edge by doing things they knew weren't safe—that was the nature of being a teen. Not anymore.

Nor are they just concerned about physical safety. The iGen teens I have interviewed also speak of their need for "emotional safety"—which, they say, can be more difficult to protect. "I believe nobody can guarantee emotional safety," one 19-year-old told me. "You can always take precautions for someone hurting you physically, but you cannot really help but listen when someone is talking to you." This is a distinctively iGen idea: that the world is an inherently dangerous place because every social interaction carries the risk of being hurt. You never know what someone is going to say, and there's no way to protect yourself from it.

The result is a generation whose members are often afraid to talk to one another, especially about anything that might be upsetting or offensive. If everyone must be emotionally safe at all times, a free discussion of ideas is inherently dangerous. Opposing viewpoints can't just be argued against; they have to be

shut down, because merely hearing them can cause harm.

This frame of mind lies behind recent student agitation to keep controversial speakers off campus. According to the Foundation for Individual Rights in Education, a nonprofit watchdog group, campus disinvitations have risen steadily, reaching an all-time high of 42 in 2016, up from just six in 2000. In the American Freshman survey of more than 140,000 college students conducted by the Higher Education Research Institute in 2015, 43% agreed that campuses should be able to ban extreme speakers, up from just 20% in 1984.

The reasons for disinvitations frequently refer to the safety of students. When Williams College disinvited a speaker with provocative views on race, the campus newspaper wrote that his presence on campus would have caused students "emotional injury." When controversial speakers do come, it is now fashionable to create a "safe space" where students can go if they feel upset.

Members of iGen are also taking longer to grow up. As I found in analyzing seven large national surveys of teens, today's adolescents are less likely to drive, drink, work, date, go out and have sex than were teens just 10 years ago. Today's 18-year-olds look like 15-year-olds used to. They don't reach adulthood too early, but they also lack experience with independence and decision-making.

A STUDENT GROUP set up a 'safe space' on the University of Missouri campus, Columbia, Mo., Nov. 8, 2016.

The result is a generation that looks to college administrators to settle disputes, like squabbling siblings appealing to their parents. Unaccustomed to indepen-

dence, they want an authority figure to step in. At San Diego State University in 2016, students wanted the university president to apologize for fliers posted by an off-campus group. At Yale University in 2015, a faculty member suggested that students use their own judgment about potentially offensive Halloween costumes rather than let the administration dictate the rules. The students demanded that she resign.

Campus as a "home," evoking the protected cocoon of childhood, is a theme in many of these incidents. During the controversy at Yale, a student yelled, "It is your job to create a place of comfort and home for the students...It is not about creating an intellectual space! It is not! It is about creating a home here!"

Members of iGen have spent more time with screens and less time interacting with each other in person than any previous generation. Because they communicate primarily online, most of the threats they experience come through social media or texts, not in person. For iGen, danger tends to take the form of words, not physical altercations. At the extreme, this has led to the belief that words can be violence—the belief at the core of disincentives, "trigger warnings" to alert students to potentially offensive material, and campus speech restrictions. In the American Freshman survey, iGen college students were more likely than Gen X students in the 1990s to agree that "colleges should prohibit racist or sexist speech."

Finally, in a time of growing income inequality, iGen believes that you either make it or you don't—so you'd better make it. Compared with previous generations, they are more likely to say that they are going to college to get a good job and less likely to say that they hope the experience will broaden their education and point of view.

To faculty and administrators who grew up in previous eras, college is a place for being challenged by new ideas. Members of iGen disagree: They see college as a place to prepare for a career in a safe environment. They don't necessarily see a connection between participating in big social and political debates and getting a job that pays well.

All of these iGen factors have combined to create a perfect storm at U.S. colleges. It isn't hard to see why these young people, looking for safety and practicality, now clash so regularly with their elders when controversial ideas arrive on campus.

Dr. Twenge is a professor of psychology at San Diego State University and the author of "iGen: Why Today's Super-Connected Kids Are Growing Up Less Rebellious, More Tolerant, Less Happy—and Completely Unprepared for Adulthood" (Atria).

INSURING OUR COASTS AGAINST THE NEXT HARVEY

BY GREG IP

IT'S TOO SOON to know the full economic toll of Hurricane Harvey but not too soon to predict that it won't have much impact on Houston's future economic growth. The storm has extracted such a high price in human misery and economic damage because so many workers and businesses have been lured to the Gulf Coast of Texas, as they have been to coasts around the world. Such areas offer unusual economic opportunities, and no natural disaster will alter that basic reality.

The downside of these advantages is that coastlines will continue to become ever denser population and economic centers, which guarantees that storm-related disasters will get even costlier. What should be done about it?

As the disaster in Texas has unfolded, commentators have criticized the National Flood Insurance Program for encouraging development in risky flood zones by selling insurance too cheaply. But Houston illustrates a more serious problem: Not enough people have flood insurance of any kind. Only about 10% of Americans are covered—one of the lowest rates among advanced economies, according to the Organization for Economic Cooperation and Development.

Though the paucity of insurance money will slow recovery in Houston, it is unlikely to alter the metropolitan area's long-run growth trajectory. It remains the center of the nation's oil, gas and petrochemical industries, and now boasts 2.1% of the country's jobs, up from 1.6% in 1992. The same story holds for many other coastal zones. Since 2001, New York has reversed a long decline and is now booming. Abroad, economic activity is clustering in vul-



PEOPLE float belongings out of their flooded neighborhood, Houston, Texas, August 30.

nerable coastal cities such as Shanghai, Guangzhou, Mumbai and Jakarta.

The reasons for each region's growth vary, but they all share advantageous locations and a concentration of human capital. A 1997 study in the Journal of Comparative Economics found that productivity is 85% higher in China's coastal zones than in its inland regions. A 1998 study by economists at Harvard University found that landlocked countries grew 1 percentage point more slowly than coastal countries from 1965 to 1990, in part due to higher transportation costs and less urbanization.

The World Bank reckons that by 2050, 16% of

the world's population will live in large coastal cities exposed to cyclones, hurricanes and earthquakes, up from 11% in 2000. This alone promises to make disasters more expensive. Rising sea levels, a result of climate change, compound the threat. A 2015 study by Risk Management Solutions, a company that assesses catastrophic risks, found that the annual probability of a storm causing \$10 billion worth of damage in Miami will rise from 1.3% in 2010 to 6% in 2100. For New York, the probability rises from 1% to 4%.

Many of those losses won't be insured. Private insurers are deterred from offering policies by the tendency of flood claims to come all at

once from the same place, which can rapidly deplete their capital. Created in 1968, the National Flood Insurance Program is now the dominant source of flood insurance, but it has a \$25 billion deficit, much of it from Hurricane Katrina in 2005 and superstorm Sandy in 2012.

An estimated 50% to 80% of Texas properties flooded by Harvey aren't insured, mostly because they aren't located in the zone with a 1% annual risk of flooding (the 100-year flood zone), where insurance is required on any property with a federally backed mortgage. This is a problem because insurance is a faster, fairer and more effective way to rebuild stricken properties than is post-disaster government aid.

Howard Kunreuther, co-director of the Wharton Risk Management and Decision Processes Center at the University of Pennsylvania, says that the binary cutoff at 1% annual risk of flooding conveys a false sense of safety to people just outside that zone. They still face significant flood risk, but they may not know it.

A committee advising the Federal Emergency Management Agency, which runs the flood-insurance program, has recommended replacing the 1% standard with risk assessments based on each structure's elevation. Mr. Kunreuther says that homeowners, insurers and lenders would then know their actual flood risk. The prospect of lower premiums would give an incentive to homeowners to invest in flood protection by, for example, elevating their house.

The next challenge would be persuading people to buy the insurance. As the health-care debate showed, Americans don't like being forced to buy coverage they don't think they'll need. But in the case of flooding, it may be the best way to protect our burgeoning coastal economy.

REVIEW



U.S. NAVY (2)

SEA HUNTER, a new class of autonomous, unmanned U.S. vessel, on the Willamette River after a christening ceremony, Portland, Ore., April 7, 2016.

'KILLER ROBOTS' CAN MAKE WAR LESS AWFUL

Ignore the warnings of alarmists: New autonomous weapons will bring more precision and less destruction to the battlefield

BY JEREMY RABKIN AND JOHN YOO

ON AUG. 20, Tesla and SpaceX CEO Elon Musk and dozens of other tech leaders wrote an open letter sounding the alarm about "lethal autonomous weapons," the combination of robotics and artificial intelligence that is likely to define the battlefield of the future. Such weapons, they wrote, "will permit armed conflict to be fought at a scale greater than ever, and at timescales faster than humans can comprehend," and they could fall into the hands of terrorists and despots. The tech leaders urged the U.N. to pre-empt an arms race in these technologies by acting immediately, before "this Pandora's box is opened."

Mr. Musk has established himself in recent years as the world's most visible and outspoken critic of developments in artificial intelligence, so his views on so-called "killer robots" are no surprise. But he and his allies are too quick to paint dire scenarios, and they fail to acknowledge the enormous potential of these weapons to defend the U.S. while saving lives and making war both less destructive and less likely.

In a 2014 directive, the U.S. Defense Department defined an autonomous weapons system as one that, "once activated, can select and engage targets without further intervention by a human operator." Examples in current use by the U.S. include small, ultralight air and ground robots for conducting reconnaissance and surveillance on the battlefield and behind the lines, antimissile and counter-battery artillery, and advanced cruise missiles that select targets and evade defenses in real-time. The Pentagon is developing autonomous aerial drones that can defeat enemy fighters and bomb targets; warships and submarines that can operate at sea for months without any crew; and small, fast robot tanks that can swarm a target on the ground.

Critics of these technologies suggest that they are as revolutionary—and terrifying—as nuclear weapons. But robotics and the computing revolution will have the opposite effect of nuclear weapons. Rather than applying monstrous, indiscriminate force, they will bring more precision and less destruction to the battlefield. The new generation of weapons will share many of the same qualities that have made the remote-controlled Predator and Reaper drones so powerful in finding and destroying specific targets.

The weapons are cost-effective too. Not only can the U.S. Air Force buy 20 Predators for roughly the cost of a single F-35 fighter, it can also operate them at a far lower cost and keep

them on station for much longer. More important, robotic warriors—whether remote-controlled or autonomous—can replace humans in many combat situations in the years ahead, not just in the air but on the land and sea as well. Fewer American military personnel will have to put their lives on the line in risky missions.

Critics are concerned about taking human beings out of the loop of decision-making in combat. But direct human involvement doesn't necessarily make warfare safer, more humane or less incendiary. Human soldiers grow fatigued and become emotionally involved in conflict, which can result in errors of judgment and the excessive use of force.

Deploying robot forces might even restrain countries from going to war. Historically, the U.S. has deployed small contingents of military personnel to global hot spots to serve as "tripwires"—initial sacrifices that, in the event of a sudden attack, would lead to reinforcements and full military engagement. If machines were on the front lines for these initial encounters, however, they could provide space—politically and emotionally—for calmer deliberation and the negotiated settlement of disputes.

Critics also fear that autonomous weapons will lower moral and political accountability in warfare. They imagine a world in which killer robots somehow fire themselves while presidents and generals avoid responsibility. But even autonomous weapons have to be given targets, missions and operating procedures, and these instructions will come from people. Human beings will still be responsible.

Could things go terribly wrong? Could we end up in the world of "RoboCop" or "The Terminator," with deadly devices on a rampage?

It is impossible to rule out such dystopian scenarios, but we should have more confidence in our ability to develop autonomous weapons within the traditional legal and political safeguards. We regularly hold manufacturers, sellers and operators liable for automobiles, airplanes and appliances that malfunction. Mr. Musk, for example, knows from experience that mishaps and problems with self-driving cars could generate lawsuits, which gives Tesla an added incentive to refine its technology.

A missile-defense system that automatically destroys incoming rockets could greatly advance peace and security, but it also could malfunction in some catastrophic way, perhaps shooting down a civilian airliner. We've seen such tragedies before, and they follow a time-honored script: public outrage, political and scientific investigation, and reform. It would be no different with autonomous weapons.

Robots won't bring perfection to the use of force, but they can reduce mistakes, increase precision and lower overall destruction com-

pared with their human counterparts.

Some worry that autonomous weapons might prompt leaders to turn more readily to conflict. But decisions about war and peace have much more to do with political leaders and their choices than with the technology available to them. Presidents George W. Bush and Barack Obama had roughly the same military at their disposal, but they used it very differently.

The greater risk today isn't that the U.S. will intervene impulsively but that it won't intervene at all, allowing serious challenges to intensify. Robotic weapons can ease the dilemma. In World War II, the Allies leveled cities, at enormous human cost, to destroy Axis transportation and manufacturing facilities. Drones today can strike an arms factory, pick off terrorists or destroy nuclear-weapons sites while leaving neighboring structures and civilians untouched. Robotic weapons can reduce the costs that discourage the U.S. and its allies from intervening in humanitarian disasters or civil wars.

Even if we shared the apocalyptic worries of Mr. Musk and his allies, it isn't at all clear that arms control could begin to deal with the problem. Arms control has mostly failed to prevent weapons innovation, from the crossbow to the nuclear bomb. Nations have had more success in imposing rules of warfare, especially to protect civilians, than in restricting specific weapons.

Robotics and AI will be even harder to con-



THE MK 15 PHALANX Close-In Weapons System during a live-fire exercise aboard the USS Curtis Wilbur, Sept. 2016.

trol. Countries already hide their nuclear weapons programs behind claims of scientific research or energy production. The technology involved in autonomous weapons is a classic instance of "dual use," with obvious peaceful applications. The same technology that can produce a self-driving car can also drive an autonomous tank. A drone can just as easily deliver a bomb as a box from Amazon. A ban on military development would be almost impossible to verify.

Such limits would also be a serious handicap for the U.S. The new technology is most likely to benefit countries with the technical dynamism and the innovative drive to deploy them broadly. Restraining their development seems likely to cancel an American advantage over our authoritarian rivals and terrorist enemies.

Tech executives may worry that consumers will come to associate their products with war. But responsible governments buy weapons and wage wars for good reasons, such as self-defense, coming to the assistance of allies, pursuing terrorists and alleviating humanitarian disasters. If force is misused, we should blame our elected leaders, not the weapons.

Mr. Rabkin is a law professor at George Mason University, and Mr. Yoo is a law professor at the University of California, Berkeley. They are scholars at the American Enterprise Institute and the co-authors of "Striking Power: How Cyber, Robots, and Space Weapons Change the Rules for War," to be published Sept. 12 by Encounter.

WORD ON THE STREET: BEN ZIMMER

A Backstory For Bayous Of Houston

THE MASSIVE FLOODING in Houston from Hurricane Harvey caused the city's complex network of bayous to swell dangerously. The system of tidal creeks is intended to help drain the flood-prone region during heavy downpours, but Harvey was simply too much for it—from the main Buffalo Bayou running through downtown to smaller waterways around Harris County.

"Bayou," meaning a slow-moving creek or river, is a term used all around the Gulf Coast region. It might not be so well-understood elsewhere, however. Merriam-Webster registered that 100 times more people than usual looked up the word in its online dictionary over the weekend, when Harvey was first bearing down on Houston.

People from outside the region may be vaguely familiar with the word's meaning from songs like "Blue Bayou" by Texas native Roy Orbison (a song later covered by Linda Ronstadt) or "Born on the Bayou" by Creedence Clearwater Revival, from their 1969 album "Bayou Country." (Actually, the band's main songwriter, John Fogerty, was born in Berkeley, Calif., and had little experience with bayous.)

The word "bayou" looks and sounds French, but its origin is actually Native American. It is

It derives from Choctaw, not from French.

originally derived from "bayuk," meaning "a small stream" in the Choctaw language historically spoken in Mississippi, Alabama and Louisiana. Most members of the Choctaw tribe were forcibly relocated to Oklahoma in the 1830s, though about 5,000 Choctaw speakers can still be found in Mississippi.

"Bayou" entered the American varieties of French and English in the 18th century, but scholars think the word first passed through a Native American lingua franca called Mobilian Jargon, a simplified pidgin that allowed members of different tribes to communicate with each other for trade purposes.

French speakers in Louisiana, then a territory of New France, picked up the Choctaw word "bayuk" from the trading jargon, and they turned the word into "bayouque" and eventually "bayou." English speakers borrowed it from French, though the spelling took a while to settle down. In 1767, while on a river trip through the South, Captain Harry Gordon wrote in his journal about navigating his way out of New Orleans, saying that he "lay that night at the Bayoue."

By the time Houston was founded in 1836 at the confluence of Buffalo Bayou and White Oak Bayou, the term was a common part of the Gulf Coast landscape. It would become so intimately associated with Houston that only 20 years after its founding, in 1856, it had earned the nickname "Bayou City," according to research by the word historian Barry Popik. In the mid-20th century, Houston also got called "Baghdad on the Bayou," modeled on the short-story writer O. Henry's affectionate name for New York, "Baghdad-on-the-Subway."

After New Orleans was ravaged by Hurricane Katrina in 2005, that city also took on the nickname "Baghdad on the Bayou," though the comparison to war-torn Baghdad was hardly affectionate. Post-Harvey Houston may face some of that same chaos, as the city and its bayous struggle to recover.

Answers to the News Quiz on page C13
1. D, 2. B, 3. B, 4. C, 5. C, 6. D, 7. D, 8. A

BOOKS

THE WALL STREET JOURNAL.

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A World That Came in From the Cold



An epic history destroys the idea of a single global ideological battle

BY PAUL KENNEDY

HOW DO YOU MEASURE, and best describe, the shape of that historically most important happening, the Cold War? That's not a trick question, and the matter is much more complicated than you might first suppose. Was it simply a zero-sum struggle between the two greatest of the world powers that had emerged victorious from World War II—America and Russia—leading to an international rivalry scarier than all previous ones because of the existence of nuclear weapons? Was it a tussle that waxed and waned from, say, the Yalta Conference of 1945 until the collapse of the U.S.S.R. in 1991—and then it was all over? Or was it even more than that, perhaps an intense segment of the giant ideological

struggle that has been waged between Western liberalism and its ideological foes since the coming of those twin drivers of modernity, the Enlightenment and the Industrial Revolution? Was the Cold War essentially a European

"thing," founded in the chaos of the post-world-war wreckage, and ended when Moscow could no longer control its European satellites? Or was it more and more a global event, one that knew no continental boundaries?

In sum, when a scholar writes about it, what should he put in, and what, if anything, can be left out? An explosion of newly opened state archives everywhere, plus thousands and thousands of specialist studies and revealing autobiographies published in the past quarter-century makes even keeping up with all the new facts a difficult task. Pity the scholar, then, who has the temerity to attempt a grand synthetic study within the confines of a single volume, even a very hefty volume like Odd Arne Westad's "The Cold War: A World History."

Mr. Westad, currently a professor of history and of U.S.-Asia relations at Harvard University, is the author of several books on modern international history, including his best-selling study of China's foreign policy, "Restless Empire." His epic account—there are 630 pages of text, all admirably fluent—is basically chronological and therefore easy for a reader to follow. But there are also many parallel narratives as his analysis of international politics since World War II grows more and more global; thus, a chapter on the Cold War and Latin America is neatly sandwiched between a chapter on Vietnam and another on Brezhnev's crumbling domestic scene. The chapter about the Cold War and India is followed by one on Middle East convulsions. There are truly fine stories in each; the pages on the crushing of the Hungarian Uprising of 1956, for example, though few in number (there are only about five), are quite gripping. "When the main building of the hated security services was finally occupied," the author writes, "the revolutionaries showed no mercy: 'Six young officers came

When, really, did this giant contest between Moscow and Washington end—or did it truly end at all? Communism may have receded, but the regional flashpoints remain the same.

out, one very good-looking. Their shoulder boards were torn off. They wore no hats. They had a quick argument. "We're not so bad as you think we are. Give us a chance," they were saying. . . . Suddenly one began to fold; they were going down the way you'd cut corn. Very gracefully. They folded up smoothly, in slow motion. And when they were on the ground the rebels were still loading lead into them."

One reason Mr. Westad's narrative is so strong is its use of fresh archival sources from across the globe. He might have been content with exploiting and summarizing the masses of information already available from secondary sources, especially given his own mastery of so many European and Asian languages, and his familiarity with all that literature, as witnessed in this book's 38 pages of dense endnotes. Instead, the author continues the multilingual, multi-archival research for which he is known. The publishers have, alas, chosen not to include an alphabetical list of archival sources (which doesn't help a professional scholar wanting to follow in the author's footsteps), but I kept circling references to items in depositories like the following: "Records of the German Foreign Office," "Churchill College Archives," "Foreign Policy Archive of the Russian Federation," "Eisenhower Library," "National Archives of India, New Delhi," "John F. Kennedy Library Archives," "National Archives of Egypt, Cairo" . . . and on. The author traveled the world to write this "world history."

This is important, precisely because all these citations bring something new, or at least confirm in a much better way what scholars suspected about policy makers and policy. Thus, a reference by Mr. Westad to an Indian archives source brings us to a

Please turn to page C6

The spy master's latest entwines today's world with a lost one

BY HENRY HEMMING

A FORMER MI6 OFFICER told me that, back in his day, the job of persuading someone to become a British spy was occasionally made easier by two imaginary men. One was James Bond, the other George Smiley. The enduring appeal of Bond, he went on, encouraged potential recruits to think that working for MI6 would be glamorous and fun. Smiley's character, on the other hand, gave the MI6 officer himself a certain mystique, suggesting a rich hinterland. So the current generation of British spooks may be pleased to know that after a long absence George Smiley, John le Carré's best-known literary creation, is back.

"A Legacy of Spies" is Mr. le Carré's 24th novel in a career

spanning six decades. As he once

wrote, regrettably, there is no longer in the publishing world such a thing as a 'small' le Carré book," nor has there been since the break-out success of his third novel, published in 1963, "The Spy Who Came in From the Cold." That book changed his life. It turned him into a brand-name author, effectively ended his MI6 career and, at a stroke, transformed our expectations of the spy novel. It is "The Spy" to which Mr. le Carré now daringly returns.

