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DJIA 26562.05 ▼ 181.45 0.7% NASDAQ 7993.25 ▲ 0.1% STOXX 600 382.14 ▼ 0.6% 10-YR. TREAS. ▼ 3/32, yield 3.078% OIL \$72.08 ▲ \$1.30 GOLD \$1,199.30 ▲ \$3.10 EURO \$1.1749 YEN 112.78

What's News

Business & Finance

Global oil prices surged to their highest close in nearly four years after OPEC left production steady, fueling fresh bets that U.S. sanctions against Iran and outages in Venezuela will lead to supply shortages. **A1**

◆ The two co-founders of Facebook's Instagram app are stepping down, marking continued tumult at the social-networking giant. **A1**

◆ Sirius struck a deal to buy Pandora for \$3 billion amid an increasingly competitive fight for listeners. **B1**

◆ Barrick Gold agreed to acquire Randgold Resources for \$6 billion in an all-stock transaction. **B1**

◆ Sears CEO Lampert is making his biggest push yet to restructure the retailer to avoid a bankruptcy filing. **B2**

◆ NBC Entertainment's Greenblatt, who led a revival of NBC's prime-time lineup, is resigning as chairman. **B1**

◆ Michael Kors is close to a deal to buy Italian fashion house Gianni Versace for about \$2.35 billion. **B1**

◆ The Dow and the S&P 500 fell as trade tensions stoked caution. The blue chips shed 181.45 points to 26562.05. **B12**

◆ Germany's financial watchdog ordered Deutsche Bank to bolster its controls to prevent money laundering, in a public reprimand. **B11**

◆ A coalition of big oil companies promised to reduce methane emissions from natural-gas extraction. **B7**

◆ Gilead Sciences said it would slash the list price of its hepatitis C treatments. **B2**

World-Wide

◆ Republicans rallied around embattled Supreme Court nominee Kavanaugh, vowing to push his confirmation through the Senate even as a new allegation of sexual misconduct emerged. **A1**

◆ Rosenstein, who confidants said expected to be fired Monday, will meet face-to-face with Trump on Thursday to discuss whether he keeps his job. **A1**

◆ Trump signed a revised free-trade pact with South Korea, as he steps up efforts to show he can strike new market-opening deals and isn't antagonistic to trade. **A1**

◆ Beijing accused the U.S. of being a trade bully and abandoning important communication channels, as a new round of tariffs took effect. **A8**

◆ Murders fell slightly in the U.S. in 2017, a sign that a two-year rise in violence is slowing, according to data released by the FBI. **A3**

◆ The French government unveiled billions in tax cuts as it seeks to revive flagging support for Macron and his economic overhaul. **A12**

◆ Turkish authorities are sending signals that an American pastor facing terrorism charges could be released in October. **A11**

◆ Google CEO Pichai plans to appear at a private meeting of top GOP lawmakers Friday, a move that comes amid new scrutiny of the company. **A6**

◆ Russia's government announced plans to send a powerful air-defense system to Syria, escalating tensions with Israel. **A10**

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GOP Forges Ahead on Court Pick

BY NATALIE ANDREWS
AND KRISTINA PETERSON



'I will not
be intimidated.'

Brett Kavanaugh



'My fear will not
hold me back.'

Christine Blasey Ford



'Judge Kavanaugh
will be voted on.'

Mitch McConnell

WASHINGTON—Republicans rallied around embattled Supreme Court nominee Brett Kavanaugh, vowing Monday to push his confirmation through the Senate even as a new allegation of sexual misconduct emerged days before a hearing on an earlier assault claim.

Senate Majority Leader Mitch McConnell (R., Ky.) took to the Senate floor to call the allegations a "smear campaign" and promise a vote on the Senate floor to confirm the judge "in the near future."

President Trump, in New York for a United Nations meeting Monday, reiterated his support

for his second Supreme Court pick, saying, "I am with him all the way."

The judge and his wife, Ashley Estes Kavanaugh, also took part in a Fox News interview Monday evening, using the fo-

rum to combat depictions of him as a predatory high school and college student, telling the network that he was a virgin into his 20s.

"We're talking about an allegation of sexual assault," he

said. "I've never sexually assaulted anyone. I did not have sexual intercourse or anything close to sexual intercourse in high school or for many years thereafter."

Christine Blasey Ford, a Cal-

ifornia college professor, has accused him of sexually assaulting her when they were in high school during the 1980s. Judge Kavanaugh again denied the accusation but didn't question why Dr. Ford hadn't raised the issue publicly before now—something President Trump has done.

He said he wasn't worried about losing Mr. Trump's backing. The president called him on Monday, he said, and told him "he's standing by me."

White House officials cast Judge Kavanaugh's Fox interview as part of a weeklong

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◆ Gerald F. Seib: Nominee debate erodes faith in high court.... **A4**



JIM WATSON/AGENCE FRANCE PRESSE/GETTY IMAGES

Deputy Attorney General Rod Rosenstein, right, and White House chief of staff John Kelly, after a meeting at the White House on Monday. Mr. Rosenstein will meet with President Trump on Thursday.

He's Out? He's In? Rosenstein, Trump To Discuss Future

Deputy Attorney General Rod Rosenstein, who confidants said expected to be fired Monday, will meet face-to-face with President Trump on Thursday to discuss whether he keeps his job as the No. 2 official in the Justice Department.

By Sadie Gurman,
Michael C. Bender
and Aruna Viswanatha

Mr. Rosenstein, who oversees the special counsel investigation into alleged Russian interference in the 2016 election, has frequently been the target of Mr. Trump's ire. But his position appeared more tenuous after the New York Times reported Friday that in early 2017 he discussed secretly recording the president and recruiting cabinet members to an effort to remove him from office. Mr. Rosenstein denied those reports.

The White House announced the meeting Monday after a

morning of confusion and mixed signals. While people close to Mr. Rosenstein told reporters he expected to be fired imminent, White House chief of staff John Kelly told officials in the West Wing that Mr. Rosenstein had already resigned, a White House official said.

Television cameras were trained on black SUVs outside the White House, where Mr. Rosenstein arrived early to talk to Mr. Kelly before a previously scheduled meeting.

The two met one-on-one, people familiar with the meeting said, and Mr. Rosenstein also talked by phone to Mr. Trump, who was in New York. Mr. Rosenstein left the White House shortly before 1 p.m., carrying a briefcase in the light rain and shaking hands with Mr. Kelly. By early afternoon, the deputy at-

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◆ Mueller asks about Trump-Russia ties..... **A4**

U.S. Seeks Trade Pacts as China Balks

The Trump administration is turning to allies in Asia and Europe for trade deals as U.S. ties with China deteriorate

By Jacob M.
Schlesinger in
Washington and Vivian
Salama in New York

and the two world's largest economies exchange tit-for-tat tariffs that risk damaging

global commerce.

President Trump signed a revised free-trade pact on Monday with South Korea, and cited "many in the works," as he steps up efforts this week to show he can strike new market-opening deals and isn't antagonistic to trade.

Mr. Trump also hopes by Wednesday to persuade Japan to enter formal bilateral trade talks, part of a commercial di-

plomacy effort this week by the president and his advisers on the sidelines of United Nations meetings in New York.

Trump aides also have meetings planned with their European Union counterparts to advance a trade-expanding framework unveiled in July.

U.S.-China ties remain

tense. Beijing abruptly canceled talks planned for this week, as the Trump adminis-

tration imposed new 10% tariffs on \$200 billion in Chinese exports starting Monday.

China issued a report Monday painting the Trump adminis-

tration as a threat to, not an advocate for, the global

trading system. It said the U.S. "has brazenly preached unilat-

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◆ Beijing calls U.S. a bully as tariffs kick in..... **A8**

Oil Prices Hit Highest Close Since Fall 2014

By AMRITH RAMKUMAR
AND DAVID HODARI

Global oil prices surged to their highest close in nearly four years on Monday after OPEC left production steady over the weekend, fueling fresh bets that U.S. sanctions against Iran and outages in Venezuela will lead to supply shortages.

The decision by members of the Organization of the Petroleum Exporting Countries and major producers like Russia to hold supply constant comes

amid a rebound in investor confidence in the global economy. Analysts said that combination, with many anticipating compromises on global trade policy and a stabilization in emerging-market assets, lifted oil prices after months of rangebound trading.

"The supply issues are real," said Chris Kettnermann, chief energy strategist at New York-based Macro Risk Advisors.

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◆ Heard on the Street: OPEC lifts a weight from prices..... **B13**

Long Road

A monthslong rally pushed global oil prices back above \$80 Monday.



INSIDE



By ERICH SCHWARTZEL

Michael Kors neared a deal to buy Versace

By ERICH SCHWARTZEL

After Thai Cave Rescue, Hollywood Calls, a Lot

* * *

To gain movie rights, agent tours temples, pleads to dead king

self. "Please help."

His plea: Help me make the

Thai soccer team movie.

After the dramatic rescue of

12 young athletes and their as-

sistant coach from a twisting

and flooded cave in the moun-

tain of northern Thailand, fol-

lowing 18 tense days that held

millions in suspense, produc-

ers seized on the idea of

making a movie of it.

Mr. DelPiano, who repre-

sents stars such as Alec Baldwin and Megyn Kelly, was de-

determined to be the one to

bring the story to the screen.

His pursuit involved a surreal,

weeks-long quest that in-

cluded a Tom Hanks video,

a good-luck tour of nine Bud-

dhist temples and final nego-

tiations with a village monk.

Mr. DelPiano had followed

the cave drama from his Los

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Instagram Founders Depart Facebook

By DEEPA SEETHARAMAN

The two co-founders of Facebook Inc.'s popular Instagram app are stepping down, a move marking continued tumult at the social-networking giant.

The co-founders—Kevin Systrom, Instagram's chief executive, and Mike Krieger, chief technology officer—clashed with Facebook executives over the extent of Instagram's autonomy in recent months, according to people familiar with the matter. Earlier this year, Chief Executive Mark Zuckerberg shifted a senior Facebook executive, Adam Mosseri, over to Instagram in anticipation that the founders might leave, one of the people said.

Among other things, Facebook officials, including Mr. Zuckerberg, clashed with the co-founders over growth tactics and how to more rapidly expand the photo-sharing app's user base, another person said. Senior Facebook officials had known the two men were frustrated working within a large company and had begun making preparations for them to leave, another person familiar with the matter said.

"We're planning on taking some time off to explore our curiosity and creativity again," Messrs. S

U.S. NEWS

Only Minor Injuries as School Bus Goes Over Embankment



WRECKED: Over 40 people, including the driver, were on a bus that ran off the road Monday in Adams Township in western Pennsylvania.

House Sets Vote On Development Financing Plan

By JOSH ZUMBRUN
AND SIOBHAN HUGHES

WASHINGTON—The House is set to vote this week on a must-pass piece of legislation that includes a provision that would dramatically bolster American funding of global infrastructure and development projects.

Legislators have included the “Build Act,” seen by its supporters as a major step to counter China’s growing influence in global development, in legislation that would reauthorize the Federal Aviation Administration.

The legislation is seen as something that must be passed by the end of the month, because it is essential for the operation of the air-travel system and lawmakers are reluctant to pass another short-term extension.

The Build Act would significantly boost the U.S. role in international development by combining several little known government agencies into a new body with authority to extend \$60 billion in development financing—more than doubling the cap of the current agency that performs that function.

A House GOP aide said the FAA bill would likely come up for a vote on Wednesday. On Monday, Senate Majority Leader Mitch McConnell (R., Ky.) said that the Senate would vote soon on the FAA bill, a step that essentially guarantees the infrastructure-spending measure will become law.

The Build Act legislation has been supported by the White House, which is seeking to counter China’s ambitions to become the leader of global development finance.

The new agency would be known as the U.S. International Development Finance Corp. It would take over the functions of the Overseas Private Investment Corp., which currently has a \$23 billion portfolio of loan guarantees, direct lending and political risk insurance. Recent OPIC financing has included projects such as a toll road in Colombia, a geothermal power plant in Honduras, cellphone towers

in Uganda and a nuclear-fuel storage facility in Ukraine.

The legislation would combine OPIC with several programs run by the U.S. Agency for International Development, the biggest of which is known as the Development Credit Authority.

The legislation has been popular because OPIC, which is the core of the new agency, turns a profit for taxpayers. A Congressional Budget Office analysis this year concluded the new and larger agency would continue to operate at a profit. But OPIC has been limited by a congressional cap on its portfolio size and a prohibition on owning equity stakes in projects, issues addressed by the new legislation. The new agency would have authority to do \$60 billion in projects, and would be allowed

The U.S. is seeking to counter China’s growing influence in global infrastructure.

to take equity stakes in its investments.

The Build Act gained a sense of urgency due to Washington’s concern about China’s aggressive initiatives to fund global infrastructure projects. Under the global investment plan known as the One Belt, One Road Initiative, China has spent hundreds of billions of dollars (and is thought to be willing to spend trillions) on projects like superhighways, railroads, harbors and ports.

The bill had previously passed the House with unanimous support in July and was supported by most senators. But the legislation had been held up in the Senate. Unless the bill won unanimous support from every senator, Mr. McConnell would have had to schedule several days of time to debate the legislation, but Mr. McConnell’s focus had been confirming judges and passing bills to avert a government shutdown at the end of September.

“The market was watching for Saudi Arabia to be a little bit more proactive, and there’s been no sign of that,” said Olivier Jakob, managing director of consultancy Petromatrix, adding that OPEC doesn’t have much spare capacity to play with.

A weaker dollar also continued to boost oil for much of the session Monday by making commodities denominated in the U.S. currency cheaper for overseas buyers. The WSJ Dollar Index, which tracks the dollar against a basket of 16 others, closed up less than 0.1% but has declined 1.4% since hitting a 15-month high in mid-August.

Some analysts think the dollar will stabilize and pressure oil prices again if setbacks on trade lower investors’ outlook for global growth.

But others were wary of a continued rally as the November deadline for companies to stop buying Iranian oil approaches.

Among refined products Monday, gasoline futures rose 3.76 cents, or 1.9% to \$2.0547 a gallon. Diesel futures ended up 5.99 cents, or 2.7%, to \$2.2859 a gallon.

—Sarah McFarlane contributed to this article.

U.S. WATCH

DALLAS

Officer Who Shot Man In His Home Is Fired

Dallas Police Chief U. Reneé Hall fired a white police officer who fatally shot an unarmed black man in his home, in a case that has roiled the city.

Chief Hall said in a statement on Monday that she decided to fire Officer Amber Guyger after an internal investigation concluded the officer engaged in “adverse conduct” when she shot and killed 26-year-old Botham Shem Jean on Sept. 6.

The officer told investigators she mistakenly entered the wrong apartment after coming home from work in full uniform and shot Mr. Jean, who lived directly above her, believing he was an intruder, according to court records.

Ms. Guyger has been charged with manslaughter. Her lawyer couldn’t be reached to comment.

Lawyers for Mr. Jean said in a statement: “While nothing can bring him back, DPD’s firing of Guyger is the first step towards justice for Botham Shem Jean.”

—Dan Frosch

ECONOMY

CEOs Cite Trade Policy In Trimming Outlook

The economic outlook among chief executives of America’s largest companies cooled slightly in the third quarter as U.S. trade policies weighed on planning for capital spending and hiring.

The Business Roundtable CEO Economic Outlook Index, which measures company plans for capital investment, hiring and sales, declined to 109.3 from 111.1 in the second quarter.

While the third-quarter outlook index still clocked in at the fifth-highest level in the survey’s 16-year history, close to two-thirds of surveyed CEOs said recently enacted tariffs and pending trade policies will have a “moderate or significant negative effect” on their capital-spending decisions in the coming months.

In the third quarter, the share of firms planning to increase capital investment over the next six months decreased to 55% from 61% in the second quarter, while the share planning to expand hiring fell to 56% from 58%.

—Sarah Chaney

PENNSYLVANIA

Cosby Prosecutors Seek 5 to 10 Years

Prosecutors asked a judge to sentence Bill Cosby to five to 10 years in prison for drugging and sexually assaulting a woman, while his lawyer argued that the 81-year-old comedian is too old and frail to serve time behind bars.

“What does an 81-year-old man do in prison?” defense attorney Joseph Green asked Monday on the first day of a sentencing hearing for the comic, who is legally blind and dependent on others. Mr. Green suggested that Mr. Cosby instead be placed in a detention or rehabilitation facility or be put under something akin to house arrest.

Montgomery County District Attorney Kevin Steele said Mr. Cosby is still capable of slipping women drugs and assaulting them. He said the sentence should send a message to others.

Judge Steven O’Neill is expected to sentence Mr. Cosby on Tuesday.

Mr. Cosby could be given up to 30 years in prison, though state sentencing guidelines call for about one to four years.

—Associated Press

MARYLAND

State Reviews Church Files in Abuse Probe

Maryland’s attorney general is delving into records of the Baltimore Archdiocese as part of an investigation into child sex-abuse accusations, the latest state seeking confidential church files since a Pennsylvania grand jury released an explosive report alleging widespread abuse and a coverup scandal.

Archbishop William Lori said in a statement Monday that he has written priests and deacons in the archdiocese advising them that he has been informed by Attorney General Brian Frosh of “an investigation of records related to the sexual abuse of children.”

Mr. Frosh’s office said it doesn’t confirm or deny the existence of any investigations. But in a tweet Friday, Mr. Frosh called for victims of abusers “associated with a school or place of worship” to come forward.

Archbishop Lori wrote that the archdiocese is “supportive of the review.” He also pledged full cooperation throughout the process.

—Associated Press

Oil Surges On OPEC Decision

Continued from Page One
sors. “The U.S.-Iran economic sanctions are only compounding the fact that buyers need to look elsewhere for delivery of barrels.”

Oil’s surge marks a reversal after Brent crude wobbled in recent months, as President Trump pressured OPEC to ramp up output and traders worried about a possible slowdown in demand.

Brent futures rose \$2.40, or 3%, to \$81.20 a barrel Monday, piercing \$80 for the first time since May and logging their highest settle since November 2014. U.S. crude futures closed up \$1.30, or 1.8%, at \$72.08 a barrel at their highest level since early July. Despite this summer’s volatility, oil has been one of the market’s best-performing assets this year, with Brent prices now up 21% in 2018.

Shares of energy producers around the world also climbed Monday, with the S&P 500 en-

ergy sector adding 1.5%. Exxon Mobil closed up 1.7%, while French oil giant Total SA rose 1.1% in a fifth straight session of gains.

A continued rally could stoke fresh worries about higher gas prices and pressure President Trump, who has asked Saudi Arabia and other large producers to ramp up supply. Although retail gasoline prices in the U.S. have generally been stable near \$3 a gallon—their highest level since 2014—some analysts think a sudden rise could force Mr. Trump’s administration to more seriously consider sanctions waivers to Iranian oil buyers or a release of U.S. strategic stockpiles.

Concerns that higher gas prices could hit drivers and large fuel consumers have led Mr. Trump to consistently criticize OPEC in recent weeks ahead of the November midterm elections. “The OPEC monopoly must get prices down!” he tweeted Thursday.

Yet analysts said that stance doesn’t fit with U.S. sanctions against Iran that continue to underpin price gains. Some expect waivers to Iranian oil buyers or a release of U.S. strategic stockpiles to contain prices and limit the possibility of further price surges.



A continued rally in oil prices could stoke fresh worries about higher gasoline prices in the U.S.

Analysts said division among OPEC members about how the cartel should react once the Iranian sanctions take effect in November added to the supply uncertainty buffeting the market.

Traders have been concerned about the market’s ability to bridge a 500,000-barrel-per-day gap in supply

expected to be left by Iran, as well as less oil from crisis-hit Venezuela and other producers such as Libya.

Meanwhile, some analysts were anticipating infrastructure bottlenecks in the U.S.

that could prevent large domestic producers from ramping up supply. Traders said those bets have led to a wide

gap between U.S. and global prices that could drive an increase in U.S. oil exports but also lead to higher gas prices for consumers.

Investors have been debating whether major oil-producing nations like Russia and Saudi Arabia have the capacity to help fill a possible supply gap.

“The market was watching for Saudi Arabia to be a little bit more proactive, and there’s been no sign of that,” said Olivier Jakob, managing director of consultancy Petromatrix, adding that OPEC doesn’t have much spare capacity to play with.

A weaker dollar also continued to boost oil for much of the session Monday by making commodities denominated in the U.S. currency cheaper for overseas buyers. The WSJ Dollar Index, which tracks the dollar against a basket of 16 others, closed up less than 0.1% but has declined 1.4% since hitting a 15-month high in mid-August.

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But others were wary of a continued rally as the November deadline for companies to stop buying Iranian oil approaches.

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—Sarah McFarlane contributed to this article.

CORRECTIONS & AMPLIFICATIONS

In some editions Monday, a Business News article about WPP PLC incorrectly said Young & Rubicam’s clients include Rolex and the U.S. Marine Corps.

Indianapolis Colts quarterback Jacoby Brissett attempted a Hail Mary pass on the final play of Sunday’s game against the Philadelphia Eagles. A Sports article on

Monday about Carson Wentz and the Eagles incorrectly said Andrew Luck threw the pass.

A Morgan Stanley Access Investing account requires a minimum investment of \$5,000. An Innovations in Finance report article on Monday about wealth-management firms battling for millennial customers incorrectly said the minimum investment is \$10,000.

The last U.S. recession started in December 2007. A chart showing recession risk with the Sept. 14 Streetwise column incorrectly placed the marker at December 2006. Markers for previous recessions also were placed a year early. A correct version of the chart is available at WSJ.com/Corrections.

Investment firm DST

Global said it closed its office in Russia and moved its headquarters to Hong Kong in April 2012. A Business News article on Aug. 17 about prepared food-delivery startup DoorDash Inc. incorrectly said DST Global is a Russian firm. Thirteen additional articles containing the same error were published between June 19, 2012 and March 16, 2018.

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U.S. NEWS

Disneyland's Hometown Relations Sour

City of Anaheim spars with company over tax breaks valued at hundreds of millions

By NOUR MALAS

ANAHEIM, Calif.—Six decades after Walt Disney built his first theme park here on a plot of orange groves, Disneyland and the city it calls home are at each other's throats.

Tapping public animus toward corporate subsidies, Anaheim politicians are questioning the wisdom of granting **Walt Disney Co.** hundreds of millions of dollars in tax breaks to support expansion. The city terminated the largest of those deals last month.

U.S. NEWS

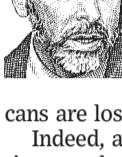
Nominee Debate Erodes Faith in High Court

**CAPITAL JOURNAL**

By Gerald F. Seib

However it is resolved, the fierce debate over the Supreme Court nomination of Brett Kavanaugh now seems destined to add both the Senate confirmation process and the court itself to the growing list of institutions in which Americans are losing confidence.

Indeed, as the public continues to lose confidence in institutions lying at the bedrock of American democracy, the question increasingly is: Where does it end? Perhaps the solution to this crisis of confidence isn't even to be found in Washington right now, but rather outside the nation's capital.



In the Kavanaugh nomination mess, Republicans see a liberal lynch mob trying to tear down a good man for partisan reasons. Democrats see a rush to slam a morally flawed candidate onto the court.

Meanwhile, many Americans simply see senators engaged in a sham process, given that 90% of lawmakers had made up their minds on how they would vote well before confirmation hearings even began. The confirmation process increasingly looks as if it is about finding ways to justify pre-existing partisan positions.

This whole ordeal, of course, comes on the heels of the Supreme Court nomination of Merrick Garland by President Obama in 2016, which the Republicans running the Senate simply refused to even consider for nine months, leaving a court seat empty while they awaited partisan change in the White House.

It's now reasonable to wonder whether Democrats, if they win back control of the Senate in this fall's election,

will agree to confirm any Supreme Court nominee proposed by President Trump. Or, in the future, will any president of any party be able to convince a Senate controlled by the opposition to confirm a Supreme Court nominee?

In 1993, Justice Ruth Bader Ginsburg was confirmed with 96 votes in the Senate. In today's climate, that kind of bipartisan outcome seems like an ever more remote possibility.

This politicization already has taken a toll on Americans' perceptions of the Supreme Court. In an annual survey conducted by Gallup, the share of Americans who express a great deal or quite a lot of confidence in the court has declined almost 20 percentage points, to 37% from 56%, in the last three decades.

That hardly makes the court an anomaly, though. Confidence in both Congress and the presidency also has fallen markedly in the same period.

Other revered institutions also are under siege. President Trump says there is a

"stench" at the Justice Department, and that the Federal Bureau of Investigation inquiry into Russian influence in the 2016 election is a "cancer." Police shootings of young, unarmed African-Americans have cast new shadows on law-enforcement organizations. A sexual-abuse scandal is rocking the Catholic Church.

The president attacks the

Perhaps the solution to the crisis of confidence isn't even to be found in Washington.

news media almost daily as purveyors of "fake news." Gallup finds confidence in both television news and newspapers has declined significantly in the last two decades.

The Edelman Trust Barometer, an annual survey of confidence in institutions around the world, found earlier this year "a staggering lack of faith in government" in the U.S. In fact, the survey found

that trust in government, business, the media and non-government organizations in the U.S. all had fallen in the last year, putting Americans' trust in all those institutions below the average for the 28 nations surveyed.

"The United States is enduring an unprecedented crisis of trust," declared Richard Edelman, president and CEO of the Edelman organization.

There are a few exceptions to this bleak picture. Confidence in the military actually has risen over the last three decades. In a fitting metaphor, when a fire broke out last week at a senior citizens' apartment building a mile or so from a Capitol seized by the Kavanaugh controversy, U.S. Marines based nearby ran, unprompted and en masse, to help rescue residents.

The antidote to the confidence deficit may not be found in the national political system at all. Gallup found last year that, even amid the long-term decline in confidence in federal institutions, 70% of Americans expressed

confidence in their local government to solve problems.

Rahm Emanuel sees a way forward in that sentiment. After almost two decades as a White House official and Democratic member of Congress, Mr. Emanuel left Washington in 2010 to become the mayor of Chicago. He just announced that, after almost eight years in office, he won't be seeking re-election.

As he prepares to leave, he has begun working on a book arguing that, while the federal government suffers from partisan gridlock, cities have become the places driving policy, economic and intellectual advances.

He says local governments, civic groups, nonprofits and universities are coming together at the grass roots on such diverse issues as early childhood education, expanded community-college programs, minimum wage and mentoring programs for young men and women.

"What is the most stable political system that can really address problems in real time?" Mr. Emanuel asks. "That's local government."

doesn't take into account much information before a nominee was 18, aside from verifying basic biographical information such as birthplace and birth date, according to people familiar with the process.

While the GOP rallied behind its president's nominee, Senate Republicans said it wasn't clear if there will be enough support to confirm Judge Kavanaugh, with undecided Republican senators—including Susan Collins of Maine, Lisa Murkowski of Alaska and Jeff Flake of Arizona—waiting to assess his performance on Thursday. Republicans have a 51-49 Senate majority, so Judge Kavanaugh can afford no more than one defection, assuming all Democrats vote against him.

Meanwhile, unease was growing over the effect the ugly, high-profile fight may have on November's elections. In their effort to retain control of the House after the midterms, Republicans have been specifically courting women, who hold less favorable views of Judge Kavanaugh than men, according to the latest Wall Street Journal/NBC News poll.

The new allegation from Ms. Ramirez surfaced just as lawyers for Dr. Ford, a 51-year-old psychology professor at Palo Alto University, reached an agreement with Judiciary Committee Republicans to appear at a hearing Thursday.

Some details are still being negotiated, including the rounds of questions, after days of wrangling and partisan positioning, but it appeared set to happen as of Monday evening.

Democrats plan to go beyond Dr. Ford's specific allegation to press Judge Kavanaugh, 53, on his teenage drinking habits.

—Byron Tau, Jess Bravin and Sara Randazzo contributed to this article.