Our narrator is Peter Guillam, Smiley's former protégé and bagman, who is seeing out his dotage on an idyllic farmstead in Brittany when a letter summons him on a matter "of some urgency" to the headquarters of his former employer, "the Circus." In London, Guillam is installed in Dolphin Square (the same apartment block used as a base by the man Mr. le Carré reported to early in his own intelligence career) and begins to be grilled about his role in "Operation Windfall."

This was an elaborate scheme—dreamed up 50 years earlier by Smiley and his boss, Control—in which a British agent and his former lover, sent to East Germany, were to bring down a senior figure in the Stasi. Unknown to the agents, Windfall was designed to protect its apparent target, a British double agent. Except the

A letter summons a retired agent back to 'the Circus,' and what starts as an inquiry into the events of le Carré's most famous novel becomes 'a night-time journey of the soul.'

plan went wrong, and the two Britons involved were shot as they crossed the Berlin Wall.

This is of course the plot of "The Spy," in which Alec Leamas and Liz Gold unwittingly frame Stasi officer Josef Fiedler. Half a century later, as explained by a young Circus lawyer, the delightfully named Bunny, all bluster and false bonhomie, they are all "faced with the ludicrous Shakespearean premise whereby the ghosts of two victims of a fiendish Circus plot rise up to accuse us in the form of their offspring." The children of Leamas and Gold want to take legal action against the Circus and all those who sailed in the not-so-good ship Windfall, including Peter Guillam.

There follows "a night-time journey of the soul" as Guillam begins to pick through old Windfall files. The action cuts deftly between the investigation (although never stated, the year is roughly 2010) and Windfall itself, which takes us back to the old Circus in its rickety prime. The historical thread is made up of documents such as agent reports, handler reports, transcripts of conversations, personal letters and initialed minutes of emergency meetings, a device that works superbly. These texts feel fastidiously authentic, down to the inclusion of prosaic details, such as an aside on the parlous state of an embassy safe room's air-conditioning unit. "Anyone using the place just stews and suffocates," one junior diplomat writes in the middle of a nerve-racking account of an agent exfiltration.

In the present day, Guillam begins to be shadowed around London by a potential litigant, and he decides to track down Smiley. Guillam's interrogation by Circus lawyers becomes more hostile as they look to work out if he has slept with a vulnerable British agent. We then discover that Guillam, Smiley and Control concealed Windfall's most controversial detail—the twist at the end of "The Spy"—namely, that the operation was designed to protect a murderous British spy. Much of the rest of the book is taken up with Guillam's attempts to keep this detail from the lawyers.

Superficially at least, this is a tale of one generation passing judgment on another but without understanding the context. "The historic blame game," as one character puts it. "Today's blameless generation versus your guilty one." This element of the book is undermined slightly by the blunt characterization of the young Circus staff. "I'm a lawyer. Right?" one of them declares improbably. "A pretty f—ing good one." The new guard is ignorant, disrespectful, brash, overly familiar and full of hubris, so it comes as

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A definitive biography shows a Soviet leader changing his mind

BY MAX BOOT

FEW FIGURES in the post-1945 world have had as much success in transforming the world as Mikhail Gorbachev—or been as frustrated with the consequences.

He took over as the leader of the Soviet Union in 1985, inheriting the anachronistic title of general secretary of the Central Committee of the Communist Party along with the creaky infrastructure of a totalitarian state. Private property did not exist. Dissent was outlawed. The Cold War was raging. Eastern Europe was ruled by Soviet satraps. Soviet troops were fighting in Afghanistan.

By the time he left office, at the end of 1991, the Berlin Wall

had fallen, the Cold War was over, the Communist Party was no longer in control and the Soviet Union had ceased to exist. Russia, its largest republic, was embarked on an experiment in free-market democracy. By then Mr. Gorbachev had won the

Nobel Peace Prize and the adulation of the world. But he was widely reviled at home for leading his country to chaos. Although he fended off a hard-line coup in 1991, he was forced to cede power to his hated rival, Boris Yeltsin, and then watch as Yeltsin's successor, Vladimir Putin, destroyed the vestiges of Russian democracy.

What makes this odyssey all the more stunning is that it had not been forced on Mr. Gorbachev. True, the U.S.S.R. was rundown and impoverished when he took over. It was losing a high-tech arms race, struggling to feed its own people and facing greater pressure from a more assertive America led by Ronald Reagan. But as the examples of North Korea and Cuba demonstrate, even decrepit dictatorships can survive for decades. Continuing repression was a real option but one that Mr. Gorbachev never seriously entertained, because by the time he took power he was no longer a Communist true believer but, rather, a European-style social democrat.

How did a closet liberal rise to supreme power in a state created by Lenin and Stalin? William Taubman, an emeritus professor at Amherst and the author of a Pulitzer Prize-winning biography of Khrushchev, is superbly qualified to answer that question. With "Gorbachev: His Life and Times," he delivers a meticulously researched, clear-eyed volume that will undoubtedly stand for years as the definitive account of the Soviet Union's last ruler. His biography is not a thing of literary beauty, but it is reliable and judicious, admiring but never hagiographical.

Mr. Gorbachev was born in 1931 in the village of Privolnoe in Russia's North Caucasus region. His childhood was hardly placid. As Mr. Taubman notes: "Stalin's Great Terror of the 1930s swept up both of Gorbachev's grandfathers: his mother's father arrested

Like many other revolutionaries, the man who introduced *glasnost* lost control of the changes he begat. Gorbachev's attempts to reform the Communist system destroyed it.

in 1934, his other grandfather in 1937. Then on June 22, 1941, the Nazis invaded the USSR, occupying Gorbachev's village for four and a half months in 1942. Famine struck again in 1944 and 1946. And following the war, when the Soviet people hoped for a better life at long last, Stalin cracked down again, forcing them to sacrifice once more for the glorious future that Communism promised but never delivered."

The horrors of Stalinism and World War II left a profound mark on young Mikhail, fostering a lifelong aversion to political repression and military conflict. Yet somehow he emerged from his seemingly horrific upbringing as a happy, optimistic, self-confident fellow. He was lucky that his grandfathers survived the Gulag and that his father survived his military service during the war, even if a false report, in the summer of 1944, announced that he had been killed in action.

Mr. Gorbachev was smart and diligent, and he was blessed with a good education denied to his peasant parents. He became a star pupil at his local schools and then later at the Soviet Union's premier college, Moscow State University. His path was smoothed by his coming from the perfect Bolshevik background. One of his grandfathers chaired a collective farm, and Mikhail himself became a leader in the Komsomol, the Communist youth organization, and won the Red Labor Banner in 1949 "for helping his combine-driver father break harvesting records."

At Moscow State, which he entered in 1950, Mr. Gorbachev became close friends with Zdenek Mlynar, a Czech student who would go on to become the chief ideologist of the Prague Spring in 1968. The two men influenced each other as they lost faith in

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BOOKS

'When the winds of change blow, some build walls and others build windmills.' —Chinese proverb

The Eastern Time Bomb

Asia's Reckoning

By Richard McGregor

Viking, 396 pages, \$28

BY ROBERT D. KAPLAN

OVER THE SPAN of the decades since World War II, the United States Navy has made Asia rich but not altogether stable. It was only the security guarantee provided by the U.S. Navy that allowed Asian countries not to fear one another and thus to concentrate on building their economies instead of their militaries. The result has been the Asian economic miracle, which began to gather force in the late 1970s and has continued to the present day. Of course, Asians themselves have ascribed their success to "Asian values"—the emphasis on order and hierarchy embodied in the Confucian ethos. But "the region's peaceful postwar coexistence, far from being somehow organic to local political cultures," notes Richard McGregor in "Asia's Reckoning," "had been underwritten by the U.S. military."

Now the situation is changing. The rise of the Chinese navy and the arms race that it has set off across Asia have made the region's stability tenuous. "A single shot fired in anger" in the East China Sea (where China's claims face off against Japan's), or in some other zone of dispute, could send financial markets tumbling, Mr. McGregor notes, and affect "trade routes, manufacturing centers, and retail outlets on every continent."

A former Financial Times bureau chief in Beijing and Washington, Mr. McGregor has written a shrewd and knowing book about the relationship between China, Japan and America over the past half-century. Among much else, he shows how the world's top three economies are now imprisoned by increasingly unstable dynamics, and not only in the military realm.

Though Mr. McGregor has pored over archives to put together a hard-to-surpass narrative history of high diplomacy in Asia, the strength of his book is its old-fashioned journalism, in which empathy and explanation outweigh mere exposé. Indeed, "Asia's Reckoning" has the aura of a "tour-ender," the kind of conspectus that foreign correspondents of a generation ago and further back would put together after they had finished a multiyear stint in some far-flung place. Here are insightful, detail-rich profiles of everyone from Zhou Enlai and Henry Kissinger to Kakuei Tanaka (Japan's prime minister in the early 1970s) and Jiang Zemin (China's leader from 1989 to 2002).



OLD WOUNDS Visitors at the Anti-Japanese War Museum of the Chinese People in Beijing.

Though China was a rival and Japan an ally during Mr. Kissinger's days as a statesman, he enjoyed wide-ranging philosophical discussions with Chinese leaders and dreaded the talks about textile quotas with Japanese officials, who operated in a democracy where power was decentralized and grand ruminations were rare. Mr. Jiang in his heyday, though known for his "ruthless accumulation of power" in Beijing, was given to impressing guests with his childlike snippets of English, Japanese, Russian and Romanian. Tanaka was the Japanese Lyndon Johnson: bawdy, rough-hewn, charismatic, with a "mastery of the dark arts of money and factions," as Mr. McGregor puts it.

The centerpiece of "Asia's Reckoning," though, is the trilateral relationship, in which the U.S. "has its arsenal trained on China," a country that is, in turn, an existential menace to Japan, which, for its part, is arguably America's most important ally in the world. "China is the key to Asia," Mr. McGregor writes, while "Japan is the key to China" and "the United States [is] the key to Japan." If a conflict is triggered at any point in this circuitry, the post-World War II system in Asia and elsewhere could disintegrate.

While culturally intertwined and geographically close, Mr. McGregor

observes, China and Japan remain psychically remote, and Japan's affinity with Taiwan, China's nemesis, goes back to the late 19th century. Nobody, he emphasizes, should underestimate Asia's ethnic animosities. China's current leader, Xi Jinping, in a meeting with President Barack Obama, denounced Japan in such strong terms that Mr. Obama had to remind him that Japan was an American ally. The old State Department hand Chris-

humanity. In China, from popular culture up to the highest leaders, it is believed that Japan should serve a life sentence of humiliation for its wartime conduct. In Japan, statements of remorse have been undermined by periodic visits of Japanese leaders to Tokyo's Yasukuni shrine, where the souls of the 14 Class A war criminals responsible for the vast barbarity against Chinese civilians in the 1930s and '40s are venerated along with 2.5 million others who died in Japan's wars.

Then there has been the tendency among Tokyo officials to play down the issue of the "comfort women" pressed into sexual slavery by the Imperial Japanese Army in the territories it occupied. At the same time, though, China's behavior on these matters has been cynical in the extreme. The Chinese pick apart Japanese statements of regret in order to appease right-wing elements inside China, undercut Japan diplomatically and mask the fact that Mao Zedong, though fiercely anti-Japanese, exploited the Japanese invasion to advance the Communist takeover in Beijing in 1949.

Economic development under China's overtly authoritarian system and Japan's officially democratic system (but one with covert authoritarian aspects) has done nothing to quell national hatreds arising from Japan's World War II crimes against

If a conflict is triggered at any point in East Asia, the entire postwar system could disintegrate.

topher Hill, with experience negotiating in both the Balkans and East Asia, once said after contentious discussions between the Japanese and South Koreans: "Give me the Bosnian Serbs any day!"

Economic development under China's overtly authoritarian system and Japan's officially democratic system (but one with covert authoritarian aspects) has done nothing to quell national hatreds arising from Japan's World War II crimes against

East Asia, even as the region becomes more geopolitically important and, as such, more troubling to the West. In the 1980s, Mr. McGregor reminds us, "Japan, not China, was the emerging economic superpower" and thus instilled more fear in Washington than China did. America's economic battles with Japan back then were a "dress rehearsal" for America's strategic rivalry with China. In 1990, at the peak of Japan's economic bubble and just before the Soviet Union disintegrated, twice as many Americans saw Japan's economy as a greater threat to their interests than the Soviet military. Since then, Japan has declined and China has risen. But the larger picture remains the same: American anxiety over Asian competition, a feeling that stems in part from the threat posed by a value system that is based more on order and hierarchy than on mass democracy.

Mr. Obama's "pivot" to Asia was less an original strategic concept than something that would have happened decades ago, following the collapse of the Berlin Wall, had only Saddam Hussein's invasion of Kuwait, 9/11, and the Afghanistan and Iraq wars not intervened. In short, America had long wanted to pivot to the Pacific; it was the Middle East that did not allow that.

Meanwhile, the Trump administration's withdrawal from the free-trade agreement known as the Trans-Pacific Partnership has weakened America's prestige in the region. In fact, the administration's action may constitute the greatest self-inflicted American blunder in Asia since the Vietnam War. Make no mistake: Asians are all about *trade* and *business* and thus are the ultimate realists. By leading them up to the altar of free trade and then abandoning them, the U.S. has shown itself to be unreliable—no longer a pillar of security.

Perhaps, as Mr. McGregor says, the principal calculation preventing China from going to war against Japan in the East China Sea or elsewhere is the fear that China might lose—a prospect so disastrous for China that it could result in regime change in Beijing and the end of the Chinese Communist Party. Clearly democracy and prosperity in the region have been insufficient to quell its tensions. Thus the U.S. military, principally the Navy, remains the most important factor in keeping the peace. And the U.S. Navy, as we know from recent mishaps at sea, is being stretched to the limit.

Mr. Kaplan is the author of "Asia's Cauldron." He is a senior fellow at the Center for a New American Security and a senior adviser at Eurasia Group.

A Most Improbable Machine

The Chinese Typewriter

By Thomas S. Mullaney

MIT, 481 pages, \$34.95

BY PETER NEVILLE-HADLEY

THE CHINESE TYPEWRITER: A History sounds a highly implausible title for a book, perhaps invented as a comic example of extravagant dullness. The Western imagination has long considered the Chinese typewriter a fantastic, ridiculous or simply impossible device, probably as room-filling and keyboard-laden as a church organ, and it's the implausibility of the machine that leads to suspicion of the title. But in his perfectly serious study, Thomas S. Mullaney, a professor of Chinese history at Stanford, chronicles the invention of various entirely practical Chinese typewriters and narrates the lives of their long-forgotten inventors.

He allows himself to expound on the nature of written Chinese, the sound of typewriters (*gada gada gada* in Chinese), the consequences for typewriting of Japanese occupation of China, the encoding of Chinese for telegraph use, the feminization of the clerical workforce and much more.

This is all far from dull, but comedy survives in some of his self-consciously florid phrasemaking: "We will climb into the manholes, crawlspaces, and airshafts of Chinese," he promises, "exploring all of the complex and fascinating meaninglessness that makes meaning tick."

Mr. Mullaney has certainly left no architectural feature unexplored in his search for references. Actor Tom Selleck, author Bill Bryson and rapper MC Hammer all appear as promoters of the idea of a monstrous, room-size machine—Mr. Selleck for his role in

long-forgotten 1979 TV movie "The Chinese Typewriter." Mr. Mullaney might also have sought out Wong Kar-wai's Palme d'Or-nominated "In the Mood for Love" (2000). In several scenes, actor Tony Leung, as journalist Chow Mo-wan, is seen seated at a real-world Chinese typewriter.

But then Western audiences might not have recognized the machine on the screen. One of Mr. Mullaney's key points is that a device for rapidly printing business correspondence did not have to have a keyboard or a carriage. But by the 1920s nearly all machines were of the single-keyboard

Reimagining a Western technology for Chinese characters led inventors in all sorts of directions.

plus-shift-key variety, the Western imagination faltered and the evolution of the typewriter came to a halt.

It proved adaptable to foreign languages, even if extra "dead keys" had to be created so that an accent might be overtyped or if the carriage had to travel in the opposite direction, as for Arabic. But Arabic had to be adapted, with alternative forms of some letters abandoned so as to fit the standard number of keys. Chinese seemed immune to such adaptation, and its characters would perhaps have to be abandoned altogether.

Modernizers in early 20th-century China also felt that the unwieldy nature of its written language held the country back. Communist Party co-founder Chen Duxiu, writer Lu Xun and even Mao Zedong demanded either a newly designed Chinese pho-

netic system or a wholesale adoption of Roman letters.

Mr. Mullaney quotes Lu Xun: "If Chinese characters are not exterminated, there can be no doubt that China will perish." But announcements of the death of the characters proved premature, and Mr. Mullaney claims that Chinese script is now "among the fastest and most successful within our era of electronic writing." The 140 characters allowed by services like

Thus many Chinese typewriters came to employ a standard set of around 2,500 common characters, grouped according to the frequency of their use. An arm with a pointer was moved over a table of characters to make a selection, and the press of a lever caused the corresponding type to be lifted and struck onto the paper. The result was a speed of perhaps 20 characters a minute by those who had memorized the layout.



STRIKE HARD A Chinese propaganda poster from 1956.

Twitter or its Chinese counterpart, Weibo, are enough for merely a slogan when using Roman letters, while 140 Chinese characters can make a meaning-filled mini-essay.

Fundamental to Chinese *amour propre* is the belief that the language is too difficult for foreigners, who will never master its complete set of characters. But no more than a handful of Chinese do that either. Missionaries working in China demonstrated that even the Confucian texts at the heart of Chinese education employed fewer than 3,000 different characters.

Typing speed eventually increased when typists were allowed to arrange their own type trays, putting frequently paired characters close together and in easier reach. The missionary inventors of early versions grouped the characters for Jesus (*ye* and *su*) together among the most commonly used characters. By the 1950s, Mr. Mullaney writes, the secretarial equivalents of model workers reached speeds of as much as 3,337 characters per hour (some 55 characters a minute) by grouping them together in radiating patterns with their common

compounds, such as those for "revolution" and "American imperialist."

Mr. Mullaney sees this as a forerunner of the predictive techniques that make entering Chinese characters so easy in the digital age. As soon as the spelling of a character is begun using a Roman keyboard, digital devices suggest appropriate characters as well as the ones likely to follow.

Twice Nobel-nominated novelist Lin Yutang, who in the first half of the 20th century was America's favorite elucidator of the Chinese condition, did finally invent a machine that resembled the Western ideal of a typewriter. Characters were stored in whole or in parts on a set of intricately arranged drums and bars and assembled with combinations of keystrokes.

What Lin had developed was inputting rather than typing. "Mechanical Chinese typewriting became the doorway into new domains of information technology more properly called word processing and early computing," claims Mr. Mullaney.

So, far from being dull, the story of the Chinese typewriter turns out to be part of the early history of computing. Any dullness in the book arises from writing that is sometimes both as repetitive as typing and as leaden as type itself. Often an idea that's fresh and interesting but quite simple is labored over until it takes up a page and a half.

Mr. Mullaney closes with an extended advertisement for a second volume, to be the first history of Chinese computing. It may seem premature to say so before this further volume appears, but with a little editing a single book might have sufficed to "make meaning tick."

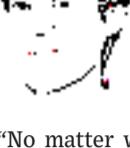
Mr. Neville-Hadley is a Vancouver-based writer.

BOOKS

'Sometimes, the world don't give you what you need, no matter how hard you look. Sometimes, it withholds.' —Jesmyn Ward

FICTION CHRONICLE: SAM SACKS

Communing With Spirits



WHILE DISCUSSING the supernatural elements of her novel "Beloved" in a 1992 interview, Toni Morrison remarked,

"No matter what anybody says we all know that there are ghosts." But do we? If by ghosts we mean the Gothic variety of table-tipping poltergeists, then no, probably not. But if we broaden the definition to refer to specters from the past that haunt the living, then surely we're all believers. These are the ghosts that roam through Ms. Morrison's novels—historical memories granted form.

They are familiar spirits in today's fiction as well. In Hari Kunzru's recent "White Tears," the vengeful ghost of a 1920s bluesman inhabits a white 21st-century audiophile. And in Jesmyn Ward's **"Sing, Unburied, Sing"** (Scribner, 289 pages, \$26), modern-day Mississippi is visited by the restless phantoms of men victimized by unanswered racial injustice.

Like Ms. Ward's 2012 National Book Award winner, "Salvage the Bones," the novel begins in the fictional coastal town of Bois Sauvage, where Jojo, age 13, and his infant sister, Kayla, live with their devoted grandparents. Jojo's father, a white man named Michael, is in prison in the north of the state for dealing meth, and his mother, Leonie, shows up erratically to spray insults that "gathered and lodged like grit in a skinned knee." But when the novel opens, Michael has been issued parole and Leonie arrives with a bartender friend to fetch the kids and pick him up.

The road trip to and from the prison, tenuously likened to the journey in "The Odyssey," serves to bolster Leonie's credentials as the world's worst mother, as she neglects to feed her children or give Kayla proper medicine for a stomach virus, and at one point she swallows an entire baggie of crystal meth so that a state trooper doesn't see it. It's difficult to reconcile the meanness of her behavior with the writerly sophistication of her interior monologue (peeking at Jojo she notices "the mow of his lips, the low eyebrows"), and readers aren't alone in being nonplussed. Leonie is accompanied by the ghost of her brother Given, who was murdered by a cousin of Michael's and who seems to sit in silent judgment of her marriage and the drug habit she nurtures to achieve forgetfulness.

Jojo has visions, too. It happens that over half a century earlier his grandfather was locked up in the same prison as Michael. There he befriended a teenager named Richie, one of countless innocent black men



GETTY IMAGES

hounded to death in the work camps. The story splices a flashback to the episode into Richie's purgatorial appeals to Jojo for some understanding of his demise. The forgotten dead, Ms. Ward writes, are doomed to stay behind and wander, "wanting peace the way a thirsty man seeks water."

Haunted by these spirits, the living also seem lost and unmoored, "crying loose" in an age of perpetuated iniquity. Though provocative on their own, these vagrant personal dramas don't hook together into a coherent pattern. Yet one relationship feels powerfully developed. Jojo has looked after Kayla since her birth and their connection is bone deep, beyond language. He alone knows where he's needed and where he belongs.