CAMPAIGN WIRE**Federal Corruption Is Key Issue, Voters Say**

A new Wall Street Journal/NBC News poll found that an overwhelming majority of voters say corruption and malfeasance in the federal government is a top issue—and of those, more than half want Democrats to control Congress.

Mr. Mueller last fall requested an interview with Emin Agalarov, which as of last month hadn't yet been arranged, according to a lawyer for the Agalarovs. The lawyer didn't respond to a request to comment on Monday.

A list of questions Mr. Mueller wants to ask the president that he provided to Mr. Trump's legal team this year includes one about Mr. Trump's communication with Russian government officials and the Agalarov family during the 2013 trip to Moscow.

Investigators asked Mr. Goldstone to "walk them through" Mr. Trump's visit to Moscow, during which he sought—and failed—to meet Russian President Vladimir Putin and discussed with business associates possible plans for a Trump Tower in the Russian capital.

give the government less information about their donors.

Sens. Jon Tester (D., Mont.) and Ron Wyden (D., Ore.) are using a procedural technique that enables as few as 30 senators to demand and get a vote to repeal an administration rule. The rule in question removed part of the tax-filing requirement for groups that often run political ads without disclosing their donors.

"It makes the money coming into elections less transparent and I think we need more transparency," Mr. Tester said. "I don't think we can give special interests an inch because if we do they'll take a mile."

—Richard Rubin

In brief ...

◆ A group of nearly 150 companies is launching an effort to give their employees time to vote in the Nov. 6 midterm elections. Companies including retail giant Walmart Inc., coffee roaster La Colombe and outdoor apparel maker Patagonia Inc. are taking steps to make it easier for workers to get to the polls, such as shutting stores or prohibiting meetings on Election Day.

Mueller Asks About Trump-Russia Ties

BY REBECCA BALLHAUS

Special counsel Robert Mueller asked questions about the relationship between President Trump and the billionaire Russian-Azerbaijani family who arranged the June 2016 meeting between Trump campaign aides and a Russian lawyer linked to the Kremlin, according to a participant of the meeting.

Rob Goldstone, who worked as a publicist for the Agalarov family and contacted Donald Trump Jr. in June 2016 on their behalf, said he spent roughly eight hours talking to Mr. Mueller's team in March. Weeks later, he testified before the special counsel's grand jury probing Russian interference in the 2016 election and any possible collusion between Mr. Trump's campaign and Moscow. The president and Russia deny any collusion.

In his 2016 email arranging the meeting, Mr. Goldstone said the Russian lawyer had damaging information about Democrat Hillary Clinton that had been collected by the Russian government.

In an interview with The Wall Street Journal, he said



Rob Goldstone, left, arranged a June 2016 meeting between Trump campaign aides and a Russian lawyer.

ALEX WONG/GETTY IMAGES

Mr. Mueller's investigators were particularly interested in how the relationship between Mr. Trump and the Agalarov family began, as well as a 2013 trip by Mr. Trump to Moscow for the Miss Universe pageant. The Agalarovs sponsored the pageant, which Mr. Trump co-

owned at the time.

"They wanted to know about what I thought their relationship was with the Trumps, and what their relationship was with any Russian government officials, the Kremlin," Mr. Goldstone said.

Reflecting on his role in one

of the key episodes of the special counsel investigation, Mr. Goldstone has written a book titled, "Pop Stars, Pageants and Presidents: How an Email Trumped My Life." In the book, set to be released Tuesday, Mr. Goldstone describes his testimony before Mr. Mueller's team and the grand jury.

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—Richard Rubin

Democrats Push for Vote on Treasury Rule

Senate Democrats are moving to force a pre-election vote on reversing a Treasury Department decision that will allow some politically active groups to

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Golden State Warriors



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CEO, UnitedHealthcare



Ray Dalio
Co-Chief Investment Officer & Co-Chairman,
Bridgewater Associates, LP

ADDITIONAL SPEAKERS Sylvia Earle PhD,
Father Eric Salobir, Jack Kornfield PhD, Deepak Chopra,
Sam Arons, Yvonne Garcia, Rhea Mazumdar Singhal,
and Dr. Genya V. Dana

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U.S. NEWS

Google CEO Faces GOP Scrutiny

Pichai to address lawmakers' concerns about China business, alleged bias and privacy

BY JOHN D. MCKINNON
AND DOUGLAS MACMILLAN

WASHINGTON—Google Chief Executive Sundar Pichai plans to appear at a private meeting of top GOP lawmakers on Friday and again at a public hearing this year, responding to new scrutiny of the company's work with China, its market power and alleged bias against conservatives in its search results.

The move comes amid growing regulatory concerns for the Alphabet Inc. unit and other big internet services such as Facebook Inc. and Twitter Inc., as bipartisan worries grow about the companies' size and influence, as well as the potential for abuses.

"Google has a lot of questions to answer about reports of bias in its search results, violations of user privacy, anti-competitive behavior and business dealings with repressive regimes like China," said House Majority Leader Kevin McCarthy (R., Calif.), who is organizing Friday's meeting.

He added that Mr. Pichai has "kindly" agreed to field Congress' questions with Republican members on Friday. Mr. Pichai also is expected to appear at a House Judiciary Committee hearing after the November election.

Mr. McCarthy has complained that Google works with China to censor the internet but has canceled a contract with the U.S. military. Google this year said it wouldn't renew a contract with the U.S. Department of Defense over employee concerns about aiding military projects; the company has also tested a mobile version of its search engine that would adhere to China's strict controls over content, a person familiar with the matter said.

The tech industry began facing serious political challenges last year, amid revelations of Russian meddling in the 2016 election, but Google initially escaped some of the scrutiny that Facebook and Twitter have endured. Since then, however, the company has drawn fire over privacy on its Gmail service and allegations by conservatives that its search results stifle their viewpoints. Lawmakers have also expressed frustration with Google for not sending a top-level executive to a recent hearing.

"I look forward to meeting with members on both sides of the aisle, answering a wide range of questions, and explaining our approach. These meetings will continue Google's long history of engaging with Congress, including testifying seven times to Congress this year," Mr. Pichai said.

Mr. McCarthy, who is aiming to help preserve the GOP's House majority and improve his chances of becoming speaker, has emerged as a vocal



Sundar Pichai is expected to appear at a public hearing this year.

cal critic of the tech companies in recent months, as conservative voters appear to be focusing more on the issue of alleged political bias. He has been joined by President Trump, who recently accused Google of manipulating search results to highlight negative news reports about him.

Tech firms deny that they skew their news feeds, search or other functions to boost

liberals or hurt conservatives. Democrats including Sens. Mark Warner of Virginia and Elizabeth Warren of Massachusetts have also criticized Google on China and other issues.

Additional meetings planned for Washington this week could provide a glimpse of what steps policy makers and regulators could take to rein in the tech giants.

On Tuesday, U.S. Attorney

General Jeff Sessions is expected to meet with state attorneys general to discuss alleged stifling of conservative speech online, as well as possible antitrust concerns over Google as well as Facebook and others. On Wednesday, the Senate Commerce Committee holds a hearing focused on internet privacy concerns, amid growing bipartisan calls for legislation to govern online data collection and use.

Conservatives' current focus on big tech clearly has a potential political upside. A majority of Republicans—64%—say major tech companies support the views of liberals over conservatives, according to a recent Pew Research Center poll.

But the current antitech atmosphere goes beyond political maneuvering. As concerns grow among lawmakers and regulators, the debate appears to be expanding from politics to policy, and prospects for new regulation are increasing, no matter who wins the midterm election and control of the House and Senate.

That reality came home in a letter that a bipartisan group of senators wrote last week to the Trump administration, urging legislation to impose a new "enforceable nationwide standard" for collection and use of online data. The administration also could release its own set of principles for online privacy as soon as Tuesday.

◆ Big tech needs fixes, a new report says..... B4

CIA Chief Sees Better Ties With Pyongyang

BY NANCY A. YOUSSEF
AND DUSTIN VOLZ

U.S. relations with North Korea are better now than a year ago due to a thawing of tensions between the two countries' leaders, Central Intelligence Agency Director Gina Haspel said, despite Washington's cancellation of a recent diplomatic visit to Pyongyang.

"We are certainly in a better place than we were in 2017 because of the dialogue we have established between our two leaders," Ms. Haspel said on Monday during remarks at the University of Louisville in Kentucky.

The early months of President Trump's tenure were marked by confrontation and tension over North Korea's nuclear weapons program. Mr. Trump referred to North Korean leader Kim Jong Un as "Little Rocket Man" and once said his country would face "fire and fury" if it threatened the U.S. That came as North Korea launched a record-setting number of missile tests and detonated what Pyongyang said was a thermonuclear weapon.

The North Korean missile tests stopped and bilateral tone shifted dramatically as Mr. Trump traveled to Singapore in June to meet Mr. Kim to discuss denuclearization as part of a high-stakes bet that a friendlier approach with the reclusive regime would work better to rid North Korea of nuclear weapons. Talks haven't led so far to a denuclearization plan between the two countries.

Ms. Haspel said conversations in recent months show that Mr. Kim is now more serious about denuclearization and open to diplomacy that could ease economic sanctions against North Korea.

"There does seem to be a suggestion that Kim Jong Un, Chairman Kim, understands and wants to take steps to improve the economic plight of the North Korean people," Ms. Haspel said after being introduced by Senate Majority Leader Mitch McConnell, a Kentucky Republican.

The public remarks at her alma mater were the first from Ms. Haspel, a native Kentuckian, since being confirmed as CIA director in May. A career intelligence official, Ms. Haspel has kept a low profile since her bruising confirmation battle, which focused heavily on her involvement in an interrogations program run by the agency after the Sept. 11, 2001, attacks.

After her remarks Monday, Ms. Haspel engaged in a discussion with a moderator, but didn't take questions from students or faculty who were in the audience.

The talks between Washington and Pyongyang appear to be at a standstill. In August, Mr. Trump ordered Secretary of State Mike Pompeo to cancel a planned trip to Pyongyang at the last minute.

There have been no scheduled talks since, but at the United Nations on Monday, Mr. Trump said another summit between him and Mr. Kim

Though talks appear to be at a standstill, Haspel praises the dialogue established.



U.S. Deputy Attorney General Rod Rosenstein leaving the White House after a meeting there with chief of staff John Kelly on Thursday.

Succession Process Faces Legal Hurdles

The potential departure of Deputy Attorney General Rod Rosenstein raises unsettled legal questions over who would succeed him as the Justice Department's No. 2 lawyer and supervise special counsel Robert Mueller's Russia probe.

Conflicting reports about the fate of Mr. Rosenstein's job have focused attention on how much legal leeway President Trump would have to pick his successor. The deputy attorney general is second-in-command at the Justice Department, overseeing the day-to-day operations of all of its units, including the criminal division.

But complicating any succession plan is Mr. Rosenstein's unusual portfolio, which also includes oversight of the probe

of Russia's interference in the 2016 presidential election. After Attorney General Jeff Sessions recused himself due to his prominent role in the Trump campaign, it was Mr. Rosenstein who put Mr. Mueller in charge of the Russia probe.

Two overlapping federal laws could come into play if Mr. Rosenstein steps down. The first—28 U.S.C. § 508—establishes an order of succession should his position be vacant.

The law would hand Mr. Rosenstein's duties over to Solicitor General Noel Francisco.

Next in line is the head of the Office of Legal Counsel, Steven Engel, who could be tapped should Mr. Francisco refuse himself.

Legal experts say Mr. Francisco's recusal is possible because his former law firm, Jones Day, has represented the Trump campaign.

A separate law—the Federal Vacancies Reform Act of 1998—

could give Mr. Trump other options for replacing Mr. Rosenstein.

The Vacancies Act gives the president the ability to temporarily fill important executive positions with "acting" officers pending Senate confirmation. The acting role is time-limited, with a 210-day deadline for the president to submit a nomination.

But if invoked, the Vacancies Act could open the field—at least on a temporary basis—to a much larger pool of potential successors. The list could include other Senate-confirmed Trump administration officials in and outside the Justice Department.

While the Vacancies Act could give Mr. Trump more flexibility, it's a more legally uncertain path. For one, it's not clear if the Vacancies Act could be used to replace Mr. Rosenstein if he is fired. The issue would likely be litigated.

—Jacob Gershman

stein oversees.

Jay Sekulow, one of the president's outside attorneys, called for a "time out" in the Mueller investigation if Mr. Rosenstein departs. "In light of all of this, I think it's really important that there be a step-back taken here and on a review," Mr. Sekulow said on an internet broadcast.

Rep. Adam Schiff of California, the top Democrat on the House Intelligence Committee, urged Mr. Rosenstein not to leave. "Under no circumstances should Rod Rosenstein resign," Mr. Schiff tweeted. "This would place the Mueller investigation in even greater jeopardy. Rosenstein should continue to do his job, protect the independence of the DOJ, and if the President in-

tends to obstruct justice, force Trump to fire him."

If Mr. Rosenstein's post as Attorney General Jeff Sessions' deputy were to be vacated quickly, a potential replacement on an acting basis would be Mr. Sessions' chief of staff, Matthew G. Whitaker, a former U.S. attorney from Iowa who is respected in the White House, according to a person familiar with the discussions.

But anyone named on a temporary or acting basis would lack Senate approval and with it the authorization to oversee the Mueller probe. That task would fall to someone already approved by the Senate but in office lower in the Justice Department's organizational chart, likely Solicitor General Noel Francisco.

Mr. Rosenstein's 17-month tenure as the department's No. 2 official was rocky from the start. He was a regular target of Mr. Trump's complaints about the special counsel. Mr. Trump has denied collusion and called the investigation a "witch hunt." In April, according to people familiar with the matter, he was warned against firing Mr. Rosenstein by aides who feared such action would harm the president ahead of the midterm elections.

The relationship between the two men improved in recent months, people familiar with the matter said. Mr. Trump last month described his rapport with Mr. Rosenstein as "fantastic." But the dynamic shifted again in recent days. In a radio interview with Geraldo Rivera on Monday, Mr. Trump called the reports that Mr. Rosenstein considered secretly recording him "very sad."

—Alex Leary

contributed to this article.

would take place "quite soon."

Last week, South Korean President Moon Jae-in met with Mr. Kim and has urged the U.S. to resurrect the dialogue. Speaking on "Fox News Sunday," Mr. Pompeo said the U.S. wouldn't lift economic sanctions until North Korea completes "denuclearization"—a term that North Korea may interpret differently than the U.S. He also said that talks had reduced tensions between the two countries.

Ms. Haspel also said the CIA would do more to combat the opioid crisis, a top issue for Mr. Trump.

The CIA declined to offer additional details about the counter-narcotics plan.

Discussions with White House officials about his future in the administration continued over the weekend. But congressional Republicans have told the White House they fear his ouster could become a campaign issue. Mr. Trump anticipates changes at the top of the Justice Department after the midterms, people close to him have said. Mr. Rosenstein, meanwhile, told friends over the weekend that reports of his desire to record the president were untrue and left the impression that he had no immediate plans to resign. Still, some Justice Department officials were so concerned they gathered at work this weekend to discuss plans for his potential departure.

The initial report Monday from the Axios news agency that Mr. Rosenstein had "verbally resigned" unnerved the White House, and the reporter later said he regretted his wording.

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ISRAEL

The UN Human Rights Council has condemned democratic Israel *far more than any of the other 192 states*. Indeed, it shamefully dedicates an entire agenda item to scrutinize Israel annually—the *only* country so segregated.

As U.S. Ambassador Nikki Haley has stated:

"No other country—not Iran, not Syria, not North Korea—has an agenda item devoted solely to it. Agenda Item 7 is not directed at anything Israel does. It is directed at the very existence of Israel."

Israel has no realistic chance to serve on the 47-member Council. But the worst human rights offenders on the planet do and are among those judging Israel. Clearly, the UN has defaulted on its founding commitment to the "sovereign equality" of all member states.

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WORLD NEWS

Beijing Calls U.S. Bully as Tariffs Kick In

Cabinet report accuses Trump administration of intimidating nations with trade measures

China's State Council accused the Trump administration of being a trade bully and

*By James T. Areddy
in Shanghai and
Lingling Wei in Beijing*

abandoning important communication channels, as a new round of tariffs took effect.

In a position paper published by state news agency Xinhua on Monday, the State Council's information office

said the Trump administration was responsible for unwinding 40 years of efforts to settle differences rationally between the two nations and foster global economic stability.

The white paper from China's cabinet stopped short of making new trade threats against the U.S., according to the summary. It pushed back on some specific concerns from the Trump administration but said China always answers American concerns with the greatest patience and good faith.

The report described the Trump administration's "America First" policy as an abandonment of norms of mutual respect and consultation.

"Rather, it has brazenly

preached unilateralism, protectionism and economic hegemony, making false accusations against many countries and regions, particularly China, intimidating other countries through economic measures such as imposing tariffs, and attempting to impose its own interests on China through extreme pressure," the white paper said.

New U.S. tariffs took effect on Monday that impose import taxes on \$200 billion in Chinese goods, which prompted Beijing to apply new tariffs on \$60 billion of imports from the U.S.

President Trump has vowed to apply tariffs on an additional \$257 billion of Chinese

products and Beijing decided not to join trade talks with the U.S., The Wall Street Journal reported previously.

The Chinese white paper offered a full-throated rebuttal to American allegations that Beijing forces foreign companies to share technology with Chinese partners—a core issue underlying the Trump administration's trade offensive.

The paper says foreign companies have "taken the initiative" to establish partnerships with Chinese companies to expand into new markets, save production costs and achieve economies of scale. Foreign firms enter into contracts to transfer production capacity and orders to China, the paper

says, adding that such practice represents "voluntary behavior of businesses based on commercial interests."

Since the 1990s, the paper said, American companies like Microsoft Corp., Intel Corp., Qualcomm Inc., Procter & Gamble Co., General Electric Co. and others have set up research and development institutions in China to better adapt to the local market, the government said in its report.

"American companies in China have received huge returns through technology transfer and licensing, and are the biggest beneficiaries of technical cooperation," the report said.

Beijing also said it is a pro-

tector of intellectual property. China has established "a complete and high-standard intellectual property legal system in a relatively short period of time," the paper said.

China regularly publishes white papers to stake out government positions, often to challenge critics who comment on its environmental or human-rights practices.

"The trade war is now a reality," said Brian Coulton, chief economist at Fitch Ratings, in a statement Monday as the firm cut forecasts for global growth due to "protectionist" trade policies by the Trump administration. It reduced its 2019 global economic growth forecast to 3.1% from 3.2%.



President Trump signed a trade pact with the South Korean leader Moon Jae-in in New York Monday. Korean lawmakers must approve it.

U.S. Seeks Trade Deals

Continued from Page One

eralism, protectionism and economic hegemony."

Beijing has retaliated with tariffs on \$60 billion in U.S.-made goods. The U.S. administration is expected soon to explore penalties on \$267 billion more in Chinese products, covering virtually all Chinese goods sold in the U.S.

This week's efforts also coincide with what appears to be a rough patch in Mr. Trump's efforts to rewrite the North American Free Trade Agreement. The administration has been pushing Canada to join by Sept. 30 a new Nafta framework set last month between the U.S. and Mexico.

But talks with Ottawa broke down last week with no resolution on a number of sticking points. No new high-level negotiations were scheduled as

of Monday afternoon.

Mr. Trump took office last year vowing to shake up the global free-trading system. He's done so in many ways, with a broad array of tariffs imposed not just on China but on allies around the world, and with threats to rip up existing trade deals and pull out of the World Trade Organization.

But he has faced a backlash from U.S. business and farm groups worried about the costs to consumers and exporters, and from lawmakers in his Republican Party facing tough congressional elections in November.

The White House has countered those concerns by insisting Mr. Trump's goal is preserving and expanding, not contracting, trade—albeit on terms he considers more fair to the U.S., and in ways that he says would reduce the American trade deficit with other countries.

White House trade adviser Peter Navarro told CNBC that the Korea pact was "a validation of the Trump trade strategy" of persuading allies to recast trade pacts under threat of penalties.

Mr. Trump Monday called the agreement "a historic milestone in trade," saying it "includes significant improvements to reduce our trade deficit."

But as an early indication of administration policy, the accord suggests Mr. Trump may be willing to accept more modest changes than his public demands imply, at least with trading partners outside China.

"The changes made are meaningful but modest," said Wendy Cutler, who negotiated the original U.S.-Korea deal, known as Korus, under Presidents Bush and Obama. Ms. Cutler also noted that "Korea came in with its own demands, and the U.S. was responsive—the U.S. gave as well as got."

The biggest changes involve the auto industry. Seoul agreed to double the cap on the number of vehicles each U.S. auto maker can sell annually in South Korea—from 25,000 to 50,000—for cars that meet U.S. safety rules, not Korean ones. And it agreed to let the U.S. keep in place until 2041 a 25% tariff on light trucks. Under the original deal, that was slated to be phased out over the next three years.

Both of those changes will have little immediate impact. None of the Big Three U.S. auto makers had filled even half their quotas last year, and combined they exported just over 20,000 units to South Korea.

Korean auto makers currently don't sell pickup trucks in the U.S. Hyundai Motor Co. has announced plans to start selling a pickup in the American market, but hasn't said if it

A Trump advisor called the Korea pact a 'validation' of the president's strategy.

would be manufactured in South Korea, at its Alabama factory, or elsewhere in North America.

South Korean President Moon Jae-in suggested the main significance was the fact Mr. Trump reached agreement, removing the cloud of "uncertainty" undermining his nation's economy. "As a result, companies from both coun-

tries will now be able to do business under more stable conditions," he said.

Despite Monday's signing ceremony between Mr. Trump and Mr. Moon, it remains unclear when the pact will actually take effect. While the deal doesn't need congressional ratification in the U.S., it does require legislative approval in South Korea.

Mr. Trump's other big trade focus this week is Japan. In advance of a dinner meeting with Prime Minister Shinzo Abe Sunday night, the president tweeted that the two leaders would be "stalking Military and Trade." He added: "We have done much to help Japan would like to see more of a reciprocal relationship."

Since the start of his administration, Mr. Trump has pushed Mr. Abe to open talks on a free-trade agreement, along the lines of Korus. Mr. Abe has resisted, trying instead to lure Mr. Trump back into the 12-nation Trans-Pacific Partnership negotiated by President Obama that included both countries. Mr. Trump pulled the U.S. out of TPP at the beginning of his presi-

dency, saying he preferred bilateral trade deals over multilateral ones.

Mr. Trump's threat of global auto tariffs—announced in May—has put new pressure on Japan, the largest exporter of autos to the U.S.

Mr. Trump's U.S. trade representative, Robert Lighthizer, and Japanese economy minister Toshimitsu Motegi are scheduled to talk in New York on Tuesday. Messrs. Trump and Abe have another meeting scheduled Wednesday, and may try to announce a new trade negotiating framework then, these people said.

Japanese officials are hoping to emerge with an arrangement along the lines of the one that Mr. Trump reached at the White House in July with European Commission President Jean-Claude Juncker—a joint statement that was broad in its goals of lowering trade barriers between the two sides, but vague on specific goals and timetables.

—Valentina Pop in New York, Kwanwoo Jun in Seoul and Chester Dawson in Detroit contributed to this article.

U.S. Exemptions on Chinese Imports Reveal Vulnerabilities

BY CHUIN-WEI YAP

China had become an indispensable supplier.

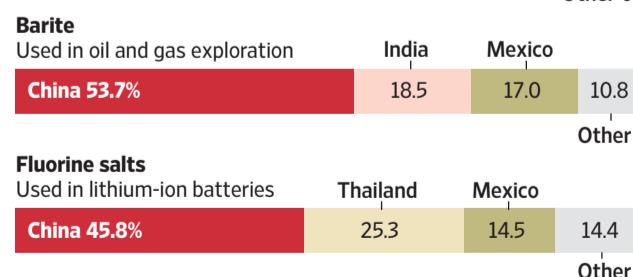
These businesses gained exemptions after intense lobbying by corporate chieftains during six days of public hearings in August and in a flurry of letters to the U.S. Trade Representative. Nearly 400 top executives showed up for the hearings, and thousands more wrote in; most failed to get exemptions, including giants Walmart Inc. and GE Appliances.

The letters and hearing transcripts show where the Chinese have become outside global producers of relatively obscure industrial commodities—on which American industry has become reliant. In some cases, the U.S. companies say, substitute makers in other countries could be found—but were likely to raise price tags on American buyers as these rivals sought advantage in the escalating bilateral standoff.

In the case of ibuprofen, chemical giant BASF SE in June halted production at a Texas plant, which analysts say accounted for a sixth of the world's ibuprofen, citing technical problems. The shutdown sent American pharmacy suppliers rushing for new sources of ibuprofen. Phar-

A Taxing Headache

China is the U.S.'s dominant supplier of many important chemicals, which led the Trump administration to exempt them from tariffs.



Note: Based on dollar value of imports, January-July 2018
Source: Department of Commerce

ance—than the other way around.

Mr. Trump's tariffs now affect some \$250 billion worth of Chinese imports, and an additional \$267 billion is on standby, covering the value of nearly all Chinese imports.

Beijing has retaliated on \$110 billion, but it has left out items China relies upon, such as semiconductors and crude oil.

A USTR official said it takes into account the likely impact on U.S. consumers and the economy when evaluating exemptions. Commerce Department data show the U.S. is heavily dependent on China also for consumer imports such as luggage, refrigerators and vacuum cleaners. Despite China's accounting for about 80% of such imports, Washington has gone ahead to tax these products; sellers say it is likely consumers would ultimately bear most of the cost.

China has in the past been swift to sense American reliance on its exports. In 2010, Beijing drastically slashed an export quota on rare earths, a group of minerals essential for making high-tech gadgets like iPhones—a play at using China's control of 97% of global output to raise prices.

The U.S. took China to the

World Trade Organization and won. In a signal that such dependence remains high, Washington last week quietly exempted rare-earth minerals from their original inclusion in the tariffs.

Mitsubishi Chemical America Inc. got an exemption for an obscure class of complex fluorine salts and carbonate esters, which go into the electrolyte for lithium-ion batteries used in electric vehicles including Tesla Inc.'s Model 3 and Chevrolet's Bolt.

"There simply is no other viable source of these key inputs outside China in the volumes and the quality levels that we require," Dennis Trice, the company's president, told a USTR hearing. "Developing new sources outside of China to replace existing production would take massive long-term investments and many years."

Mr. Trice said his company would have had to reconsider its investments in the U.S., which include a \$38 million plant in Tennessee employing 2,600 workers, had it not received the exemptions.

A similar vulnerability won Halliburton a reprieve for barite, a mineral used to weight drilling fluids, which aids oil-and-gas exploration.

will not punish China, but will benefit India's continuing foray into the U.S. market at the expense of U.S. manufacturing jobs."

BASF said it doesn't yet have a clear timeline on reopening its plant.

President Trump is girding to broaden the standoff with Beijing, saying his policy curbs Chinese technological theft and underscores how much less China imports from America—a roughly 4-to-1 imbalance.

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WORLD NEWS

Europe Weighs Options on Iran Deal

With European companies abandoning Iran in the face of growing U.S. pressure, European politicians backing Iran are counting on oil demand from China, India and Turkey to keep the 2015 nuclear deal alive.

*By Ian Talley
in Washington
and Laurence Norman
in Brussels*

Since the U.S. withdrawal from the nuclear deal in May, Iran has threatened to resume its nuclear program if it loses economic benefits from the deal, which saw most international sanctions lifted. Iranian officials say they could start enriching uranium at banned levels within days.

European officials continue studying ways to counter renewed U.S. sanctions and shield their companies from U.S. penalties. They hope to keep cash and trade flowing to Iran so it would remain in a deal meant to forestall its development of nuclear weapons.

But Western officials say the impact of any European measures is likely to be modest and that Tehran's decision to stay in the pact after U.S. sanctions fully kick in on Nov. 5 may hang on the willingness of the oil exporter's biggest non-European clients to keep buying crude.