Like George Saunders's recent best seller "Lincoln in the Bardo," Italian writer Antonio Tabucchi's posthumous novel **"For Isabel"** (Archipelago, 140 pages, \$16) derives its ideas about the dead from the tenets of Eastern spirituality. The narrator is the Polish-Portuguese poet Tadeus Slawacki and the story traces his search for a childhood love, a student radical who disappeared after being arrested in Lisbon during the dictatorship of António de Oliveira Salazar. His investigation takes him from Portugal to Macau to the Swiss Alps as he elicits the testimonies of a chain of enigmatic characters who came into contact with Isabel, including a prison guard, the priest of a leper colony and an opium-addicted poet.

The story's procedural structure

rather pleasingly echoes an episode of "Law and Order." But to Tadeus the encounters represent the concentric circles on a mandala, a symbol of wholeness in Indian philosophy. By following these rings toward the obscured figure at the center, he hopes "to give some meaning to [Isabel's] life, and to my rest."

What does he mean by his rest? In Tabucchi's 1991 novel "Requiem," Tadeus is introduced as a name on a tombstone, and there are eerie glimmerings throughout "For Isabel" that he is carrying out his search in a plane of the afterlife peopled by the remorseful wraiths of both those who opposed and were complicit with the Salazar regime. But

A trio of novels in which ghosts—or 'memories granted form'—haunt and guide the living.

whether its setting is real or supernatural, this tantalizing, quicksilver novel, subtly translated by Elizabeth Harris, illuminates a soul in transit, yearning to complete the story that will release him from his suffering.

Contrary to what you might guess

from its title, Brendan Mathews's

"The World of Tomorrow" (Little, Brown, 552 pages, \$28) takes place against the backdrop of the 1939 New York World's Fair. It views its teeming cast of characters as though

from the observation deck of one of

the city skyscrapers that seem to "burst from the pages of a comic book." Included in the panorama are an immigrant photographer, a Harlem jazz musician, a bigwig Bronx politico, the marriageable heiress to a robber baron and an IRA terrorist hiding overseas and scheming one last strike against the British crown.

The entertaining if at times exhaustingly madcap tale centers on the Dempsey brothers. Francis and Michael have fled Ireland with a bundle of the IRA's funds after surviving an accidental explosion in one of the organization's safe houses. Disguised as Scottish nobility and staying in style at the Plaza Hotel, Francis tracks down their brother Martin, who's been in the metropolis for a decade building his reputation as a musician. But before long Francis is collared by an IRA tough and blackmailed into taking part in a crazy plot to assassinate the King of England when he attends the World's Fair.

A story this outsized would be incomplete if it only featured the living. Michael was badly wounded by the explosion in Ireland and in his shell-shocked state he is visited by the ghost of the mystic poet William Butler Yeats, who leads him on a quest through Manhattan for a fortune teller who will reveal the directives of the "spiritus mundi," "the universal memory that binds us all." Reveling in bold twists and fantastic coincidences, Mr. Mathews's big, expressive debut inhabits a world that's neither of the past nor the future but wholly of the imagination.

The New Le Carré

Continued from page C5

little surprise when the old-timers start to run rings around them.

Yet this does not distract from the novel's agile examination of its meatier questions: How much collateral damage can be justified by the need to protect a source? What are the implications of our new obsession with historical crime? Mr. le Carré even touches on Brexit, including an eloquent and heartfelt defense of a European identity.

"If I had a mission," explains one retired member of the Circus, "if I was ever aware of one beyond our business with the enemy, it was to Europe. If I was heartless, I was heartless for Europe. If I had an unattainable ideal, it was of leading Europe out of her darkness towards a new age of reason. I have it still."

"A Legacy of Spies" offers, finally, the fascinating spectacle of a talented novelist casting a critical eye over his early masterpiece, marking it for style and moral substance. In "The Spy" and "Tinker Tailor Soldier Spy" (1974), Smiley frequently wrestles with the idea that the death of an innocent person could be seen as a necessary

We see two moral codes pitted against each other, present-day le Carré vs. his younger self.

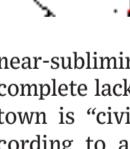
cost. There is a nod to this in "A Legacy of Spies" when Smiley is required to come up with an especially un-alluring cover name and chooses "Ethics." Yet in late-period le Carré novels, particularly "A Delicate Truth" (2013), collateral damage is depicted as reprehensible, and unequivocally so. In this new book we see the two moral codes pitted against each other, present-day le Carré vs. his younger self, certainty against doubt, a struggle that continues right to the end.

Mr. le Carré once wrote that the early success of "The Spy" meant that his future "experimentations would have to take place in public," and he has never been content to sit in the same stylistic groove. Although there are moments when this book does not quite work, and though some readers will simply prefer "The Spy" or "Tinker Tailor," "A Legacy of Spies" deserves to be seen as a very different literary enterprise. As well as being an inspired feat of plotting, it is the boldest and most inventive Smiley novel to date. It is also a finely wrought examination of one man's struggle to come to terms with his past.

Mr. Hemming is the author of "Agent M: The Lives and Spies of MI5's Maxwell Knight."

MYSTERIES: TOM NOLAN

The Mundane and the Mythic in Rural Quebec



THREE PINES, a village in Quebec near the Vermont border, is so remote that it's not even on the map. With its near-subliminal profile and almost complete lack of internet access, the town is "civilization adjacent," according to a colleague of Armand Gamache, chief superintendent of the Sûreté du Québec (the provincial police force). Yet the village's very isolation is what makes it, in Louise

trial progresses, Gamache and the Crown prosecutor display unexpected mutual hostility, and alternating chapters recount both the events leading up to the crime and its mysterious aftermath—including the ominous appearance in Three Pines of a costumed figure known as a cobrador, a "debt collector" or symbolic conscience meant to shame (or scare) someone into acknowledging misdeeds. Who might the cobrador's target be? And what amends are being demanded?

As the villagers ponder their hidden or forgotten sins, Gamache worries that the ghastly cobrador may have some connection to the top-secret investigation that he and his most trusted aides are running.

The investigation is a "long game" with stakes so high—for his department and for the nation with the longest undefended border in the world—that its no-exit motto has become: "Burn our ships."

Ms. Penny has a gift for linking the mundane to the mythic. Steadfast, civilized and grimly determined, Gamache becomes a heraldic figure, as brave and cunning as the hero of an Icelandic saga, and the contemporary evils he battles have apocalyptic overtones. The extraordinary coinci-

dences that bind these elements together seem a fair price to pay for the cinematic finale, in which the book's well-laid and carefully sustained suspense is at last released.

Like many a fictional private investigator, Roland "Rolling Thunder"

Ford—the 38-year-old missing-persons locator who narrates T. Jefferson

Parker's **"The Room of White Fire"**

priced Southern California facility

(owned by his former military superior) called Arcadia: "an exclusive wellness community for treatment of mental and emotional disorders," where patients are called "partners" and are treated with cutting-edge pharmaceuticals. Hickman's dosages

were meant to purge his trauma-induced psychological delusions of

having done vile

deeds in a secret

American torture

center in Romania.

The more Ford probes, though, the

more it seems that Hickman's supposed

fantasies are reality-based

and that the people most eager for

this "partner's" return are afraid he'll

go public with revelations harmful to his

wealthy, well-known ex-commander.

"This

wasn't the first time I'd been hired to

find someone more admirable than the

people looking for him," Ford reflects.

But the villain seeking Hickman denies the escapee's story of their shared work overseas: "We did not torture," he insists. "We applied enhanced interrogation techniques." Hickman may have evidence to the contrary, which would sour the prospects for his one-time boss's forthcoming war memoir "Hard

Truth," which asks readers: "Can life lessons learned in a secret prison change your life for the better?"

Ford's assignment, as he redefines it, becomes much more complex than tracking down a missing person. His noble goal is not only to find Hickman but to heal him.

You need not be a private detective to deduce that **"Y Is for Yesterday"** (Putnam, 483 pages, \$29) is the 25th and penultimate book in Sue Grafton's long-running series of alphabetical mysteries featuring investigator Kinsey Millhone. In this good-as-ever entry (set mostly in 1989, with extensive flashbacks to '79), the 39-year-old Millhone is hired by a wealthy husband and wife to thwart an anonymous blackmailer who threatens to give authorities a 10-year-old videotape implicating the couple's wastrel son in the sexual assault of an underage female.

As Millhone pursues this case, she is also looking over her shoulder for the reappearance of an escaped serial killer who has previously subjected her to a near-fatal attack. Present throughout are Ms. Grafton's unique mix of quotidian pleasure, sudden violence and a deft shifting between first- and third-person narration, letting readers witness scenes to which Millhone is not privy. The consistent quality and skillful innovations in this alphabetical series justify all the praise these books have received over the past 35 years.

THE ISOLATED VILLAGE OF THREE PINES IS NOT CIVILIZED, IT IS MERELY 'CIVILIZATION ADJACENT.'

The isolated village of Three Pines is not civilized, it is merely 'civilization adjacent.'

Penny's telling, vulnerable to an international conspiracy that endangers the lives of Gamache and all those he holds dear.

In **"Glass Houses"** (Minotaur, 391 pages, \$28.99), the latest entry in the police-procedural series featuring Gamache, Ms. Penny uses the framework of a murder trial to unfurl the plot, so the novel is in part a courtroom thriller. Someone (the defendant's identity is withheld from the reader for suspense) is accused of killing a Three Pines visitor in the basement of the town church. As the

investigation is a "long game" with stakes so high—for his department and for the nation with the longest undefended border in the world—that its no-exit motto has become: "Burn our ships."

Ms. Penny has a gift for linking the mundane to the mythic. Steadfast, civilized and grimly determined, Gamache becomes a heraldic figure, as brave and cunning as the hero of an Icelandic saga, and the contemporary evils he battles have apocalyptic overtones. The extraordinary coinci-

(Putnam, 341 pages, \$27)—has a tragic back story. Made a widower by the early death of his soulmate, he has had no romance for years except for recurring, fleeting, ghostly intimations of his deceased wife.

His own misfortunes aside, Ford's lot seems a happy one compared with that of Air Force veteran Clay Hickman, the latest citizen that Ford has been hired to track down. Hickman, 28, has escaped from a high-

priced Southern California facility (owned by his former military superior) called Arcadia: "an exclusive wellness community for treatment of mental and emotional disorders," where patients are called "partners" and are treated with cutting-edge pharmaceuticals. Hickman's dosages were meant to purge his trauma-induced psychological delusions of having done vile deeds in a secret American torture center in Romania.

The more Ford probes, though, the more it seems that Hickman's supposed fantasies are reality-based and that the people most eager for this "partner's" return are afraid he'll go public with revelations harmful to his wealthy, well-known ex-commander. "This wasn't the first time I'd been hired to find someone more admirable than the people looking for him," Ford reflects. But the villain seeking Hickman denies the escapee's story of their shared work overseas: "We did not torture," he insists. "We applied enhanced interrogation techniques." Hickman may have evidence to the contrary, which would sour the prospects for his one-time boss's forthcoming war memoir "Hard

BOOKS

'Writing is selection. Just to start a piece of writing you have to choose one word and only one from more than a million in the language.' —John McPhee

A Master Class in Creative Nonfiction

Draft No. 4

By John McPhee

Farrar, Straus & Giroux, 192 pages, \$25

BY BEN YAGODA

SINCE 1975, John McPhee has been teaching a course in creative nonfiction at Princeton University. Do not get the wrong idea about that term. "Creative nonfiction is not making something up," Mr. McPhee explains in his new book "Draft No. 4: On the Writing Process," "but making the most of what you have."

He estimates that over those four decades-plus he has taught 500 Princeton undergraduates, of whom I have always been jealous. I can be a little less so now that I possess "Draft No. 4." Its combination of shop talk, war stories, slices of autobiography, and priceless insights and lessons suggests what it must be like to occupy a seat in the McPhee classroom (but at a significantly lower sticker price).

One of the problems in writing about John McPhee's book on writing is that he makes you self-conscious. For example, he observes:

Editors have come along who use terms like "nut graph"—as in "What this piece needs is a good nut graph"—meaning a paragraph close to the beginning that encapsulates the subject and why you are writing about it. That sort of structural formalism is a part of the rote methodology that governs the thought of people who don't have better ideas.

That's all well and good, but I can't shake the feeling that what this review needs at this point is something on the order of a nut graph. So here goes. Mr. McPhee has been a staff writer at the *New Yorker* since 1965, when the magazine published his profile of Bill Bradley, "A Sense of Where You Are." It was long enough to be made into a book, as have been most of his subsequent articles—"Oranges," "The Survival of the Bark Canoe," "The Curve of Binding Energy" and many more. Mr. McPhee currently has 32 books in print, which, for a serious nonfiction writer, is estimable and possibly a record.

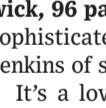
Journalists who came of age in the 1960s and '70s and aspired to, well, creative nonfiction usually took one of a handful of older writers as their model: Mr. McPhee, Tom Wolfe (born six days before Mr. McPhee in 1931), Gay Talese, Joan Didion and Hunter S. Thompson. Your choice spoke volumes about your cast of mind and your project as a writer.

THE TRADITIONAL dark Teutonic forest that harbors wolves, witches and little girls in red cloaks becomes a sparkling but no less forbidding icy wood in "*Brave Red, Smart Frog*" (*Candlewick*, 96 pages, \$17.99), a wise and sophisticated retelling by Emily Jenkins of seven favorite fairy tales.

It's a lovely little book, snug in size and elegant in design: Rohan Daniel Eason's illustrations include endpapers that set readers ages 7-12 amid the frozen trees, and he begins each story with a little picture of a dwelling. Here is the squat cottage of the seven dwarves, here the castle of an arrogant princess, and at the end a tipsy candy house set about with lollipops.

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The forest that Giovanni Manna depicts in "*A Year in the Woods*" (*Creative*

BOOKS

'It takes a very strong head to keep secrets for years and not go slightly mad. It isn't wise to be advised by anyone slightly mad.' —C.P. Snow

Talking Blues

Liner Notes

By Loudon Wainwright III

Blue Rider, 306 pages, \$27

BY TONY FLETCHER

I NEVER WANTED to be a writer," writes Loudon Wainwright III at the start of his memoir. "Growing up, I saw my journalist father at work torturing himself while writing, trying to write, and, worst of all, not writing. Being a writer looked to me like a stone drag and a must to avoid." It could be suggested that Mr. Wainwright has succeeded in his non-ambition. "Liner Notes" is thin on original material, peppered with his father's old columns for Life magazine, a couple of older essays and a liberal dose of lyrics. But with the latter, all claims to hard shirking prove disingenuous. Over the course of almost 50 years, Mr. Wainwright has composed hundreds of hilariously honest confessional songs, all of which indicate a natural affinity with the creative writing process—albeit with a guitar in hand. Though his only top 40 hit was back in 1973, Mr. Wainwright has maintained a loyal audience from which, he admits, he's made "a good enough living." He has also led a complicated, roving family life, and almost everyone within his romantic and parental orbit is a musician too (Kate McGarigle, Martha Wainwright, Suzy Roche, Rufus Wainwright).

Mr. Wainwright is an engaging and witty memoirist. His father, Loudon Jr., came from money; his mother, the eldest of many Marthas in the story, was from the Georgia backwoods, and the author suggests she probably "put out" when the couple met in the Marine Corps during World War II. Regardless, they were married, Loudon III was born in 1946, his beloved sister "Teddy" soon followed and the siblings bonded while their father battled with alcoholism and philandering. To the extent that "Liner Notes" delves into Freudian territory, one senses a familiar quest for a father's love.

This is no rags-to-riches story. Loudon III went to the same boarding school as his father; he spent part of his childhood living in L.A. with Liza Minnelli as his play date (he wrote a song for her when she won an Oscar); and he briefly attended what is now Carnegie Mellon. The folk music boom and the 1967 "summer of love" ended that plan, and although it took time to

land a record contract, Mr. Wainwright's first LP was critically acclaimed: the Village Voice called him "a genius." The public remained unconvinced, and only after he was dropped by his first major label, and fortuitously picked up by another, did he find himself with a top 20 hit thanks to "a novelty tune I had made up in twelve minutes about a dead skunk I had run over while driving." (It's called "Dead Skunk.")

There followed a lengthy period of professional and personal roving, leading to exhaustive battles with long-term partners, including a decades-

A public persona, the songwriter reflects, must always repress any private sense of worthlessness.

long fallout from his first marriage, to Kate McGarigle. He appears loath to seek concrete explanations for his adultery and parental absenteeism, and this would be a serious omission if not for the ameliorating effect of related lyrics. The bittersweet words to "Your Mother and I" vindicate Mr. Wainwright's choice of career.

The author admits to copious self-doubt. "I've

had the blues

for about sixty years now," he confesses. "Feeling down is a natural and familiar state

for me, and most of the time I seem to operate on or about half-empty." Elsewhere he points out that one's public persona must

a l w a y s

repress any p r i v a t e

sense of worthlessness: "You have

to think... I'm better

than Dylan... Otherwise you wouldn't bother picking up a guitar."

Loudon Wainwright III, as he essentially admits elsewhere, is not "better than Dylan." Then again, Bob Dylan never managed to reunite various branches of a tangled and often fractious family, take them on a tour of Alaska and write a "jingle" about the entourage (2015's excruciatingly intimate "Meet the Wainwrights"). Those who can laugh at life while making a messy success of it—or is that a successful mess?—have something to impart. And Mr. Wainwright may be relieved to know that, whether or not he found the process torturous, his writing is no stone drag.

Mr. Fletcher is the author of several music biographies, and a memoir, "Boy About Town."

GETTY IMAGES

Photo: Getty Images

REVIEW



'There is no one answer to what makes a perfect society.'

cally, questioning hypotheses and weighing research and data. "The principle is to start off skeptical and be open-minded enough to change your mind if the evidence is overwhelming, but the burden of proof is on the person making the claim," he says. "I would change my mind about Bigfoot if you showed me an actual body, not a guy in an ape suit in a blurry photograph."

Dr. Shermer is the author of more than a dozen books, including "Why People Believe Weird Things" (1997), whose targets included creationists, Holocaust deniers and believers in ESP, and "The Moral Arc" (2015), which argued that reason and science have made the world progressively more just.

His new book "Heavens on Earth" comes out in January. In it, he casts a critical eye on many religious visions of the afterlife and on the high-tech quest to evade death through such methods as deep-freezing (cryonics) or uploading memories into the cloud. "There's no assurance that by copying every last thing in your brain, you're going to wake up and say, 'Here I am!'" he says. "You wouldn't wake up inside the computer—you'd just be dead."

President Donald Trump may often dismiss "fake news," but Dr. Shermer warns against shrugging off evidence. Still, he says, "Everyone does it to a certain extent...It's a little more heightened now because the internet is so fast to respond in real time." Politicians have always ignored data, he says, though Mr. Trump "seems to be more bold about it than others, and that inspires others to do the same."

Recently, Dr. Shermer has denounced both the alt-right and "the regressive left." After the violent white supremacist protest in Charlottesville, he warned against what he calls "this whole 'punch a Nazi' thing," including the actions of the controversial far-left movement known as antifa. "This is why the antifa movement is just as bad as the white supremacist movement," he says. "They both feel they have a moral cause that's worth dying for and worth killing for."

In the decades ahead, Dr. Shermer expects to see more people adhering to secular philosophies and Eastern religions with stronger links to science: Meditation, he says, can clearly improve health and well-being.

He is less enthusiastic about the rise of some New Age philosophies, which he says can contain troubling quasi-religious urges toward utopianism. "There is no one answer to what makes a perfect society," he says, and the attempt to create an earthly paradise can turn murderous, as it did at Jonestown in Guyana in 1978: "Someone is in your way, preventing you from achieving eternal happiness, and they have to be dispensed with."

Dr. Shermer considers organized self-help movements misguided because they tend to encourage people to chase after money and a simple ideal of happiness, rather than to find satisfaction in a purposeful life.

"Most of what we do doesn't make us happy, it makes us more fulfilled as a person," he says. His morning bike ride, for example, wasn't fun, he says. "It's a sufferfest," he says. "It's 90 degrees out, my lungs are screaming and my legs are screaming, but I feel better after."

JESSICA SAMPLE FOR THE WALL STREET JOURNAL

WEEKEND CONFIDENTIAL: ALEXANDRA WOLFE

Michael Shermer

A leading skeptic stands up for science and warns against utopias

MICHAEL SHERMER, the founder of the Skeptics Society, points to a single event in the late 1970s as his breaking point with the Christianity of his youth. The "final straw," as he calls it, was finding himself at the hospital bedside of his college girlfriend, who had been a passenger in a van that rolled off the side of a hill, breaking her back and leaving her paralyzed from the waist down. He prayed fervently for her recovery, to no avail. "If anyone deserved to be healed it was her, and nothing happened, so I just thought there was probably no God at all," he recalls.

His career over the past several decades has involved insistent questioning not just of religious belief but of other sorts of orthodoxy, in pop culture, self-help, science and politics. This month marks the 25th anniversary of the

Skeptics Society, which is now a 50,000-member group dedicated to "promoting critical thinking and lifelong inquisitiveness."

In his longstanding monthly column for *Scientific American*, Dr. Shermer, 62, has turned a critical eye on antivaccination advocates, the campus craze for condemning "micro-aggressions" and disinviting controversial speakers, and the movement to ban genetically modified crops. He has come out against both climate-change alarmists and deniers. (He tends to side with commentators such as Matt Ridley and Bjorn Lomborg, who agree that humans are changing Earth's climate but argue that the consequences may not be as dire as doomsayers think.) In his columns and books, he has debunked everything from UFOs and claims of alien abduction to conspiracy theories about the Kennedy assassination and the 9/11 attacks.

A convert to evangelical Christianity as a high-school student in La Cañada, Calif., he went to Pepperdine University intending to

become a theologian. But after taking classes in science and philosophy, he decided to study psychology instead. He later earned a Ph.D. in the history of science at Claremont Graduate University.

Unable to find a job as a professor, he went to work at a cycling magazine in Irvine, Calif. He became so interested in the sport that he started cycling hundreds of miles a week and racing long distances, with the support of corporate sponsors. In 1982, he co-founded the 3,000-mile Race Across America, which bills itself as "the world's toughest bicycle race."