If Tehran can foresee weathering U.S. pressure until 2020, European thinking goes, American voters might elect a new president who could reverse course.

For most European companies, keeping a hand in Iran's \$400 billion economy at the risk of losing access to the \$20 trillion U.S. economy and being cut off from the Western financial system doesn't make business sense.

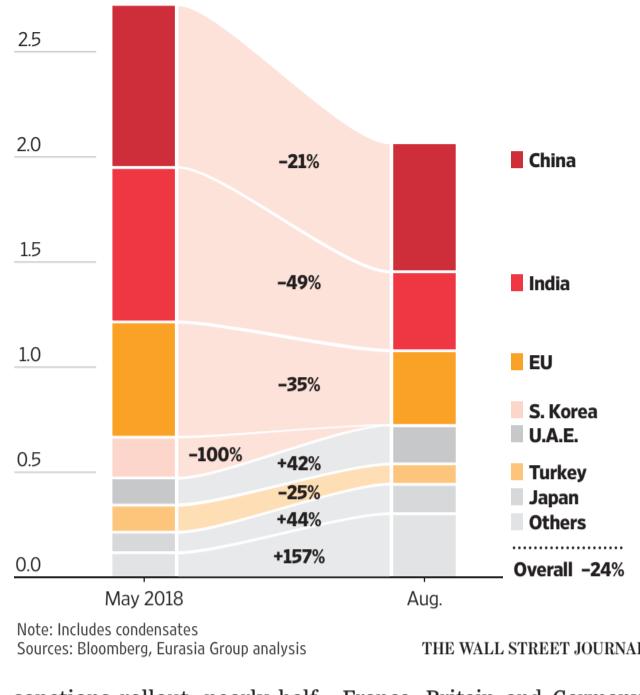
"It's in their economic self-interest to comply," said Brian Hook, the State Department's special representative for Iran. "We didn't really need to do much coaxing for these companies and banks."

In the first four months of the administration's two-phase

Mind the Gap

U.S. sanctions, announced on May 8, have cut Iran's oil shipments significantly. Some analysts believe Iran's exports could drop by more than one million barrels a day by November.

Iran's export markets, in millions of barrels a day, average



sanctions rollout, nearly half of the 67 Fortune Global-500 companies invested in Iran before May pulled out or signaled imminent exit. Many of the largest are European.

German insurance giant Allianz SE and industrial conglomerate Siemens AG are closing operations. French oil major Total SA and car maker Peugeot said they are exiting, as did Danish shipping titan A.P. Moeller-Maersk AS. Austria's Oberbank AG, which signed a \$1.2 billion financing deal with 14 Iranian banks last year, is cutting ties.

Others that have said they plan to defy U.S. sanctions may reverse course ahead of the November deadline, when the most-punishing prohibitions kick in.

Exports to Europe of Iran's most critical revenue source—crude oil—dropped by more than one-third between May and August.

European officials, led by

France, Britain and Germany, have sought to stem the reduction in economic ties. Among the ideas still being worked on is creating a new sovereign financial channel with no links to the U.S. financial system to allow payments to and from European companies in Iran.

There have also been discussions on allowing Iranian banks to open or reactivate accounts in European central banks.

Officials concede U.S. sanctions could target those involved in the plans. Banks receiving money from the financial channel could also be hit by U.S. authorities for helping evade U.S. sanctions.

Iran's foreign minister, Javad Zarif, was set to press the issue on Monday in a meeting with counterparts from the five remaining parties to the 2015 pact: Russia, China, France, Britain and Germany. On Wednesday, President Trump will chair a session at the United Nations General Assem-

bly that he wants to focus on what U.S. officials call Iran's malign activities.

A senior European diplomat said that while the economic impact of European measures to maintain commerce may prove marginal, the political signal is important. "We are buying time," the diplomat said. "We just hope it will convince the Iranians not to make a stupid decision."

European officials believe many Iranian policy makers see little advantage in abandoning the deal. It would escalate tensions with the U.S. and force Europe and others to reimpose their own sanctions.

But Iran's oil export numbers after November may change Tehran's calculus, they say, particularly in the current volatile atmosphere. President Hassan Rouhani's government is under mounting political strain, fueled by a shaky economy that has seen Iran's currency repeatedly plumb new depths. More than one in 10 Iranian workers is unemployed. Prices are spiraling out of control, surging 20% between June and July.

The Trump White House is seeking to replicate the sanctions campaign the Obama administration orchestrated against Iran in 2011 as Tehran expanded its nuclear program.

The Trump administration's plan was more ambitious, giving countries a six-month window to slash purchases at a steeper rate. Adding to the pressure on Iran, oil prices are lower than during the Obama era.

The plan is hurting Iran. Cuts from Iran's major clients, including China, India and Japan, are in line to hit 900,000 to 1.2 million barrels a day by November from the May start, some analysts said.

"We are working with all countries, including China, to get them to zero," Manisha Singh, the U.S. assistant secretary of state overseeing sanctions policy, told lawmakers last week. "We are prepared to take the strongest actions possible on people who will not assist us."

Russia to Bolster Syria's Air Defense

BY JAMES MARSON

MOSCOW—The Russian government announced plans to send a powerful air-defense system to Syria, escalating tensions with Israel following the downing of a Russian warplane last week that the Kremlin has blamed on Israeli forces.

Syrian air-defense systems shot down the Russian reconnaissance plane, killing 15 service members on board, as they defended against Israeli military jets that were attacking Iranian targets in Syria.

Russian Defense Minister Sergei Shoigu on Monday said Russia would supply its ally, Syrian President Bashar al-Assad, with an S-300 missile system within two weeks. He noted that Russia postponed delivery of the system in 2013 at the request of Israel, but the situation had changed.

"We are confident that these measures will cool hotheads and prevent them from taking thoughtless steps that might put our servicemen in harm's way," Interfax news agency reported Mr. Shoigu as saying.

In a phone call with Russian President Vladimir Putin on Monday, Israeli Prime Minister Benjamin Netanyahu warned that "the transfer of advanced weapons systems would in-

crease the dangers in the region and that Israel would continue to defend its security and interests," the prime minister's office said.

The Kremlin said Mr. Putin told Mr. Assad of the plans to supply the weapons system in a telephone call, which a Kremlin spokesman said was aimed at protecting Russian service members in Syria.

The delivery of the S-300, which Mr. Shoigu said can intercept multiple targets in a range of more than 150 miles, would raise the risks of escalation in a complex ground-and-air conflict involving multiple countries, where Israel is striving to prevent Iran from establishing itself in Syria.

Mr. Putin had initially struck a conciliatory tone over the incident, blaming it on "a string of tragic coincidences" in what seemed like an effort to avoid a broader confrontation with Israel.

Israel has denied it is responsible for the downing of the plane, and Mr. Netanyahu personally expressed his sorrow over the loss of life in two phones calls with Mr. Putin.

The leaders on Monday agreed to continue communication to avoid accidents in Syria between experts and military officials, Mr. Netanyahu's office said.



An S-300 air-defense system was paraded in Moscow in 2016.

ALEXANDER ZEMLIANICHENKO/ASSOCIATED PRESS

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WORLD NEWS

Saudis Turn to Patriotism In Bid for Public Support

By MARGHERITA STANCATI

its legitimacy."

On Sunday, Saudi National Day, the monarchy sponsored events including concerts, a military air show and some 990,000 fireworks that lighted up cities across the kingdom, according to government figures.

The celebrations carried on into Monday, which King Sal-

man, in a surprise announcement, declared a second day of public holiday.

Skyscrapers in major cities

lighted up in the green of the Saudi flag. Saudis decked in patriotic swag—many wearing green, and some children in military fatigues like those worn by Saudi troops in Yemen—took to the streets waving flags and blasting nationalist tunes from cars.

Until a few years ago, celebrating National Day was controversial in Saudi Arabia. In a

country where even birthday

celebrations are frowned upon, religious hard-liners had resisted the secular festivities marking the 1932 unification of the kingdom.

National Day only became a public holiday in 2005, in an earlier effort by the former monarch, King Abdullah, to cultivate nationalism. It is Saudi Arabia's only non-Islamic holiday.

A more aggressive foreign policy has helped fuel the patriotic fervor. Since King Salman assumed the throne in early 2015, the kingdom has stepped up efforts in particular to curb the regional influence of Iran, including with the military campaign in neighboring Yemen against Iran-aligned Houthi rebels.

Saudi soldiers killed in the war are hailed as martyrs, and the monarchy fosters antipathy toward the enemy by publicly blaming Iran for missiles fired from Houthi-controlled areas into Saudi territory—an allegation backed by allies. Iran denies it is aiding the Houthis.

One of the most visible signs of the new Saudi nationalism is an adulation for



People arriving at festivities for Saudi National Day, the country's only non-Islamic holiday, on Sunday.

Crown Prince Mohammed. Im-

ages of the young prince and his father, often together with the kingdom's founder, King Abdulaziz Ibn Saud, are ubiquitous on Saudi streets.

Prince Mohammed has spearheaded progressive changes. While until earlier this year women were forbidden from entering stadiums as spectators, on Sunday a mixed crowd watched a Cirque du Soleil show. Gigantic projections of the kingdom's two leaders appeared before the

performers took the stage.

"Every year it gets better and better," said Noura al-Jaber, who wore head-to-toe green and brought her 10-year-old son to the stadium. "Prince Mohammed bin Salman is our hero."

Not every Saudi has been swept up by nationalism. Members of the Shiite Muslim minority complain they are underrepresented in government and say they can't practice their faith as freely as their Sunni counterparts.

"We are living in one coun-

try. But what would push me to celebrate?" said a Saudi Shiite. "The Saudi government is not doing anything for Saudi Shites."

The patriotic push comes amid relative austerity following low oil prices. This has contributed to a rise in expressions of xenophobia, with hashtags such as #SaudiforSaudis used to blame foreign workers for high unemployment.

—Donna Abdulaziz contributed to this article.

Hopes Grow for Release of American Pastor Held in Turkey

Turkish authorities are sending signals that an American pastor facing terrorism charges could be released in October, raising fresh hopes in

By David Gauthier-Villars in Istanbul and Dion Nissenbaum in Washington

the U.S. that the polarizing dispute will soon be resolved.

A Turkish judge could free Pastor Andrew Brunson when he appears in court on Oct. 12—but only if the U.S. stops

putting pressure on the country to send the American back to the U.S., Turkish officials said.

U.S. officials said the Trump administration, which demanded the pastor be released immediately this summer, decided to ease its pressure campaign amid fear that Turkey's economic woes could spread to other emerging markets.

"The best strategy is, right before this October hearing, to be a little bit calm because they are recognizing finally now that we're willing to act," one U.S. official familiar with

the debate said. "Come October, if we're in the same place, our side is going to unload on the Turks....Right now, it's a critical time where you don't want to put them in a bind."

Release of the pastor wouldn't just remove a major impediment to relations between the two North Atlantic Treaty Organization allies, it would be a boon for President Trump and the Republican Party as they try to retain control of Congress.

Mr. Trump and Vice President Mike Pence have made se-

curing Mr. Brunson's freedom a priority, and his case has become a cause for evangelical Christians whose votes could be pivotal to Republicans retaining their legislative majority.

Mr. Trump and Turkish President Recep Tayyip Erdogan will both be in New York this week to attend the United Nations General Assembly, but no meeting has been scheduled, U.S. and Turkish officials said.

Speaking to reporters in New York on a break from the General Assembly, Secretary of State Mike Pompeo confirmed

that Mr. Brunson could be released, but asserted that he and the other Americans being detained by Turkey should never have been detained.

"I'm sure there will be some conversations in furtherance of that this week," Mr. Pompeo said. "But make no mistake, there is nothing we will share with them here that we haven't shared with them already about President Trump's demands, that these innocent people who have truly done nothing wrong, cannot be detained wrongly."



A Turkish judge could free Andrew Brunson on Oct. 12.

And the country upgraded to FTSE Russell 'Developed Market' is... POLAND

WORLD NEWS

Pope Francis Commends Latvians During Baltic Pilgrimage

ENCOMIUM: Pope Francis praised Latvians for persevering through Soviet and Nazi occupation, persecution and exile and urged them to keep their Christian faith alive. On the third day of his Baltic pilgrimage, he placed flowers at the monument to Latvian independence. He continued the theme later Monday at Latvia's most important Catholic shrine at Aglona, pictured above, near the southeastern border with Russia.

French Leader Offers Tax Cuts

By STACY MEICHTRY

PARIS—The French government unveiled billions in tax cuts as it seeks to revive flagging public support for President Emmanuel Macron and his efforts to overhaul France's economy.

Mr. Macron is threading a needle as he tries to stimulate the economy without undercutting his pledge to make France a model of fiscal discipline within the European Union.

The 2019 budget published by the government Monday contained a series of cuts to housing and payroll taxes that the government said would amount to €6 billion (\$7.1 billion) in taxpayer savings. France's deficit is expected to reach 2.8% of gross domestic product in 2019, the government said, placing the country close to the EU's deficit ceiling of 3% of GDP.

Since taking office last year, Mr. Macron has positioned himself as one of the few leaders in Europe willing to demand overhauls at home and across the EU on issues ranging from immigration to proposals to strengthen the eurozone.

That agenda, however, is coming under pressure after a summer of political setbacks that have dragged the president's approval rating to historic lows. Mr. Macron is straining to limit the fallout from a scandal that began when a presidential staffer was filmed manhandling protesters while wearing police equipment. More recently, Mr. Ma-

cron was blindsided by the resignation of Nicolas Hulot, a darling of the leftist wing of his political coalition who served as environment minister.

A poll of 1,964 people conducted by Ifop last week found that 29% approved of the president compared with 34% in August and 50% at the start of the year.

The decline is testing the cohesion of the political movement that swept Mr. Macron to office in the spring of 2017. While Mr. Macron maintains a commanding majority in Parliament, many of his followers are former Socialist Party members who fear the president's pro-business agenda is eroding support on the left.

The same Ifop poll found that only 21% of people who identified as working class said they approved of Mr. Macron, compared with 25% in August. Approval among Green Party supporters fell to 25% from 37%. Meanwhile, a slowdown in economic growth is narrowing Mr. Macron's margin for maneuver.

On Monday, the government said it expected the economy to grow 1.7% in 2019. That puts a squeeze on other items on Mr. Macron's to-do list, including reductions in spending on France's bloated public sector and cuts to corporate taxes. Those steps, business leaders say, are crucial for companies to boost hiring.

Early in Mr. Macron's term a surge in economic growth helped take the sting out of his efforts to shake up France.

WORLD WATCH

MALDIVES

Parliamentarian Is Elected New Leader

Maldives leader Abdulla Yameen conceded defeat to a candidate who has pledged to reverse the country's slide toward authoritarianism, marking a setback for China, which had forged strong ties with the president in a bid to expand its influence.

Voters elected Ibrahim Mohamed Solih, a longtime parliamentarian who has said he wants to improve ties with democratic governments in India and the West.

Mr. Solih secured more than 58% of the ballots cast, the Election Commission said.

—Niharika Mandhana

EUROZONE

ECB Chief Confirms Plans for Tapering

European Central Bank President Mario Draghi said the bank would push ahead with plans to phase out easy money.

Speaking at the European Parliament in Brussels, Mr. Draghi gave an upbeat assessment of the region's economy and confirmed the ECB would end its €2.5 trillion (\$2.94 trillion) bond-buying program in December.

"Households' disposable income in the euro area is currently growing at the highest rates observed in the last 10 years," he said.

—Tom Fairless

UNITED NATIONS

Leaders Gather for General Assembly

World leaders streamed into New York for the annual United Nations General Assembly gathering, planning to confront a burgeoning debate over two competing world views: national sovereignty and multilateralism.

More than 130 heads of state and government are attending the General Assembly. They will hear from President Trump when he addresses the General Assembly on Tuesday; he will lead a Security Council meeting Wednesday on nonproliferation.

—Farnaz Fassihi and Valentina Pop

MADAGASCAR

Envoy Found Dead; Suspect in Custody

A U.S. foreign service officer died while serving in Madagascar, the State Department said Monday, adding that a suspect is in custody and investigations by local authorities and U.S. officials are under way.

The unnamed diplomat was found dead at home during the overnight hours Friday, State Department spokeswoman Heather Nauert said. No cause of death was provided. She declined to provide further information out of respect for family and because of the investigation.

—Courtney McBride

FROM PAGE ONE

Instagram Founders to Step Down

Continued from Page One
sold the photo-sharing app to Facebook in 2012 for about \$1 billion. It has become a bright spot within Facebook as the company for the first time deals with slowing growth.

"Kevin and Mike are extraordinary product leaders and Instagram reflects their combined creative talents," Mr. Zuckerberg said in a statement. "I've learned a lot working with them for the past six years and have really enjoyed it. I wish them all the best and I'm looking forward to seeing what they build next."

Current and former employees expressed surprise late on Monday about the moves, earlier reported by the New York Times but which hadn't been announced widely within the company yet. The two men were seen as key defenders of Instagram's culture within Facebook and widely respected among Instagram employees.

The departure represents the second major exit by the founders of an acquisition that had become central to Face-



Instagram co-founders Kevin Systrom, left, and Mike Krieger, far right, at the company's offices in 2011, before Instagram was acquired by Facebook. Messrs. Systrom and Krieger are stepping down.

Facebook officials had been tense in recent months.

One distinction is that the WhatsApp disputes centered on the debate over whether to allow ads within the messaging service, which the co-founders had long opposed, whereas Instagram embraced ads early on.

Some of the tension began this year, according to people familiar with the dynamic, as Facebook and Instagram executives started to clash over the extent to which Instagram could chart its own direction within Facebook's orbit. Some Facebook teams began exerting more control over their Instagram counterparts, one of the people said.

Facebook's Instagram purchase was a relative bargain compared with WhatsApp. After Messrs. Systrom and Krieger reaped a massive payday despite the company having no revenue and only about a dozen employees, it quickly became a go-to app for young people, many of whom had slowed their use of Facebook.

This year Instagram topped more than 1 billion monthly active users, after adding hundreds of millions of users in roughly the past 18 months.

Instagram had become a key cog in the Facebook empire as the social-networking giant enjoyed seemingly unstoppable growth and a stock

price that climbed steadily upward. Those trends reversed in July, when the company sent tremors through the stock market by warning that its growth was slowing, an announcement that chopped almost \$120 billion from the firm's market value.

Instagram's popularity among younger users is seen as more stable than at Facebook's main platform. Instagram has also largely stayed out of the negative glare of Facebook's privacy issues, which intensified earlier this year on the revelation that political firm Cambridge Analytica had accessed the personal data of tens of millions of users without their knowledge.

Among the many efforts to turbocharge Instagram's popularity, the company in June launched a new hub for long-form video, called IGTV, which was Facebook's latest attempt to tap into growing demand among consumers and advertisers for mobile video.

Marne Levine, Instagram's chief operating officer who helped develop the app into a full-fledged business, was moved back to Facebook this month to become head of global partnerships. It hasn't been decided who will take over leadership at Instagram, according to a person familiar with the matter.

the soccer team's families and the assistant coach in a room. Ms. Rungrada prepared for the meeting by visiting King Mengrai's monument, taking a traditional offering of 100 eggs.

At the meeting, parents of the soccer boys sat on the floor. The monk with the final say presided at the front. Ms. Chuthathip translated a letter on CAA letterhead prepared by Mr. DelPiano.

The offer, from Universal Pictures, was for \$1.5 million, to be split among the 12 soccer players and their assistant coach. Assuming a movie is made, it will pay each participant roughly \$115,000, more than 20 times the average annual income in Thailand, and additional payouts are possible if a book is sold or certain box-office thresholds reached.

"Really? Are you joking?" the parents asked the women.

In a room overflowing with Buddhist imagery, Ms. Chuthathip finished translating the letter, including the line, "CAA will deduct a 10% commission."

Work on the script is underway. The producers behind "Moneyball" and "The Social Network" are on board.

Thai Cave: Now Comes The Movie

Continued from Page One
Angeles office. After all of the boys got out—confirming that any film made of it would have a happy ending—Mr. DelPiano flew to Bangkok, packing short sleeves and khakis to help him blend in.

He was pursuing the "life rights" of the players and the assistant soccer coach, 25-year-old Ekkapol Chantawong. Producers who buy such rights get exclusive access to subjects' recollections or notes.

Mr. DelPiano had been in such pursuits before. In 2009, he rushed to Vermont to intercept Richard Phillips, the merchant marine taken hostage by Somali pirates and rescued by Navy SEALs. A book and movie deal followed, with Mr. Hanks, a CAA client, playing Mr. Phillips in "Captain Phillips."

That was easy compared to what he faced when he got to Thailand, where few had heard

of CAA and the one he most wanted to find, the assistant coach, had retreated to a temple to become a monk following the rescue.

A Thai-speaking CAA intern helped connect Mr. DelPiano with two local women, Eve Rungrada Pakda and Oil Chuthathip Charoensuwan, who often work as tour guides or handlers for journalists. Together, they tracked down the mother of the soccer team's head coach.

Ms. Rungrada suggested Mr. DelPiano load the trailer for "Captain Phillips" on his phone to help explain his work. "She's watching in silence and then goes, 'Oh, Tom Hanks!'" he recalled.

She told him to get back in touch in four days. Mr. DelPiano went sightseeing. "I fed elephants and monkeys," he said. When he again talked to the head coach's mother, he sensed that the opportunity was slipping away.

Ms. Rungrada saw he was nervous. "I know what to do," she told him. Nine is a lucky number in Thai culture, she said, so they should travel to nine temples and pray that CAA would snag the deal.

Mr. DelPiano got down on his knees, surrounded by Bud-

dhist monks in bright orange robes. "I'm not a cave diver, but I could help them get some money, hopefully," he thought. After completing the four-hour temple run, they got word the assistant coach wouldn't be entertaining offers at the moment.

"I know what to do," Ms. Rungrada said again.

This time, she took Mr. DelPiano to the monument of King Mengrai, the ancient monarch best known for blessing soldiers before they head off to war. "We asked him to support our fight," she said.

Whether by divine intervention or a lucky break, Mr. DelPiano won the support of the soccer team's head coach soon after. That provided access to the inner circle of the assistant coach, Mr. Ekkapol, since he was living among monks and had no idea the Hollywood agent was roaming the countryside trying to sign him.

Meanwhile, Mr. DelPiano made a quick side trip to Australia. The film he envisioned would alternate perspectives, inside the cave and outside, so he needed to bring divers on board as well. He signed two of the cave divers, Craig Challen and Richard Harris, at a

lunch meeting in Adelaide.

"We imagined some tan bloke with perfect teeth arriving at the door," said Mr. Challen. "At the end, we found some tan bloke with perfect teeth, but he also turned out to be a nice guy."

In Thailand, Mr. Ekkapol's time in the temple ended on Aug. 11. Ms. Rungrada and Ms. Chuthathip went to visit him. By then Mr. DelPiano had returned to Los Angeles, but the two women became his proxies while he directed things from California.

He was in good hands. Ms.

Rungada and Ms. Chuthathip, in their weeks working with Mr. DelPiano, had absorbed lessons in Hollywood charm and persuasion.

Ms. Rungrada returned to the temple to woo a monk who would have the final say in any movie deal, impersonating a tourist to get near him. Her friend Ms. Chuthathip met with the assistant coach's aunt, bringing along a children's book about the rescue. "I wanted to make good relations," she said.

By early September, the two women had arranged to gather



Wild Boars' soccer players and coach-turned-Buddhist monk Ekkapol Chantawong visiting a temple.

the soccer team's families and the assistant coach in a room. Ms. Rungrada prepared for the meeting by visiting King Mengrai's monument, taking a traditional offering of 100 eggs.

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GREATER NEW YORK

MTA Hails Progress on Subway Repairs

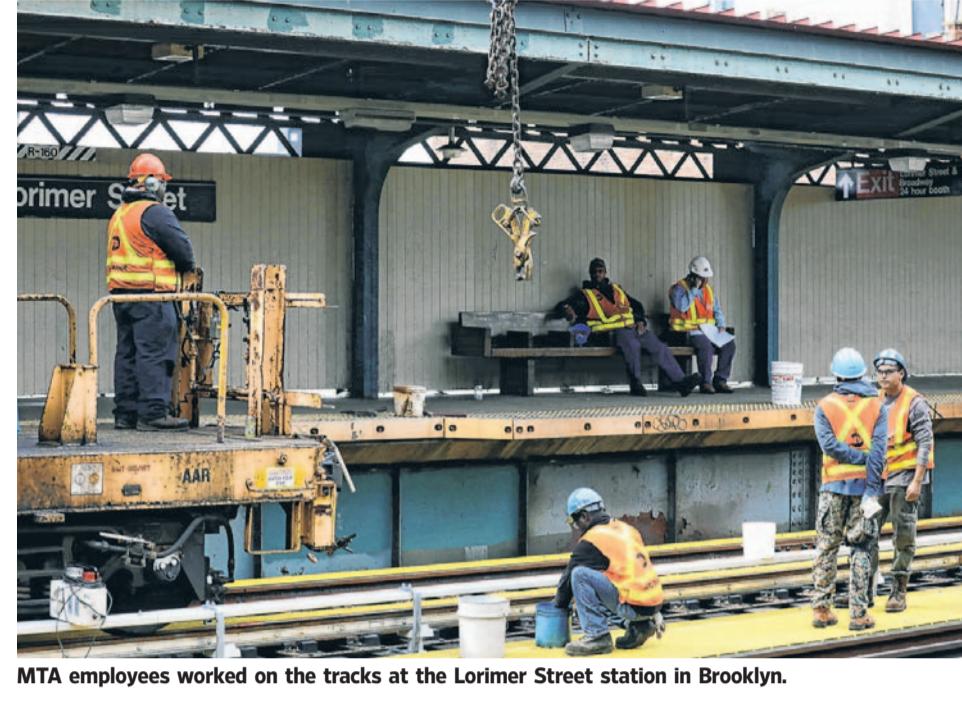
Agency says it has made improvements over the past year but isn't 'declaring victory'

BY PAUL BERGER

One year after the Metropolitan Transportation Authority launched an \$800 million rescue plan for New York City's subway, transit officials say the worst is over.

"We are not declaring victory today by any means," the MTA's Sally Librera told the authority's board members during a presentation at the agency's headquarters in lower Manhattan on Monday. "But what we are here today to talk about is progress."

The MTA launched the rescue plan in July 2017 after Gov. Andrew Cuomo declared a state of emergency at the authority following a spate of rush-hour subway disruptions and a derailment that injured dozens of riders. The plan primarily was aimed at tackling the causes of major delays, such as fixing the most troublesome signals and



MTA employees worked on the tracks at the Lorimer Street station in Brooklyn.

improvement."

In an interview after the meeting, Jaqi Cohen, a spokeswoman for the transit advocacy group Straphangers Campaign, said riders won't be content until reliability vastly improves. "That's the trust the MTA needs to repair with its riders," Ms. Cohen said.

Following the presentation, New York City Transit President Andy Byford told board members that a marked improvement is only possible if the subway is thoroughly modernized, which will take years and cost billions of dollars. "You don't just click your fingers and undo decades of underinvestment," he said.

Much of the onus is on subway operations, such as a greater emphasis on trains leaving terminals on time or on changes to procedures that speed service.

Meanwhile, the MTA also is focusing on reducing incremental delays that add up to minutes during the course of a train's journey. According to MTA data, about 25% of delayed trains are within two minutes of being declared on time. If subway workers can shave seconds off a train's journey at intervals along its route, the MTA could significantly improve punctuality, subway officials say.

The MTA also is trying to better manage its riders. Subway workers on the most congested platforms have been told to use whistles—forcefully and frequently—to encourage people to board quickly.

In an effort to deter people holding doors, conductors have been told to only partially reopen them so that riders can remove their foot before the doors close and the train pulls out.

Business Leaders Weigh Supporting Cuomo

BY JIMMY VIELKIND

BOLTON LANDING, N.Y.—After endorsing Gov. Andrew Cuomo twice in the past eight years, the state's business leaders are considering whether to offer their blessing for a third term after the governor tacked left to win a Democratic primary.

Mr. Cuomo and his allies are hoping the business community will focus on the moderate fiscal policies of his first term. They include capping increases to local property-tax levies, reducing pension benefits for new public employees, reining in state spending growth and cutting corporate and income taxes.

Other leaders are more sensitive to recent legislation—including a minimum-wage increase and a paid-family-leave program that Mr. Cuomo pushed in 2016—and pending regulations that would require managers to give advance no-

pointed to changes in workers' compensation requirements, enacted in 2017, that resulted in savings for employers of around 10%.

Ms. Briccetti said the Business Council's endorsement committee will make a decision in the coming weeks.

Mr. Cuomo worked closely with labor groups on the minimum-wage increase and on legislation that made it harder for public employees to opt out of unions; the New York State AFL-CIO endorsed the governor after declining to issue an endorsement in 2014. His administration has actively courted business leaders and created a system of regional economic development councils that allowed them to weigh in on state tax credits and infrastructure grants.

G. Thomas Tranter Jr., president of Corning Enterprises, sits on the Southern Tier council and said the governor's investments have been important. His company, which produces specialty glass and ceramic products, has received state money for two expansion projects, and has increased its head count from about 5,000 to 6,000 employees during Mr. Cuomo's term.

"I'm personally going to support him, and I'm a Republican," Mr. Tranter said.

Dutchess County Executive Marc Molinaro, the Republican gubernatorial nominee, on Monday told business leaders that Mr. Cuomo had invested in "shiny objects" without tackling the state's underlying business climate. In 2018, the tax-policy nonprofit Tax Foundation ranked New York's business-tax climate 49th in the U.S.

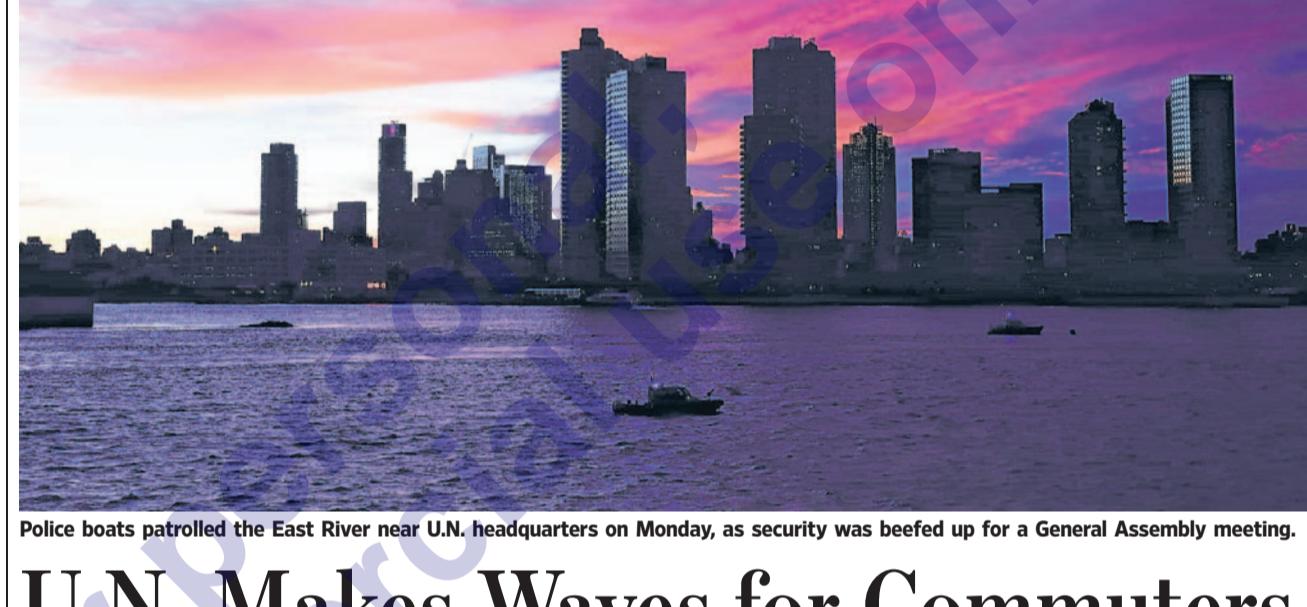
"These aren't our priorities," Mr. Molinaro said. "These are the priorities and mind-set of a governor who's made New York, and allowed it to become, the most corrupted and high-tax state in America."

An aide to the governor said his speech to the Business Council will tout lower tax rates, the record number of private-sector jobs and infrastructure upgrades he hopes will continue in a third term.

Last year, there was just

She cited figures showing that subway performance improved during the past 14 months compared with the first six months of 2017 when the crisis was at its peak. Major disruptions affecting more than 50 trains are down 12%, she said, while subway cars suffered fewer mechanical issues.

MTA board member Carl Weisbrod, who represents New York City Mayor Bill de Blasio, welcomed the "marginal im-



Police boats patrolled the East River near U.N. headquarters on Monday, as security was beefed up for a General Assembly meeting.

U.N. Makes Waves for Commuters

BY KATIE HONAN

The United Nations General Assembly has become an annual headache for drivers as security surrounding the weeklong event in Manhattan creates gridlock nightmares. But this year ferry riders and bicyclists are enduring their own traffic woes.

The additional security has forced a reduction in New York City ferry service and blocked bike lanes along Manhattan's east side. Security freezes along the East River north of East 34th Street has affected four city ferry routes. The General Assembly is held at the U.N. headquarters, which is located on the east side of Manhattan in Midtown.

So far, there have been 16 canceled trips on the city ferry's Astoria, Queens, route and 12 missed trips on its route leaving from the Soundview section of the Bronx, according to a spokeswoman for the New York City Economic Development Corp., which oversees the ferry service.

The city's landings in Long Island City, Queens, and the Lower East Side of Manhattan also have each been bypassed by boats more than a dozen times since the General Assembly started Monday. Riders should expect last-minute cancellations and delays during the week, the Economic Development Corp. spokeswoman said.

Last year, there was just



The NYPD is part of the security team during the weeklong U.N. General Assembly in Manhattan.

one day of disrupted ferry service because of the General Assembly, according to the spokeswoman. Nearly 13,000 people ride the affected ferry routes each weekday, she said.

Security is always high when the General Assembly convenes and world leaders travel to New York City. A multiagency effort involving the U.S. Coast Guard, the Secret Service, the Federal Bureau of Investigation and the New York Police Department provides the protection for the event.

"There's a lot of moving parts and a lot of last-minute additions," Petty Officer Steve Strohmaier, a spokesman for

the Coast Guard, said of the General Assembly's security.

Sam Schwartz, a consultant and a former city traffic commissioner, said he understands delaying ferries, but called the cancellation of multiple trips unnecessary.

"It's very easy for the Secret Service to say, 'Shut everything down,' and then everybody follows those orders," Mr. Schwartz said.

"Somebody from the city needs to challenge where it doesn't make sense."

While the city suggested

commuters use bicycles rather than cars to avoid the gridlock,

the NYPD closed bike lanes on

First and Second avenues.

NYPD officials said protecting the city is their main concern.

"A mix of motorcades and bicyclists is not a good idea," NYPD Deputy Chief Stephen Hughes said at a briefing last week.

Macartney Morris, the chairman of transit advocacy group Transportation Alternatives' Queens committee, said the removal of the bike lanes around the U.N. wouldn't be an issue if the city had other bike lanes along nearby parallel corridors such as Lexington and Third avenues.

"The train wreck that is gridlock week just highlights how awful the city is for alternative modes of transportation," he said.

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GREATER NEW YORK

Pizza Museum Wants Its Slice

By CHARLES PASSY

The Museum of Pizza hasn't opened yet, but it already is viewed by some as the latest slice of Instagram-friendly pop-up exhibitions peppering New York City, along with the Museum of Ice Cream and Rosé Mansion.

Museum of Pizza founder Kareem Rahma said a more serious mission distinguishes his attraction: "To expose people to new forms of art that they didn't know exist."

The museum, which is scheduled to be open Oct. 13–28, will feature a number of exhibits by cutting-edge artists, organizers said Monday.

Officials also revealed the location of the attraction: The William Vale hotel in Brooklyn's Williamsburg neighborhood.

The exhibits will include "immersive" rooms loosely tied to the theme of pizza, according to Mr. Rahma.

Adam Green, a musician and filmmaker known for his work with the band the Moldy Peaches, has created a "Pizza Beach" made from papier-mâché. It features a pizza sun and palm trees made from pizza slices, the artist said.

"This is the first art project I've done where my daughter is super-excited to go," Mr. Green said.

Multimedia artists Signe Pierce and Emma Stern have contributed a "Pizza Vortex," a fluorescent black-light room featuring a 3-D video installation designed to merge "the four fundamental aspects of life: time, space, light and pizza," according to the museum's press materials.

The museum also will host a "Psychedelic Pizza Parlor" that showcases work from Hein Koh, an artist known for her sculptures, and from the musician Andrew W.K., among others. Andrew W.K. contributed—what else?—a pizza-themed guitar.

In addition to art, the museum will include a history lesson about pizza, featuring a digital projection, similar to a



The William Vale hotel in Williamsburg, Brooklyn, will host the Museum of Pizza Oct. 13–28.



Artist Hein Koh's 'Mystic Pizza' will be exhibited at the museum.

hologram, of Scott Weiner, the founder of Scott's Pizza Tours, a New York City company specializing in just that.

None of this comes cheaply. Unlike traditional art institutions, the Museum of Pizza is being run as a for-profit enterprise, and admission costs \$35.

Mr. Rahma said the response has been strong, with at least 10,000 advance tickets sold to date.

Mr. Rahma, who created the

museum as an extension of Nameless Network, a Brooklyn-based entertainment company he established in 2015, said the attraction has cost more than \$1 million to produce.

While ticket sales will help offset costs, Mr. Rahma indicated his long-term financial plan is to establish the museum as a brand that could take many forms, running the gamut from a television series about pizza to a pizza product

that could be sold in stores.

He also didn't rule out taking the exhibit to other cities or extending its run in New York.

"This could be a permanent tourism destination," he said.

But in choosing to create an attraction with a strong artistic emphasis, Mr. Rahma could be setting himself up for a challenge, said Susie Wilkening, a museum consultant based in Seattle. Part of the appeal of Instagram-friendly museums, she explained, is that they are seen as easy to experience, especially for a younger generation that might be less interested in more formal art institutions.

Thus, audiences who come to a pizza museum "are going to expect pop culture, gooey cheese and fun," she said.

Mr. Rahma countered that the exhibits at Museum of Pizza, or MoPi, as it is being dubbed, will offer their share of fun. Plus, there will be cheese: A slice of pizza is included with every admission.

GREATER NEW YORK WATCH

ELECTIONS

State Officials Will Boost Cybersecurity

State officials have unveiled a plan to strengthen Connecticut's election cybersecurity infrastructure. Democratic Secretary of the State Denise Merrill on Monday said the new blueprint focuses on procuring additional voter equipment and upgrading local hardware security.

There also are plans to hire a full-time election cybersecurity consultant and fund regional election monitors. The cost of the stepped-up efforts will be covered by a \$5.1 million federal grant Connecticut received earlier this year.

—Associated Press

YALE

Law School Students Protest Kavanaugh

Dozens of students staged a sit-in at Yale Law School on Monday to protest the nomination of Judge Brett Kavanaugh to the Supreme Court and demanded an investigation into sexual-misconduct allegations against him.

Organizers said allegations of sexual assault and harassment should be taken seriously.

The sit-in came the morning after new allegations against Judge Kavanaugh were reported by the New Yorker, which published an account by a woman, Deborah Ramirez, who alleged Judge Kavanaugh exposed him-

self to her during a drunken dorm party when they were students at Yale during the 1983-84 academic year. Another woman, Christine Blasey Ford, is accusing Judge Kavanaugh of sexually assaulting her at a party when they were teenagers. Judge Kavanaugh denies both women's allegations.

—Associated Press

CONNECTICUT

Murder Suspect Held On \$2 Million Bond

A convicted sex offender told police he was just looking for someone to talk to when he went into a "frenzy" and fatally stabbed an insurance company executive in 2014 while she was running on a trail in Simsbury, Conn.

William Winters Leverett, 24 years old, was ordered held on \$2 million bond at his initial appearance Monday in Enfield Superior Court on a murder charge in the death of 54-year-old Melissa Millan, a senior vice president at Massachusetts Mutual Life Insurance Co.

Mr. Leverett didn't enter a plea and his lawyer didn't immediately return a phone message seeking comment.

Mr. Leverett went to police last week and confessed to the crime, police said. He told authorities that he had attended a treatment meeting for sex offenders and was looking for human contact when he spotted Ms. Millan and became attracted to her.

—Associated Press



William Winters Leverett, left, was arraigned Monday in the 2014 stabbing death of Melissa Millan, an insurance executive.

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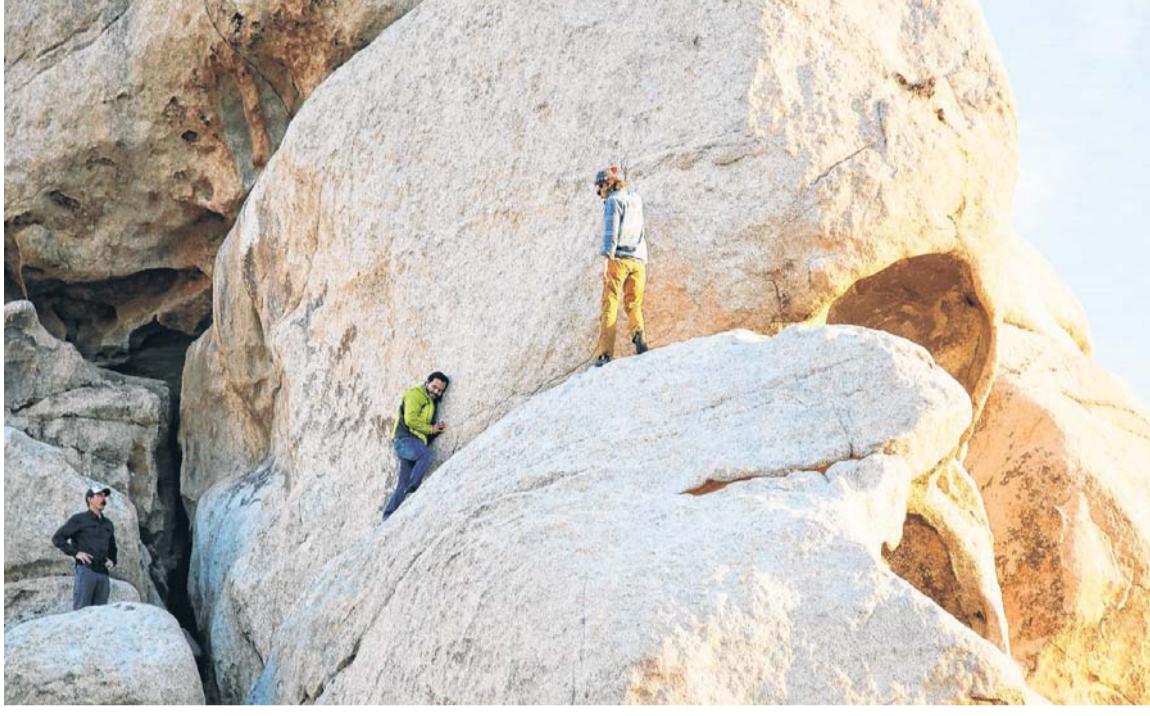
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LIFE & ARTS



BONDS: ON RELATIONSHIPS | By Elizabeth Bernstein

Using Fear to Break Out of a Funk

Experts say scary challenges can provide a sense of accomplishment. Our columnist went scuba diving in Iceland to test the theory.

THIS SUMMER, I decided I needed to get out of my head and into the world. I was lost in an extended funk: low energy, negative thoughts, fits of tears. I've written about how experiencing awe, getting out of our comfort zone and having a mantra can help us be healthier and happier. My mantra is "Fortune Favors the Brave." So I decided to take my own advice and look for something to help me recalibrate.

I decided to scuba dive in Iceland. I'm a passionate diver, and there's a bucket-list dive there—you can swim between the continental plates of North America and Eurasia. I thought it would be exciting and scary enough to make me feel stronger, but still within my comfort zone.

The day before, I took a class to get certified to dive in a dry suit, which I'd need to wear in the 35 degree Fahrenheit water. I spent the morning with an instructor in an indoor pool in Reykjavik. Then we drove to a subarctic volcanic lake, so I could demonstrate that I understood the skills I'd learned.

The black beach was deserted when we arrived, and the lake churned with white-capped waves. The wind howled and it started to pour. As we waited out the squall in the van, my heart raced. My hands shook. I couldn't quite fill my lungs with air.

I felt I had a stark choice: Possibly die in a frigid lake in Iceland.

Or go home feeling like a failure, more demoralized than before.

Fear—the emotional response to a real or perceived threat—exists to alert us to danger. By triggering our fight or flight response, it helps keep us physically safe.

New research shows that it also can boost our mood. In a study to be published next month in the journal "Emotion," researchers at the University of Pittsburgh measured the brain waves of 100 people before and after they went through an "extreme" haunted house—one where the actors can grab them, shock them with electricity, or stuff them into a coffin. They found that after participants went through the haunted house there was a significant reduction in their brain wave activity.

After such an event, people often feel less stressed, less tired, even euphoric. Margee Kerr, a sociologist at the University of Pittsburgh, lead author on the study, and author of the book, "Scream: Chilling Adventures in the Science of Fear," explained why. When we're terrified, our sympathetic nervous system, which is in charge of that fight or flight response, floods the body with adrenaline and the brain with neurotransmitters such as dopamine and norepinephrine. Our blood vessels constrict, to preserve blood for muscles and organs that might need it if we decide to run. And



our mind focuses on the present.

The physical response lasts a few hours, Dr. Kerr says, "but the memory is what you draw strength from."

You don't have to dive in Iceland to reap benefits from fear. Dr. Kerr recommends activities that make you feel a loss of control: a cartwheel or sprinting through the woods. But the biggest feats can have the biggest payoff, especially when they involve some skill.

Keisha Berglund, a 30-year-old social worker from New York, decided to hike Mount Kilimanjaro this past summer to clear her mind of excessive worry. On the



Clockwise from top left: Michael Lopez, center, tries to maneuver into a narrow cave entrance at California's Joshua Tree National Park; Elizabeth Bernstein dives in Iceland; Keisha Berglund hikes Mount Kilimanjaro.

fifth day of her climb, around 14,000 feet, the fear set in. She worried she might die—or fail.

She pushed through by refusing to acknowledge that quitting was an option. Now when she's having a tough day, she says: "I go back to that place where I can do anything."

How do you know when to listen to your fear? There's no easy answer. In the moment, it's important to ask yourself if you are truly in danger, or in pain. If you're considering an activity in advance, ask a friend to tell if your plan is stupid. Another tactic: Write about your fear in a journal, which helps you evaluate it more objectively.

Experts say you can benefit even if you don't fully complete the challenge. Michael Lopez, 28, a copywriter in Los Angeles, is terrified of heights. But when his friends suggested a rock climbing trip in California's Joshua Tree National Park last year to help him get over a breakup, he agreed.

That's how he found himself hundreds of feet up a rock formation trying to maneuver into a narrow cave entrance. He dropped to his hands and knees and crawled. Then he gave up.

"It took me a long time to realize that it's a journey and the destination doesn't matter," he says. "I was a success just being there."

In Iceland, my biggest fear was that I would panic, which would be dangerous. I focused on my breathing as we swam about 1,000 feet against the waves. I felt comfortable when we submerged and had no trouble demonstrating my new skills. My instructor, Rami Seib, gave me a fist bump underwater to let me know I'd passed. Then we swam toward shore.

When we reached shallow water, I stood to take off my fins and a wave knocked me onto my back. Another crashed over me, and I took in a mouthful of icy water. Buffeted by surf and feeling weighed down by my tank, I became disoriented and had a panic attack. Flat on my back, in two feet of water, I screamed: "Rami, help me, I'm dying!" Rami got me out of the lake quickly but I was left shaken for hours.

Yet when he picked me up the next morning, I got back in that van. I suited up at the dive site. And I followed Rami into some of the coldest water on earth.

It was worth it. The rift is filled with glacial runoff so pure that visibility is limited only by the human eye. The many shades of blue are truly dazzling. And floating in the stunning cavern between two continents, I felt strong, brave and happy. Best of all, that feeling has stayed with me.

TELEVISION

STARS ARE BACK FOR A GUIDE TO SHAKESPEARE

BY DON STEINBERG

"SHAKESPEARE UNCOVERED" has become a highbrow cheat-sheet, a play-by-play way to brush up your Shakespeare. The PBS television series, which begins its third and final season in October, is aimed at people who might feel they suffer from shameful gaps in their Shakespearean expertise.

"But it's not shameful," says Richard Denton, the British TV producer who conceived the series. "It's really not taught well. From our first series—Shakespeare had a son called Hamnet. Why didn't my teacher tell me that? That would have been interesting."

Each one-hour episode examines a different Shakespeare play, sometimes two. They include scenes from Hollywood movies and stage performances. Scholars and actors comment on the plays' love affairs and moral quandaries the way pop-culture pundits on the E! network might gossip about Justin Bieber. It doesn't feel like 10th-grade homework.

Scholars still disagree about some details of Shakespeare's life, and this is hardly the first effort to make his work accessible. Books have ranged from the Folger Library's well-annotated volumes of the plays to "The Complete Idiot's Guide to Shakespeare." BBC Two's "Shakespeare: The Animated



Helen Hunt researched 'Much Ado About Nothing' in Stratford-upon-Avon, England.

Tales" was for children, and there have been educational videos, but this project is unusual in sending A-list actors around the globe for movie-quality documentaries. The series has cost \$7 million for its 18 episodes altogether, according to Stephen Segaller, executive in charge of the series and vice president of programming for New York's PBS station WNET.

In the end we believe 'Shakespeare Uncovered' is the most comprehensive documentary examination of the works of Shake-

speare ever made," Mr. Denton says. Mr. Segaller wouldn't disclose the ratings, but says millions of viewers have tuned in and thousands of DVD sets have sold.

To start the new season on Oct. 12, Helen Hunt explores "Much Ado About Nothing," written circa 1599, as the mother of all romantic comedies. Ms. Hunt has chops in the genre: she twice played Beatrice in stage productions, was the love interest in the Woody Allen screwball comedy "The Curse of the Jade Scorpion" and played

newlywed Jamie in the 1990s sitcom "Mad About You." (She and co-star Paul Reiser have expressed interest in a reboot of the sitcom.)

"If you're working on 'Much Ado,' you think, 'oh every romantic comedy I've ever done stems from this in some way,'" Ms. Hunt said in a phone interview. She travels to Stratford-upon-Avon to see the grave of Shakespeare's eldest daughter Susanne, described on the stone as "witty above her sexe" and possibly the inspiration for the garrulous Beatrice.

Shakespeare continues to receive modern treatments in film and TV. The BBC Two sitcom "Upstart Crow" depicts William Shakespeare as a dad with a wisecracking family and friends. Mr. Denton got the idea for "Shakespeare Uncovered" in 2008 after he heard a BBC radio show about "King Lear."

"I suddenly thought, hang on a minute, we could do 37 documentaries," Mr. Denton recalls (that's the consensus on how many plays Shakespeare wrote). Mr. Denton brainstormed with his wife, filmmaker Nicola Stockley, who co-produced the series, before they presented the idea to Mr. Segaller at WNET. As good luck would have it, Mr. Segaller is an Englishman with the Bard in his blood.

He set out raising funds and recruiting actors as hosts for the program, which premiered in 2013. Ethan Hawke signed on first; with

the opening draft pick he selected "Macbeth," which he had never performed. "But he said he really wanted to," Mr. Segaller says. Mr. Hawke eventually did play "Macbeth" in New York in 2013.

This final season's six episodes will bring the total to 18—not 37. Episodes from prior seasons can be streamed from PBS station websites, some for free and others requiring a \$5-per-month PBS Passport membership. Educators can download free supplements and teaching guides.

In the Oct. 12 double-feature, F. Murray Abraham takes on "The Merchant of Venice." The Oscar-winning actor is passionate about the role of Shylock, which he notably performed in New York in 2011. "I got the best reviews of my life, for one thing," he says.

Actress Romola Garai this season discusses the obvious relevance in "Measure for Measure." The 400-year-old play depicts a powerful man who sexually assaults a woman, then tells her: "Who will believe thee, Isabel? My unsoil'd name, the austerity of my life, my vouch against you, and my place in the state will so your accusation outweigh."

The filmmakers resisted the temptation to update Shakespeare's challenging language. The goal, Mr. Denton says, is to deliver the Bard to contemporary viewers "without performing King Lear on ice."

LIFE & ARTS

YOUR HEALTH | By Sumathi Reddy

A Breakthrough Therapy—With a Steep Bill

Luxturna can improve sight for children and others with a rare eye condition, but costs \$850,000

JUST 4 YEARS OLD, Caspian Soto uses a cane and headlamp to help him see when he walks. He can't see in dark places like aquariums or movie theaters. He's never seen the stars.

Caspian was born with a rare, inherited eye disorder called Leber congenital amaurosis, which results in the progressive deterioration of the retina, the tissue at the back of the eye that detects light and color. He could lose all vision by the time he's a teenager.

This month Caspian became among the first patients in the country to receive a new gene-therapy treatment called Luxturna, which his doctors at Oregon Health & Science University believe will improve his vision and prevent further deterioration.

The therapy entails inserting a functional gene through harmless, virus-like particles into the retinal cells to compensate for the faulty gene causing his disease.

It's among the most expensive treatments on the market, with a price tag of \$850,000 to treat both eyes, raising questions about how the health system will absorb such treatments as they become more common.

Doctors still remember what happened with UniQure's Glybera, a gene therapy treatment for patients with a rare enzyme deficiency the European Union approved in 2012. Last year the company announced it was dropping the expensive treatment due to lack of demand.

The new procedure is the first gene-therapy treatment for inher-

ited diseases caused by a single gene to come on the U.S. market. Doctors believe gene-based therapies will become an increasingly common way to treat a range of diseases soon. Treatments for other diseases, including other vision disorders and hemophilia, are now in development. A gene-based treatment called CAR-T genetically modifies a patient's cells so that they will attack cancer cells.

Krista Soto, Caspian's mom, says she started the work of getting her husband's health insurance to pay for the treatment in January. "It was a really long process," says Ms. Soto, who lives in Portland, Ore. "There was a lot of back and forth with things getting approved, denied and then approved. After a lot of jumping through hoops they eventually said they would cover it," she says.

She says Spark Therapeutics, the Philadelphia-based manufacturer of Luxturna, offered to pay for the roughly \$4,000 in out-of-pocket expenses. Caspian had the surgery on one eye last week and on the second eye on Monday. The family won't know how it works for about a month.

"We all have high hopes for the effect of this treatment," says Paul Yang, an assistant professor of ophthalmology at OHSU's Casey Eye Institute and Caspian's doctor. "When you catch the patient earlier in life, there's a lot more retinal nerve tissue in the eye that's still available and viable for treatment. So we think that the most bang for the buck is going to be treating early."



Caspian Soto has a rare vision disorder and is among the first patients in the country to receive a new gene-therapy treatment. He often uses a cane to help him walk.



"This therapy may well be priced too high, but it would be a hard argument to deny it to children who are going blind," he says.

Spark Therapeutics CEO Jeff Marrazzo says Luxturna's clinical trials followed patients for about four years and found benefits remained. A Phase 3 clinical trial found that 13 of 20 participants who received Luxturna had maximum possible improvement, as measured by their ability to complete an obstacle course at low light levels, compared with a control group.