At night, Dr. Shermer taught at Glendale Community College. He is now a presidential fellow at Chapman University in Orange, Calif., where he offers a course called "Skepticism 101." The school is about 2½ hours from Santa Barbara, where he lives with his wife.

Dr. Shermer started the Skeptics Society in 1992 out of his garage. For the past 25 years, he has also edited and published *Skeptic* magazine, which he says tackles issues scientifi-

MOVING TARGETS: JOE QUEENAN

The Joys of Having Them Back in School

THE BEGINNING of September is a bittersweet time of year for parents. It is when we watch our beloved progeny drag themselves off to school, the last place on Earth anyone would want to spend the day. Our hearts go out to them as they are forced to report to socially sanctioned detention centers where such legendary horrors as science fairs and "Tess of the D'Urbervilles" await them. Not to mention tryouts for "Pippin."

Yet every misfortune has its upside. Once our offspring have vanished into the school bus, we can listen to our ZZ Top records without fear of censure. We can fill the house with the dulcet strains of NWA, the Backstreet Boys and, should the mood strike us, "The Marriage of Figaro" without having to watch the kids gag and moan. With them out of the house, we can crack open a cold one in the afternoon and listen to jazz or klezmer or folk music or even "Rod Stew-

art's American Songbook, Vol. 4." We would never dream of doing that if the kids were on the premises. We'd get a visit from social services.

With the kids gone, parents can blow off a day and do things they would never dream of doing if the little ones were still running around the house. Long, arduous hikes. Kayaking. Tandem bicycle trips!

We can treat ourselves to exquisite lunches at quiet French bistros. We can eat Indian food. We can eat Japanese food. We can go to sculpture gardens, idyllic nature preserves. We can head off to the art museum to see all 29 portraits of Cézanne's wife Hortense Fiquet. Or that electrifying exhibit of Japanese bamboo. Now, that's living!

We can also attend afternoon baseball games, the type of event little kids positively loathe. Not without justification.

Take out those ZZ Top records, wear those garish shorts.



For those of us worn down by too many family outings to the beach, early September brings an autumnal gust of relief. No more worrying about some tetchy great white making off with Caleb. No more shielding Olivia's eyes from the atavistic tattoos adorning the chest of the biker lying on the blanket 5 yards away. No more rushing Harper off to the hospital after she gets her nose broken by a wayward Frisbee.

Yes, there are compensations. When the kids go back to school, we no longer have to hide the tequila or share the donut holes or listen to the soundtrack from "Frozen." Emancipated from their smirks and chuckles, we can wear those garishly hideous salmon-colored belted shorts that we bought when Al Gore was running for the White House. We just have to make sure that we change before the kids get home.

Kidless, we can sit down and discuss shorting Netflix or loading up on municipal bonds. We can finally have a serious discussion about estate planning. We can invite our loser college roommate Steve over to reminisce about that zany weekend at Virginia Beach. Or was it Cancún? The kids are no longer there to register their disapproval. Or disbelief.

The best thing about seeing the kids go back to school is that we no longer have to screen their peers to make sure they are not having play dates with future residents of San Quentin. Now the question of whom they consort with goes back to being the school's responsibility.

When my children were small, I was always thrilled to see them stagger in at the end of the afternoon. But it was nice to have a breather, as their absence definitely made the heart grow fonder. Why anyone would want to home-school their kids is beyond me.

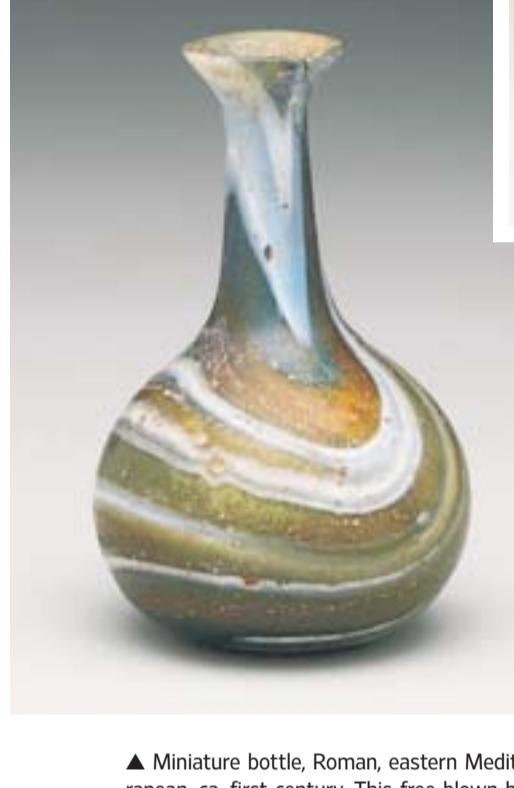
REVIEW

EXHIBIT

GLASS REUNION

Today we say "Cheers," but two millennia ago, the exhortation was "Drink that you may live," a phrase on ancient drinking glasses. Those vessels are among 130 glass objects, made between the 15th century B.C. and the seventh century, featured in a new exhibit at the Yale University Art Gallery. On view through Nov. 12, the pieces range from small Egyptian cosmetic containers to ornate Roman vessels. Glassblowing, invented in the second to first centuries B.C., made glassware available to the masses. Curator Sara E. Cole hopes that visitors will "think about the ancient craftsmen who made these objects and the sense of humor and whimsy they often infused into their wares."

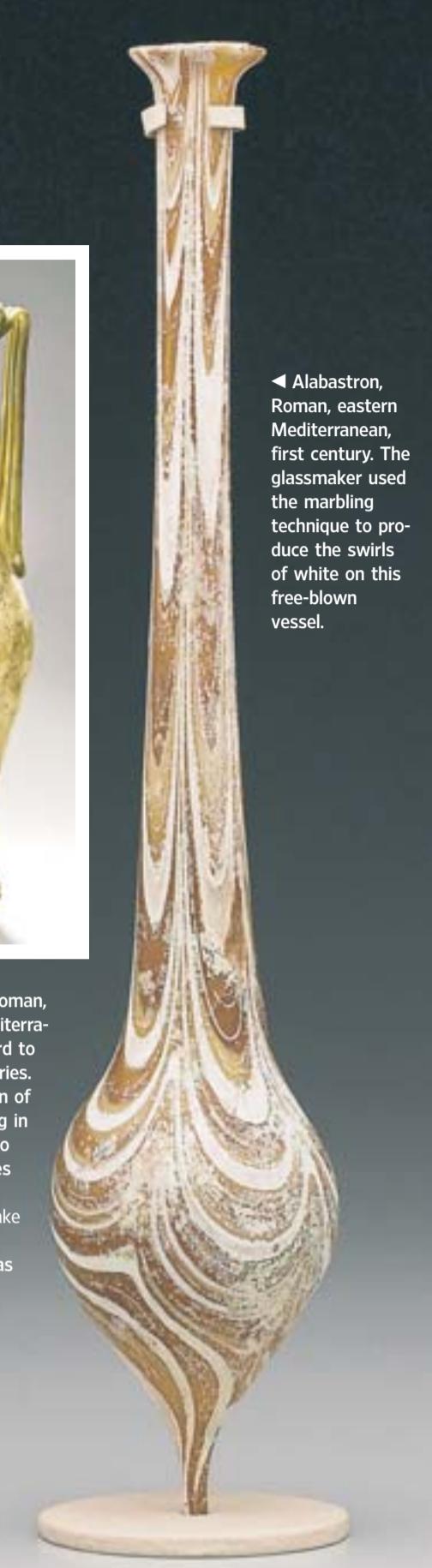
—Alexandra Wolfe



▲ Miniature bottle, Roman, eastern Mediterranean, ca. first century. This free-blown bottle's colorful bands of blue and white were created with the technique of marbling, in which the glassmaker swirls together two or more colors of molten glass without fully blending them. When the glassmaker inflates the glass gob, it looks like marbled stone.



▲ Pitcher, Roman, eastern Mediterranean, ca. third to fourth centuries. The invention of glass-blowing in the second to first centuries B.C. enabled artists to make tall, elegant forms such as this pitcher.



▲ Alabastron, Roman, eastern Mediterranean, first century. The glassmaker used the marbling technique to produce the swirls of white on this free-blown vessel.

▼ Alabastron, eastern Mediterranean or Egyptian, 664-404 B.C. This vessel was created using the core-formed technique, in which the glass was shaped around a removable organic core of sand or mud. The technique was used to create containers for cosmetics and perfumed oils.



▼ Hexagonal bottle with plant motifs, Roman, eastern Mediterranean or Syrian, ca. first century. Delicate plant motifs decorate this mold-blown bottle. By inflating a glass gob into a multipart mold, glassmakers could make more precise designs and shapes.



▲ Jar, eastern Mediterranean, Syrian, late Roman or early Byzantine, fourth to fifth centuries. By the time this jar was made, glass had become much less expensive, thanks to the free-blowing technique. The vibrant purple hue shows that glassmakers were also experimenting with color variety alongside the development of glass blowing.

YALE UNIVERSITY ART GALLERY

PLAYLIST: DAR WILLIAMS

Folk-Song Epiphany

A Judy Collins vocal and an ailing dog inspire a teenager's new thoughts about the world

Dar Williams, 50, is a folk singer-songwriter and guitarist who has recorded more than 20 albums. She is the author of "What I Found in a Thousand Towns" (Basic Books). She spoke with Marc Myers.

In 1972, when I was 5, my family spent a lot of time together in the living room. As my two older sisters and I worked on jigsaw puzzles, my parents read and listened to their folk albums. Judy Collins's album "Whales & Nightingales" from 1970 was a favorite.

We lived in Chappaqua, N.Y., out in the suburbs of New York City, so nights were quiet. Folk music rocked my world even then. I was moved by how seriously artists took themselves. Everything was about life and death, and all the songs Judy sang

were like this.

One spring day when I was 16, I stayed home from school. I wasn't feeling well and had a performance that night with a little dance troupe at the Guggenheim Museum in Manhattan. I wanted to rest up.

Home alone, I put on "Whales" while doing my homework. When "Sons Of," the second track, came on, I was again completely taken by the song. It was originally co-written and recorded by French singer Jacques Brel.

Shortly after "Sons Of" began, I saw my neighbor's dog limping across our lawn. I hadn't seen the dog for years, and suddenly it was old. It was a

powerful mortality moment. As I listened, I felt something change inside of me. I sensed poetry's power and how it could alter how you look at life.

Judy's version has a gentle carousel-like arrangement behind her, and she delivers the lyric so powerfully: "Some built the roads, some wrote the poems / Some went to war, some never came home / Sons of your sons, sons passing by / Children lost in lullaby." When Judy finished, I started to cry. I finally understood the words and how the world of my parents had been transformed by poetry and folk music.

I didn't tell my parents what had happened to me that afternoon. It's not the kind of thing you tell anyone other than your favorite English teacher.

And that's the whole thing. You don't know who to talk to about this. You suddenly see the world differently, and, in a way, the song becomes your confidant.

Revelation via poetry and music.



JUDY COLLINS performing around 1970.

GETTY IMAGES

ASK ARIELY: DAN ARIELY



A Tool to Fight Temptation

Dear Dan,

I often fight with temptation, and it usually wins. I want to eat better, exercise more, save a bit for retirement and in general consider the future when I make decisions. How can I resist temptation? —John

There's no easy answer to this old problem. As Oscar Wilde famously said, "I can resist anything except temptation." The endless stream of enticements throughout the day makes it hard to consistently make good decisions. Even if we resist an urge here and there, we tend to end up failing a lot.

That's where personal rules can help. In effect, we make a one-time decision when we create a guideline, and from then on, we are just executing a pre-existing policy, which makes life considerably simpler.

Imagine that someone in your office brought in a box of doughnuts every day, forcing you to decide every day whether to indulge. You would probably be able to overcome the temptation from time to time, but you would also probably break down on other occasions. If you simply had a flat personal policy—no doughnuts during the workweek—you would bypass the daily decision.

Of course, even the strongest among us is likely to break such rules every now and then, but having a policy and declaring it to yourself will help to keep you from giving in.

Dear Dan,

Studies have shown that talking on a cellphone while driving (even using hands-free technology) is about as dangerous as driving while intoxicated. But talking to someone sitting in the passenger seat is widely considered fine. Why is talking on the phone in the car so much more dangerous? —Larry

Your question revolves around the social norms of

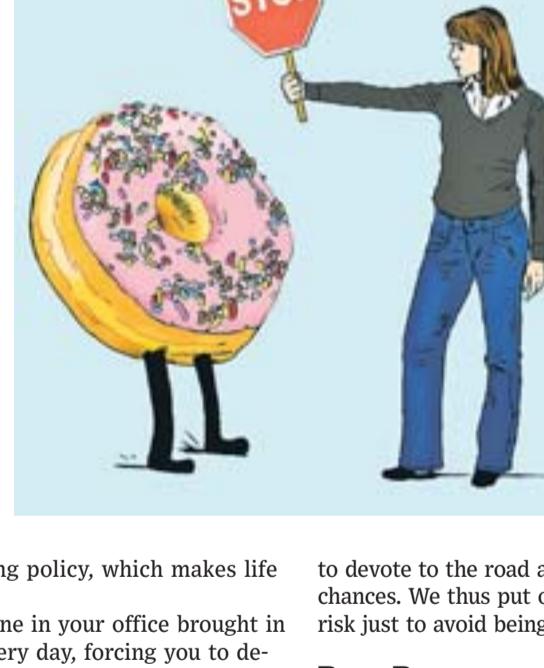


ILLUSTRATION BY RUTH GWYL

conversation. When we drive, a passenger can see what's going on around the car—a bus swerving, a pedestrian running across the street, a light turning amber—and with this shared knowledge, both the driver and the passenger adjust the conversation. They chat more intensely when the driving conditions are good, and they shut up when road conditions demand more attention. A pause in the conversation isn't strange for the passenger, who can also see what's going on.

By contrast, when we're talking on the phone while driving, our interlocutor has no idea what's happening in and around the car and keeps up the conversation whether we can afford to divide our attention or not. The driver, who feels social pressure to be polite and keep chatting, has less attention

to devote to the road and winds up taking extra chances. We thus put ourselves at great personal risk just to avoid being rude.

Dear Dan,

I work at a consulting company where a heavy dose of personal overconfidence is standard. Any advice on how to reduce it? —Jeff

I'm not sure this is a problem. Social progress often depends on overly confident people. Consider those who open restaurants: They are clearly fighting the odds, and if they looked objectively at their decision, they might not be ready to gamble. But would we want to live in a society where people avoid such risks? The food would certainly be worse.

Overconfidence has an upside as well as a downside. So before you try to decrease it, think about the benefits it brings to your firm—including more innovation and motivation—and only then decide whether decreasing overconfidence is really the way to go.

Have a dilemma for Dan?

Email AskAriely@wsj.com.



PLAY

NEWS QUIZ: Daniel Akst

From this week's
Wall Street Journal

1. As a catastrophic storm flooded Houston, which retailer found itself at the center of things, opening stores to rescuers and converting its headquarters into temporary housing?

- A. Neiman Marcus
- B. Cabela's
- C. Gander Mountain
- D. Academy Sports + Outdoors



2. At 60, Joan Benoit Samuelson is still doing the thing she was famous for three decades ago—which is what?

- A. Endowing museums
- B. Running record-setting marathons
- C. Promoting women in economics
- D. Playing grandmaster-level chess

3. Warren Buffett made \$13 billion from an investment. How?

- A. He bought a Nebraska lottery ticket.
- B. He bet on Bank of America in 2011.
- C. He took a 19% stake in Wells Fargo in 2008.
- D. He put his entire net worth into a five-year CD at 2%.

4. Who is Oleg Deripaska?

- A. The winner of this year's Van Cliburn piano competition in Moscow
- B. The No. 15 seed among men at the U.S. Open
- C. A Russian oligarch linked

To see answers, please turn to page C4.

to the consulting firm of former Trump campaign chief Paul Manafort

- D. The new Russian ambassador to Washington

5. Dara Khosrowshahi was chosen as Uber's new CEO. What venture has he been running since 2005?

- A. Travelocity
- B. Orbitz
- C. Expedia
- D. The Red Cross

6. North Korea launched a missile—over which part of Japan?

- A. Fukushima
- B. Kagoshima
- C. Hyogo
- D. Hokkaido

7. Tiger, a pudgy orange tabby cat, broke into a maximum-security prison about a decade ago and has been there ever since. Name that penitentiary!

- A. Azkaban
- B. Leavenworth
- C. San Quentin
- D. Sing Sing

8. Environmental activists abandoned their annual anti-whaling campaign near Antarctica. Why?

- A. Japan threatened to defend its whaling fleet by force.
- B. Whaling has been eliminated world-wide.
- C. A freeze has made whaling waters impassable.
- D. New thinking in environmental circles favors limited whaling.



VARSITY MATH

In this year's Math League Summer Tournament for middle-school students from Asia and North America, held at the College of New Jersey, participants studied the math of dice.



Two Sums

Deena has a white die, a red die, a green die and a blue die. All are ordinary, fair six-sided dice. If she rolls all four of them, there are 56 different outcomes in which the sum of the pips showing on top is nine.

Only one other number occurs as the sum of the top faces in exactly 56 outcomes. What is it?



For previous weeks' puzzles, and to discuss strategies with other solvers, go to WSJ.com/puzzle.

SOLUTIONS TO LAST WEEK'S PUZZLES

Taken Aback

A	C	C	L	A	I	M	A	C	P	L	N	E	R	I	R	O	N	G	A	D
C	O	L	U	M	N	S	S	E	R	B	R	A	M	A	D	A	R	A	N	G
O	R	A	D	Y	O	N	T	O	N	O	O	N	T	O	N	O	N	T	O	N
R	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

Varsity Math

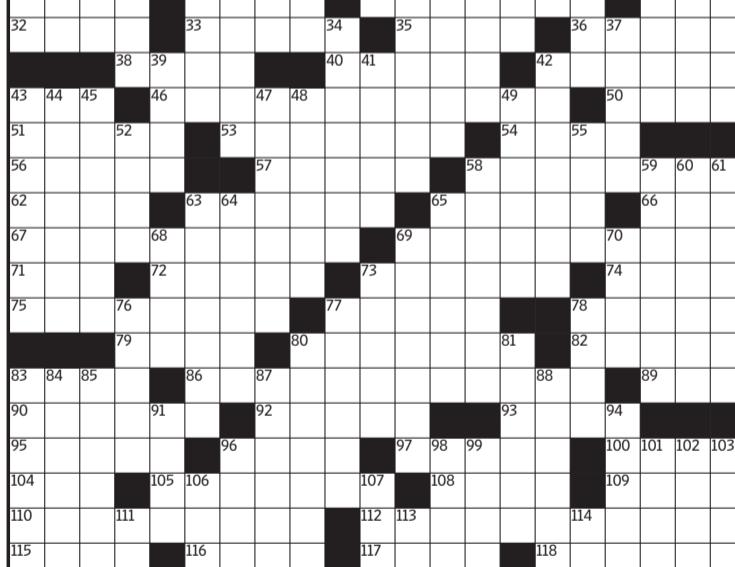
The **Zombie Epidemic** last week will always end up with two raised to the 22nd power, or 4,194,304, zombies, and once we take **Revenge on the Zombies** there will be nine groups of five zombies.