The two younger patients have had terrific outcomes, he says, while the 37-year-old isn't doing as well. "We really can't tell at this point if he has improved," Dr. Lam says.

The Institute for Clinical and Economic Review, an independent nonprofit that conducts cost-effectiveness analyses on new therapies, concluded in a February analysis that Luxturna's price exceeds commonly cited thresholds for cost-effectiveness, in part because its long-term benefits remain unknown.

"Typically we look at this from the health-care perspective," says ICER chief medical officer David Rind, noting that there is no alternative treatment for many patients with genetic vision disorders.

But from a societal perspective, he notes, there is a huge cost.

Luxturna treats patients with a faulty RPE65 gene, which includes

Similar Therapies In the Works

Non-eye therapies in development for inherited, single-gene diseases:

Company: Novartis

Condition: Spinal Muscular Atrophy

Status: Federal regulators expected to make decision next year

Company: BioMarin Pharmaceutical

Condition: Hemophilia A

Status: Phase 3 trials

Company: Spark Therapeutics

Condition: Hemophilia A

Status: Combination Phase 1 and 2 clinical trial

Company: Spark Therapeutics and Pfizer

Condition: Hemophilia B

Status: Phase 3 clinical trial enrollment starting

patients with Leber congenital amaurosis and retinitis pigmentosa.

Though rare, Leber congenital amaurosis is one of a group of disorders called inherited retinal diseases, which are caused by roughly 220 different genetic mutations.

Pharmaceutical companies are working on similar therapies for other vision disorders caused by single genes. OHSU researchers are working on multiple clinical trials for six other types of inherited retinal dystrophies, Dr. Wilson says.

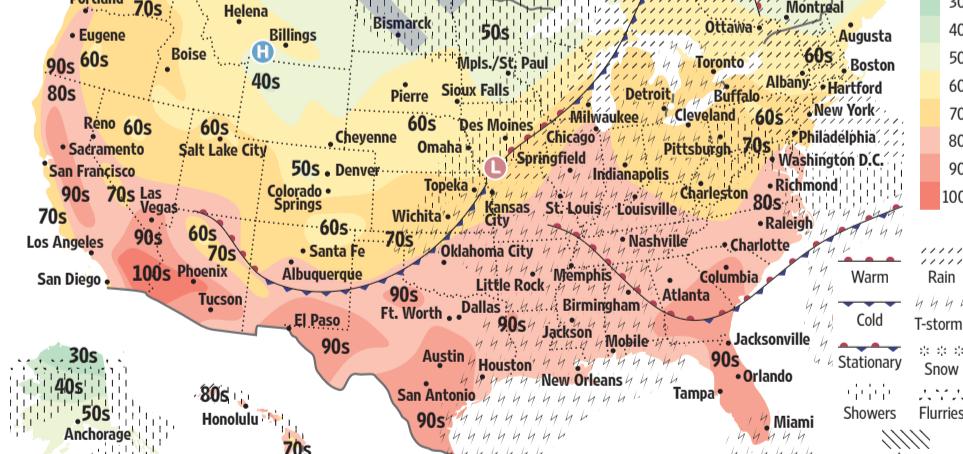
The therapy the farthest along is for patients with choroideremia, a condition found primarily in males, which often starts with impaired night vision.

"This type of gene-therapy treatment is going to become very commonplace, so I think setting up a process where patients can get the therapy in an appropriate time frame is really what needs to happen over the next few years," Dr. Wilson says.



Dr. Paul Yang of Oregon Health & Science University checks Caspian's eyes in July as the boy sits on the lap of his mother, Krista Soto.

Weather



U.S. Forecasts

s...sunny; pc...partly cloudy; c...cloudy; sh...showers;

t...storms; r...rain; sf...snow; sn...snow; L...ice

Today Hi Lo W **Tomorrow** Hi Lo W

City Anchorage 59 45 pc 56 44 pc

Atlanta 86 71 pc 86 69 t

Austin 93 73 c 85 64 t

Baltimore 80 70 sh 84 60 t

Boise 71 44 s 77 49 pc

Boston 67 66 r 80 59 c

Burlington 62 58 r 77 47 t

Charlotte 86 69 c 87 67 t

Chicago 80 51 t 65 46 pc

Cleveland 78 69 t 70 52 sh

Dallas 88 67 pc 72 60 r

Denver 66 43 pc 74 46 s

Detroit 79 60 t 67 47 pc

Houston 89 72 t 85 72 t

Indianapolis 77 60 t 69 52 pc

Kansas City 75 46 t 68 46 s

Las Vegas 97 76 s 97 74 s

Little Rock 86 67 t 74 60 c

Los Angeles 80 63 pc 85 65 pc

Miami 90 80 pc 90 80 t

Milwaukee 78 48 t 64 46 pc

Minneapolis 56 46 sh 61 50 pc

Nashville 83 70 t 76 58 t

New Orleans 88 76 t 86 75 t

New York City 72 68 r 81 65 t

Oklahoma City 84 57 t 64 50 sh

Today Hi Lo W **Tomorrow** Hi Lo W

City Amsterdam 59 45 pc 63 53 pc

Athens 76 63 pc 70 59 pc

Bahrain 105 71 s 106 75 s

Bangkok 92 79 t 94 78 t

Beijing 77 51 pc 76 55 pc

Berlin 57 39 pc 62 52 pc

Brussels 60 41 pc 63 46 pc

Buenos Aires 68 53 s 69 54 c

Dubai 102 85 s 99 84 s

Dublin 58 53 pc 68 49 s

Edinburgh 58 54 pc 65 53 c

Today Hi Lo W **Tomorrow** Hi Lo W

City Frankfurt 60 36 pc 64 40 pc

Geneva 65 43 s 73 49 pc

Havana 91 73 pc 91 73 pc

Hong Kong 88 79 pc 88 76 pc

Istanbul 68 61 sh 66 61 sh

Jakarta 94 76 s 94 76 pc

Jerusalem 83 64 s 80 63 s

Johannesburg 81 55 s 84 58 s

London 62 43 pc 68 48 s

Madrid 87 59 s 82 59 t

Manila 89 80 c 88 80 c

Melbourne 58 38 pc 67 52 s

Mexico City 73 56 pc 73 55 t

Milan 69 50 s 68 48 pc

Moscow 49 36 s 62 43 pc

Mumbai 90 80 pc 91 81 pc

Paris 62 40 s 67 45 s

Rio de Janeiro 86 73 s 91 74 s

Riyadh 105 79 s 105 77 s

Rome 72 50 pc 73 52 s

San Juan 87 77 sh 88 78 pc

Seoul 75 55 s 75 55 pc

Shanghai 76 69 pc 79 70 pc

Singapore 89 76 s 88 78 t

Sydney 63 51 pc 60 49 sh

Taipei City 81 75 r 80 75 r

Tokyo 76 65 r 73 62 r

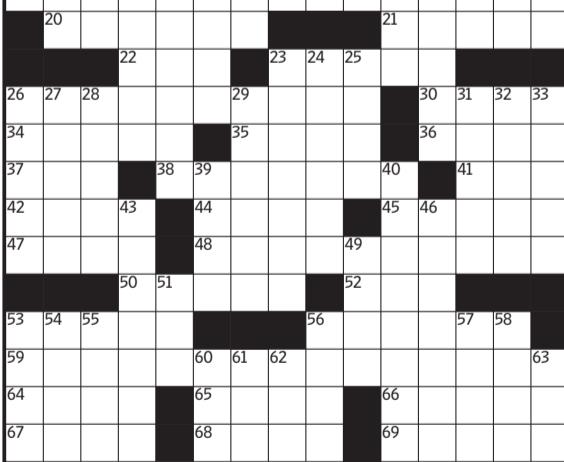
Toronto 72 66 t 71 45 sh

Vancouver 62 49 pc 65 52 c

Warsaw 54 35 sh 56 50 c

Zurich 59 34 s 68 42 pc

The WSJ Daily Crossword | Edited by Mike Shenk



BEARS WITH HER | By Peter Gordon

Across

1 Billiard ball bounce
6 Persian poet Khayyám
10 Purring pets
14 In unison
15 Back of the neck
16 He beat Connors at Wimbledon in 1975
17 Haiti's president from 1957 to 1971, familiarly
20 Size in women's clothing
21 Backup strategy
22 "Dig in!"

23 Assistants
26 1970 #1 hit for Three Dog Night subtitled "(Not to Come)"
30 Four-stringed instruments
34 Love to pieces
35 With, in France
36 Heap
37 "Homeland" org.
38 Unthreaded bolts?
41 Sprinted
42 Coop residents
44 Puts on TV
45 Pic
47 Remove from office

48 2017 action crime movie starring Ansel Elgort
50 Takes a breather
52 Pup squeak
53 Inbox filler
56 Hotel suite amenity
59 Orbital ranges around stars that aren't too hot or too cold for habitation
64 Strong wind
65 Out-of-focus image
66 Boredom
67 River of Hades
68 Grand Cherokee maker
69 Gathers from the fields

70 Cattle catcher
71 Russia's Mariinsky Ballet, formerly
72 Put in seventh heaven
73 Man of Madrid
74 File folder projections
75 First word of a fairy tale
76 Alfred E. Neuman's magazine
77 Squishee seller on "The Simpsons"
78 Prep for dragging
79 Phones
80 Home to billions
81 At that time
82 Belgrade resident
83 Palindromic man's name
84 Orangutan, e.g.
85 Tom Swift words
86 Sign on for another tour of duty
87 Card collection
88 Study<br

LIFE & ARTS

ART REVIEW

Paranoid Imaginings

Artists' responses to the darker currents of contemporary life

BY RICHARD B. WOODWARD

New York

THE PARANOID THRILLER, in which a person (or persons) finds sinister intrigue and risks being silenced or killed to expose it, is a bounteous genre.

Wilkie Collins's mystery "The Woman in White" (1859) is an early example and the TV series "Homeland" (2011-present) only one of the latest. Fears of a "deep state" and corporate malevolence fueled dozens of American novels during the Cold War, from Richard Condon's "The Manchurian Candidate" to Thomas Pynchon's "Gravity's Rainbow," and almost as many movies, including "North by Northwest" and "The Parallax View."

"Everything is Connected: Art and Conspiracy" at the Met Breuer purports to be the first major exhibition to trace this electrifying theme in painting, sculpture, photography, video and installation art. Douglas Eklund, curator in the Met's department of photographs, and Ian Alteveer, curator in its department of modern and contemporary art, have identified 30 artists who have made work designed to unmask "the veiled operations of power and suspicion between governments and their citizens."

The historical parameters are 1969 to 2016, and could easily have been extended in either direction. Celebrated names (Mike Kelley, Sarah Charlesworth, Rachel Harrison) are balanced by less-familiar ones (Wayne Gonzalez, Robert Sharpe Shaver, Sarah Anne Johnson). About half of the 70 pieces are based in real-world politics—JFK's assassination, FBI persecution of the Black Panther Party, CIA involvement with drug experiments on the unsuspecting during the Cold War.

The other half are more fantastic—outsider artists who believe races of subterranean beings control the thoughts of humans above ground, or cartoonish videos about the lust for oil that link Howard Hughes to the serial killer Son of Sam.

Credit must be given for trying to find a pattern in the history of art undetected before, even though the show has an insecure tone, as if the curators couldn't decide between righteous outrage and smirking cynicism.

One problem is that, unlike novels and movies, the art forms here don't typically have a plot (in any sense of the word). Nor are



Lutz Bacher's 'The Lee Harvey Oswald Interview' (1976), above; Emory Douglas's 'The Black Panther (back cover)' (September 21, 1974), above right; Raymond Pettibon's 'No Title (Coup d'états were...)' (1984), right

artists trained to unravel complex truths. As a result, the secrets revealed here are often obvious or anemic. Jenny Holzer's blow-ups of memos that justify harsh treatment of prisoners of war by the George W. Bush administration and Trevor Paglen's fuzzy surveillance photos of CIA "black ops" sites in Afghanistan aren't nearly as pointed in exposing bureaucratic evasions about the use of torture as the works of journalists and filmmakers.

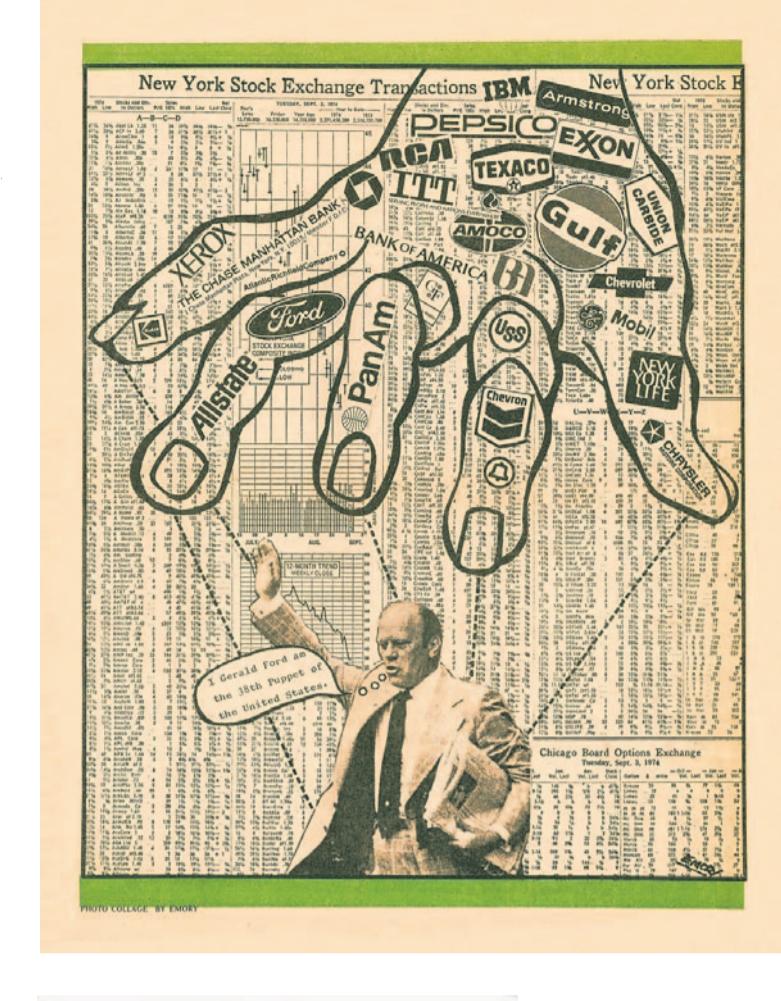
The "Narrative Structures" drawings of Mark Lombardi from the 1990s chart overt or occult relationships in various financial and political scandals, such as BCCI. His spidery nodes and the graceful arcing lines that join them connect many shady characters and organizations, but only superficially. His exposés have no narrative consequence.

Luckily, a few artists are equal to the enormity of their subjects. Lutz Bacher is one. In "The Lee Harvey Oswald Interview" (1976)—

a delirious 18-part collage of photo reproductions and type-scripts—she interrogates herself about who might have killed JFK. The language parodies the back-and-forth style of a Congressional hearing but is personal, inflected with her frustrations that some mysteries may be beyond her ability to solve.

Alfredo Jaar's obsession with Henry Kissinger for encouraging the 1973 military coup in the artist's native Chile is understandable. In "Searching for K" (1984), news photos, reproduced from Mr. Kissinger's memoirs and showing the former Secretary of State meeting dignitaries around the globe, are presented by Mr. Jaar in vitrines and coolly express his helpless rage.

But the curators were perhaps too enamored of the artists Mr. Kelley, Jim Shaw, John Miller, Tony Oursler, Sue Williams and Raymond Pettibon, whose unruly, sometimes scatological work in Los Angeles from the 1970s-2010s



RAYMOND PETTIBON

canceled Mr. Haacke's solo show. He took a risk in disclosing these hidden structures and paid the price for trying to exhibit them as works of art. They have since become canonical. Installed here in a gallery with works by Ms. Bacher and Mr. Jaar, they deeply influenced Mr. Lombardi, among others.

The catalog has several fine essays, including one by Mr. Miller that outlines the persistence of conspiratorial thinking in American history, with the Masons in the 19th century and many groups after identified as malevolent powers that secretly rule our

lives.

What he doesn't say is that some people have also long regarded the contemporary art world as a cabal that schemes to befuddle innocent citizens into buying and worshiping things of questionable value. Whether this show defuses that kind of paranoia—or could justify it—is an open question.

Everything is Connected: Art and Conspiracy

The Met Breuer, through Jan. 6, 2019

Mr. Woodward is an arts critic in New York.

EXHIBITION REVIEW

AN EPOCHAL MOMENT IN DANCE

BY ROBERT GRESKOVIC

New York

THE MODERN-DANCE choreographer Merce Cunningham (1919-2009) once said of dancing that "It gives you nothing back," elaborating that it gave the practitioner "no paintings to show on walls and maybe hang in museums." By the early 1960s, his iconoclastic dancemaking spurred a series of courses in dance composition, taught in his studios by his accompanist Robert Dunn and Dunn's wife, Judith, herself a Cunningham dancer. The experiments that resulted from these sessions eventually became a post-modern-dance movement dubbed Judson Dance Theater.

This time in dance history—specifically, 16 concerts given from 1962 to 1965 in Greenwich Village's Judson Memorial Church—is now central to an exhibition at the Museum of Modern Art. Curated by Ana Janevski, "Judson Dance Theater: The Work Is Never Done" occupies four of the museum's second-floor galleries with displays that include items that date from 1954 to 1981 such as films, videos, graphic and pictorial works, as well as apparatuses and props like a loop of rope and a wooden see saw. The adjacent Donald B. and Catherine C. Marron Atrium has been converted into a performance space where dancemakers associated with the era, sometimes called the Judsonites, will put on regular shows.

The exhibition's accompanying 200-page catalog lists some 339 individual names as having been Judson Dance Theater participants. Yvonne Rainer, who was among the first five students of the Dunns in

1960, kicked off the series, offering a selection of eight works dating from 1962 to 1970. A printed brochure, also available on MoMA's website, lists the schedule of performances.

During my five visits to the show, the live works drew the most onlookers of any element in the exhibition. The galleries drew similarly concentrated attention when presenting the "Dance Constructions" of choreographer Simone Forti, another member of the 1960 Dunn class.

The "Constructions" are activities involving straightforward presentations indicated by a title or in concert with an apparatus. For example, "Huddle," from 1961, arises seemingly spontaneously and takes shape as a gentle piling-on of men and women jostling cooperatively and matter-of-factly to clamber over one another. (A schedule of Ms. Forti's gallery activities can also be found in the brochure.)

For those familiar with the Judson story, the presentation of over 250 items will be an enjoyable trip through the group's history as documented in posters, still photos, newspaper clippings, writings and the odd costume. But for those wondering what Judson was all about, the framed bits and pieces of visual and written data might prove too patchy to form a coherent picture of a dance aesthetic that focused on the everyday instead of the then-popular dance theatricality. Rather, newcomers to the Judson phenomenon will likely gain more insight by watching the choreographic presentations in the atrium and the galleries—much more, at least, than can be gleaned by looking at a loose leaf from a notebook or a still from a bygone dance event.



A helpful window on the happenings and thinking of the time comes in the second gallery, which details dancemaking experimentation prior to the first Judson concert in July of 1962. If one takes the time to listen to the oral histo-

ries emitting from speakers and simultaneously projected as text on adjacent video screens, one hears details of dancemaking experimentation from seven individuals who were there at the movement's genesis.

Aileen Passloff, who was a member of Dance Associates—a pre-

Al Giese's photograph of Rudy Perez and Elaine Summers performing 'Take Your Alligator With You' (1963)

Judson, multidisciplinary collective in the 1950s led by choreographer/dancers James Waring and David Vaughan—reminisces about "accepting that funny is as good as serious. That ugly is as good as beautiful." Ms. Rainer, on working with the Dunns, says, "We looked out the window for possible movement ideas; people walking in the streets."

During a talk following one of her approximately 80-minute atrium performances—in which the 83-year-old periodically joined her younger dancers—Ms. Rainer was asked what she thought was the biggest misconception about the Judson-era aesthetic. Her response was to counter suggestions "that [Judson works] were all about mundane activity." This selection of Ms. Rainer's work was in fact built on such everyday elements as standing and running—her 1963 work called "We Shall Run" opened the suite. But the dances' timing and patterning, and the unexpectedness of such activities appearing in a dance concert, transforms the everyday into something witty, poetic and post-mundane.

MoMA's walls may be neatly hung with an array of Judson artifacts, but it's the museum's floors that better reverberate with the oddball dancing that put Judson Dance Theater on the map.

Judson Dance Theater: The Work Is Never Done

Museum of Modern Art, through Feb. 3, 2019

Mr. Greskovic writes about dance for the Journal.

SPORTS

GOLF | By Jason Gay

Tiger Woods—and Everyone Else

A comeback win at the Tour Championship by golf's biggest star affirms his unrivaled grip on the sport



This column is about Tiger Woods finally winning another golf tournament, but before I get there, I want to spend one minute on

Roger Federer.

Over the weekend, I went to Chicago for the first night of the Laver Cup, a nascent team tennis event that Federer and his agent, Tony Godsick, launched last year. This edition was held in the United Center—the same place where the Bulls and the Blackhawks play—and the joint was noisy and packed to the rafters, which warmed my tennis-loving heart. Tennis sometimes gets kicked around as a marginal sport, especially when it's away from major events like the U.S. Open and Wimbledon. This weekend in Chicago, a tennis experiment felt like the biggest show in town.

How did the Laver Cup become such a big deal? For starters, it's a sharp piece of entertainment. Modeled on golf's Ryder Cup, it assembles the best men's players in the world, pitting the talent of Europe ("Team Europe") vs. the best of everywhere else ("Team World"). There's a lot of fun camaraderie—players jumping up and down on the sidelines in support of each other, looking like contestants on "Family Feud." The scoring system is weighted to make the whole weekend relevant, and you get delightful spectacles like Federer and Novak Djokovic playing doubles on the same side (last year, it was Fed and Rafael Nadal). You even get a splash of Borg & McEnroe—Bjorn Borg coaches Team Europe; Johnny Mac handles the World. The lighting is theatrical. The court is a cool slate gray. It's tennis mixed like a perfect cocktail, the opposite of dull.

All these things make the Laver Cup a success. But I still think the main draw is the man in the middle: Federer. At 37, Federer has less in common with a sports star than he does an iconic rock band. Fans literally make pilgrimages to see him, and there's an urgency, because fans don't know how much time he has left. If you're a tennis nut, you want to see Federer before he says goodbye, and preferably while he's still great (he's currently the World No. 2). I think the Laver Cup is a great tribute to its namesake, the Aussie legend Rod Laver, and a smart innovation from which the rest of tennis freely should borrow and



KEVIN C. COX/GETTY IMAGES

Tiger Woods is swarmed by fans as he walks to the 18th green during the final round of the Tour Championship at East Lake Golf Club in Atlanta on Sunday.

steal. But if it's a cocktail, then Federer (to borrow the line attributed to Reggie Jackson, which Reggie actually disputes) is the straw that stirs the drink.

I thought about this while watching Tiger Woods close out the Tour Championship on Sunday, to win his first title in five years. The scenes were spectacular: Woods approaching the final green with a mob in tow, that iconic red shirt on his shoulders. It was both thrilling and sentimental. We'd seen moments like this from Woods before. But after years of injury and decline, few were certain it would happen again.

No one in golf commands this kind of treatment. The reascension of Woods is great for his sport. Great, great, great. It's a boon for the television networks, too—

Woods moves the ratings like no athlete in any sport. Even on a Sunday where golf went toe-to-toe with the NFL, Tiger-mania roared.

But Woods is 42. Golf has already had a taste of its post-Tiger future—Woods has missed huge chunks of seasons, and a fresh crop of young talent has ascended the rankings. At the moment, there are six Americans in the current World Top 10: Dustin Johnson, Brooks Koepka, Justin Thomas, Bryson DeChambeau, Rickie Fowler and Jordan Spieth. They're all talented players.

Still, you know how it is. No one is bigger than Tiger.

Could the vacuum ever be filled? Woods is a singular figure, transcendent first as a young, multiracial sensation who was promised as a world conqueror—and

then went out and conquered the world. He won early and often, and soon the talk moved to how much better he would be than everyone else before he was done. That changed, of course, owing to physical breakdown and personal crises, and Woods became something else: vulnerable. It made Woods an entirely different sort of character. In recent years, he's lightened up a bit, stopped speaking with that automaton confidence, and even hinted at retirement. We didn't know if we'd get Tiger back—but he didn't, either.

For Woods to recover and revive himself—he's played very well for much of the back half of the season—is an improbable bite of sports deliciousness. It's what sports fans spent Monday talking about (well, that and New England

Patriots schadenfreude). Confident, championship Woods is the Woods everyone hopes to see. And we're actually seeing it once more.

My recommendation? Savor this. Watch Tiger whenever possible (his 2018 season is done, but he's got the Ryder Cup coming.) Go in person if you can. Appreciate Woods's comeback as a fragile resource, because it probably is. I don't know what is coming next, but it won't resemble this. For golf, there is no replacement plan. There's only one Tiger Woods.

► Want to send Jason Gay to cover your favorite sports event? We're sending him on the road in October. Nominate a team, a turtle race, or your family touch football game—anything. No event too big or too small! Members can go to wsjplus.com

BY JARED DIAMOND

DAVID PRICE could make excuses for the postseason struggles that have come to define his otherwise spectacular career or decry the stigma against him as unfair.

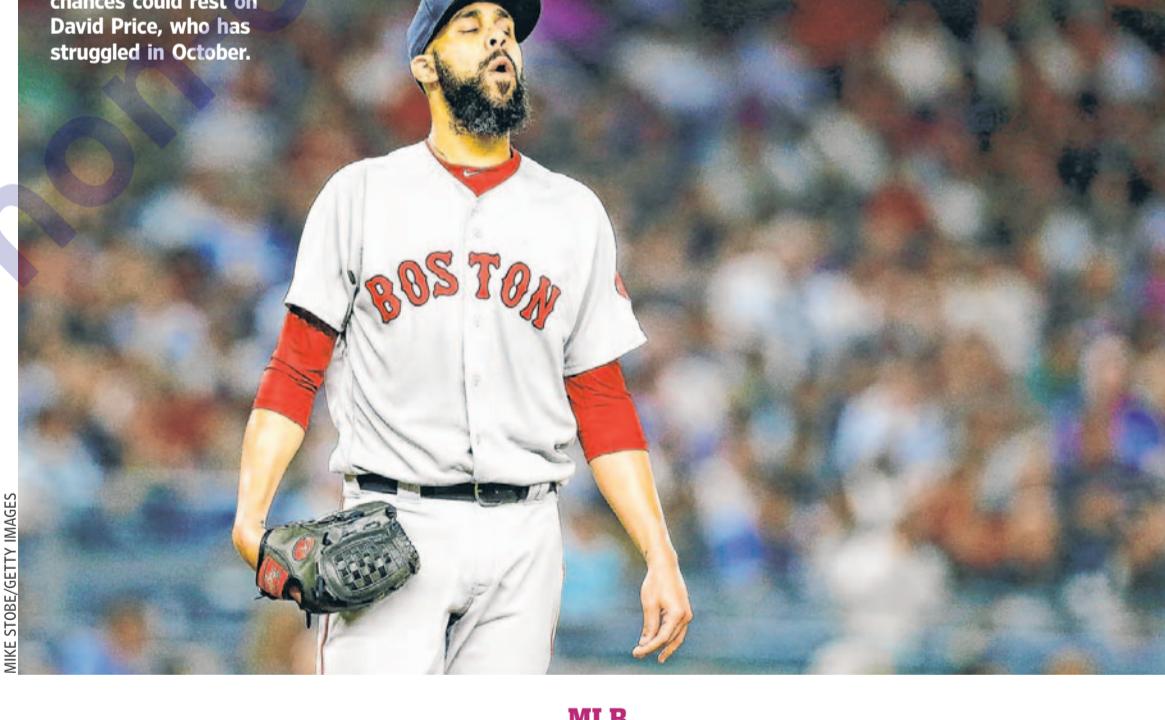
He could point to his brilliant performance in the wild-card tie-breaker in 2013, an outing that technically doesn't count to his overall playoff statistics. He could talk about the eight sterling innings he threw in Game 3 of the American League Division Series in 2014, or the bungled pop-up that cost him in the Championship Series one year later.

But as Price prepares for perhaps the most important month of his professional life, pitching for a Boston Red Sox squad where nothing short of a championship will suffice, he doesn't just understand the stakes—he embraces them.

"My career is based on what I do in October now," Price said in an interview this weekend at his locker inside the visitor's clubhouse at Cleveland's Progressive Field. "I could be on the best stretch I've ever been on in my entire career for 20 straight starts, and the bottom line is going to be, 'But will he do it in October?' I know that, and that's something I'm ready to move past."

With a résumé that boasts a pair of ERA titles and a Cy Young Award, nobody will deny that from April through September, Price ranks among baseball's top starters over the past decade. He looks as dominant as ever right now, posting a 2.00 ERA since the All-Star break, putting together his best stretch since joining the Red Sox as a \$217 million free agent in 2016.

The playoffs, however, paint a decidedly different picture. He owns a 5.03 ERA in 17 appearances, second worst in history for any pitcher with at least 60 postseason innings to his name, trailing only longtime Red Sox knuckleballer, Tim Wakefield. By way of contrast,



Boston's playoff chances could rest on David Price, who has struggled in October.

THE RED SOX HOPE PRICE IS RIGHT FOR THE POSTSEASON

Clayton Kershaw, the great Los Angeles Dodgers' left-hander also saddled with a reputation for wilting in October, has an ERA of 4.35.

This postseason will feature even more pressure for Price than ever before. The Red Sox will enter the playoffs with more regular-season victories than any major-league team since the 2001 Seattle Mariners won 116 games. As a result, the eyes of the baseball world will remain fixated on them, and anything besides a ring will seem like a failure. Dave Dombrowski, the organization's president of

baseball operations, admitted that "the success of the club in many ways will be viewed on how we do in the postseason."

For the Red Sox to fulfill those lofty expectations, they desperately need Price to exorcise his October demons and serve as a second ace alongside Chris Sale. If he does and pitches up to his capabilities, Boston would pack a turbocharged one-two punch atop their rotation to go with baseball's highest-scoring offense. If he falters again, their entire pitching staff immediately turns into a question mark.

It all adds up to make Price perhaps the single most important player for any team in the playoffs.

On some level, Price knows that his numbers don't tell the entire story of how he's pitched in the playoffs. Bad luck has undoubtedly played a role, and the relatively small sample magnifies the effect of his worst games. Just last year, when an injury limited Price to relief duty in the postseason, he threw 6 2/3 scoreless frames out of the bullpen in the ALDS against the Houston Astros, the eventual champs.

Yet one incontrovertible fact

still haunts him: He has started nine playoff games, taking the mound for the Tampa Bay Rays, the Detroit Tigers, the Toronto Blue Jays and the Red Sox. His team hasn't won a single one of those games. As a pitcher who likes to assure his teammates in spring training, "When it's my day, we win," Price can't defend that.

"That, to me, is the most frustrating," he said.

Price believes that his turnaround over the past 2 1/2 months bodes well. After compiling a disappointing 4.42 ERA in the first half of the season, he spent the All-Star break watching videos from his best seasons, searching for the missing ingredient. With the help of Red Sox pitching coach Dana LeVangie, that study session led to a series of tweaks that appear to have paid off.

To improve his rhythm and tempo, he resumed pitching from the full windup with no runners on base, after abandoning it a couple of years ago in favor of throwing from the stretch full-time. He shifted his body on the mound, starting on the first-base side of the rubber in an effort to find a better angle to attack opposing hitters. He re-emphasized his cutter and changeup, using those pitches more than 51% of the time in September, compared to 43% of the time in June. Price said those two pitches work well in tandem because they look the same out of his hand, but his cutter moves in to right-handed batters, while the changeup moves away.

All together, Red Sox manager Alex Cora called the totality of Price's adjustments "amazing."

It won't matter unless Price brings it into the playoffs.

"I don't want to just be good in October—I want to be great," Price said. "It hasn't happened yet, but I've still got a lot of baseball left in my career. I plan on having a lot of October baseball left in my career. I still feel like I have a lot of time to rewrite that script."

OPINION

A Nasty Brexit Threatens the West

**GLOBAL VIEW**
By Walter Russell Mead

Like many divorces, the struggle between the European Union and the United Kingdom gets more bitter as time drags on. At last week's EU summit in Salzburg, Austria, the assembled countries, led by France, contemptuously brushed aside British Prime Minister Theresa May's "Chequers" Brexit plan. Flexing its muscles, the EU made its message clear: Britain must conform to our demands.

If there is no deal by March 29, 2019, onerous trade barriers will snap into place. The likelihood that post-Brexit Britain will suffer severe economic shocks and dislocation is growing.

Mrs. May's Chequers plan would allow British goods to continue to be sold freely in the EU after Brexit, while services would be governed under different rules. In return, Britain would accept EU standards governing manufactured and agricultural products. From the perspective of many Europeans, even those who sympathize with the U.K., the plan looks like an effort to continue to enjoy the advantages of EU membership while opting out of the obligations, like accepting migration from other EU countries. Moreover, EU leaders

targeting not only Catholics but other Christians, Tibetan Buddhists, Uighur Muslims and others. Hence, too, Beijing's decision to put all religions under the authority of the United Front Work Department, an organ of the party.

But here's the rub: If what China truly needs is a purge of bad Western ideas, Mr. Xi might look closer to home. Because no Western import has been worse for China than the idea on which rests Mr. Xi's authority: communism.

Communism was a European creation, the brainchild of Karl Marx and Friedrich Engels. Its first big export was eastward to Russia, with Lenin arriving in 1917 by sealed railway car to a St. Petersburg consumed by food riots and the abdication of the czar. As Churchill put it, Germany smuggled Communism into Russia like a "plague bacillus."

Though Beijing's mythology holds that its version of communism is more organically Chinese, it too came to China as an import. Though Mao Zedong would have his differences with the Soviets over Marxist orthodoxy (especially regarding the peasantry) and ultimately split with them, it doesn't change Chinese communism's origins as a new form of Western colonialism, this one reflecting the priorities of Moscow.

Against this, consider the much longer history of Chinese Christianity. Christianity entered China as early as the seventh century, though it wouldn't be firmly ensconced

until after the arrival of the Jesuits in the 16th century. To put this in perspective, the Communist Party in China wasn't founded until 1921.

Which leaves us with this irony: Mr. Xi, who leads China by virtue of an imported Western ideology, is pursuing a purification campaign based on rooting out Western ideas.

If Christianity is suspect because of its European roots, what about Marxism?

It isn't hard to see why. Because Sinicization is fundamentally about a regime that can't abide any rival authority. If Christianity were as foreign and artificial as Beijing claims, it would have withered and died after the last of the Western missionaries, Protestant as well as Catholic, were sent packing in the mid-1950s. Instead, Christianity grew and became thoroughly Chinese.

Even that wasn't really new. Centuries earlier the Jesuit Matteo Ricci sought to express Christian truth in a way compatible with Chinese culture, mastering the language, adopting the Chinese style of dress, and striving to show respect for Chinese thought and classics.

Since then Chinese Christianity has had its ups and downs, including unfortunate associations with 19th-century

capably a major security concern for the West. The relationship between post-Brexit Britain and the rest of the West cannot be evaluated simply as an internal matter for the EU. Britain may be leaving the EU, but it is not leaving the American-led Western alliance. The implications of a nasty and brutal Brexit for the Atlantic community are too consequential for Washington to ignore.

A rigid EU approach to Brexit would strengthen the hands of those in the Trump administration who favor an all-out trade war with Europe and a weakened American commitment to European security. The EU's approach to Britain will be seen at the highest levels of the administration as a fundamental test—a measure of France and Germany's commitment to NATO and the trans-Atlantic relationship.

This does not mean that the U.S. expects Britain to retain a privileged position in the single market. The EU position that nonmembers cannot enjoy the full privileges of membership is both reasonable and just. But if NATO and the trans-Atlantic partnership still mean anything in Europe, a spirit of alliance solidarity needs to prevail over narrow political considerations.

The stronger party can afford to be generous; that has been the spirit that has governed the Western alliance since the 1940s. Both an "America First" Washington and an inflexible Brussels are now in danger of neglecting that truth. Without magnanimity on the part of its core members, the Western alliance will not long endure.

China's Worst Western Import

**MAIN STREET**
By William McGurn

"By their fruits ye shall know them," the Good Book tells us. The same holds for the deal the Vatican inked with China this past weekend. For the greatest fruit of this agreement, according to the church diplomats who negotiated it, is getting Beijing to acknowledge a fact even the most rabid Catholic-haters readily concede: The pope is head of the Catholic church.

Since Saturday's signing of the "provisional agreement," many have rightly wondered whether Pope Francis gave away the store by effectively allowing the Communist Party to decide who can be a Catholic bishop in China. As a Journal editorial put it, imagine if Donald Trump were to demand a similar say over the appointment of Catholic bishops in America.

We don't know the full damage of the deal because the text has not been released and likely never will be. But it reflects a larger priority Chinese President Xi Jinping has been pushing these past few years. This is his campaign to "Sinicize" all religions in China by keeping them uninfected by Western ideas or values.

Instead, they are to infuse themselves with "Chinese characteristics," the most critical being loyalty to the Communist Party. Hence the new burst of religious oppression,

European powers. But it has remained with the Chinese people throughout. Two decades before Mao's famous 1949 declaration that "the Chinese people have stood up," the pope in Rome was ordaining Chinese bishops.

When China was opening up after Mao died, this columnist attended early-morning Mass at St. Ignatius Cathedral in Shanghai. The congregation was no larger than half a dozen. About three pews ahead of me was a very old Chinese woman. When she knelt, she exposed the treads on the bottoms of her sandals, revealing they'd been fashioned from old tires.

A wave of pity came over me. And then I thought: I have it backwards. This woman has lived through horrendous persecution, times when all must have seemed hopeless. Yet here she was in her pew, unapologetic, unbowed and, in her own way, triumphant.

No doubt the woman has long since left us. But there are many like her still. What these good people who have kept the faith will make of the deal their pope has now brokered with their persecutors is anyone's guess.

But it isn't hard to guess what they must make of Mr. Xi's claim that the dubious Western import that is Marxism is somehow purer and more authentically Chinese than the faith for which so many of their fellow countrymen have suffered over so many centuries.

Write to mcgurn@wsj.com.

Congress, Take Your War Powers Back

By Ken Buck

War is a heavy responsibility. But many of America's foreign conflicts are now started, executed and largely overseen by one man: the president. Congress has ceded its war-making authority to the executive branch. War and peace are no longer an expression of the will of the people.

Syria is a clear example. U.S. military operations against Islamic State rely on an outdated congressional resolution. The September 2001 Authorization for Use of Military Force, also known as an AUMF, gave the president the power to fight al Qaeda and other entities that "planned, authorized, committed, or aided" the 9/11 attacks. The executive branch has interpreted its congressional mandate to wage war in the broadest way possible, treating ISIS as what it calls "associated forces," even though al Qaeda disavowed ISIS in 2014. The 2001

AUMF is then used as legal authority for an indefinite global counterterrorism effort.

Congress should be ashamed. Abdicating its constitutional responsibility to define and confine foreign engagements is no small matter.

The president should not have carte blanche under a resolution from 17 years ago.

The framers of the Constitution explicitly granted Congress responsibility for overseeing America's war efforts. They intentionally veered away from the British model of war-making in favor of a more democratic approach. They gave the legislature responsibility for declaring wars and raising armies. The president, meanwhile, would serve only as commander-in-chief—a wartime tactician, not a

kingly grand strategist. This democratic model of war powers reflected that, as a fledgling nation, winning a major conflict would require the full support of the American people—their economy, manpower and willpower. As a layer of government, the House was—and remains—closer to the people and so more accountable. Voting to authorize a war would carry political consequences as well as providing a moral imperative for members of Congress to equip soldiers adequately for the fight.

The current arrangement doesn't reflect the framers' intentions. Congress must reclaim its responsibility to oversee American wars. When Congress sidelines itself and allows the president to direct major military efforts from start to finish, the American people lose. New AUMFs must include specific directives defining the scope of the military's mission, setting measurable objectives

Mr. Buck, a Republican, represents Colorado's Fourth Congressional District.

and establishing definitions of success. Congressional appropriations for war should serve as continued oversight opportunities.

War is a decision with real costs. My son is a captain in the U.S. Army, and although I've been in Congress for four years, I've never had the chance to vote on where, when and how our military is deployed. We can do better.

The nation needs a new AUMF, and Congress must have a chance to debate America's mission abroad, and the cost we're willing to pay. I urge my colleagues in Congress to reclaim their constitutional war-making authority. I urge the executive branch to re-evaluate its expansive interpretation of the current AUMFs before further unleashing the might and fury of the American military machine.

BOOKSHELF | By Richard Rushfield

Confessions Of a Super Agent

Who Is Michael Ovitz?

By Michael Ovitz
(Portfolio, 372 pages, \$30)

When the history of Hollywood is written, few people will have played a larger role than Michael Ovitz. The legend begins in 1975, when, while still in his 20s, he and a handful of partners defected from the venerable but decaying William Morris Agency and founded Creative Artists. From that perch especially, he dragged Hollywood out of its insular business model—and self-satisfied state of mind—and turned it toward becoming the global powerhouse it is today. Having accomplished that, the legend continues, Mr. Ovitz, at the height of his powers, took a couple stumbles and disappeared from view as completely as Greta Garbo.

The question, then, might be: Who was Michael Ovitz? But his memoir is not quite so valedictory. "Who Is Michael Ovitz" is a jaunty account of Hollywood in the Ovitz era, especially the 1970s and 1980s, and is full of celebrities, movie and TV deals, and the jockeying between studios and agencies. But it also reaches back to Mr. Ovitz's beginnings, and it brings us up-to-date, briefly, on his post-CAA life, offering up the life lessons he has learned along the way.

It is impossible to read such a chronicle and not see Mr. Ovitz as the Steve Jobs of agenting, possessing a version of Jobs's fanatical drive and a similar desire to remake a industry. Like Jobs, Mr. Ovitz grew up on the margins of the world of his dreams, the son of a liquor salesman in the San Fernando Valley, and, like Jobs, he started barging through the industry's unlocked side doors early on. He began as a guide on the Universal Studios tour, a job he parlayed into starting a new tour on the Fox lot, which in turn gave him access to a slot in the William Morris mailroom, a coveted entry-level position generally reserved for nephews of the Hollywood elite.

It didn't take long for the young man in a hurry to move up, becoming an agent and representing Dustin Hoffman and David Letterman and just about everyone in between. He soon discovered, however, that the agency's sleepy, back-slapping ways weren't going to keep him happy. Along with Ron Meyer, another young and ambitious Morris agent, and three others, he did the unthinkable and left the agency to form a rival. And not just a rival: They dreamed of a behemoth that would swallow the industry whole. The obsession with total control over a captive ecosystem is another Jobs-like touch. "I suddenly knew," Mr. Ovitz writes, "we were going to try to get as near to the whole market as it was possible to get, to crush all comers."

As he builds CAA, he rethinks every micro-element of the game. He obsesses over where his agents should sit in restaurants (the distant back); how they should go about gifting (give presents frequently, nothing disposable); what demeanor they should adopt ("the calm, no-bullshit approach"). He has a ranking system for returning calls—from "right away" or "by end of day" for star clients down to "before end of week" for lesser lights.

Three Hollywood power-personas were available to Ovitz: the Gladhander, the Grand Man About Town and the Tough Guy. He chose the third.

The clubby town had never seen anything like it, and the CAA partners rolled over all before them. They controlled not only the talent (nearly all of it) but everything. They helped studio executives find jobs and negotiate their contracts, so that when people from the agency sat down to discuss a project, both sides of the table were in hock to CAA. And woe be to the exec who thought he could manage without them. Mr. Ovitz recounts the case of Bernie Brillstein, who had the temerity to become head of mini-studio Lorimar without bringing him into the process. Lorimar was frozen dead by CAA until Brillstein departed the company less than two years later. Mr. Ovitz joined the boards of local hospitals, insuring that strings could be pulled for ailing clients. He got into business with the hot restaurateurs, giving him a line on all-important seating arrangements. L.A. became a lonely place if you defied CAA.

With its Lear-jetting shuttle diplomacy, power tactics and air of professionalism, CAA became the handmaiden to Hollywood's transformation. It oversaw corporate mergers and new high-concept, packaged scripts in which a group of clients would team up for films like "Rain Man" and "Tootsie." It hovered over the details of production and release. It birthed the deals for Universal to be sold to Matsushita and for Sony to acquire Columbia.

Mr. Ovitz explains that when CAA was founded, "I was affable and considerate, with never a bad word about anyone." That changed. He saw that there were three persona-options available to him: the Gladhander, the Grand Man About Town, and the Tough Guy. He chose the third, though not happily. He claims that he got more and more dejected as he saw the fear he inspired in others peoples' eyes. And "as much as CAA had professionalized our field, it will never be a noble calling."

These awakenings came as comrades one by one turned away from him. The list of betrayals is lengthy and impressive—Michael Eisner emerges as the great nemesis. Mr. Ovitz, after leaving CAA to take his own shot at moguldom, had a disastrous 14-month run under Mr. Eisner at Disney, followed by founding a management company that fizzled in a few years. He dabbled in Silicon Valley projects and other ventures. "I tried to bring a pro football team to Los Angeles (didn't happen, long story) and to become the head of the International Red Cross (didn't happen, end of story)," he writes. "I thought back on the career path I'd taken and realized that I would have been much happier as an artist or an architect—happier in an arena where you don't make five new enemies every time you create something."

Hollywood could use him today. As threats to its entertainment model flood in from new markets and new modes of communication, its leaders sit in a defensive crouch. The story of a young man remaking Hollywood with boundless energy and unstoppable ambition makes a refreshing contrast to the complacency of the current status quo. One just wishes that the man at the center of the story could have enjoyed it more.

Mr. Rushfield is the founder and editor of the Ankler, a newsletter on the entertainment industry.

OPINION

A Stumble Down Memory Lane

By Richard B. McKenzie

Christine Blasey Ford has told the world that Brett Kavanaugh sexually assaulted her 36 years ago, when they were 15 and 17, respectively. Because it was so long ago, she doesn't know where or when the alleged assault occurred. But she says she knows what Mr. Kavanaugh did to her, in graphic detail.

The judge denies her accusations categorically. He attests that he has never treated any woman in the manner Ms. Ford says he treated her. All of Ms. Ford's three named witnesses don't recall any such party; one denies knowing Judge Kavanaugh.

Now, one of Judge Kavanaugh's Yale classmates, Deborah Ramirez, has accused him of lewd conduct at a freshman-year dorm party. "She was at first hesitant to speak publicly, partly because her memories contained gaps because she had been drinking," the magazine asserts. She "felt confident" of her story only "after six days of carefully assessing her memories and consulting with her attorney." Again, Judge Kavanaugh denies her allegations categorically.

Like Kavanaugh's latest accuser, people often have 'gaps.' They don't always fill them with truth.

What to do? The common assumption in such he-said/she-said disputes is that we can assess the disputants' credibility and believability based on how they conduct themselves under questioning. Yet there are strong reasons to resist taking the bait on saying who is being truthful. In both these cases, as in many other public pronouncements of sexual misconduct, the scientific literature does not offer guidance on declaring who is misremembering—or lying, which implies an intent to deceive.

Surprise—Ukrainians Are Bullish on Trump

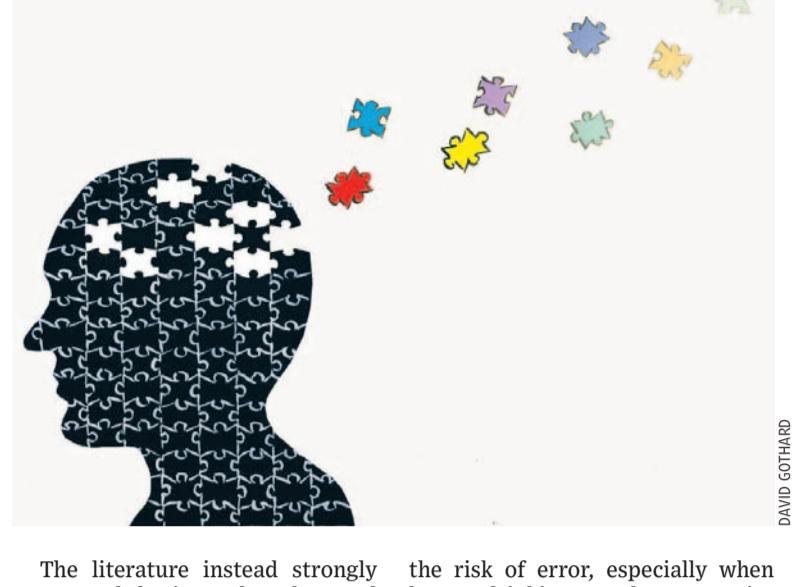
By Judith Miller

President Trump's kowtowing to Russian President Vladimir Putin in Helsinki alarmed the world in July. Few countries had more reason for concern than Ukraine, which has defended itself in a low-intensity war with Russia for nearly four years. Yet despite the U.S. president's baffling fondness for Mr. Putin, Ukrainians say Mr. Trump's policies are surprisingly supportive of Kiev and hostile toward Moscow. In some ways they believe Mr. Trump has been much better than his predecessor.

"The Trump administration has a pretty sound foreign policy toward Russia, Ukraine and the region," says Michael McFaul, a U.S. ambassador to Russia under President Obama. "The problem is that the president doesn't agree with the policies of his administration."

The tension between what Mr. Trump says and what his administration does—with respect to Ukraine, Russia, Afghanistan, the North Atlantic Treaty Organization and even North Korea—has baffled the global foreign-policy elite. At last week's Yalta European Strategy conference, an annual two-day symposium to strengthen Ukraine's ties to the West, several attendees noted the conundrum. (The conference traditionally met in Yalta, but since Russia's invasion and illegal annexation of Crimea in 2014, it has been held in Ukraine's capital.)

Mr. Trump seems to care little about Ukraine. He often has told aides that he prefers to distance himself from its fight against Russia, which continues to occupy 7% of Ukrainian territory and has an estimated 45,000 troops and government-supported mercenaries in



DAVID GOTTHARD

The literature instead strongly supports deferring to long-honored legal requirements for judging the truthfulness of accusers and defenders by assessing claims with verifiable evidence. Relying solely on accusations and denials is fraught with potential error.

Memories are subject to serious flaws, given the limitations and imperfections of the biological and psychological processes of recording, retaining and recalling them. Memories aren't computer files with exacting recall and retrieval functions. They are often disassembled and stored in "packets" in multiple brain locations. People don't store the fine details of all daily experiences, because of neuron capacity limitations. Important details can be missed or lost.

Hence the brain must be selective in which memories it stores and must condense them so that many details are left out. Many eyewitnesses and even victims of crimes don't take note of the facial features of gun-toting assailants or the make and color of getaway cars.

In retrieving memories, people reassemble them and—as Ms. Ramirez did in consultation with her lawyer—fill in the blanks in the condensed version. That process is fraught with

the risk of error, especially when heavy drinking or drugs are involved. Crime victims who forget key facial features of their assailants can distort their recalled and reassessed memories so thoroughly that they accuse the wrong person of the actual crime. See the parade of long-time prisoners released because DNA tests prove them innocent.

The more remote a memory is in time, the less reliable it tends to be, partly because of decay and partly because recalled memories can be corrupted by new information. New and old memories can be conflated, sometimes emerging as totally false memories. Memories can be warped by leading questions from therapists, lawyers, journalists or others.

My colleague Elizabeth Loftus was able to "implant" false memories in a significant subset of laboratory subjects by showing them an official-looking poster of Disney characters, including Mickey Mouse and Bugs Bunny. Many subjects later remembered meeting Bugs Bunny on a childhood trip to Disneyland. Some of them even reported that Bugs had touched them inappropriately.

That was impossible. Bugs Bunny isn't a Disney character.

Along with the unreliability of

memory, there is the difficulty of determining whether someone is lying. Evolutionary biologists claim that over the eons people have honed lying and cheating skills—scholars call them "tactical deception"—as survival and reproductive strategies. If given several costless or profitable chances to lie, many people will do so, with little hesitation and often convincingly. According to one study, some people can't go 10 minutes without lying. Lying on résumés, especially about educational credentials, is rampant, according to research.

No doubt some people resist strong temptations to lie, but liars can be good at faking sincerity. Without additional evidence, it is very difficult to tell who's lying and who's telling the truth. Witnesses in courts and congressional hearings are threatened with potentially brutal cross-examinations and with up to five years in prison for perjury. You'd think that would be enough to stop anyone from lying under oath. Yet the number of perjury prosecutions in federal courts alone has ranged from 250 to 645 a year over the last decade.

When the stakes are high, people simply can't be taken at their words alone—and neither can they be called liars without evidence. That's especially the case when raw politics can infiltrate memories from long ago.

Pundits have drawn a line between Judge Kavanaugh and his accusers, and insisted Americans take sides. But there is a third way: Remain agnostic until you know whether the accusations are backed by independent corroborating evidence. Without corroboration the public—and members of congressional committees—can't know whether a memory is authentic or is a product of some other process.

Mr. McKenzie is a professor emeritus of economics and management at the University of California, Irvine, and author of "A Proposed Brain-Focused Foundation for Economic Science."

A Shameful Season For U.S. Journalism

By Christopher M. Finan

Ian Buruma was forced out last week as editor of the New York Review of Books after publishing an essay by a man who admitted that he has abused women. Mr. Buruma's sudden departure caps a shameful season of American journalism.

In July, the Nation apologized for a poem for the first time in its 153-year history. In August, the New Yorker canceled a conversation at its annual festival between editor David Remnick and former White House aide Steve Bannon. All three publications were responding to outrage that they had dared provide a platform for views—or people—seen by a certain segment of the population as offensive, even dangerous.

The Nation, the New Yorker and the New York Review of Books all run scared from criticism.

The U.S. is deeply polarized, with divisions over race, class and sexuality widening under a president who exploits them. Social media brings out the worst in us. But good journalism has traditionally helped society find balance in unsettled times by giving voice to all sides of the debate, by helping people talk through their differences and seek compromise.

These three august institutions failed to do that. To put it plainly: They caved in.

In "How-To," the poem published by the Nation, a street hustler offers advice on how to panhandle. The use of dialect suggests that the hustler is black, drawing complaints that the poem is racist. Because the hustler suggests faking a disability, it was condemned as "ableist." The poet, Anders Carlson-Wee, who is white, was also accused of "cultural appropriation." "We are sorry for the pain we have caused to the many communities affected by this poem," wrote the magazine's poetry editors, Stephanie Burt and Carmen Gimenez Smith. They said they were "revising our process for solicited and unsolicited submissions." The New Yorker's change of heart occurred after many liberals expressed outrage that Mr. Bannon had been invited to its festival and several celebrity speakers threatened to withdraw.

There is growing support on the left for the idea that denying a platform to someone like Mr. Bannon doesn't qualify as censorship because his views are well-known. But there is no question that a large crowd would have turned out to hear Mr. Remnick's tough questioning of a man who remains globally influential.

The essay that sank Mr. Buruma was written by Jian Ghomeshi, a Canadian radio broadcaster who was accused of sexually abusing more than 20 women. In the essay, Mr. Ghomeshi acknowledged his mistreatment of women but insisted that some of the accusations against him were "inaccurate." He was acquitted of five charges of sexual assault in 2016. Critics of the essay complained that Mr. Ghomeshi minimized his offenses by failing to address claims he slapped and choked women and by suggesting that only "several" were involved.