Learn more about the National Museum of Mathematics (MoMath) at momath.org

Acrostic

Bill Nye, "Everything All at Once"—"Every year another billion trillion bytes of data move around the Internet, carrying everything from those important videos with kitty cats to the...fantastic detailed results of subatomic particle collisions.... Everything we need to know is...out there for the taking"
A. Brainiacs; **B.** Infomania; **C.** Lake trout; **D.** Luftwaffe; **E.** Net weight; **F.** "Yesterday"; **G.** Ethnicity; **H.** Eye rhymes; **I.** Vicksburg; **J.** Economist; **K.** Rockettes; **L.** Ytterbium; **M.** "The Lover"; **N.** Hot toddy; **O.** Iron Fist; **P.** Novartis; **Q.** Governor; **R.** Al Oerter; **S.** Lone Star; **T.** Land's End; **U.** Aphelion; **V.** Tightwad; **W.** Olivetti; **X.** No-hitter; **Y.** Chipotle; **Z.** Eats into

THE JOURNAL WEEKEND PUZZLES Edited by Mike Shenk



Audio Details | by Tracey Gordimer

Across

- 1 Task that can't be ignored
- 7 Work commissioned by the khedive of Egypt
- 11 Ger. invaded it in June 1941
- 15 Smell
- 19 Goya, e.g.
- 20 Puzzling problem
- 21 Fillable bread
- 22 Surrender
- 23 Munster monger's business?
- 25 Result of an offshore oil leak?
- 27 Rand division
- 28 Manner of moving
- 29 Rhineland siren
- 31 Frame of Felix, e.g.
- 32 Geometry calculation
- 33 Where potatoes were first cultivated
- 35 Smelly
- 36 Dispense with
- 38 Settled
- 40 Distinguishing feature
- 42 Report holder
- 43 Call's counterpart
- 46 Snowboarding bro?
- 50 Group of families, in ancient Rome

- 51 Sambuca flavoring
- 53 Some kitchen compost
- 54 Roof rim
- 56 Frasier's brother
- 57 Grazing spot
- 58 C changes
- 62 Division d'un ballet
- 63 Starts a set
- 65 Tureen accompanier
- 66 Manning in MetLife Stadium
- 67 Attack by space invaders?
- 69 Retirement watch, perhaps?
- 71 Victorian, e.g.
- 72 Prevents access to
- 73 Savage sorts
- 74 Pay to play
- 75 Serengeti grazer
- 77 Stands for funerals
- 78 Frighten
- 79 Manxman, e.g.
- 80 One might be chased by its owner
- 82 Cowboy star Lash
- 83 Rascal Flatts, for one
- 84 Wearing an ultra-sheer outfit?
- 85 Beastly abode

Down

- 1 City whose population triples once a year
- 2 Gabriel Byrne's "Excalibur" role
- 3 to the consulting firm of former Trump campaign chief Paul Manafort
- 4 The new Russian ambassador to Washington
- 5 Dara Khosrowshahi was chosen as Uber's new CEO. What venture has he been running since 2005?
- 6 North Korea launched a missile—over which part of Japan?
- 7 Tiger, a pudgy orange tabby cat, broke into a maximum-security prison about a decade ago and has been there ever since. Name that penitentiary!
- 8 Environmental activists abandoned their annual anti-whaling campaign near Antarctica. Why?
- 9 Jeremy of "The Hurt Locker"
- 10 Charlton's "Touch of Evil" director
- 11 Prepare to be shot
- 12 Something that won't sprout if it's planted?
- 13 Lion's pride
- 14 "Ritorna vincitor!" for one
- 15 Knight's title in "Game of Thrones"
- 16 Redgrave with an Oscar, a Tony and a pair of Emmys
- 17 Charter
- 18 In that case
- 19 Mustard and Taurus?
- 20 Something that won't sprout if it's planted?
- 21 Care
- 22 Word on some franc notes
- 23 Different
- 24 Bank
- 25 Teacher of TV's "Sweatshirts"
- 26 Knock quite a few back
- 27 Brat's opposite
- 28 Finished a deck
- 29 Iowa State setting
- 30 Cointreau flavoring
- 31 Single, say
- 32 Florida Georgia Line, for one

41 Magician's props

42 Parish constables

43 Wonder drug

44 Animal opposite the English lion on the Royal Arms

45 Attacks with a lance

47 Do some voice work

48 "I Told You So" singer Randy

49 Ramone who wrote "Rockaway Beach"

52 Come across as

55 Square root of sechzehn

58 Delivers by the wagonload

59 Dr. McCoy's first name

60 Factual in every detail

61 Jazz band members

63 Academic

64 Blows up

65 Dern and Linney

68 Resort setting

69 Minos and Ariadne, e.g.

70 Fancy affair

73 Fancy affair

76 Lodge (motel chain)

77 Hikes

78 Brewpub choices

80 Star of 1953's "Calamity Jane"

81 Spiky flower popular with butterflies

83 Scammer's words

84 Paper extension

85 Like some dungeon denizens

87 "Sir, I love you more than words can wield the matter" speaker

88 "It's a long story"

91 One of a sinful septet

94 Fails miserably

96 Bother a bedmate

98 Skybox setting

99 Boudoir wear

101 Breastplate's place

102 Confectioner H.B.

103 Rear-__ (driving mishap)

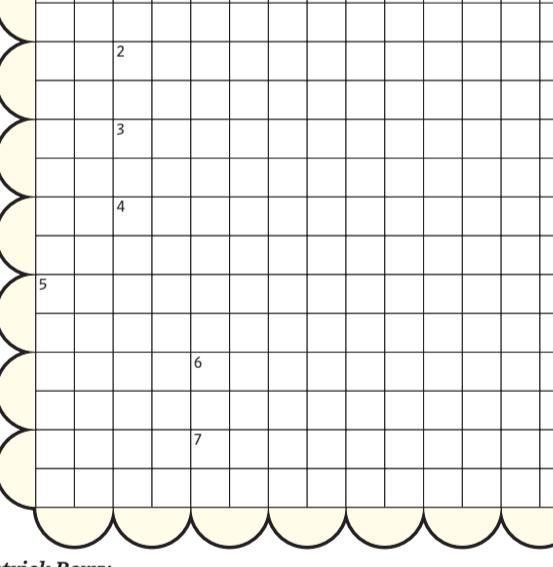
106 Way off

107 You can bank on them

111 Garden visitor

113 Single, say

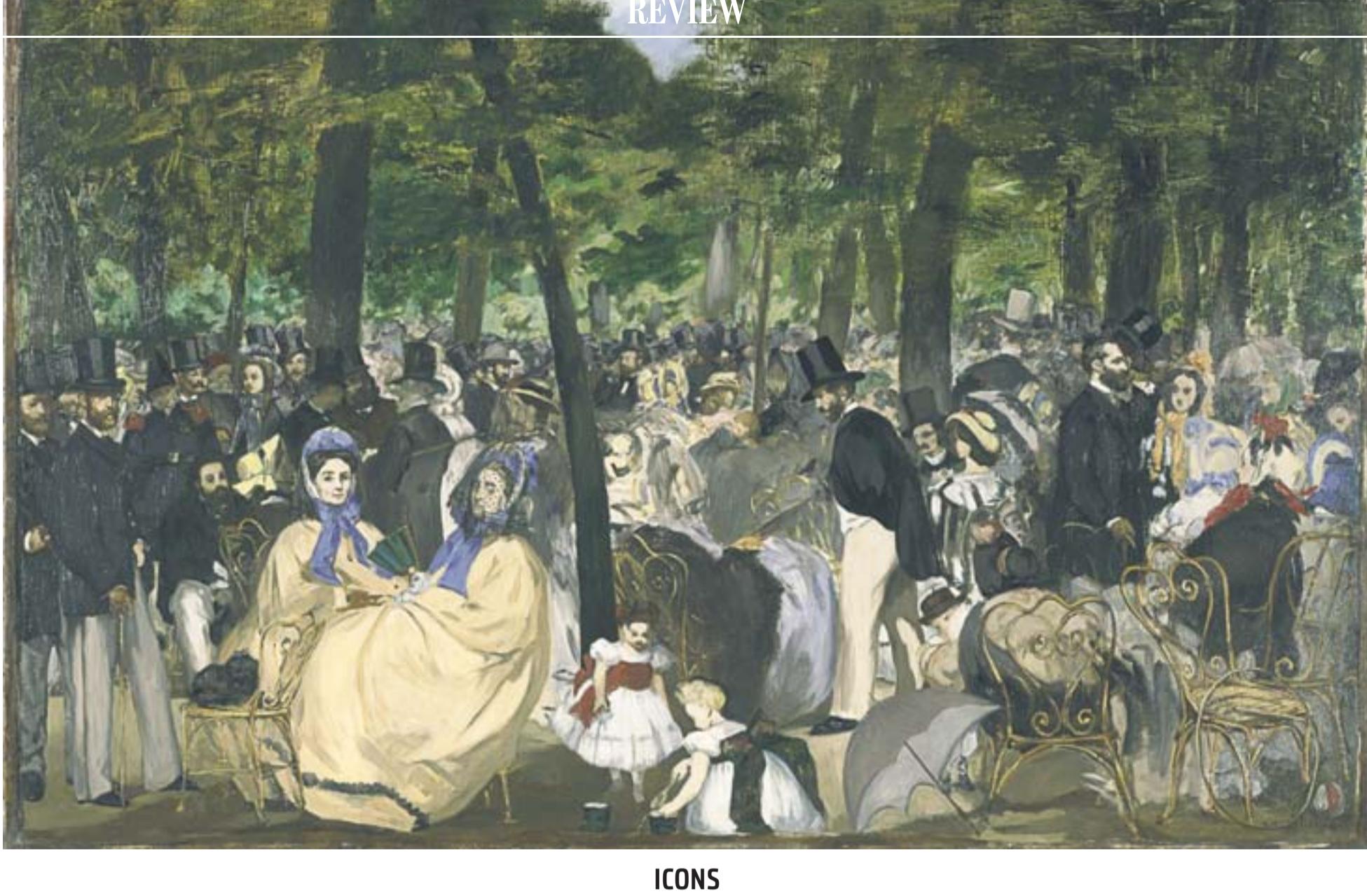
114 Florida Georgia Line, for one



Belt Line | by Patrick Berry

- Each pair of rows and columns in this grid forms a "conveyor belt" consisting of 28 square spaces and two semicircular end spaces. Each of these belts will be filled by a series of answers, one letter per space, reading clockwise. In each horizontal belt, the numbered square shows where the first answer begins. Vertical answers will occupy the correspondingly lettered vertical belts, but the starting points of the first answers are left for you to determine. When the grid is filled, the letters in the rounded spaces will spell a line from Katharine Hepburn.
- Horizontal**
- 1 Jeff of the Electric Light Orchestra
 - 2 Actor who draws everyone's eye (Hyph.)
 - 3 Amusement
 - 4 Spy-fi machinations
 - 5 One of a sinful septet
 - 6 Fails miserably
 - 7 Like the 1979 gas crisis rationing
 - 8 Some country dancers
 - 9 Like the 1979 gas crisis rationing
 - 10 Knob quite a few back
 - 11 Smallest of the ratites
 - 12 Brat's opposite
 - 13 Finished a deck
 - 14 Set's crime against Osiris
 - 15 Canadians' Thanksgiving mo.
 - 16 Set's crime against Osiris
 - 17 Like the 1979 gas crisis rationing
 - 18 Some country dancers
 - 19 One of a sinful septet
 - 20 Questions category
 - 21 Wasn't afraid (to)
 - 22 To speak (3 wds.)
 - 23 Grammy-winning Eric Clapton song
 - 24 Michael of Monty Python
 - 25 Bird on a baseball cap
 - 26 Deserving of praise
 - 27 "I expect to hear from you!" (2 wds.)
 - 28 Useful skill
- Vertical**
- 1 Snobs put them on
 - 2 Coin that's 75% copper, ironically
 - 3 Holds in high regard</

REVIEW



ICONS

Conjuring Phantoms of the Opera

London's V&A will recall seven eventful productions; a sexy postcard from 'Salome'

BY J.S. MARCUS

QUEEN VICTORIA loved opera, so it seems fitting that her namesake museum, London's Victoria and Albert, is readying a royal-sized exhibition on the topic.

Featuring rarities like a piano used by Mozart and a personal opera score of Dmitri Shostakovich, "Opera: Passion, Power and Politics" will include about 300 objects, numerous video and music clips, and an ambitious sound installation. It opens Sept. 30.

The V&A and its partner in the project, London's Royal Opera House, are structuring the exhibition around seven historic opera premieres in seven European cities. Visually, the goal of the show "is to see how opera intersects with different art forms," says V&A curator Kate Bailey. For example, the show opens with Claudio Monteverdi's "The Coronation of Poppea," first staged during carnival season in Venice in 1642-43. A 1640 oil portrait will show the aged Monteverdi, on loan from a private collection. (He composed the opera in his 70s and died not long after its premiere.) The V&A will also thicken the Venetian atmosphere with objects such as goblets, oil portraits, mu-

sical instruments and an ornate ink stand.

The show will conjure up the other premieres and their host cities with a similar range of fine and applied art. An 18th-century print, showing Mozart at the piano, and a stately view of mid-18th century Vienna by the Italian painter Bernardo Bellotto will help illustrate the 1786 Vienna premiere of Mozart's "The Marriage of Figaro." For the revision of Wagner's "Tannhäuser," which opened in Paris in 1861, the exhibition has included works like Édouard Manet's "Music in the Tuilleries Gardens," painted the year after. A static pageant of contemporary life inspired by Dutch and Spanish old masters, the painting includes depictions of friends and relatives and led to Manet's 1863 sensation, "Luncheon on the Grass."

The Paris "Tannhäuser" was "loved by artists and intellectuals," says Ms. Bailey, but it generated hostility from regular operagoers. "They booed the premiere," she explains, because "Wagner put the ballet in the wrong place."

The Paris section includes the V&A's own op-

era-related masterpiece, Degas's "The Ballet Scene From Meyerbeer's Opera 'Robert le Diabol'" (1876), recalling the years of "grand opera," when large casts, elaborate costumes and historic settings—as well as German-born com-

poser Giacomo Meyerbeer—were the rage in Paris. But by then,

Wagner was leading an operatic revolution, rapidly replacing such spectacle with more musically

adventurous and altogether more serious works.

After Paris, the exhibition moves to Dresden, Germany, where Richard Strauss's "Salomé"—a passionate, dark and sexy piece, condensed into a single act—caused a scandal in 1905. An early 20th-century photo postcard shows the original version of Salomé's erotically charged dance.

The most recent opera of the seven is Shostakovich's "Lady Macbeth of the Mtsensk District," a revenge drama that opened in Leningrad (now St. Petersburg) in 1934, during a time of harsh Stalinist repression. The section includes drawings for the original costumes, as well as Pravda's 1936 denunciation of the work, which then dis-

appeared from Soviet stages for decades.

Throughout, the exhibition intertwines art and music: Visitors can hear and view scenes from all seven main productions. A sound installation for the 1842 Milan premiere of Verdi's "Nabucco," heard on headphones, allows visitors to feel like they're onstage during a performance of "Va, Pensiero" (the "Chorus of the Hebrew Slaves"). The recording, made by individually miking 54 singers in the Royal Opera chorus, will be accompanied by a photo-collage of 150 Italian opera houses.

The museum is using the occasion of the exhibition to lift the curtain on its own latest production—a new, 12,000-square-foot gallery meant for temporary exhibitions and entered from a new, porcelain-lined courtyard.

The Victoria and Albert is aiming to attract both die-hard opera fans and skeptical drop-ins. "Opera is often associated with fancy places, very expensive tickets and dressing up," says conductor Antonio Pappano, music director of London's Royal Opera House and consultant on the show. Seeking to avoid operatic clichés, the exhibition comes at the subject from "what was going on in the world at the time of the premieres," bringing opera to life "through geography and history."



In a new
gallery, four
centuries of
productions.

FROM TOP: THE NATIONAL GALLERY, LONDON/SCALA, FLORENCE; VICTORIA AND ALBERT MUSEUM, LONDON

MASTERPIECE: SIR JOHN SOANE'S MUSEUM

HOW AN ARCHITECT BUILT A COLLECTION

BY TOM L. FREUDENHEIM

SIR JOHN SOANE'S Museum in London does a better job of transporting us to the late 18th and early 19th centuries than most of that great city's more robust and equally venerable institutions. Sited on the north side of historic Lincoln's Inn Fields—London's largest public square—the museum is a multilayered magical ensemble: three connected townhouses designed by one of England's most famous architects and filled wall to wall and floor to ceiling with his varied collections: antiquities, furniture, painting, sculpture, architectural drawings and architectural models—over 40,000 objects in all. Perhaps its most important virtue is in reminding us of the intimate relationship of an accomplished, multitalented man with the environment he created for himself and planned to share with others.

The son of a bricklayer, John Soane was born in 1753 in a village near Oxford but began training as an architect in London by the time he was 15 years old. Within a decade he had become an award-winning student at the Royal Academy, using his traveling scholarship to embark on the Grand Tour—at that time a requisite rite of passage for young men of the upper classes, assuring them of a passing acquaintance with both clas-

sical antiquity and the Renaissance by exposing them to Rome and other important sites in Italy.

For Soane it was much more than a cultural initiation, providing the basis for both his architectural vision and his voracious collecting habits. No other single venue better expresses the centrality of the Grand Tour to British culture in Soane's time. The museum exemplifies the layered visual riches to which fortunate tour participants were exposed, and attests to the accumulation of art and other objects that Soane acquired with the help of friends he met during his two-year Italian sojourn. It was the beginning of a collecting compulsion that occupied him for the rest of his life.

Soane purchased three houses—Nos. 12, 13 and 14 Lincoln's Inn Fields—between 1792 and 1823. Using them as both offices and living quarters, he demolished and rebuilt them over time. As a result, today's museum visit leads through a seductive series of passageways, staircases and rooms that are as complex and varied as the array of works on display.

Those looking for the psychological roots of Soane's compulsions might find them in the loss of two infant sons and the subsequent serious relationship and financial problems he had with the two sons who survived.



GARETH GARDNER

IN THE MODEL ROOM, Soane's passion for architecture is on full display.

They suggest levels of anguish that may explain his acquisitive tendencies as much as the financial prowess he had achieved both from his own work as a successful architect and via his wife's considerable inheritance.

On the lower level of the museum, the Sepulchral Chamber houses the sarcophagus (1280 B.C.) of the Pharaoh Seti I, while the Catacombs hold a number of Roman funerary urns. The arrangement of sequential claustrophobic and double-height spaces is so crowded that it avoids feeling dour, suggesting an elaborate gothic sensibility ironically at odds with Soane's preference for the elegance of classically inspired Italian Renaissance tastes. We're never far from that Renaissance aesthetic, since copies and casts of famous antiquities (e.g., the

Apollo Belvedere) sit amid a seemingly endless array of relief sculptures. A visitor's eyes dart around in all directions, trying to figure out the arrangement logic behind such a complex and layered assemblage.

Soane's obvious intention to overwhelm with visual saturation remains fundamental and is intrinsic to any first impression of the museum. Yet ensembles of objects juxtaposed against each other, including works from antiquity through the Renaissance, reaffirm Soane as a discerning curator. There may well be an analogy here to the melange of disparate objects that Albert C. Barnes interspersed with the paintings in his eponymous suburban Philadelphia galleries a century later.

If the various living quarters (spaces for cooking, eating, sleeping,

socializing, working) seem secondary, they also are chock-full of art, albeit more conventional yet wonderful paintings, watercolors and drawings, so that a tour of the three connected houses provides some insights into the ways in which early 19th-century nontitled Londoners lived. With over 30,000 architectural drawings in the collection (9,000 alone by Robert Adam), it's no surprise that a number of Soane's are also on view. And while the picture gallery here may be relatively small compared with that of contemporaneous grand London houses and stately country homes, it's no less remarkable, displaying some great paintings, including three deli-

cious Canaletto Venetian scenes (once again reminders of the Grand Tour) and all eight of William Hogarth's "A Rake's Progress" canvases (1732-34)—themselves worthy of a museum visit.

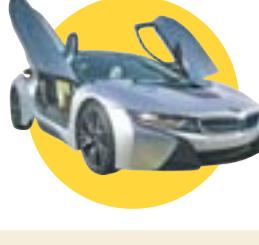
John Soane arranged for an Act of Parliament that left his home to the nation following his death in 1837, with visitors to be admitted free of charge (but not in "wet or dirty weather")—an arrangement that continues to this day. More than a monument to a rich and presumably vain architect, Sir John Soane's Museum epitomizes the wonder of collecting and the joy of sharing one's riches.

Mr. Freudenheim, a former art-museum director, served as the assistant secretary for museums at the Smithsonian.

The insider's
guide to
Mexico City
D8



OFF DUTY



A tale of two
(exceedingly
rare) BMWs
D10

EATING | DRINKING | STYLE | FASHION | DESIGN | DECORATING | ADVENTURE | TRAVEL | GEAR | GADGETS

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THE WALL STREET JOURNAL.

Saturday/Sunday, September 2 - 3, 2017 | **D1**



ANDY RYAN FOR THE WALL STREET JOURNAL, SET DESIGN BY JARED LAWTON, PRODUCTION DESIGN, GROOMING BY ALICIA MARIE CAMPBELL, MODEL: FRANCISCO PEREZ/ON A MODEL MANAGEMENT

RECUT THE CORD

Officine Générale Corduroy Jacket, \$540, Shirt, \$235, Corduroy Pants, \$265, mrporter.com, and Scarf, \$155, Saks Fifth Avenue, 212-753-4000; Anderson's Belt, \$200, bloomingdales.com.

Fashion Editor: Rebecca Malinsky

BY JACOB GALLAGHER

AN OTHERWISE pleasant stroll up Madison Avenue one recent Sunday turned into a 1970s flashback for Ralph Auriemma, the creative director of classic-suit purveyor Paul Stuart. Gazing into the windows at Prada's New York store, Mr. Auriemma saw male mannequins clad in bell-bottom corduroys, fur belts and fuzzy angora sweaters, all hallmarks of that stylistically divisive decade. "The '70s were probably the most horrific, ugliest era of menswear

The Time Warp Again

For men's fashion, the 1970s were a decade of distorted shapes and questionable prints. But in among the ugliness were some timelessly cool clothes—the focus of this fall's me-decade redux

ever assembled," said Mr. Auriemma, who was a teenager when Journey ruled the airwaves. "I remember polyester flared pants, platform cork shoes and bold, obnoxious patterns on shirts. And," he added, proudly, "I didn't wear any of it." Nor is he about to start. Yet, at a time when much of men's fashion is embracing, shall we say, challenging aesthetics (see "Off-Putting Is In" on page D2), many of his peers disagree.

The '70s renaissance on the fall runways was not limited to Prada. For his debut at Calvin Klein, Belgian designer Raf Simons went

Please turn to page D2

[INSIDE]

THE HORSEY SET

For fans of vintage carousels: A family road trip through Rhode Island **D9**



LOBBYING FOR CHANGE

Would you put a circular sofa—so redolent of hotel foyers—in your home? **D6**



CLASSIC TWIST

The renowned Kelly bag from Hermès tries on a new look for fall **D3**



ANIMAL-FREE ATTRACTIONS

When vegan dietary rigor meets French cuisine, the results are delicious **D5**



STYLE & FASHION

TIES TO THE SEVENTIES



Jacket, \$3,020, Sweater, \$640, and Pants, \$1,200, Prada, 212-334-8888; Shirt, \$345, Stella McCartney, 212-255-1556; Boots, \$135, clarksusa.com



Coat, \$1,235, amiparis.com; Dries Van Noten Sweater, \$580, and Pants, \$500, barneys.com; Coat, \$485, Stella McCartney, 212-255-1556; Converse Sneakers, \$85, nike.com; Sunglasses, \$300, moscot.com



Jacket, \$540, amiparis.com; Dries Van Noten Sweater, \$580, and Shirt, \$325, barneys.com; Pants, \$483, MP Massimo Piombo, 39-027-862-5718; Socks, \$25, falke.com; Boots, \$685, crockettandjones.com

Continued from page D1
with an all-American aesthetic that suggested he'd been binge-watching old episodes of "Starsky & Hutch": Denim-on-denim ensembles, two-pocket western shirts and stacked-heel boots. Three years into the job, Gucci's creative director Alessandro Michele has transformed the Milanese label into a "Partridge Family" fantasy with embroidered jean jackets and kicked-out silk trousers. Eat your heart out, Danny Bonaduce.

If you long ago burned every Polaroid of yourself in a Visa polyester leisure suit, you may share Mr. Auriemma's dismay. Bruce Pask, the men's fashion director at New York department store Bergdorf Goodman, knows that the more-extreme designer versions of these neo-'70s looks—the descendants of glam-rock glitter garb and Sears-catalog surrealism—will be plucked off Bergdorf's racks by what he calls "the early adopters."

But those weren't the clothes we loved at the menswear shows.

What caught our eye were looks that echo and recast the best trends of that time: corduroy suits; roomy, yet refined plaid overcoats; and shearling-collared denim jackets. Kaleidoscopic prints, that might have been tacky then in Qi-ana nylon, take on a different character reworked in eye-pleasing hues on today's silkier rayon shirts. The 2017 versions of these pieces resemble the kind of working-guy clothes worn by the twins James Franco plays in "The Deuce," the HBO series set in early-'70s New York City that premieres Sept. 10.

A little boho, a little preppy: When recalibrated correctly, these particular '70s trends aren't ugly. Instead, they're an opportunity to add a little depth to your look through texture, interesting proportions and muted, earthy colors.

For the risk-averse, texture is

the safest starting point. Stella McCartney's smooth velveteen pants (above, right) are something any guy can wear. But don't stop at the trousers, said Mr. Pask. There's nothing easier than a cord trucker jacket or blazer, he advised: "Corduroy, especially, is a great sport jacket option for fall, as it has an interesting, professorial look."

Remember Donald Sutherland's pot-smoking professor in "Animal House" (1978) with his velveteen three-piece suit and curly mop of hair? Tailored, comfortable outfits like his (or the Officine Générale corduroy suit on page D1) earn high marks for their rather sexy textures. On the feel-good front, a cherry-red ribbed ski sweater or Prada's plush wool Harrington jacket (above, top left) are slightly more advanced.

"There's something warm and fuzzy" about such textures, said Mr. Pask. Lately, he's been remi-

niscing over the wardrobe of Ryan O'Neal's character in 1970s relentlessly tear-jerking "Love Story": wide-wale corduroy pants, shearling-collared jackets and tweed sport coats—sumptuous combos he calls "evocative" and "romantic," '70s style worth emulating.

'The '70s opened the door and allowed men to express themselves.'

What's missing from this season's fabric roster: clingy synthetics, Dacron double-knits and don't-light-a-match-near-it poly. "The era produced man-made fabrics that were revolutionary in their day but ugly," said Steven Stipeleman, who did his share to disseminate the garish '70s aesthetic as a fashion illustrator at Women's Wear Daily. Forty years later, we are more discerning, he said: Designers "extract from the style, making it more polished. When we look at the suits now, the silhouette is softer—they don't look like cardboard."

That sense of refinement applies to a reconsidered color palette, too. Those off-putting mustard yellows, algae greens and Cheeto oranges that bubbled up long ago, making leisure suits and turtlenecks uneasy on the eyes, are as dead as disco; what endures are the decade's autumnal tones, rich not kitsch.

Alexandre Mattiussi, the designer of Parisian label Ami, uses color here and there—a bit of violet on a crewneck, or a cherry panel on a zip up sweater—adding bright touches to earth-toned pieces in low-risk, high-reward pairings. Navy-on-navy-on-navy, or any tone-on-tone combination, would be easier, but it would also be boring and predictable. Instead, mixing elements that are subtle shades apart, like "a blue shirt and light wash jeans with a dark-brown checked jacket," reflect the nonchalant sophistication of the '70s, he said.

For all of its fashion flaws, the '70s was a time that encouraged men to take chances with what they wore, and didn't censure them for doing so. "In the '50s

and '60s, everyone was a cookie cutter of one another," said Mark-Evan Blackman, a professor of menswear at Fashion Institute of Technology in New York City. That was particularly true for businessmen, he added. "History has shown us that to get ahead, you had to look like someone from the cast of 'Mad Men.'" The early seasons, that is.

When the counterculture trickled up to the mainstream, out went those stodgy gray flannel suits. "What the '70s did was open the door and allow men to express themselves," said Mr. Blackman. Like any good educator, however, he's enthusiastic about learning from mistakes. And when it comes to the era in question, no mistake was bigger, literally, than bell bottoms.

We won't attempt to gaslight you into believing that full-on bell bottoms have a place in your closet. That said, their outlandish lines have influenced the proportions of fall's fuller pants, a change from the narrow trouser cut that has reigned for years. "We're moving out of a trimmed, cropped, skinny look into a more voluminous and accommodating shape," said Mr. Pask.

What's more, the slight flare allows your pant legs to hang neatly over dressy Chelsea boots (check out the versions from Crockett & Jones), as popular now as they were then. Also worth mentioning are brown suede chukkas, so beloved by 1970s Ivy Leaguers. The shoes' napped texture plays well off corduroy, and both styles of footwear offer more versatility than the sort of shock-white boots Alice Cooper wore when accessorizing his arena-rock costumes with snakes.

The welcome change in silhouette doesn't stop at the trousers. Look at the Ami topcoat (above right): Its longer, fluid shape is decidedly comfortable, ideal over an oxford-cloth shirt or rib-knit turtleneck. Thanks to its unstructured shoulders and high-cut armholes, the coat appears mod and modern.

It also exemplifies the benefits of selectively mining '70s design. "What was ugly once is beautiful now," said Mr. Stipeleman. Except for leisure suits: Some things are best left to rot in a YouTube clip from "The Six Million Dollar Man."

OFF-PUTTING IS IN // MANY OF FALL'S NON-'70S LOOKS FLIRT WITH EXTREMES, TOO



We're in a polarizing fashion period, very much as we were 40 years ago. Radical runway trends that some applaud and others abhor include (clockwise from left) Prada's scuba sneakers, a Balenciaga jumpsuit, Palm Angel's shiny purple jersey-style top, Gucci's Technicolor crewneck and Amiri's distressed denim. Is this where menswear is headed? Let's revisit the topic in 2057.

STYLE & FASHION

Bristle No More

Laser hair removal means no more nicked skin, rough stubble or shaving cream mess. But is it safe—and does it last?

BY FIORELLA VALDESOLO

WOMEN IN ANCIENT Egypt removed body hair by plucking it with proto-tweezers crafted from sea-shells. The ancient Greeks burned it off, while Romans used pumice stones to rub it away. Centuries later, at the Manhattan salon J Sisters, Brazilian-born experts spread their gospel of pubic hairlessness via body waxing. The popularity of the no-hair-left-behind Brazilian wax peaked in the early aughts when Carrie Bradshaw famously experienced the agony of one on "Sex and the City." The desire to rid our bodies of hair is certainly not new.

One breakthrough that's been welcomed by the unhappily hirsute is laser hair removal. Developed at Massachusetts General Hospital in the 1990s, the technique directs laser light toward the hair follicle, killing the follicle's stem cells so the hair doesn't regrow.

Initially, the practice was limited to those with light skin and dark hair, because only hair with considerable pigment in it would absorb the laser wavelength. Women with darker skin also risked scarring, since early lasers couldn't reliably distinguish between the darker pigment in skin and that in the hair follicle. Today, more advanced technology can extend the treatment to more women who have been wearily resigned to razors, hot wax and Nair. "We can now safely and effectively treat most patients by using lasers with focused wavelengths suitable to the pigment in the patient's skin," said dermatologist Mathew M. Avram, MD, director Massachusetts General Hospital's Dermatology Laser & Cosmetic Center.

'Lasers are like scalpels. The side effects depend on who's wielding the tool.'

There are still risks involved, however: burns; skin ulcerations that result in a scar; white spots; hyperpigmentation, or dark spots; and, in rare cases, with some patients of Mediterranean or Middle Eastern descent, an increased hair growth called paradoxical hypertrichosis. "Lasers are like scalpels," said New York dermatologist Anne Chapas, MD. "They're tools used to achieve a medical result so the side effects depend on who's wielding that tool."

Laws vary from state to state when it comes to defining laser hair removal as a medical procedure and specifying who can perform it; there's no universal standard of care. In some areas, laser-hair-removal technicians now include salon aestheticians. "It's a common source of malpractice among laser surgery procedures," said Dr. Avram, who co-wrote a relevant study in the Journal of the American Medical Association. His research found that between 2010 to 2012, 90% of laser hair removal lawsuits targeted non-physician operators.

So, do your laser due diligence and proceed with caution before any work occurs, whether you're seeking a hair-free upper lip,



MARCUS MARRITT

chin, underarm, or legs. The safest route? Go to a board-certified dermatologist who specializes in cosmetic procedures. Costs vary, depending on where you live. For example, a laser hair removal session with Dr. Chapas starts at \$400; a bikini line treatment can take 4-to-7 visits. Manhattan medi-spa, Spruce & Bond, charges \$1,700 for its signature 5-session bikini-line treatment.

Ask questions—of any practitioner, medical or otherwise—before you book an appointment: What kind of training does she have? How many laser procedures has she performed? If you have darker skin, how often has she worked on your skin type? What

device is she using and how much experience does she have with it? How often is the device serviced? Ask if the specialist will do a test area to see how your skin reacts.

The ideal time to start is in the fall or winter, when skin won't be regularly exposed to the sun, as exposure (or sunburn) may heighten the skin's sensitivity before and after treatments. Dr. Chapas tells her patients to expect to see results within 4-to-7 treatments spaced 4-to-8 weeks apart. It might seem counterintuitive, but you may be asked to shave before your first appointment. "The surface hairs can get in the way as the laser goes down to the root, a few

millimeters below the skin," said Dr. Chapas. Treatment time varies dramatically, from 5-to-60 minutes, depending on how much hair is being removed; a numbing cream can be applied to dull the pain. Those who have had laser hair removal often liken the pain to a rubber-band-like snap on the skin.

One misconception is that laser hair removal is permanent, when, in fact, you'll need touch-ups every one or two years to address any growth that sprouts from new hair cells. But many women feel the trade-off is worth it to avoid the ingrown hairs that result with other treatments, or simply to escape from waxing hell. Just ask Carrie.

GRIPPING DETAILS

With a short drop from handle to handbag, the strap is ideal to nestle in the crook of your arm or swing by your side. Each bag comes with a padlock (not shown); the key resides in a tiny pouch.

SADDLE UP

What makes the leather supple is skiving, a process of shaping the hide by hand so it's lightweight yet sturdy. The work is done by artisans with years of experience making equestrian gear.



LINKED IN

This rustic canvas is like one used by the French military for cots; the print of unfastened chains riffs on equestrian motifs, such as horse bits and links, featured on Hermès scarfs.

POINTS OF DISTINCTION

GRACE NOTES

This unique take on the Kelly bag—a classic named for a movie star—sports a *toile de camp* print

IN 1928, Hermès designer Robert Dumas created the *sac à dépêches* or dispatch bag—a purse with a functional aesthetic that deviated from the ornamental fashions of the time. That idea informed the trapezoidal Kelly bag, which was popular even before it was nicknamed after the sexily patrician actress Grace Kelly ("To Catch a Thief") in the mid-1950s. Women found its easy-to-grip top handle and roomy interior both practical and chic.

"Larger handbags came into fashion in the '50s," said Kristina Haugland, the Philadelphia Museum of Art curator of costume and textiles, who has written two books on Grace Kelly's style. "It wasn't that she had so many [Kelly bags], but she used them a lot."

Today, the Kelly is as iconic as its namesake. In truth, though, it has always been a work in progress. Over the years, there have been many versions that

have been modernized in fresh colors and sizes (the tiniest being a clutch-sized pochette, the biggest, a suitcase-like behemoth with a 20-inch base). But each version retains its handcrafted hallmarks: supple leather; saddle stitching; and hardware that's undergone pearlizing, a technique that polishes and smooths it to glossy perfection.

The latest, rather idiosyncratic and likely collectible iteration of the Retourné version (shown), recalls the brand's origins as a saddlemaker. Note the bag's equestrian-worthy caramel leather and rustic canvas. The *toile de camp* print of unfastening chain links—dubbed *Déchainé*, or "unchained"—is inspired by a drawing in the albums of Émile-Maurice Hermès, whose grandfather founded the firm in 1837. If you're going to invest in a Kelly (no small outlay), why not get this distinctively graceful edition? —*Kimberly Chrisman-Campbell*

EATING & DRINKING

ON WINE LETTIE TEAGUE



White Blends Dance to Their Own Tunes

RED BLENDS have been sought-after wines for years. And white blends? Not so much. While red blends accounted for just over \$1.8 billion in U.S. retail sales this past year, sales of white blends didn't quite reach \$330 million. Why such disparity between the two types?

Charlie Wagner, director of winemaking at Conundrum Wines in Monterey County, Calif., believes that consumers think of white wines in terms of single grape varieties. "They know what to expect from a Chardonnay or a Sauvignon Blanc. They don't know how they work in a blend," he said.

Mr. Wagner's father and grandfather acknowledged that when they named their white blend Conundrum. The wine was first produced in 1989 at Caymus Vineyards in Napa Valley. A lush, tropical blend of Chardonnay, Sauvignon Blanc, Semillon, Viognier and Muscat Canelli, Conundrum attracted attention when it debuted, doubtless helped by Caymus's status as one of Napa's most famous Cabernet wineries.

The Wagner family followed up with a Conundrum red blend in 2009—the year that red blends really began to take off—as well as a rosé and a sparkling wine this past year. They've since dropped the Caymus name from the label; all Conundrum wines are sold under the Conundrum label. Equal amounts of red and white blends are produced (80,000 to 90,000 cases) but the red blend has grown more quickly than the white, Mr. Wagner said.

Many California producers of white blends purchase grapes, but Murrieta's Well, owned by Wente Family Estates in the Livermore Valley, produces a white blend called the Whip from estate-grown fruit, which can mean a more predictable flavor profile. The Whip is made from the same group of grapes as Conundrum white, but it's lighter and less tropical, with more pronounced acidity. The Murrieta's Well red blend, the Spur, is Cabernet-based, although it changes each year. Both blends debuted the same



JAMES ALBON; F. MARTIN RAMIN/THE WALL STREET JOURNAL (BOTLES)

year, but Murrieta's Well now makes more red than white.

Though blended whites have been produced in Europe for centuries, the Old World blends aren't necessarily better understood or more prized than New World ones.

I found some delicious wines among the 20 or so white blends I tasted, but they proved a truly disparate group.

Take, for example, the Austrian white blend Gemischter Satz or "mixed set"—a reference to the multiple grapes used in the blend—which is most famously produced

around Vienna, though it is produced all over Austria too. It was long a low-quality wine that "farmers drank," according to New York-based Austrian importer Monika Caha. Lately, however, producers have begun to focus on quality not quantity, and as a result the Austrian government even granted the Vienna Gemischter Satz wines official DAC (Districtus Austriae Controllatus) status, the first time a style and not a region has been granted such recognition.

Gemischter Satz producers can use a wide range of grapes—some include up to 50 varieties—though the DAC wines of Vienna have rules about quantities and percentages. The wines can therefore vary quite a bit from one producer to another. Some Gemischter Satz wines are big and rich while others, like one of my favorites, the 2016 Weingut

Neumeister Gemischter Satz (\$16), are minerally and bracingly fresh.

The white blends of Alsace, France, began as elite wines several centuries ago but fell from grace when producers began focusing on single-grape wines like Riesling or Pinot Blanc, according to Alsace producer Jean Frédéric Hugel of Famille Hugel. The blends, known as Gentil or Edelzwicker, became the region's "workhorse" wines.

Today, a Gentil blend must meet more stringent criteria than an Edelzwicker. Whereas Edelzwicker may be made up of any number of grapes grown together, and they may be vinified together or not, a Gentil must be made up of at least 50% of the noble grapes of Alsace—Riesling, Gewürztraminer or Muscat—with the balance to include Pinot Blanc, Sylvaner and/or Chasselas, and each wine must be

vinified separately. A perfect Gentil, according to Mr. Hugel, should be "a dry wine, aromatic, bright and appealing"—a good description of his 2015 Hugel Gentil (\$11). But the character of a wine can change year to year, warned Mr. Hugel, depending on the grapes used. "It is not a wine made to a recipe," he said.

The winemakers of Friuli in northern Italy also turned from producing blended whites to single-varietals a few decades ago. But one producer, Edi Keber, recently chose to move in the opposite direction. He's gone from producing eight single-varietal wines to a single blend that he called Collio. Not only was the one wine just as good as any of the eight, said Jan D'Amore, Mr. Keber's New York-based importer, but "it's an even better story to tell...an important factor in selling the wine."

While a good story might help propel sales of any one wine, what would it take to lift sales of white blends as a category? And could they ever be as big as the reds? I put these questions to Jeff Wooddy, general manager of Rochambeau Wines & Liquors in Dobbs Ferry, N.Y., who predicted the popularity of red blends a few years before they took off. "I think people are more open to a blended red. There's a long cultural history of red blends," he said. He doesn't see the same openness to white blends; buyers are more often than not "flummoxed" by the wines.

I understood what he meant. I found delicious wines among the 20 or so white blends I tasted, but they proved a truly disparate group. There wasn't predictability or even much continuity from one white blend to another, even those made from the same grapes—and a single wine, as Mr. Hugel noted, could be different one year to the next. Drinkers looking for connective threads might well be "flummoxed"—which, by the way, sounds like a pretty good name for a white blend.

► Email Lettie at wine@wsj.com.

OENOFILE // FIVE RELIABLE AND VERY DRINKABLE WHITE BLENDS



2015 Murrieta's Well The Whip, \$19

A vibrant blend (Chardonnay and Sauvignon Blanc are key) from California's Livermore Valley. Fermented in oak and stainless steel, it has a bright acidity and floral aromas thanks to Viognier and Muscat Canelli.



2016 Weingut Neumeister Gemischter Satz, \$16

Though Gemischter Satz is commonly produced around Vienna, this fresh, minerally white made from seven grapes (including Riesling) hails from the Steiermark region of Austria.



2015 Hugel Gentil, \$11

The Hugel family of Alsace changes its Gentil blend from year to year. This soft, aromatic white features the "noble" grapes of Alsace—Riesling, Pinot Gris, Gewürztraminer and Muscat—as well as others.



2015 Edi Keber Collio, \$32

A full-bodied, generously proportioned wine with a long and powerful finish, this white blend from the Friuli region of Italy is a blend from producer Edi Keber's best Friulano, Malvasia and Ribolla Gialla vineyards.



2015 Château Sainte-Marie Vieilles Vignes Entre-Deux-Mers, \$12

Bordeaux's Entre-Deux-Mers region is known for cheap, simple whites. This zippy, bright Sauvignon Blanc-Semillon-Muscadelle blend is a cut above and a great buy.

SLOW FOOD FAST SATISFYING AND SEASONAL FOOD IN ABOUT 30 MINUTES



The Chef
Julia Sullivan

Her Restaurant
Henrietta Red in Nashville, Tenn.

What She's Known For
Cooking at once modern and cozy. A way with shellfish, from raw to roasted. Fresh, bright dishes kissed with the flavor of wood fire.

CEASE WEARING white after Labor Day if you must, but by all means go on eating tomatoes and watermelon, which will remain in season another month. Better still, eat them together in this luscious late-summer salad, the first Slow Food Fast contribution from chef Julia Sullivan of Henrietta Red in Nashville, Tenn.

"There's that saying, 'What grows together, goes together,'" said Ms. Sullivan. "Watermelon brings out the savoriness and sweetness in tomatoes, and vice versa. If you take a bite of each, side by side, you can see how similar they actually are."

Firm little cherry tomatoes provide pop that plays off the larger, softer heirloom

tomatoes, and cool, crisp cucumbers lend further textural variety. A bright confetti of pistachios, crumbled feta, chopped olives, and fresh mint and basil brings in briny and bold flavors, and a lemon-jalapeño vinaigrette pulls it all together.

This is an exceptionally easy weekend lunch or weeknight supper—though Ms.

Sullivan does advise taking care with the placement of the ingredients, which aren't tossed together but arranged by hand, one by one, like a floral centerpiece. "I plate this so that with every couple of bites, you taste all the components," she said. It makes for a very pretty presentation, too. —Kitty Greenwald

TOTAL TIME: 15 minutes SERVES: 4

2 large heirloom tomatoes, cut into wedges

3 pounds seedless watermelon, cut into large bite-size pieces

20 cherry tomatoes, halved

3 Persian cucumbers or 1

English cucumber, sliced into thin rounds

Flaky sea salt

½ cup chopped toasted pistachios

¾ cup crumbled feta

½ cup pitted and roughly chopped Castelveltrano olives

Finely grated zest and juice of 1 lemon

½ cup olive oil

1 jalapeño chili, stemmed, seeded and minced

¼ cup roughly torn mint leaves

¼ cup roughly torn basil leaves

olives evenly over and around vegetables.

3. In a small bowl, whisk together lemon zest, lemon juice, olive oil and minced jalapeño until emulsified. Season with salt to taste.

4. Drizzle dressing generously over salad. Scatter mint and basil evenly over top. Serve immediately.



THE BITE STUFF A combination of salty, sweet, acidic and unctuous elements makes this salad a satisfying study in contrasts.

EATING & DRINKING

Parlez-Vous Vegan?

How a French chef led a foie gras devotee down the garden path for some spirited bouts of plant-based cooking

BY ALEXANDER LOBRANO

BEFORE I TELL you the name of the cookbook that's been making me very happy in the kitchen this summer, let's get a few things straight. I'm an avid food lover and cook who has lived in Paris for 30 years, and I'm very much a foie gras and boeuf bourguignon type of a guy.

And yet the tome I'm talking about is "Vegan: The Cookbook," a collection of more than 450 recipes from around the world by Los Angeles-based French chef Jean-Christian Jury, published this spring by Phaidon. Vegans, of course, eat no animal products or seafood. So how could a book like this be making an omnivore like me so happy?

I first encountered Mr. Jury's cooking three years ago, while on a mission for an American magazine to report on the rise of Berlin as a capital of vegetarian cooking. I was hungry and skeptical when I headed to a (now closed) restaurant called La Mano Verde, just off the Kurfürstendamm. On arrival I was greeted by the jovial Mr. Jury, who proceeded to prepare such a good meal I forgot I was eating in a vegan restaurant.

First, a curried carrot-and-sweet-potato soup garnished with chewy wands of dried tomato and linseed. Then a salad of samphire, a crunchy seaweed, with a vivid dressing of fresh curcuma root, coconut, sesame seeds and lime, followed by orange-glazed tempeh (fermented soybean cake) with ginger, coriander and shiro miso, on a bed of fried leeks and pak choi. As I finished a slice of excellent green-apple Charlotte, Mr. Jury swung by my table with an impish grin and asked if I'd enjoyed my meal.