Mr. Buruma defended the essay after his departure. "I expected that there would be strong reactions, but my hope was that it would open up the discussion about what to do with people who have behaved, but have been acquitted by a court," he told *Vrij Nederland*, a Dutch magazine.

The journalist's job is to ask difficult questions, prompting what can be uncomfortable conversations. This can be complicated. Presenting objectionable views could suggest one is condoning them. Yet learning something about the experience and views of those we dislike or with whom we disagree is crucial to understanding the deepening—and dangerous—divisions in our society.

Laura Kipnis, a contributor to the New York Review, underlined just how difficult it is to be a journalist. "People are terrified to get caught in a Twitter storm," she told a reporter. "And if they say they support Ian, it's easy for someone to say, 'There's someone who doesn't care about sexual assault.'"

At a time when we are at each other's throats, who can provide the perspective to help us regain our senses? We need brave journalists more than ever today.

Mr. Finan is executive director of the National Coalition Against Censorship and author of "From the Palmer Raids to the Patriot Act: A History of the Fight for Free Speech in America."

Ukraine's eastern industrialized heartland.

But there is little hint of such indifference in his overall Ukraine policy. The administration has sold Kiev Javelin antitank missiles, which Mr. Obama refused to do. It has approved a large economic and military aid package and committed U.S. troops to joint exercises with eight other nations in Ukrainian airspace in October.

He's oddly fond of Putin, but his administration has been tougher on Russia than Obama's was.

As for Mr. Trump's verbal obsequiousness toward Russia, Ukrainian President Petro Poroshenko says he's "not worried." He told me: "The administration is very supportive of Ukraine. Donald Trump is not the government; there is Congress, the courts and the people. But we've had very good, productive meetings with him, and we have very strong sup-

port from the American people."

Former Prime Minister Yulia Tymoshenko, who leads Mr. Poroshenko in the polls ahead of next year's March election, agrees. Hryhorii Nemyria, a key adviser to Ms. Tymoshenko, told me Mr. Trump assured the former prime minister when they met briefly last year that he would "look out" for Ukraine in its continuing battle with Russia.

The Trump administration's alliance with Kiev makes sense, because protecting Ukraine against Russian aggression has huge potential benefits. In particular, Russia's cyberwar against its neighbor has drawn the attention of American and European analysts, who believe Moscow's tactics demonstrate the country's ambition and ability to target other nations. Jared Cohen, chief executive of Alphabet's cybersecurity company, Jigsaw, notes that Russian attacks in Ukraine have been "multidimensional"—deepening mistrust between Ukrainians and their government while exploiting ethnic and religious divisions.

Mr. Cohen has firsthand experience of Russia's hybrid warfare in Eastern Ukraine, having visited the

region before the Yalta conference to help local officials identify and resist attacks during next year's elections.

He says Russia's disinformation efforts began months before its invasion. Moscow spread rumors, for example, that children were being crucified by Ukrainian nationalists, hoping to ensure that "90% of the police would go to the Russian side" when fighting began. "Propaganda was a first strike," he concludes.

The first wave of disinformation was followed by more rounds of "fake news" during and after the fighting to make it harder for Ukrainians to coordinate their efforts. The election may attract yet more types of refined digital warfare, Mr. Cohen says, meaning the U.S. will have much to learn. "Ukraine is a bellwether. There is nothing being done to Europe or the U.S. that won't be done in Ukraine first. So the best way to protect the American presidential election is to double down on protecting Ukraine's elections."

Ms. Miller is a contributing editor of City Journal and a Fox News contributor.

Notable & Quotable: Where's the Whole Story?

Washington Post reporter Emma Brown, in a Sept. 16 email to Mark Judge:

The woman who has accused Judge Kavanaugh of sexual assault in high school while you were in the room went by Christine (Chrissy) Blasey as a high school student at Holton-Arms. Her married name is Christine Ford. We intend to publish a story with her name and her allegation and very much want to speak

with you this morning. We intend to publish early this afternoon.

The allegations she described to me mirror those that have been reported already: on her way to the bathroom, she was pushed into a bedroom by Brett Kavanaugh and Mark Judge, both of whom were very drunk. The two boys laughed as Brett Kavanaugh pinned her down on the bed, groped her and tried to take her clothes off. When she yelled out, he clapped his hand over her mouth and she was terrified. She got away when Mark Judge jumped on them, sending them toppling.

She believes this took place in early summer 1982, at a house party in Montgomery County. In addition to Brett Kavanaugh and Mark Judge, whom she called acquaintances she knew from past socializing, she recalls that her friend Leland (last name then was Ingham, now Keyser) was at the house and a friend of the boys named PJ.

Brown, reporting for the Post, Sept. 16:

Ford said she told no one of the incident in any detail until 2012, when she was in couples therapy with her husband. The therapist's notes, portions of which were provided by Ford and reviewed by The Washington Post, do not mention Kavanaugh's name but say she reported that she was attacked by students "from an

elitist boys' school" who went on to become "highly respected and high-ranking members of society in Washington."

The notes say four boys were involved, a discrepancy Ford says was an error on the therapist's part. Ford said there were four boys at the party but only two in the room.

Seung Min Kim, Sean Sullivan and Brown, reporting for the Post, Sept. 23:

In a brief interview at her home in Silver Spring, Keyser said that she did not recall the party, but that she was close friends with Ford and that she believes Ford's allegation.

Before her name became public, Ford told The Post she did not think Keyser would remember the party because nothing remarkable had happened there, as far as Keyser was aware. Ford has said she did not tell anyone about the alleged assault until 2012.

A tweet from Washington Post senior political reporter Aaron Blake to the Journal's Kimberley Strassel, Sept. 23:

The email you quote describing 3 boys and 1 girl never claims that was an exhaustive list of people at the party. These were simply the people Blasey Ford identified by name.

They have said multiple times there were 4 boys and 2 girls at the party.

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Barrick Strikes Gold-Mines Deal

Randgold Resources to be purchased for \$6 billion, solidifying industry leadership

BY SCOTT PATTERSON
AND JACQUIE McNISH

Barrick Gold Corp. agreed to buy **Randgold Resources Ltd.** for \$6 billion in an all-share merger that will solidify Barrick as the world's largest gold company by production, with a dominant position in Africa.

Barrick shareholders will own 67% of the combined company, and Randgold investors will own 33%, the companies said Monday. The deal remains subject to shareholder approval.

Despite warnings ahead of Monday's market opening from some analysts that Randgold's investors might balk at the no-premium deal, its stock price closed up 6% in London. Barrick rose 5.4% in New York.

The deal will pair two of the gold-mining industry's biggest personalities: Barrick's John Thornton, a former Goldman Sachs Group Inc. executive, and Randgold Chief Executive Mark Bristow, renowned for taking motorcycle trips through Africa.

Both executives are also known for focusing on keeping costs in line and reining in debt. Barrick reported an adjusted profit of \$876 million last year, compared with a loss of over \$10 billion in 2013. Randgold posted net income of \$335 million in 2017, a 14% increase from the previous year.

Based on 2017 results, the enlarged group would have generated revenue of \$9.7 billion and adjusted earnings before interest, taxes, depreciation and amortization of \$4.7 billion, the companies said.

The talks between the companies began in 2015, Mr. Bristow said on a conference call Monday.

"Barrick and Randgold are cut from a single cloth," Mr. Thornton said on the call. "Our two companies think and act in the same way."

The initial investor support reflects confidence in Mr. Bristow, who will be named chief executive of the combined entity early next year when the deal is set to close. He has earned a loyal investor following as a thrifty operator of Randgold's five African gold mines. Widely seen as one of the best managers of gold assets in the world, Mr. Bristow is known for saying that he can profitably operate his

67%
Share of combined company Barrick investors will own

company's mines even if gold prices were to fall to \$1,000 an ounce, a promise few other mining companies could make.

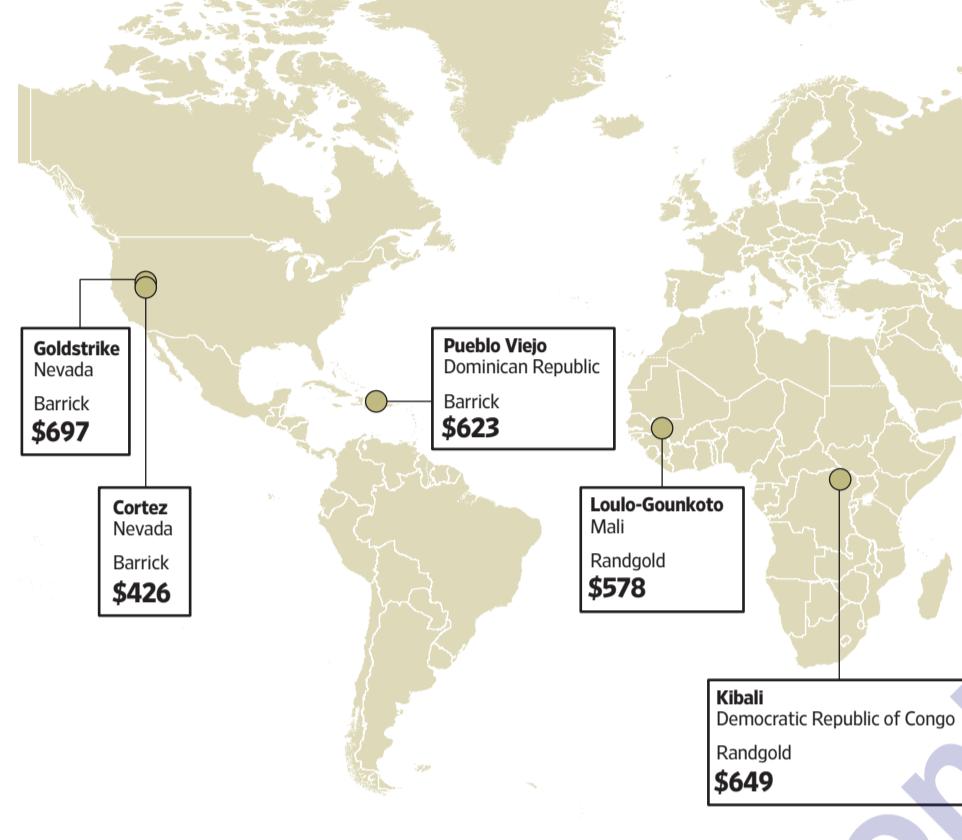
Barrick, the world's largest gold producer, hasn't had a CEO since 2014, and its president resigned last month. Mr. Thornton, Barrick's executive chairman, has faced investor criticism for the company's falling gold production. Mr. Thornton will continue to hold the title.

Barrick has struggled in recent years under Mr. Thornton's leadership, and its stock has lagged behind competitors such as **Newmont Mining Corp.**, its closest rival by production. Barrick's portfolio of gold mines has shrunk under Mr. Thornton, with about one-

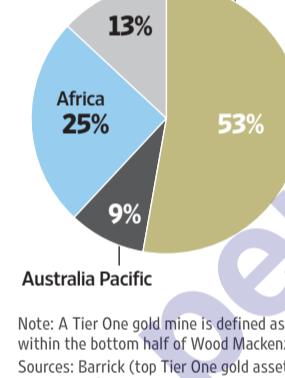
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Proposed merger would create a global colossus.

The combined entity's top Tier One gold mines and the cost to produce an ounce of the metal



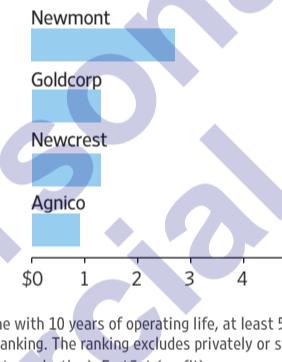
2017 gold production



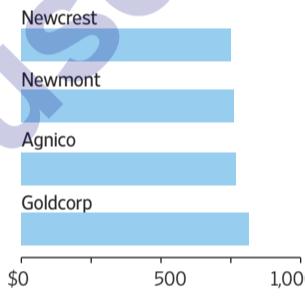
Note: A Tier One gold mine is defined as a mine with 10 years of operating life, at least 500,000 ounces of gold and total cash cost per ounce within the bottom half of Wood Mackenzie's ranking. The ranking excludes privately or state-owned mines.

Sources: Barrick (top Tier One gold assets, cost, production), FactSet (profit)

Adjusted 2017 profit (billions)



Lowest-cost gold miners (US\$/oz of gold)



THE WALL STREET JOURNAL.

Pandora Propels Sirius Into Streaming

BY ANNE STEELE
AND ALLISON PRANG

Sirius XM Holdings Inc. agreed to buy online-music firm **Pandora Media Inc.** for \$3 billion, as the satellite-radio company looks to add streaming services in the increasingly competitive fight for listeners.

The all-stock deal would create an audio-entertainment company with a market value of around \$30 billion, rivaling **Spotify Technology SA**, which has the most music-streaming subscribers.

The deal is expected to help Sirius expand its offerings beyond cars, where most satellite-radio users listen, and to provide financial resources to Pandora as it tries to compete with on-demand music-streaming rivals like Spotify and Apple Music. Both companies are seeking to gain market share as listeners migrate from broadcast radio to digital and streaming options.

"This transaction is all about creating growth opportunities together that are not available to the separate companies," Sirius XM Chief Executive Jim Meyer said Monday.

Investors appeared less enthused, as shares of both Sirius XM and Pandora fell, erasing the slim 11% premium that Pandora shareholders were getting on the agreed-upon deal.

Pandora lets users create customized online radio stations based on their musical tastes, with ad sales generating the bulk of the company's revenue. When Pandora started in 2004, that approach represented a major advance compared with broadcast radio.

However, the arrival of Spotify a couple of years later further changed the industry. Spotify started letting users listen to any song they wanted, whenever they wanted it, either for a flat monthly fee or in exchange for listening to ads. Spotify and newer competitors such as **Apple Inc.**'s service have resuscitated record labels' fortunes by enticing fans to pay for music again, after sales were decimated by years of online piracy.

Pandora, meanwhile, has been losing users while its advertising-centered business model has failed to generate profits. The company offers subscription options, but adoption has been slow and the company has indicated that it would return its focus to its ad business.

Please turn to page B5

Greenblatt, Who Led NBC's Upturn, Leaves

BY JOE FLINT

Robert Greenblatt, the long-time chairman of **Comcast Corp.'s NBC Entertainment unit**, is resigning.

Mr. Greenblatt led a revival of NBC's prime-time lineup with shows such as the drama "This Is Us" and the comedy "The Good Place." Mr. Greenblatt told NBCUniversal Chief Executive Steve Burke that after eight seasons in the job, he was ready for a new challenge.

His departure is effective immediately.

"I really do believe it's time for me to move on," Mr. Green-

blatt said in an interview. When Comcast tapped him to run NBC's entertainment operations in 2011, the network was struggling, as was its sister production studio. Both have improved markedly.

Mr. Greenblatt is being succeeded by two NBC insiders. Sharing the job are Paul Telegdy, president of NBC Entertainment's alternative and reality group, and George Cheeks, president of late-night programming and co-president of Universal Cable Productions.

NBC is the only major broadcast network to see its total viewership rise over the

past five years, from an average of 7.1 million in the 2012-13 season to 8.9 million last season, according to Nielsen. While all the networks have declined among the coveted adults ages 18 to 49 demographic that advertisers favor, NBC is down only 8% while Fox, CBS and NBC are down by double-digit percentages. Last season, CBS finished first in viewers, while NBC took the 18-to-49 crown.

The network gets a huge boost from its "Sunday Night Football" franchise and its coverage of the Olympics. Under Mr. Greenblatt, it also has had

successes including "The Blacklist" and its live musicals such as "The Sound of Music" and "Jesus Christ Superstar Live in Concert."

Mr. Greenblatt oversaw the Universal Television production studio as well. Besides making much of the content on NBC, it has shows on rival networks and streaming services including **CBS** and **Netflix**.

"Bob was the guy who turned it around," said Mr. Burke of Mr. Greenblatt's run at the company, adding, "he is very proud to go out on top."

Mr. Greenblatt said he was interested in expanding his

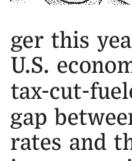
role at the company, but when Comcast's efforts to acquire **21st Century Fox** fell short, he realized his options were limited. "It didn't make sense to insert me into something else," Mr. Greenblatt said. He will remain available as a consultant to NBC during the new TV season. Mr. Greenblatt said he has no immediate plans.

Before joining NBC, Mr. Greenblatt headed entertainment for CBS Corp.'s Showtime channel. He spearheaded that network's push into original series with such successes as "Nurse Jackie" and "Dexter."

Please turn to page B5

STREETWISE | By James Mackintosh

Market Sentiment Has Flipped Script on Dollar



Here's the standard market narrative on the dollar: It is significantly stron-

ger this year because the U.S. economy has been on a

tax-cut-fueled bender, the

gap between U.S. interest

rates and those of other ma-

jor economies is the biggest

in at least a decade, and the

rest of the world has failed

to live up to hopes for

growth. Add in fears about

emerging markets, Italian

anti-European populism and

Brexit, and of course the dol-

lar has been great.

Except it hasn't, at least

recently. It has been weaken-

ing for the past month, as

market sentiment overpow-

ered the fundamentals of

economics and interest rates.

To get a proper understand-

ing we should look back fur-

ther; this year the story of

the dollar is nuanced, and

comes in four chapters.

At the start of the year,

the dollar weakened against

almost every currency of

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INSIDE



GILEAD CUTS A PILL'S PRICE 68% TO \$24,000

DRUGS, B2



ECONOMY FOOD GETS A TOUCH OF CLASS

AIRLINES, B3



A sale would mark a rare attempt by an American fashion company to run an elite European brand.

Michael Kors Woos Versace

By MATTHEW DALTON
AND SUZANNE KAPNER

Michael Kors Holdings Ltd. is close to a deal to buy Italian fashion house **Gianni Versace SpA** for about €2 billion (\$2.35 billion), people familiar with the matter said Monday, a move that would put one of the glitziest names in high fashion in the hands of a budding U.S. conglomerate better known for affordable luxury.

A deal would give Michael

Kors a sought-after foothold in European fashion. Although Mr. Kors, who is the chief creative director of his company, has worked in high-end fashion, his brand is best known for handbags priced at less than \$500. Versace's handbags start at \$1,500; its ready-to-wear lineup includes extravagant designs, such as a velvet dress emblazoned with a leopard print, with a price tag near \$2,500.

The sale would also mark

one of the first attempts by an American fashion company to run an elite European brand. With its sales sputtering in recent years, Versace presents Michael Kors with a significant turnaround project.

Versace's revenue stagnated at roughly €700 million in 2017; the brand eked out a profit of €15 million last year.

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Sears CEO Pushes Big Restructuring

By SUZANNE KAPNER AND ANDREW SCURRIA

Warning that **Sears Holdings** Corp. is running out of time and money, CEO Edward Lampert is making his biggest push yet to restructure the retailer to avoid a bankruptcy filing, as a debt payment looms next month.

Mr. Lampert, who is also Sears's chairman, controlling shareholder and biggest creditor, wants creditors to restructure about \$1.1 billion of debt coming in 2019 and 2020, according to a proposal made public on Monday.

The proposal also calls on the Sears board to sell another \$1.5 billion of real estate and divest some \$1.75 billion of assets, including Sears Home Services and the Kenmore appliance brand, which he has offered \$400 million to buy himself.

The restructuring plan, if approved by the board and creditors, would reduce Sears's roughly \$5.5 billion in debt to about \$1.24 billion, if all proceeds were spent on paying down debts, according to a securities filing Monday by ESL Investments Inc., Mr. Lampert's hedge fund.

"Sears now faces significant near-term liquidity constraints," the filing states, including a \$134 million payment due Oct. 15, which isn't part of the proposed restructuring.

Sears said it had received ESL's proposal and the board

had asked its legal and financial advisers to work closely with ESL and other stakeholders to pursue "liability management transactions" similar to what ESL has proposed. Sears said any such move, or real estate deal, would require approval of its advisers and independent board members.

The proposal is designed to give Sears enough time to return to profitability, said Kunal Kamani, ESL's president.

"We would welcome broad participation from investors and encourage the Sears board and other interested parties to work with us as quickly as possible," he continued.

Analysts said that while the plan would help put Sears on firmer financial footing, it doesn't solve the retailer's underlying problems.

"As usual, Sears is focusing on financial maneuvers and missing the wider point that sales remain on a downward trajectory," said Neil Saunders, managing director of GlobalData Retail, although he credits Mr. Lampert with keeping the retailer afloat.

"Had Sears been owned by anyone else it would have likely long since gone under," Mr. Saunders said.

Since rescuing Kmart from bankruptcy and combining it with Sears in 2005, Mr. Lampert has closed hundreds of stores and sold off divisions as the business faltered. The hedge-fund manager personally took over as CEO in 2013, but the 125-year-old chain's woes have worsened in recent years.

The company has lost more than \$11 billion since 2011, and its sales have shrunk nearly 60% in that period to \$16.7 billion in the most recent fiscal year. Analysts say it needs to raise about \$1.5 billion a year to stay afloat.

Mr. Lampert wants to restructure Sears's debt without filing for bankruptcy protection, because he views bankruptcy as risky for retailers, according to a person familiar with his thinking. Retailers often enter bankruptcy with the hope of restructuring but wind up liquidating instead, as was the case this year with Toys "R" Us Inc., this person said.

Private-equity giant **Blackstone Group** LP bought 20% of Versace in 2014, hoping to or-

Michael Kors Woos Versace

Continued from the prior page

"Versace has struggled with its accessories business, and Michael Kors could help them with that," said Robert Burke, a former Bergdorf Goodman executive who is now a consultant.

But Versace's edginess also sits at the opposite end of the fashion spectrum from the Michael Kors aesthetic of classic American sportswear.

Michael Kors investors panned the deal, sending its share price down 8.2% Monday.

Versace has been tied for decades to the tumultuous history of the Versace family, whose members remain its controlling shareholders.

Founded in 1978 by Gianni Versace, the label quickly became famous for his sexually charged designs, featuring colorful prints and daring cuts.

He helped promote the idea of the supermodel, with Naomi Campbell becoming a muse.

In 1997, Mr. Versace was gunned down outside his Miami Beach mansion by a serial killer, who targeted him randomly. His sister, Donatella Versace, who had little formal training in fashion design, became creative director after his death.

The period after Mr. Versace's death marked a chaotic time for the fashion house. Ms. Versace struggled with drug abuse and checked herself into a rehabilitation program in 2004, casting a cloud over the label. Ms. Versace recovered and has overseen operations at the company ever since.

It is unclear whether the Versace family would remain as minority shareholders in the business, or whether Ms. Versace would stay on as creative director, if a deal is consummated.

Other suitors, such as **Tiffany & Co.**, were involved in negotiations to buy the company, people familiar with the talks said. But they withdrew, concerned about the €2 billion price tag and the management challenges presented by turning around Versace.

Private-equity giant **Blackstone Group** LP bought 20% of Versace in 2014, hoping to or-

BUSINESS & FINANCE

Gilead Cuts Pills' Price to \$24,000

By JOSEPH WALKER

Gilead Sciences Inc. said Monday that it will slash the list price of its hepatitis C treatments as it responds to competitive pricing pressures and shifts in the U.S. payment system for pharmaceuticals.

The move is the latest step that could eventually produce significant changes to how drugs are reimbursed in the U.S.

Starting next year, Gilead will start selling generic versions of its best-selling hepatitis C treatments Epclusa and Harvoni at a list price of \$24,000 each for a full course of treatment.

The generic price would represent discounts of 68% and 62%, respectively, to each drug's current list price for the most common treatment durations, the company said.

By launching these so-called authorized generics, Gilead said it is attempting to circumvent the Byzantine U.S. drug-payment system in which the discounts and rebates provided by drugmakers to insurers don't always benefit consumers.

"Our country's complex drug supply chain means that a drug's list price does not always fully reflect the price paid by insurers—let alone a patient's out-of-pocket cost," Gilead Chief Executive John Milligan said in a written statement.

The move could also blunt broadsides against Gilead, which has been attacked by patients, doctors and lawmakers since setting the price of its hepatitis C drugs at \$1,000 a day or more.

Drug companies have been increasingly vocal in their criticism of the U.S. drug-payment system, which they say encourages high list prices benefiting various companies involved in filling prescriptions but can saddle patients with



A generic version of hepatitis C drug Epclusa will be sold next year.

higher out-of-pocket costs.

Yet so far, few drug companies have sought a work-around.

In 2016, **Mylan** NV began selling an authorized generic of its EpiPen emergency allergy treatment at half

the list price of the brand, after the company faced broad criticism and a federal probe

over price increases.

Higher out-of-pocket costs.

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BUSINESS NEWS

Comcast Shares Drop After Sky Deal

BY KIMBERLY CHIN

Shares of **Comcast** Corp. fell Monday after the cable company won a bid over the weekend to gain control of European pay-TV giant **Sky PLC**.

Comcast's offer of £17.28 (\$22.60) a share surpassed **21st Century Fox Inc.**'s highest bid of £15.67 a share after three rounds of bidding Saturday, in a rare auction held by British regulators.

Comcast's winning bid, valued at \$38.8 billion, was up 40% above its initial bid of £12.50 a share in February and Fox's initial £10.75-a-share bid in December 2016.

Comcast's stock fell 6% to \$35.63, bringing its decline so far this year to 11%.

Sky sells phone, TV and internet services to 23 million European customers and produces its own news, entertainment and sports programming.

While the deal will ultimately shore up Comcast's defenses against a rising threat from Silicon Valley giants such as Netflix Inc., MoffettNathanson analysts say Comcast "grossly overpaid" for the assets.

Moreover, a swath of Sky's business is still in satellite television. In an era of cord-cutting, the satellite video distribution model is "becoming increasingly obsolete," MoffettNathanson analysts said in a note.

Analysts at Oppenheimer also said Comcast, while potentially benefiting from Sky's offerings globally, hasn't won the battle against streaming competition in its home market.

Comcast, the analysts said in a note, will still need to invest in its wireless 5G technology and streaming technology to buffer against a shrinking U.S. cable industry.

Airlines Spruce Up Coach Menus

American, others update options as passengers opt for healthier fare

BY ALISON SIDER
AND PATRICK MCGROARTY

Airlines are trying to persuade economy-class passengers they can buy meals on the plane that are as good as they would find in a restaurant.

American Airlines Group Inc. said Monday it is forming a partnership with **Zoës Kitchen**, a Mediterranean-inspired fast-casual dining chain, to offer a menu with choices including a pita-and-veggie meal with two types of hummus, a turkey "Gruben" sandwich and waffles with hazelnut spread and fresh berries for breakfast.

Onboard menus are changing as airlines try to keep up with improved dining options at many airport terminals, with more people gravitating to healthier fare. "The fast-food restaurants are going away and more of the healthier concepts are moving into airports," said Russ Brown, director of in-flight dining and retail at American. "That's what we're competing against."

Other carriers also have revised their in-flight offerings. Alaska Air Group Inc. revamped its menu over the summer to highlight West Coast produce. **United Continental Holdings Inc.** has added a bread pudding made with Chobani yogurt. And Delta Air Lines Inc. on Oct. 1 will update its in-flight menu of items available for purchase on North American flights of 1,400 miles or more.

Lisa Bauer, Delta's vice president of onboard services, said the carrier has invested "millions upon millions" of dollars in better food for passengers.

"We do see a shift in the back of the airplane," said



Free meals disappeared from most domestic flights as carriers fought rising costs and bankruptcies.

BETTMANN ARCHIVE/GETTY IMAGES



AMERICAN AIRLINES

Chris Kinsella, global account director at Gategroup, a caterer that works with American and other airlines. Economy-class customers also want more locally sourced options or regional brands, he said, nudging airlines to make upgrades.