We started chatting, and he explained



that he had previously worked everywhere from Florida to Asia, and that his vegan conversion occurred after he had two consecutive heart attacks in 2004 while running a fashionable Thai restaurant in London. "The second time I was hospitalized, my doctor told me humans have two lives, and the second life starts the day you understand that you only have one," he said. On his doctor's advice he switched to a plant-based diet. "I started doing a lot of research and ended up completely reinventing the way I cook," he said.

Mr. Jury closed his Berlin restaurant two years ago and traveled nonstop for 15 months, beginning in Hué Hin, Thailand, where he regularly gives master classes on vegan cooking at the Blue Lotus Learning Center for Plant-based Cuisine. Then it was on to Cambodia, Laos, Myanmar, Indonesia and Sri Lanka. In Vietnam he spent two weeks on Phu Quoc Island living on a pepper farm. Then India, Malaysia, South Korea, Taiwan, Japan, China, Italy, Morocco, Portugal and Spain, teaching and collecting vegan recipes along the way. When he finally settled in Los Angeles, he also had passport stamps from Mexico, Peru and Brazil.

"Large parts of the globe live on primarily plant-based diets, and these different kitchens have developed ingenious ways of preparing foods that are stunningly healthy, nutritious and delicious," Mr. Jury said when I reached out recently. His next project? Opening a vegan restaurant in L.A.

For me, one of the best discoveries of "Vegan: The Cookbook" is its directive to liberate fruit from its conventional role as a dessert (as in the curry below). Not to mention one of the best cheesecakes I've ever found—sure proof, if any were needed, that vegans like good food as much as omnivores do.

Fruit Curry With Peanuts

ACTIVE TIME: 30 minutes TOTAL TIME: 1 hour SERVES: 4

2 tablespoons vegetable oil	1½ cups raisins
2½ cups peeled, cored and chopped tart apples such as Granny Smith	1½ cups chopped dried apricots
1 cup chopped yellow onion	½ cup roasted peanuts
2 teaspoons curry powder	Salt and freshly ground black pepper
	Sticky, Arborio or Carnaroli rice cooked in coconut milk, to serve

1. Heat vegetable oil in a large skillet over medium heat. Add apple and onion and sauté, stirring frequently until onion is translucent, 6–7 minutes. Add curry powder, 2 tablespoons water, raisins, apricots and peanuts, and season to taste with salt and freshly ground black pepper. Stir well to blend ingredients thoroughly, then bring mixture to a low simmer and cook 12 minutes.

2. Serve warm or cold with sticky, Arborio or Carnaroli rice cooked in coconut milk.

—Adapted from "Vegan: The Cookbook"

by Jean-Christian Jury



EASY BEING GREEN

This delicious lime cheesecake is totally free of animal products and requires no cooking at all.

Raw Lime Cheesecake

ACTIVE TIME: 25 minutes TOTAL TIME: 3½ hours (includes freezing)

MAKES: 1 (9-inch) cake

For the base Vegetable oil, for greasing 2 cups raw cashews, soaked in water overnight and drained 1 cup coconut flakes ½ cup pitted (stoned) dates ½ cup raw cacao nibs	A pinch of salt For the filling 1 large Hass avocado, peeled and pitted 1½ cups cashews, soaked in water for at least 2 hours and drained ½ cup melted coconut oil	¼ cup fresh lime juice ½ cup maple syrup or agave syrup 1 teaspoon vanilla extract A pinch of sea salt 1 tablespoon finely grated lime zest (optional)
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1. Make the base: Grease a 9-inch springform cake pan with vegetable oil. In a food processor, pulse cashews, coconut flakes, pitted dates, cacao nibs and salt a couple of times until ingredients are mixed and broken down. Spoon mixture evenly over bottom of prepared cake pan. Press with your fingers to make a firm base. Set aside in refrigerator.

2. Make the filling: In a food processor, process

all ingredients until smooth and creamy. Spread filling over base and use a rubber spatula to create a smooth surface.

3. Chill cake in freezer 1 hour, then transfer to refrigerator and let chill at least 2 hours before serving.

—Adapted from "Vegan: The Cookbook"
by Jean-Christian Jury

BITS & BITES NEWS YOU CAN EAT



THE CONDIMENT Hot to Trot

At its most basic, hot sauce makes food spicy. But at the height of its powers, this sort of seasoning can bring dishes to life and reveal new dimensions of flavor. Our favorite proof: Horseshoe Brand hot sauce, made in Rhinebeck, N.Y., by hobbyist-cook deputy sheriff turned hot-sauce entrepreneur Ken Millett. The unexpected "it" factor in Horseshoe's most revelatory flavors is fruit, often in surprising combinations. The mango-and-fatali-pepper

sauce, vinegar-bright with a blooming heat, has a touch of tamarind tang to offset the mango's richness. In the fiery habanero sauce, meanwhile, a little mango brings out the natural fruitiness of the chili. Kiwi-jalapeño, Horseshoe's best-selling answer to Mexican-style salsa verde, swaps out the traditional tart tomatillos for sweeter kiwis. Stir the sauce into mashed avocados for an instant, beautifully balanced guacamole. \$6 for 8 ounces, horseshoebrand.com.

THE SNACK Salute the Kernel

Meet the salty-sweet snack of your dreams: chocolate-covered corn nuts. The corn core announces itself with a noisy crunch and a flavor that's like Fritos on steroids. Made in Valencia, Spain, where unadorned corn nuts, or *quicos*, are a common snack, *quicos de chocolate* are giant corn kernels fried and salted, then tumbled in Spanish chocolate and cocoa. They're sufficiently addictive to binge on while road-tripping and enough of a delicacy to inspire mindful savoring. \$7 for 8 ounces, murrayscheese.com.



THE MEAT Hyper Links



Olympia Provisions, the Portland, Ore., maker of first-rate charcuterie, has your Labor Day grilling covered with the Sausage Fest assortment. It includes käsekrainer, a pork link oozing with Emmenthaler cheese; Italian sausage seasoned with coriander, fennel and oregano; garlic-smoked kielbasa; nutmeg-spiced bratwurst; and uncured frankfurters long enough to hang out of both ends of the bun—all made using natural casings. Owner Elias Cairo recommends warming the sausages in simmering beer, then crisping on the grill or in a pan. \$45 for 5 (12-ounce) packages of sausage and 2 beer koozies, olympiaprovisions.com

—Gabriella Gershenson



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Chef Marc Vetri
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WÜSTHOF

DESIGN & DECORATING

THAT'S DEBATABLE

Will a Circular Settee Make Your Home Look Like a Hotel Lobby?

NO The appeal of a round, or borne, settee begins with its novelty. "It immediately becomes a conversation piece," said Newport Beach, Calif., designer Barclay Butera, whose Louboutin-red tufted version is a guaranteed seducer. "It's a Victorian piece that people are used to seeing in an entry or gallery," said New York designer Vicente Wolf, who positioned a custom blue-leather borne in the center of a casual family room. "I liked bringing an idea from the past and using it in an unconventional way." Family members who'd rather not lounge on a mega-poof can sit in wicker chairs and simple white contemporary armchairs ranged around the settee. "It has a romance and history and a bit of humor to it," he added. The perch can also mitigate structural deficiencies: "It acts as a short 'column' to add architecture to a room, without the constraints of a completely vertical division," said Los Angeles architect Raun Thorp. Stacey Bewkes, founder of lifestyle website Quintessence, whose flower-printed settee anchors several lounge vignettes in her living room, likes the social possibilities: "It is amazing how comfortably it can accommodate additional people for a very convivial and interconnected space."

YES For some designers, a round settee has no place in a home. "People are sitting facing outward and not with each other, so it does not work in a living room setting," said New York designer Jarvis Wong. "It's fine in a hotel lobby or restaurant precisely because you don't want to talk to a stranger sitting next to you." New York's Tamara Eaton concurred: "It doesn't create a social circle, which is usually the first requirement for a room with seating," she said. And Los Angeles interior designer Schuyler Samperton said, "One of these would be perfect in a movie from the 1950s starring Doris Day as twins in a madcap case of mistaken identity, but not in a house." The same quality that makes them ideal for transient rooms in hotels leads some designers to draft bornes for rooms where no one nests for long. New York designer Sasha Bikoff endorsed their use in smaller spaces such as an entry or dressing room. Brunch guests can pull off rain boots and women wriggle into hose with relative privacy. But if you're short on square footage in a furniture-heavy public area such as a living room, stay away from the circle perch, advised Mr. Butera: "If the space is not grand enough, it will stifle the room." —Mimi Faucett



INN VOGUE A patterned borne settee in a Chicago apartment designed by Julia Buckingham, as seen in her book 'Modernique: Inspiring Interiors Mixing Vintage and Modern Style' (Abrams)

ERIC HAUSMAN (INTERIOR)

ROUND IT OUT // THREE OPTIONS SHOULD YOU CHOOSE TO TAKE A WHIRL



Dragonfly Bench, from \$7,100, Flexform
New York, 212-355-2328



Feraud, from \$8,797, christopherguy.com



Powell & Bonnell Rondo Pouf, from \$13,688, Dennis Miller
Associates Showroom, 212-684-0070

FRESH PICK

THE CROSSOVER DESIGNER

An auction of Alberto Pinto's personal furnishings collection, plus a book of his interiors, honor his genre-traversing talent



A Paris apartment as seen in 'Alberto Pinto: Signature Interiors' (Flammarion) illustrates the designer's comfort with contemporary style.

HE BOUGHT EVERY day," explained Linda Pinto of her late brother, interior designer Alberto Pinto. "A piece of furniture, an objet d'art—whatever he needed for himself and for the client." On Sept. 12-14, Christie's France will auction more than 1,000 pieces that the Morocco-born designer, whose clientele included Middle Eastern royalty and American industrialists, had made part of his personal collection before his 2012 death at 69. From nearly 6-foot Baroque-style obelisks to a colorful abstract by contemporary American painter Bill Scott, the lots highlight Mr. Pinto's protean taste. He was "in love with many styles," said his sister, who now heads the Paris design firm he founded. A recently published collection of work Mr. Pinto began and his namesake firm completed, "Alberto Pinto: Signature Interiors," confirms his range: on one spread (above) colorful geometrics frame primitive sculptures; on another, crystal and chinoiserie bedeck a neoclassical London mansion. Still, an idiosyncratic Alberto-ness unites both his interiors and the pieces being auctioned. Said Ms. Pinto, "He bought with the same eyes."

—Dorie Chevlen



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ADVENTURE & TRAVEL



EMPIRE BUILDINGS The historic center of Gjirokastra, where many dwellings date back to the Ottoman period. Below right: The garden at Taverna Kuka.

FRANCESCO LASTRUCCI FOR THE WALL STREET JOURNAL

An Ottoman Time Capsule

Pashas and other iron fists once ruled this Albanian 'City of Stone.' Now preservationists are taking the lead

BY CATHRYN DRAKE

GIROKASTRA, in southern Albania, may not be the most obvious destination for a late-summer European getaway. But this hill town of 66,000 is immensely charming and affordable and a two-hour drive from the fine beaches of the Albanian coast. Still not convinced? A veritable time capsule, Gjirokastra served as a trading hub for some 500 years under the Ottoman Empire (1385 to 1912) and the setting for a real-life game of thrones.

Throw in a medieval castle, a Communist-era underground bunker and a U.S. "spy plane," and Gjirokastra might just be the most intriguing small town you've never heard of.

The weekend I spent in Gjirokastra, I stayed in the Babameto House, set just beneath the hulking Gothic citadel. Although the accommodations are austere (even the private rooms have shared baths), the structure is anything but. A 19th-century Ottoman kulla ("tower") house, with elegant rows of windows and warm wooden interiors, Babameto is the latest of many historic restorations undertaken in the last decade by the nonprofit Gjirokastra Foundation.

I met the foundation's executive director, Sadi Petrela, upon my arrival at Babameto, and we took in the panorama beyond the garden walls: fairy-tale palaces arrayed on the surrounding hills, an 18th-century minaret hovering above a patchwork of slate roofs, and, farther off, stark mountain ridges. The foundation has spearheaded over 50 projects, including rehabilitation of the cobblestone streets and revitalization of the bazaar in the Old Town, nicknamed the "City of

Stone" for the hundreds of rock-hewn buildings. The grandest project may be the Zekate House, an 1811 mansion, now a museum, where visitors can wander the ornate period interior. As Mr. Petrela and I strolled over to Zekate, on the other side of town from Babameto, he felt compelled, per local custom, to chat with each person he knew along the way—which was nearly everyone. I noticed few foreign tourists during my visit to Gjirokastra. After a couple of days, even the women hanging out on stoops and the men nursing Turkish coffee at cafes greeted me like a local.

Zekate House originally belonged to a high official of the notorious warlord Ali Pasha. Ali seized Gjirokastra and made it a stronghold for his rebellion against the Ottoman regime, only to be executed by order of the Sultan. Built during this time of civil unrest and merciless banditry, Zekate was constructed like a fortress, with thick stone walls, massive reinforced doors and small windows. In the living quarters, on the top floors, sits a sumptuous reception salon with low-lying divans lining the walls, soaring carved-wood ceilings, and a grand fireplace adorned with an intricate floral motif echoed in the wall frescoes. After Mr. Petrela and I toured Zekate, we sat down for coffee with the Džekos, the elderly couple who inherited and manage the house. "The small building where they live now was for the servants," Mr. Petrela said. After the Communist regime nationalized the mansion, he explained, the Zekate family was reduced to poverty.

Indeed, the Communists took over many historic buildings in Gjirokastra; upon the party's fall, in 1991, all were returned to the families who owned them. The founda-

tion isn't just working to return these buildings to their former glory. Integral to each project is a business plan that will hopefully entice family members, many of whom have left to seek work abroad, to return to their hometown. The Babameto House, for example, will be turned over to the owners next year, once it generates enough income as a hostel to repay renovation costs. "We want to demonstrate to the owners that these houses can produce money and have a promising future," Mr. Petrela said.

Gjirokastra's Communist past is being preserved, too. The next day, Mr. Petrela invited me to join a tour of the Cold War Museum, which opened in 2014 after various bureaucratic struggles. The museum encompasses a labyrinthine bunker built in secrecy in the 1970s and only discovered decades later. This musty network of tunnels connects some 80 rooms, still labeled with their official functions and filled with corroded metal furniture.

The evolution of the vast fortress looming above the bunker embodies the vicissitudes of Balkan history. Ali Pasha and King Zog, Albania's ruler in the early 20th century, expanded the structure during their reigns and used it as a prison, as did the Nazis and Communists, who also used it as torture chambers, until as late as 1963. Now the National Armaments Museum, it houses an impressive collection of World War II artillery, including a U.S. Air Force "spy plane" captured in 1957. "When we built the museum up in the castle, we were accused by the government of corruption and being nostalgic of Communism," Mr. Petrela said. "But it is a very important part of our history, absolutely."

The castle serves as a festive space too. The evening I was there,

the outdoor stage hosted a concert by the raucous brass band Fanfara Tirana and popular singer Hysni Zela—a fusion of syncopated Balkan and rock rhythms accented by flourishes of clarinet. I joined in on the exuberant circle dances that erupted spontaneously among the youthful audience and faked it rather well.

The flutter of lace curtains

greeted me as I awoke at Babameto the next morning. Looking out at the Ottoman palaces dotting the hills, I remembered a passage written in 1933 by British travel writer Patrick Leigh Fermor. Gjirokastra, he wrote, was "immeasurably old and at the same time brand new and totally unknown." Nearly 100 years later, the description still holds true.



THE LOWDOWN // TOURING GJIROKASTRA, ALBANIA

Getting There Fly into Albania's capital, Tirana, and rent a car or take a furgon (minibus) for the four-hour drive south.

old structure (from about \$41, kalemihotels.com).

Staying There Babameto House, a restored Ottoman palace, functions as both hostel and hotel with double rooms and a dorm room (from about \$30 a night for a double room, facebook.com/BabametoHouse). In the Old Town, Kalemi 2 occupies a recently converted building that's more than 300 years old; it offers splendid views and spacious rooms (from about \$54 a night, kalemihotels.com). The simpler Kalemi Hotel, farther uphill, is in another restored centuries-

Eating There Taverna Kuka serves excellent local specialties such as the midhje (fried mussels) and qifqi (herbed rice balls fried with an egg) in a trellised garden ([Rruga Astrid Karagozji](http://Rruga_Astrid_Karagozji)).

Shopping There At GjiroArt, on the main street of the bazaar area, you can find embroidered home wares, handwoven carpets and blankets, and other items made by local artisans, many of whom cooperate with the Gjirokastra Foundation's artisan training program (gjirokastra.org/gjiroart/design.html).



FLORENTINE FLOURISHES TO-GO

Traveler keepsakes from artisan jewelers inspired by Florence's medieval past

FOR A GOLDEN memento of Florence, head for the jewelry shops that famously line the Ponte Vecchio—and don't set foot in any of them. Bypass the bridge, the tour groups and the flashy international brands for an austere stone building tucked into an alley across the Lungarno degli Acciaioli (the street along the Arno's north bank). The medieval walls of 2 Vicolo Marzio, once a convent, now enclose the workshops of more than 20 orafi and incassatore—traditional Florentine goldsmiths and engravers.

On the ground floor is Nerdì Orafi, a family-owned outfit whose modest atelier turns out custom jewels—artfully mismatched emerald earrings, engraved signet rings—for connoisseurs and Italian aristocrats. But Nerdì also fashions ready-to-wear pieces, including Etruscan-inspired hammered chains and flowery Renaissance-influenced bracelets. Their most popular pieces are the understated florin pendants. Replicas of the Florentine gold

coins that dominated European trade for centuries, the necklace charms have the city's fleur-de-lis badge on one side, and its patron saint, John the Baptist, on the other. The large 18k gold version—sized between a nickel and a quarter—costs about \$322; silver costs a tenth the price. *Vicolo Marzio, 2, nerdiorefifirenze.it*

For a more whimsical take on the past, cross the river to the Oltrarno quarter, where locals outnumber tourists and where Japanese jeweler Aika Fushimi opened her Quarant'otto boutique two years ago. Ms. Fushimi's signature piece, the Una Storia ring (about \$2,050), mimics the arches of the hushed courtyard of the Basilica di Santa Croce. A man and a woman stand between tiny gold columns. It could be a tryst, it could be a first encounter. Or maybe they're just two more tourists, falling in love with Florence. *Via Maggio, 6, www.quarantotto.co.jp*.

—Sara Clemence

SOUVENIR

GOLDEN ARCHES The Una Storia ring from Florence's Aika Fushimi boutique.



ADVENTURE & TRAVEL

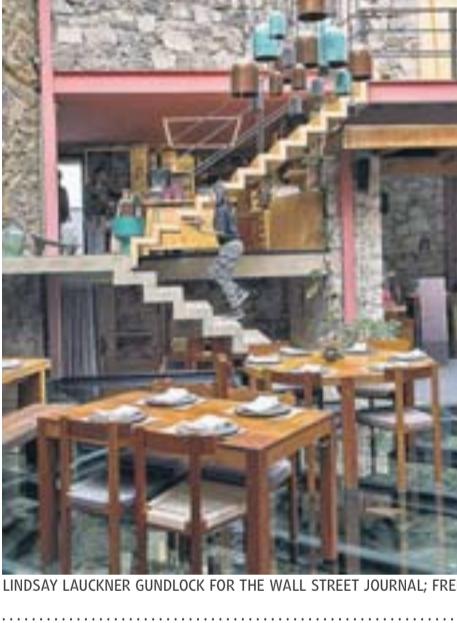
1. Rooftop terrace at Downtown Mexico hotel



6. Museo Diego Rivera Anahuacalli



5. Tetetlán



LINDSAY LAUCKNER GUNDLOCK FOR THE WALL STREET JOURNAL; FREEVECTORMAPS.COM

ADVENTURE & TRAVEL

JOURNAL CONCIERGE
An Insider's Guide



2. Salón Los Angeles



3. Beans and tamale at Merendero las Lupitas



Mexico City

A capital this mammoth and magnetic requires a well-honed cheat sheet. Meet four discerning tipsters

MANSIONS OF FADED colonial glory, picturesque plazas, an enviable restaurant scene and more museums than one could reasonably consume are drawing ever more travelers to Mexico's capital city. Like a Big Apple of Latin America, it's a melting pot of nationalities, including the largest number of U.S. expats in one city.

A mere 20 years ago, visitors largely steered clear of the crime-plagued capital. In 1997, the federal district received the right to elect its own officials, triggering a seismic shift in the city's political scene and a new era of rein-

vention. Young architects, chefs, designers and hoteliers began making their mark. These days, though many parts of the country continue to generate headlines for drug-related violence, the tourists areas of Mexico City remain generally calm.

Of course, the Mexican capital can also be a traffic-knotted mess. For that reason, our local experts advise taking in just one or two of its 16 distinctive neighborhoods a day. And for a truly local experience, leave time for a glass of mezcal to wash down the giant ant larvae. —Dyan Machan

4. Avenida Francisco Sosa



THE FASHION DESIGNER

Carla Fernández

Founder of CDMX-based eponymous stores



THE ART DOYENNE

Patricia Sloane

Associate curator of Museo Universitario de Arte Contemporáneo (MUAC/UNAM)



THE ARCHITECT

Mauricio Rocha

Founder and principal architect of Taller de Arquitectura



THE STAR CHEF

Jair Téllez

Chef and founder of Amaya and Laja restaurants and co-founder of MeroToro restaurant



RIVERA RESERVOIR // Museo Diego Rivera Anahuacalli [6].

The most amazing tribute to Rivera, it's in a massive building he designed for his collection of pre-Hispanic art and artifacts.

Museo 150, Coyoacán, museoanahuacalli.org.mx

RETRO DIGS // Camino Real Polanco.

This midcentury masterpiece has never lost its coolness. I recommend a room next to the pool and near the gardens of Chapultepec Park. From about \$130 a night, caminoreal.com

A MONUMENTAL MARTINI // St. Regis Hotel terrace.

The King Cole Bar presents a good martini at sunset and a view of the shimmering angel on the Independence Monument. Paseo de la Reforma 439, Cuahtémoc

MARKET MUNCHIES // San Juan Market.

It's an unsurpassable food market filled with edible eccentricities like kangaroo or crocodile meat. Find a merchant for midmorning ceviche or tapas. Calle de Ernesto Pugibet No. 21

SALSA AT THE SALON // Salón Los Angeles [2].

In this cathedral of culture, celebrating its 80th year, live orchestras play while you swirl to salsas. Calle de Lerdo 206, Cuahtémoc, Guerrero. salonlosangeles.mx

TOP TACOS // El Venadito.

Join the line to fuel up with a *tacos al pastor* at my favorite taco stand. Across the street, stop to admire the mid

20th-century Chapel of San José del Altillo. Av. Universidad 1701, Colonia Agrícola, Chimalistac

BEYOND MARIACHI // Fonoteca Nacional.

This splendid archive of Mexican music is housed in an 18th-century hacienda where poet Octavio Paz last lived. And it's on Avenida Francisco Sosa [4], one of the city's most beautiful colonial-era streets. Av. Francisco Sosa 383, Coyoacán, fonoteca-nacional.gob.mx

CORN FED // Merendero las Lupitas [3].

At this outpost for Northern Mexican food, I order the *atole*, a hot corn-based drink, and the egg and bean dishes. Calle Jardín, Santa Catarina, merenderolaslupitas.com.mx

PARK IT // Santa Catarina Plaza.

Find a bench to soak up the charms of the 16th-century chapel Capilla de Santa Catarina.

GIFT STOP // Fonart.

This is one of several well-curated stores funded by the government to support traditional Mexican crafts. The selection of pottery is outstanding. Av. Patriotismo 691, Colonia Mixcoac, fonart.gob.mx

BRAIN FOOD // Taquería El Progreso. This sidewalk restaurant is my favorite place for a CDMX specialty, cow head tacos (*tacos de cabeza*). Cow brain is supremely flavorful. Calle Maestro Antonio Caso 30, Tabacalera

FRENCH-MEX // Havre 77. When I'm not in front of a stove, I crave the steak frites and oysters at this French-Mexican brasserie from chef Eduardo García, a former migrant worker and star chef. Havre 77, Colonia Juárez, Cuahtémoc, havre77.com

MOODY MEZCAL // La Clandestina Mezcaleria. This is my favorite dive bar for artisanal mezcal. It's dark and soothing, and serves one-of-a-kind bottles. Alvaro Obregón 298, Colonia Condesa

Plus, Don't Miss Museo Nacional de Antropología. Deservedly the most visited museum in CDMX, it holds a wealth of pre-Hispanic culture. Av. Paseo de la Reforma y Calzada Gandhi s/n, mna.inah.gob.mx // **Museo del Templo Mayor** is the remains of the pyramid of former Tenochtitlán peoples, which was discovered in the 1970s during the excavation of a parking lot. templomayor.inah.gob.mx // **Los Danzantes** Head here for contemporary interpretations of Mexican food like spaghetti with *huítlacoche* sauce, made from corn smut, a fungal corn growth that adds nutrients and flavor. Plaza Jardín Centenario 12, Coyoacán, losdanzantes.com // **San Ángel Inn.** This former monastery offers a patio for cocktails and snacks like the tasty *escamoles* (edible ant larvae). Calle Diego Rivera 50, sanangelinn.com // **Museo Universitario de Arte Contemporáneo (MUAC).** One of the city's most iconic modern structures houses a stellar collection of contemporary art. Escolar, Ciudad Universitaria, Coyoacán, muac.unam.mx

ADVENTURE & TRAVEL

Spin Me Right Round

Beach boardwalks. Lobster rolls. Unbridled nostalgia. A family road trip to sample Rhode Island's classic carousels is quite a ride

BY MICHAEL TORTORELLO

STEP RIGHT UP and pick a horse. The Slater Memorial Park Looff Carousel, in Pawtucket, R.I., offers riders their choice from a revolving menagerie of 44 steeds, 3 dogs, 2 chariots, 1 giraffe, 1 camel and 1 lion. Every one is a winner.

Children take the selection seriously. You can tell by the way they size up the mounts and then rush aboard the platform, lest anyone beat them to their picks. Grown-ups, poor judges of wooden horse-flesh, don't see the point. The horses, the dogs, the chariots, the giraffe—they all end up where they started at the exact same time. Yet a family road trip to visit historic U.S. wooden carousels may take you somewhere unexpected: a bygone America of steam power, immigrant woodworking shops, trolley-car amusement parks and beach boardwalks. During the golden age of carousels—1880 to 1930—builders competed for business by developing highly original styles of carving, painting, and ornamentation. Of the 5,000 merry-go-rounds they fabricated in this country, only 200 or so survive.

If you narrow your geographic range to Rhode Island, you can visit four classic American carousels—two of them National Historic Landmarks—while driving less than 70 miles in your own motorized chariot. In early fall, with the kiddos riding school buses again, the carousels run weekends only. Crack the whip, and you might finish this tour a little after lunchtime. But then what kind of fool would try to hurry a carousel? Put on a swimsuit (the unofficial state uniform) and stop at Misquamicut Beach. Catch a AAA Red Sox game in Pawtucket. Almost anything you want to see in the Ocean State lies within 25 minutes of a classic carousel.

For road-trippers driving north from New York, Watch Hill makes a logical first stop. The Flying Horse Carousel, dating to 1876, is the oldest continuously operating ride in the U.S. Local legend has it that a roaming carnival abandoned the carousel in this seaside resort

Though this carousel dates back to 1895, few whirl faster.

colony. In 1883, the herd of wood horses took up residence in front of the town beach, housed in a decagonal pavilion with cobblestone columns. And the attraction has stayed here ever since.

No other working carousel resembles the Flying Horse. True to the attraction's name, its steeds hang down from wooden sweeps (or rafters), with chains at the haunches and vertical iron rods attaching to the horse near the horn



MERRY MAKING Clockwise from top: The Looff Carousel, in Slater Park; Watch Hill Beach; an ice cream stop at Atlantic Beach Park; playing croquet at the Ocean House hotel in Watch Hill; Jordan Williams saddled up on the 1895 Looff Carousel.

of the saddle. The carousel's maker, the Charles W.F. Dare Company, of Brooklyn, N.Y., also manufactured children's perambulators and toys, such as rocking horses. You can detect that influence in the quadrupeds' bent forelegs and primitive heads. Carousel fanciers label the style "Country Fair." That doesn't mean the horses lack character. Real horsehair fills out the tail; leather forms the saddle and stirrups; agate marbles dot the eyes. You feel like you're riding a functional antique, or your kids are, at least. The weight limit on the Flying Horse is 100 pounds—suited to only the lightest of jockeys.

If this merry-go-round seems rarefied, the neighborhood strives for the same tone. The boutique windows that line Bay Street display sailcloth purses, Turkish towels, pricey espadrilles. At the stately Ocean House hotel up the hill, guests play croquet on the groomed lawn, while

diners on the veranda choose from lobster rolls two ways: hot (with tarragon and celery), or cold (with Vermont creamy butter).

Compared with the thoroughbreds of Watch Hill, the horses running 5 miles up the coast at the Atlantic Beach Park Carousel appear to be a mongrel lot. The National Carousel Association, a preservation group, identifies this merry-go-round as a 1915 machine by the prolific Herschell Spillman Company. Allan Herschell, a Scottish immigrant, manufactured boilers and steam engines near Buffalo, N.Y. After talking his partners into experimenting with a "steam riding gallery"—industry parlance for a carousel—his company began to manufacture 100 of them a year.

At the Atlantic Beach Carousel, some of the 39 jumping horses (and one zebra) were likely produced in the mid-20th century at the Arrow Development Co. (which also created early rides for



Disneyland). Their coats are a single color: either white or gray. Call them workhorses. Discriminating equestrians should climb aboard one of the dappled show ponies crafted by Marcus Charles Illions, one of several Jewish immigrant furniture makers who found his way into the business. Illions was a carrousel artist of the highest rank and creator of the dramatic "Coney Island" style. The animals' musculature, carved out of pliable basswood, appears dynamic. nostrils seem to flare, manes to flutter.

Listen for the oom-pah-pah of a vintage band organ nearby, a belt-driven, automatic instrument (much like a player piano) with horns, percussion and xylophone. You really can't ignore it. The organ blares a mid-20th-century repertoire: "Love Me Tender," "Don't Worry Baby," "Que Sera Sera (Whatever Will Be, Will Be)." This is the soundtrack of your life whipping by in three-minute intervals.

If the kids don't care to examine the finer points of folk art—or to see their parents mist up—you can buy a little time by handing them \$10 for the arcade next door. Make it

\$20 and they can wander over to the bumper cars, the dairy bar, the kiddie coaster, or the Water Wizz slides ("1000 feet of thrills and spills").

The next two legs of this pony-express route leave the Atlantic coast for Rhode Island's urban, waterfront parks, and a pair of rides by the great carrousel craftsman Charles I.D. Looff. The Pawtucket carrousel, in Slater Memorial Park, represents Looff's last "stander." The feet on these animals never leave the gray plank floor. But hold on: Though this carrousel dates back to 1895, few whirl faster. You can read the effort on the horses' faces, where bared teeth convey agony. Some of the quirkiest artistry appears in the carved panniers and blanket rolls behind their saddles. Try to spot the half-hidden profile of the Persian prince with his gilded headdress, the Union soldier, the bear.

Though the Looff carrousel remains splendidly vivid, the rest of Slater Park projects a shabby gentility, a drowsy grandeur. The ponds in the sunken garden have dried up; the bandstand stands empty; the zoo population has dwindled to a donkey and a couple of pygmy goats.

Redevelopment drove Charles Looff from his workshop in Greenpoint, Brooklyn to Crescent Park, in East Providence. At the time, the turn of the 20th century, Crescent Park could claim to be one of largest shore resorts in the world, a 300-acre fun-land that drew 50,000 to 75,000 visitors on a weekend day. Looff apparently lived on the grounds, in a six-room apartment attached to his carrousel shed. The Crescent Park carrousel became Looff's showroom: the place to exhibit his latest and most elaborate models.

Elizabeth Cecil for The Wall Street Journal

THE LOWDOWN // COASTING IN RHODE ISLAND

Staying There Ocean House—a five-minute uphill stroll from the Flying Horse Carousel—recreates the Victorian age of Watch Hill luxury: a seaside resort of squash courts, full-service beach cabanas and mornings at the spa (from \$795 a night, oceanhouserri.com).

Eating There The simple pleasure of a carrousel ride doesn't pair well with a 10-course tasting menu. A better bet: lob-

ster rolls, raw shellfish and ice cream. Blount Clam Shack serves respectable whole-bellied fried clams, clam cakes, and lobster rolls right next door to the Looff Carousel in Crescent Park (335 Water St., blountretail.com/crescent_park/home). Matunuck Oyster Bar, mid-coast in South County, prepares all those seafood staples for a more discriminating palate, and adds what might be Rhode Island's most popular raw bar, with

its own farmed oysters (629 Succotash Rd., rhodyoysters.com). Ten minutes from the carousel in Slater Park lies Three Sisters, a sandwich and homemade ice cream shop with flavors for little jockeys (cake batter, cookies and cream) and mature equestrians

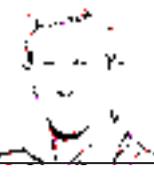


(dirty garden mint). (1074 Hope St., Providence, threesistersri.com).

► For a few prime beaches in Rhode Islands, see wsj.com/travel.

GEAR & GADGETS

RUMBLE SEAT DAN NEIL



Rare Bavarians: BMW i8 and M4 Dinan S2

I HAD SEEN SHADY figures loitering near the BMW i8 that was plugged in beside my house. They came by in the evening, usually in pairs, one tall—the dad or mom—and one small. Then I started getting jolly flash traffic from neighborhood parents. What is that thing?

It turns out that, from the eye level of a 6-year-old, BMW's techno-luxury statement car looks like Jackson Storm, the rival to Lightning McQueen in the movie "Cars 3." That BMW failed to exploit this accidental resemblance constitutes gross marketing malpractice, but let that go. The point is, for two weeks, I was King of the Dads.

You pinky-ringed minions of Babylon can ride around in your Ferraris and Lambos if you want. Kind of ordinary, though. For rarity, for sheer automotive rarefaction, the flagship of BMW's 2 billion-euro i Division makes those cars look like link sausage. BMW will sell only about 300 of these cars in the U.S. this year, though not for want of trying. It is, for starters, wildly expensive. Our black-and-blue tester cost \$152,695, about the same as an Acura NSX, which on a racetrack would leave the i8 for dead, blackened, flyblown carion. The i8 has charms other than raw performance, and for that price it bloody well ought to.

Here is a brief, real history of BMW's i Division. It was born in alarm and dismay at the turn of the decade, when German automakers got their first look at the Tesla Model S. They realized they had been out-engineered and they had guessed wrong on electrification. The i Division was set up to model—in technology, design and manufacturing—BMW's next chapter of sustainable, low-consumption, socially accountable transportation. But it was also a riposte, a fending off of Tesla.

The company even built a temple to its future: the assembly hall in Leipzig, Germany, with its grand concourse designed by Zaha Hadid. Here BMW deployed its visionary LifeDrive vehicle architecture. In an automotive-manufacturing first, the passenger safety cell, or tub, is fashioned from lightweight carbon fiber reinforced plastic in a beguilingly human-free process that takes hours instead of days. For anyone watching, and Germany's autoworkers certainly are, the i8 and sister car i3 preview the industry's radical and hastening automation. If ever the i Division were merely a virtue-signaling pilot program with unserious volume expectations, Dieselgate put an end to that. The company has announced more than 40 new plug-in models, with the new iPerformance imprimatur.

No one in Munich actually knows how the Ultimate Driving Machine will weather the next decade. Everything the future holds for automobile—connected, shared, self-driving, electric—sounds to traditionalists about as appealing as cat-food flavored toothpaste.

In this respect, the i8 is a



SPROUTING WINGS The BMW i8, a techno-luxury sports coupe, is a wildly expensive brand experiment.

rolling soul search, an experiment in brand. What are the tactile feedbacks, the synaptic connections, the satisfactions of a post-combustion era BMW? The i8's presentation to the driver is serenity by wire, cool and technical, informative-forward. You press the start button and instead of a quickening fire of combustion there's swooping electronic sound, an ear-icon. None of the familiar, the analogue remains.

Trickiest, philosophically, is the balance the i8 strikes between performance and efficiency—call it sufficiency of sportivity, a phrase for which there simply must be a compounded German word. Behind the seats is a tiny, purring 1.5-liter turbocharged three-cylinder gas engine and six-speed automatic transmission, producing 227 hp and 236 lb-feet of torque.

BMW will sell only about 300 of these cars in the U.S. this year, though not for want of trying.

In the nose of the car is an AC synchronous electric motor (129 hp, 184 lb-ft of torque) driving the front wheels through a two-speed gearbox. When the hybrid chakras are aligned, the all-wheel drive system output is 357 hp and 420 lb-ft of torque, pitted against the car's dense 3,455 pounds.

Romp the e-throttle at a green light and the i8 will surge hummily to 60 mph in 4.2 seconds, a syrupy squirt. If you give the car enough stick and enough runway, it will hit a top speed of 155 mph, says BMW. Once in a while you can hear the turbos chuff, but the engine growl filling the cabin is synthesized and pumped through the audio system speakers.

The i8 is certainly potent, responsive and refined. The dual-sourced powertrain is a

minor miracle of hybrid integration. But the i8 is not particularly fast. It might be the slowest mid-engine carbon-bodied sports car with pain-in-the-ass doors I've ever driven.

And, as a sign of just how fast things move, this state-of-the-art machine is already a bit dated by its battery tech. With a usable capacity of about 5 kWh—roughly a third that of the pack in a Chevy Volt PHEV—the lithium-ion cells will carry the car only about 15 miles before the three-cylinder gas engine kicks in. To avoid tailpipe emissions I was plugging in three times a day.

The first-gen i3 also suffered from underperforming batteries. However, BMW increased the pack capacity 50%, to 33 kWh. It's reasonable to expect these more energy-dense cells will turn up in the i8, perhaps as soon as December at the Los Angeles Auto Show, when BMW will unveil the i8 convertible.

You won't see one of those every day, if ever.

IF THE I8 is New School BMW, the M4 is the Old School. Actually, it's more like standardized testing, since the Bavarian's compact performance four-seater has been a perennial benchmark for spendthrift enthusiasts since the 1990s. And if you were to take a factory-fresh M4 for a rage up a canyon road you might ask yourself, "Could these cars get any better?" Yes, they could. All you need is (more) money and the name Steve Dinan.

Mr. Dinan's company has been pumping performance and pizazz into BMWs since the Carter Administration at its shop in Santa Clara County, Calif. And while I typically avoid aftermarket performance tuners and the evil they do, Mr. Dinan's work—notable for the balanced, thoughtful insanity of the cars—stands apart from the usual scoundrels. Note the factory-matching 4-year /50,000 mile warranty.

For a recent dash from San

Francisco to Napa to Monterey and back, I borrowed a BMW M4 Dinan S2, which in tuner-speak means a Signature 2 (stage 2) package, with engine, suspension and cosmetic upgrades, totaling \$13,282 above the cost of the donor M4 (\$67,700).

The car that comes back from Dinan has been cured of itself in three distinct ways. First, sound: The intercooled/turbocharged S55 engine has a strained and hollow sound out of the box. Dinan's plumbers install a resonant stainless-steel exhaust system and, aft of the catalytic converters, a high-flow cross-pipe. The

popping, can-full-of-bees din emerges from dual-quad exhaust tips the diameter of Crisco cans. Ungawa.

Second, power: The engine mods include an XXL cold-air intake, upsized charge-air intercooler, and a hot-rodded chip, adding 123 hp over the stock M4 for a total of 548 hp and 549 lb-ft of torque. Moreover, all this power hangs out at the screaming end of the tachometer, well over 4,000 rpm. So that cures whatever alleged lack of emotionalism the M4 suffers.

Steering sharpness and precision: Dinan's magic kit includes way stiff springs and



2017 BMW i8 PHEV

PARALLEL HYBRID ELECTRIC 2+2 LUXURY SPORTS COUPE

Base price \$143,400

Price, as tested \$152,695

Powetrain gas-electric hybrid drive with mid-mounted turbocharged direct-injection 1.5-liter in-line three-cylinder engine (228 hp) and six-speed automatic transmission (rear wheel drive); front-mounted AC synchronous traction motor (129 hp) with two-speed gearbox; liquid-cooled 5.2 kWh nominal lithium-ion battery pack.

Net system power/torque 357 hp/420 lb-ft

Length/width/height/wheel-base 184.9/87.3/50.8/110.2 inches

Curb weight 3,455 pounds

0-60 mph 4.2 seconds

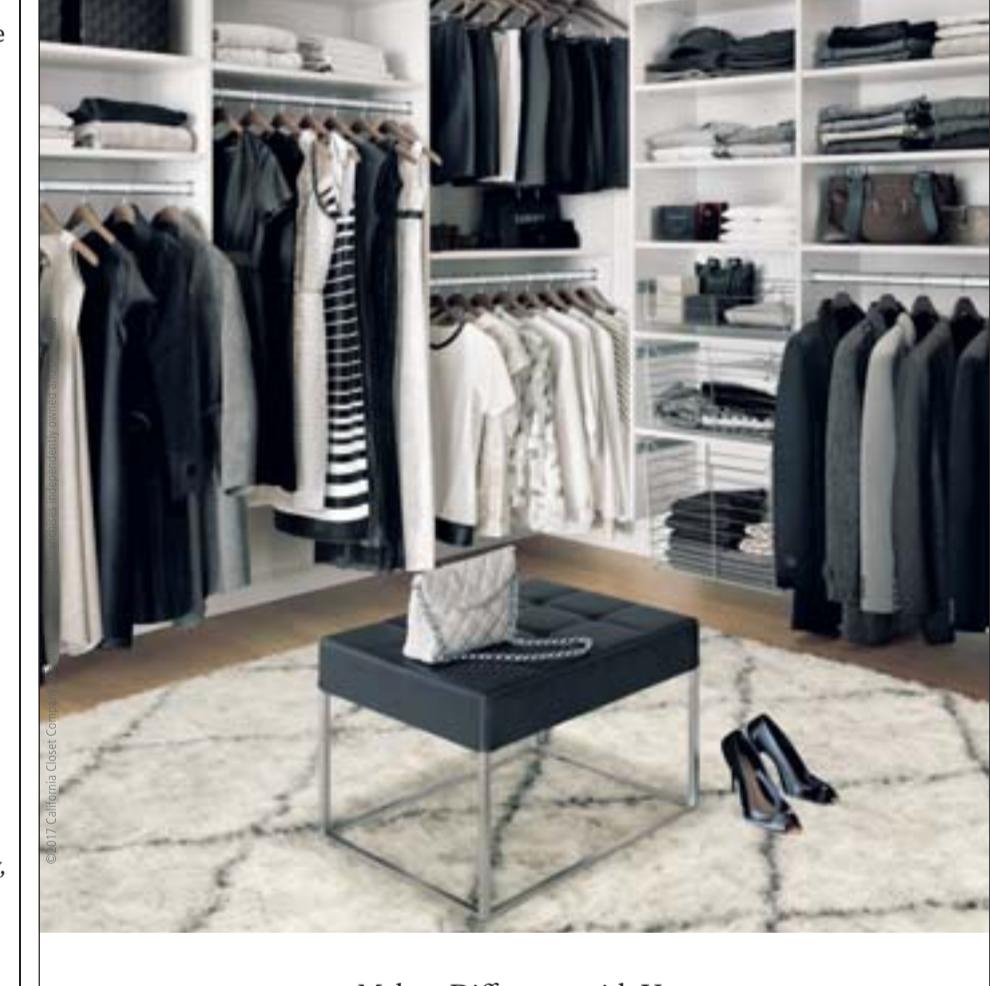
Top speed 155 mph

Luggage capacity 4.7 cubic feet

dampers and hatefully stiff (optional) Pirelli P Zero Corsa tires that are a ballsy 10.5-inches wide at the rear. Critically, Dinan replaces all the rubber bushings with Teflon-coated machined ball joints, hardened housings, and billet aluminum rear toe links. The suspension mods make the Dinan drive hard and thrashy, stiff as a Bavarian buckboard. The road static in the steering wheel will make your hands tingle. The steering is as sensitive as sunburn.

Just the way I like it.

► For specs on the BMW M4 Dinan S2, see wsj.com/life



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