Far from its fine-dining roots in the dawn of the jet age, airplane food became a synonym for disappointment and indigestion before free meals disappeared from most domestic flights as carriers fought rising costs and bank-

ruptcies. Upscale, chef-inspired menus are routine in first and business classes, but economy travelers are often stuck with unappetizing boxed food they have to pay for.

With the industry on track for its ninth consecutive year of profits, executives and shareholders are regaining their appetite for investing in feeding their passengers.

"We've done a lot of work to enhance the dining experience in premium, but the majority of customers fly in main cabin. Why don't we give them

the same attention?" American's Mr. Brown said.

Serving fresh food at 35,000 feet is a logistical challenge. Meals have to be assembled before takeoff and remain tasty hours later. Caterers have to be coordinated around the country, and airlines try to avoid bringing too much food aboard to keep from adding weight and waste. Flavors are less intense at high altitudes.

American hopes the popularity of Zoës—the chain has expanded from about 20 locations a decade ago to more

In-Flight Fine Dining

Some of the new planned meal options include:

- ◆ Pita-and-veggie meal with two types of hummus
- ◆ Turkey 'Gruben' sandwich, left
- ◆ Waffles with hazelnut spread
- ◆ Bread pudding made with Chobani yogurt

than 260 restaurants in 20 states—can help persuade travelers that food is worth buying on the plane or even ordering in advance. The two companies spent more than a year testing recipes, finding the right Manchego cheeses, roasted tomatoes and basil pesto. Together, they whittled 40 possible options down to the five items American will start serving in December. Prices range from \$8.79 for a breakfast sandwich to \$10.99 each for the Gruben sandwich and a chicken wrap, both served with cookies.

When U.S. airlines stopped giving away free food around 2001, meals "pivoted 180 degrees" from an expense to a potential revenue source, said Henry Harteveldt, president of Atmosphere Research Group, a travel-industry research and advisory firm. But customers also expect more if they are going to open their wallets, he said.

Some passengers remain wary of airline meals, though. "I'd rather drink water than eat their food," said Jomana Karam, a student at the Milwaukee School of Engineering, as she recalled complimentary sandwiches that were served on a flight from Germany to the U.S.

But Nik Loukas, who runs a website that tracks airline food, said some European carriers have been successful convincing customers, including him, that it is worth paying €15 to €30 (\$18 to \$35) for better meals. "I'm happy to pay for these kind of things. I'm a firm believer it can impact your in-flight experience."

Brett Catlin, Alaska Airlines' managing director of guest products, said purchases have increased modestly since the new offerings became available. Among the carrier's new menu items: a Cobb salad with mixed greens, rotisserie chicken, grilled asparagus, avocados and other ingredients.

"It more than pays for itself," Mr. Catlin said.

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BUSINESS NEWS



Casino said Carrefour had contacted it about a possible pact.

Carrefour Denies It Bid for Rival

By Nick Kostov

PARIS—French retail giants Carrefour SA and Casino Guichard-Perrachon SA held preliminary talks to explore deals between the two companies earlier this month, according to people familiar with the matter.

But the talks quickly fell apart after Casino became convinced that Carrefour was using the discussions to prepare a hostile takeover of the company.

The dispute burst into public view late Sunday evening, when Casino published a press release saying Carrefour had contacted the company about a possible deal but that its board had unanimously rejected the approach. Carrefour fired back saying that it had made no such approach. Investors and analysts were baffled.

"We don't know what to make of the overnight news from France," Jefferies analysts wrote in a note.

In fact, Jean-Charles Naouri, chairman and CEO of Casino, and Carrefour CEO Alexandre Bompard met on the morning of Sept. 12 in Paris

for a meeting organized by Alain Minc, a well-known business consultant in France, people from both companies said. Following the meeting, lawyers for both sides began exploring possibilities to make a deal between the companies.

At that point, Casino asked Carrefour to sign a nondisclosure agreement that included a six-month ban on Carrefour buying Casino shares or assets, some of the people said. Carrefour considered the agreement too restrictive and declined to sign it at the end of last week. Instead, its lawyers proposed a shortened timeline for exploratory talks.

That set off alarm bells at Casino, which immediately convened a board meeting for Sunday.

On Monday, each side was adamant it hadn't instigated the talks. A Carrefour spokesman said it had "never solicited Casino" or "initiated any merger project," adding it was "determined to put an end to these unacceptable insinuations."

A spokesman for Casino said it stood behind "every word and every comma" of its press release.

Meyer said.

Sirius XM, which has John Malone's Liberty Media Corp. as a controlling shareholder, already owns a part of Pandora. Last year, Sirius paid \$480 million for a roughly 19% stake in Pandora, helping the internet radio company shore up its balance sheet as consumers migrated to on-demand listening options. Soon after, Roger Lynch, formerly Sling TV's CEO, took the helm at Pandora. Since then, the company has put resources into enhancing its large ad-supported business and introduced more of its listeners to its own on-demand offering.

"We're in a great position now to compete with other services," Mr. Lynch said. "The deal will improve our strong position as a streaming music company."

Under the deal, Pandora shareholders would swap each share for 1.44 newly issued shares of Sirius XM. At Sirius XM's closing price Monday of \$6.26, the deal would value Pandora at \$9.01 a share, below what the stock was trading at Friday. Pandora's shares declined closed down 1.2% at \$8.98.

The deal has a "go-shop" provision, which allows Pandora and its board to talk with other parties about doing a different deal.

Mr. Lynch said the go-shop period was an important component of the negotiation for Pandora's board, but Raymond James analyst Justin Patterson said the relatively modest premium reflects Sirius's confidence that it is the primary bidder for Pandora. Finding a second bidder will come down to another buyer's interest in Pandora's audio advertising technology, the analyst said.

Assuming no other bids, the companies expect the deal to close by April. Pandora shareholders would hold about 8.6% of the combined company.

In the first six months of 2018, Sirius XM posted earnings of \$581.8 million on revenue of \$2.81 billion, while Pandora had a loss of \$223.7 million on revenue of \$704 million.

Mr. Meyer, when asked about opportunities to better negotiate with labels and other rights holders, said the two companies have "tremendous respect" for what artists bring to their models and would together in 2019 pay royalties approaching about \$2 billion to various rightsholders.

Continued from page B1

Music-streaming services have been growing, and U.S. consumer spending in that area is expected to jump 29% to \$6.6 billion this year, said the Consumer Technology Association, an industry group. Spotify is the global leader, with 83 million paying subscribers as of June, but Apple Music has been catching up to Spotify in the U.S.

Pandora still reports a big user base, 71.4 million monthly active users as of June 30, but most don't pay a subscription.

"If you don't have a strong subscriber base, that's where all the value is, or the majority of it," said Eric Ross, chief strategist at Ascend Securities. "Without that, you're kind of sunk."

Pandora still reports a big user base, 71.4 million monthly active users.

Sirius XM, meanwhile, has enjoyed steady subscriber growth but lacks even the limited kind of custom options offered by Pandora. "We do know that our customers stream quite a bit," Sirius XM's Mr. Meyer said, adding that the two companies "complement each other as opposed to compete with each other."

Sirius XM has 36 million paying subscribers in the U.S. and Canada, plus some 23 million more annual trial listeners who get the service for a period free when they buy a car. Mr. Meyer said the majority of people in trial ultimately decide not to pay for a subscription. The acquisition announced Monday, he added, gives Sirius the opportunity to refer tens of millions of users to Pandora's free, ad-supported radio offering.

"There's significant opportunity to cross-promote across two subscriber bases and take share—you can guess where from—from other audio platforms out there today," Mr.

This announcement is neither an offer to purchase nor a solicitation of an offer to sell shares (as defined below). The Offer (as defined below) is made solely by the Offer to Purchase, dated September 25, 2018, and the related Letter of Transmittal, as they may be amended or supplemented from time to time. The information contained or referred to therein is incorporated herein by reference. The Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of shares in any jurisdiction in which the making or acceptance of offers to sell shares would not be in compliance with the laws of that jurisdiction. If the Company (as defined below) becomes aware of any such jurisdiction where the making of the Offer or the acceptance of shares pursuant to the Offer is not in compliance with applicable law, the Company will make a good faith effort to comply with the applicable law. If, after such good faith effort, the Company cannot comply with the applicable law, the Offer will not be made (nor will tenders be accepted from or on behalf of) the stockholders residing in such jurisdiction. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer will be deemed to be made on behalf of the Company by the Dealer Manager (as defined below), or by one or more registered brokers or dealers licensed under the laws of that jurisdiction.

RIVIERA RESOURCES, INC.

Notice of Offer to Purchase for Cash up to 4,545,454 Shares of its Common Stock at a Purchase Price of \$22.00 per Share

Riviera Resources, Inc., a Delaware corporation (the "Company"), is offering to purchase for cash up to 4,545,454 shares of its common stock, par value \$0.01 per share (the "shares"), at a price of \$22.00 per share, without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase dated September 25, 2018 (the "Offer to Purchase") and the related Letter of Transmittal (the "Letter of Transmittal," and together with the Offer to Purchase, as they may be amended or supplemented from time to time, the "Offer").

THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 11:59 P.M., NEW YORK CITY TIME, ON TUESDAY, OCTOBER 23, 2018 UNLESS THE OFFER IS EXTENDED.

The Offer is not conditioned upon any minimum number of shares being tendered. The Offer is, however, subject to a number of other terms and conditions as specified in the Offer to Purchase.

Although the Company's Board of Directors has authorized the Offer, none of the Board of Directors, the Company, the Dealer Manager, the Information Agent (as defined below) or the Depositary, or any of their respective affiliates, has made, and they are not making, any recommendation to the Company's stockholders as to whether to tender or refrain from tendering their shares. The Company has not authorized any person to make any such recommendation. Stockholders must make their own decision as to whether to tender their shares and, if so, how many shares to tender. In doing so, stockholders should read carefully the information in, or incorporated by reference in, the Offer to Purchase and in the Letter of Transmittal, including the purposes and effects of the Offer. Stockholders are urged to discuss their decision with their own tax advisors, financial advisors and/or brokers.

The Company's Board of Directors believes that the Offer represents a prudent use of the Company's financial resources in light of its business profile, assets, anticipated future performance and financial condition. As of September 24, 2018, the Company had approximately \$163.5 million in cash and cash equivalents. The purpose of the Offer is to return cash to the Company's stockholders by providing them with the opportunity to tender all or a portion of their shares and thereby receive a return of some or all of their investment if they so elect. In addition, if the Company completes the Offer, stockholders who do not participate in the Offer or otherwise sell their shares of our common stock will automatically increase their relative percentage ownership interest in the Company and its future operations.

The Company will purchase at \$22.00 per share up to 4,545,454 shares properly tendered, and not properly withdrawn, prior to the Expiration Time (as defined below), upon the terms and subject to the conditions of the Offer, including the proration and conditional tender provisions (as described in the Offer to Purchase). Under no circumstances will the Company pay interest on the purchase price for the shares, regardless of any delay in making payment. The Company reserves the right, in its sole discretion, to purchase more than 4,545,454 shares under the Offer, subject to applicable law.

The term "Expiration Time" means 11:59 p.m., New York City time, on Tuesday, October 23, 2018, unless the Company, in its sole discretion, shall have extended the period of time during which the Offer will remain open, in which event the term "Expiration Time" shall refer to the latest time and date at which the Offer, as so extended by the Company, shall expire.

As of September 24, 2018, there were 75,836,252 shares outstanding. Assuming that the Offer is fully subscribed, the number of shares that will be purchased under the Offer is 4,545,454 shares, or approximately 6% of the shares outstanding as of September 24, 2018.

The Company's directors, executive officers and affiliates are entitled to participate in the Offer on the same basis as all other stockholders. However, all of the Company's directors and executive officers have informed the Company that they will not tender any shares that they beneficially own in the Offer. In addition, certain of our stockholders who are affiliated with certain members of the Company's Board of Directors (the "Affiliated Holders") have informed the Company that they also will not tender shares that they beneficially own in the Offer. The Affiliated Holders collectively beneficially owned 41,382,405 shares, or approximately 55% of the issued and outstanding common stock as of September 24, 2018.

Upon the terms and subject to the conditions of the Offer, if more than 4,545,454 shares (or such greater number of shares as the Company may elect to purchase, subject to applicable law) have been properly tendered and not properly withdrawn prior to the Expiration Time, the Company will purchase properly tendered shares in the following order of priority:

- *first*, subject to the conditional tender provisions described in Section 6 of the Offer to Purchase, the Company will purchase all shares properly tendered and not properly withdrawn, on a pro rata basis with appropriate adjustments to avoid purchases of fractional shares, as described in Section 1 of the Offer to Purchase; and
- *second*, if necessary to permit the Company to purchase 4,545,454 shares (or such greater number of shares as the Company may elect to purchase, subject to applicable law), shares conditionally tendered (for which the condition was not initially satisfied) and not properly withdrawn, will, to the extent feasible, be selected for purchase by random lot. To be eligible for purchase by random lot, stockholders whose shares are conditionally tendered must have tendered all of their shares.

If any tendered shares are not purchased, or if less than all shares evidenced by a shareholder's certificates are tendered, certificates for unpurchased shares will be returned promptly after the expiration or termination of the Offer or the valid withdrawal of the shares, or, in the case of shares tendered by book-entry transfer at DTC, the shares will be credited to the appropriate account maintained by the tendering shareholder at DTC, in each case at the Company's expense.

Stockholders wishing to tender their shares must follow the procedures set forth in Section 3 of the Offer to Purchase and in the Letter of Transmittal. Stockholders wishing to tender their shares but who are unable to deliver them physically or by book-entry transfer prior to the Expiration Time, or who are unable to make delivery of all required documents to the Depositary prior to the Expiration Time, may tender their shares by complying with the procedures set forth in Section 3 of the Offer to Purchase for tendering by Notice of Guaranteed Delivery.

The proration period is the period for accepting shares on a pro rata basis in the event that the Offer is oversubscribed. The proration period will expire at the Expiration Time. If proration of tendered shares is required, we will determine the proration factor promptly following the Expiration Time.

For purposes of the Offer, the Company will be deemed to have accepted for payment, subject to the proration and conditional tender provisions of the Offer, shares that are properly tendered and not properly withdrawn, only when, as and if the Company gives oral or written notice to American Stock Transfer & Trust Company, LLC (the "Depositary") of its acceptance of the shares for payment pursuant to the Offer.

Upon the terms and subject to the conditions of the Offer, the Company will accept for payment and pay the Purchase Price per share for all of the shares accepted for payment pursuant to the Offer promptly after the Expiration Time. In all cases, payment for shares tendered and accepted for payment pursuant to the Offer will be made promptly, taking into account any time necessary to determine any proration, but only after timely receipt by the Depositary of (1) certificates for shares, or a timely book-entry confirmation of the deposit of shares into the Depositary's account at DTC (as defined in the Offer to Purchase), (2) a validly completed and duly executed Letter of Transmittal including any required signature guarantees, or, in the case of a book-entry transfer, an agent's message, and (3) any other required documents.

The Company expressly reserves the right, in its sole discretion and subject to applicable law, at any time and from time to time, and regardless of whether or not any of the conditions to the Offer set forth in Section 7 of the Offer to Purchase have occurred or are deemed by the Company to have occurred, to extend the period of time the Offer is open and delay acceptance for payment of, and payment for, any shares by giving oral or written notice of such extension to the Depositary and making a public announcement of such extension no later than 9:00 a.m., New York City time, on the next business day after the last previously scheduled Expiration Time. In the event of an extension, the term "Expiration Time" will refer to the latest time and date at which the Offer, as extended by the Company, will expire. During any such extension, all shares previously tendered and not properly withdrawn will remain subject to the Offer and to the right of a tendering shareholder to withdraw such shareholder's shares.

The Company also expressly reserves the right, in its sole discretion and subject to applicable law regardless of whether any of the circumstances described in the Offer to Purchase shall have occurred or shall be deemed by the Company to have occurred, to amend the Offer in any respect, including without limitation by increasing or decreasing the consideration offered. The Company further expressly reserves the right, in its sole discretion, to terminate the Offer and reject for payment and not pay for any shares not theretofore accepted for payment or paid for, subject to applicable law, or to postpone payment for shares, upon the occurrence of any of the conditions to the Offer specified in Section 7 of the Offer to Purchase. The Company will give oral or written notice of such amendment, termination or postponement to the Depositary and will make a public announcement of such amendment, termination or postponement of the Offer in accordance with applicable law. The Company's reservation of the right to delay payment for shares that it has accepted for payment is limited by Rule 13e-4(f)(5) and Rule 14e-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which requires that the Company must pay the consideration offered to return the shares tendered promptly after termination or withdrawal of the Offer.

Shares tendered in the Offer may be withdrawn at any time prior to the Expiration Time. In addition, unless the Company has already accepted such tendered shares for payment, stockholders may withdraw their tendered shares at any time after 11:59 p.m., New York City time, on Wednesday, November 21, 2018, the 40th business day following the commencement of the Offer. Except as otherwise provided in the Offer to Purchase, tenders of shares pursuant to the Offer are irrevocable. For a withdrawal to be effective, a written or facsimile notice of withdrawal must be received in a timely manner by the Depositary at its address set forth on the back cover page of the Offer to Purchase, and any notice of withdrawal must specify the name of the tendering shareholder, the number of shares to be withdrawn and the name of the registered holder of the shares to be withdrawn, if different from the person who tendered the shares. If the certificates for shares to be withdrawn have been delivered or otherwise identified to the Depositary, then, before the release of those certificates, the tendering shareholder also must submit the serial numbers shown on those particular certificates for shares to be withdrawn and, unless an Eligible Institution (as defined in the Offer to Purchase) has tendered those shares, the signature(s) on the notice of withdrawal must be guaranteed by an Eligible Institution. If shares have been tendered pursuant to the procedures for book-entry transfer described in Section 3 of the Offer to Purchase, the notice of withdrawal also must specify the name and the number of the account at DTC to be credited with the withdrawn shares and must otherwise comply with DTC's procedures.

All questions as to the form and validity, including the time of receipt, of any notice of withdrawal will be determined by the Company, in its sole discretion, and will be final and binding on all parties absent a finding to the contrary by a court of competent jurisdiction. The Company reserves the absolute right to waive any defect or irregularity in the notice of withdrawal or method of withdrawal of shares by any shareholder, whether or not the Company waives similar defects or irregularities in the case of any other shareholder. None of the Company, the Dealer Manager, the Depositary, the Information Agent or any other person will be obligated to give notice of any defects or irregularities in any notice of withdrawal, nor will any of them incur liability for failure to give any such notice.

Generally, United States stockholders will be subject to United States federal income taxation when they receive cash from the Company in exchange for the shares they tender. Their receipt of cash for tendered shares will generally be treated as either (1) consideration received in a sale or exchange or (2) a distribution with respect to such shares. All stockholders should read carefully the Offer to Purchase for additional information regarding certain tax issues and should consult their own tax advisor regarding the tax consequences of the Offer.

The Offer to Purchase and the Letter of Transmittal contain important information that stockholders should read carefully before they make any decision with respect to the Offer. Copies of the Offer to Purchase and the related Letter of Transmittal will be mailed to record holders of Shares whose names appear on the Company's stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of shares. Persons who hold vested rights to purchase or otherwise acquire shares will be provided a copy of the Offer to Purchase and the related Letter of Transmittal upon request to the Information Agent at the telephone numbers and address set forth below. Such persons should read the Offer to Purchase for further information regarding how they can participate in the Offer.

The information required to be disclosed by Rule 13e-4(d)(1) under the Exchange Act is contained in the Offer to Purchase and is incorporated herein by reference.

Please direct any questions or requests for assistance to D.F. King & Co., Inc. (the "Information Agent") or Morgan Stanley & Co. LLC (the "Dealer Manager") at their respective telephone numbers and addresses set forth below. Please direct requests for copies of the Offer to Purchase, the Letter of Transmittal or the Notice of Guaranteed Delivery to the Information Agent at the telephone numbers and address set forth below. The Information Agent will promptly furnish to stockholders additional copies of these materials at the Company's expense. Stockholders may also contact their broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Offer.

The Depository for the Offer is:

American Stock Transfer & Trust Company, LLC

Operations Center
Attention: Reorganization Department
6201 15th Avenue
Brooklyn, NY 11219

By Facsimile Transmission (for Eligible Institutions Only): 1-718-234-5001

Confirm Facsimile Transmission: 1-877-248-6417

The Information Agent for the Offer is:

D.F. King & Co., Inc.

48 Wall Street, 22nd Floor
New York, New York 10005
Email: rvra@dfking.com

Morgan Stanley & Co. LLC

1585 Broadway

New York, NY 10036

Banks, Brokers and Stockholders
Call U.S. Toll-Free: (855) 483-0952

Stockholders may call toll free: (800) 249-7140
Banks and Brokers may call collect: (212) 269-5550

September 25, 2018

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BUSINESS NEWS

Shell CEO Prepares To Up Ante On Gas Bet

BY RYAN DEZEMBER
AND INYOUNG HWANG

Shortly after Ben van Beurden took over as chief executive of Royal Dutch Shell PLC, he bet the company on natural gas, with a roughly \$50 billion takeover of a rival focused on shipping the fuel around the globe. Now he is preparing to double down.

Mr. van Beurden said Tuesday that a consortium led by the Anglo-Dutch energy giant will decide before year-end whether to move forward with a \$30 billion, liquefied-natural-gas export terminal in western Canada.

"We postponed the decision previously when the project wasn't ready in terms of economic fortunes," he told The Wall Street Journal on the sidelines of the Oil and Gas Climate Initiative's meeting in New York. "But there are only so many times you can postpone and recycle and revisit. The moment of truth will come in the next few months."

The export terminal is intended to gather cheap natural gas extracted from remote parts of western Canada, chill it to liquid form known as LNG

By SARAH KENT

A coalition of the world's biggest oil companies promised Monday to reduce methane emissions from natural gas extraction—part of an effort to shore up the climate credentials of the hydrocarbon.

The Oil and Gas Climate Initiative, an industry group that counts oil giants like Exxon Mobil Corp., Royal Dutch Shell PLC and Saudi Arabia's state oil giant, Aramco, among its members, said it would target reducing methane emissions to less than 0.25% of the

total natural gas the group of 13 member companies produces by 2025.

Methane is the main component of natural gas, but it also often leaks into the environment during production, transportation and processing. Even though it stays in the atmosphere for less time than carbon dioxide, methane is a much more potent greenhouse gas in the short term because it traps more heat. According to the International Energy Agency, one ton of methane is equivalent to as much as 87 tons of carbon dioxide over a

20-year time frame. Natural gas production is growing and many big oil companies have held the fuel up as a climate-friendly alternative to coal that can help make the oil-and-gas sector more resilient in efforts to limit climate change.

A number of big companies including Exxon, Shell and BP PLC have already disclosed their own goals for reducing methane emissions. Shell, in particular, has tilted its production mix toward more gas output.

"If you're the size we are in

the global gas market, one of the key things is to grow the role of gas in the energy sector," said Shell's head of gas Maarten Wetselaar. "If it is to take its rightful place in the energy mix, we need to make sure methane is not something that holds it back."

There is also a strong business case: At the moment, many big companies don't have an accurate measure of the amount of gas they lose through leaks. By preventing those leaks, companies don't leave money from lost gas sales on the table.

According to an April report by the Environmental Defense Fund, a nonprofit environmental advocacy group, as much as \$34 billion of global gas supply is lost each year through leaks and venting.

Last week, Shell said it would limit methane emissions from projects it operates to less than 0.2% of the total natural gas extracted by 2025. BP has set a goal to limit its so-called methane-emission intensity to 0.2% by the middle of the next decade, while Exxon said in May that it would cut methane emissions 15% by 2020.



A natural gas plant in Russia. Methane is the main component of natural gas, but it also often leaks into the environment during production and processing.

ANDREY RUDAKOV/BLOOMBERG NEWS

Shell Chief Executive Ben van Beurden says a decision will come soon on the Canada LNG terminal.

Barrick Bid Creates Gold Giant

Continued from page B1

third of the 30 mines the company operated when the executive was appointed executive chairman of the gold-mining giant in 2014.

Barrick's gold production has also dwindled, falling more than 25% since 2013 to 5.3 million ounces last year. The acquisition of Randgold, whose production is focused on Africa and which produced 1.3 million ounces in 2017, will help make up the loss.

The big bet on Africa comes at the same time Barrick needs help navigating the challenges of working in the continent. Those struggles were highlighted last year after the Toronto mining company's majority-owned African subsidiary Acacia Mining PLC agreed to pay \$300 million to the government of Tanzania to resolve tax and revenue-sharing disputes over three gold mines. Acacia's stock price in London has sunk nearly 30% since paying the penalty.

The Acacia problems combined with Randgold's mines in higher-risk countries such as the Democratic Republic of

Investors Still Wary About Gold Miners

The mixed reaction to Monday's gold-mining megamerger underscores the challenges facing the North American gold sector, where shares have tumbled this year to discounts rarely seen outside significant market downturns.

Investors heartily applauded Barrick Gold Corp.'s agreement to buy Randgold Resources Ltd. for \$6 billion in stock. Shares of Barrick gained 5.4% in New York and Randgold jumped 6% in London.

But most other gold-mining companies rose only modestly, highlighting the skepticism that Wall Street continues to hold for a sector hit hard in recent years by a flat gold price and concerns that some companies overextended themselves during the gold bull market that ended earlier this decade.

Shares of AngloGold Ashanti Ltd. rose 0.6%, but Newmont Mining Corp. fell 1.5% in New York.

Congo raised concerns from some analysts that Barrick could face increased risk.

While Mr. Bristow's career has been focused on mining, Mr. Thornton is a latecomer to the industry. He retired as president of Goldman in 2003

Shares of some of the biggest U.S.- and Canadian-listed gold-mining companies are trading at an average of around 0.75 times their net asset value, 28% below where they were a year ago, data from Macquarie tracking prices in the U.S. and Canada show.

Price to net asset value is a preferred measure for valuing mining companies because it takes into account variables such as the expected lifespan of mines and their output. The ratios are subjective and vary from analyst to analyst based on their assumptions.

A recent report by Bank of America showed that average price-to-NAV ratios were touching levels seen only fleetingly in 2013, when gold prices plunged, in the 2008 crisis, and around 2000 and 2001, when gold hit a low of \$256 a troy ounce, compared with \$1,199.30 Monday. Scotiabank estimates North American miners are trading at about half of the historical global average.

Bullion has fallen 12% since its 52-week high in January, but it isn't just gold prices that are

Losing Their Shine

Price/net asset value ratios for North American-listed gold miners



Source: Macquarie

THE WALL STREET JOURNAL.

weighing on the sector. North American mining companies' weak valuations reflect a continuing hangover from years of disastrous acquisitions and overleveraged balance sheets, as well as more recent blunders involving new mining projects.

While executives at Barrick Gold and Randgold Resources have focused on keeping costs

in line and reining in debt, both are trading at steep discounts to net asset value following steady declines in their shares. Barrick's price-to-NAV has fallen to 0.8 times after its shares slumped 30% since the start of 2018 through Friday, while Randgold is trading at 0.6 times its NAV after its stock slid about 35% this year.

Joe Foster, portfolio manager of the \$666 million Van Eck International Investors Gold Fund, said North American gold miners were still working to unwind reputational damage they inflicted on themselves during the mergers-and-acquisitions and development frenzy leading up to gold's peak at nearly \$1,900 in 2011.

While some North American gold-mining companies have since improved their performance, by lowering operating costs, selling marginal assets and strengthening their balance sheets, they are unlikely to reclaim their traditional price premiums without some help from a gold price that is currently "stuck in the mud," Mr. Foster said.

—Paul Garvey

after a 23-year career with the firm. He became an adviser and teacher with the business school at Tsinghua University, one of China's top schools.

Mr. Thornton's China connections attracted the attention of Barrick's founder, the

late Canadian mining tycoon Peter Munk, who invited the banker in 2011 to be a member of the company's advisory board. In 2012, Mr. Thornton was promoted to co-chairman of its board.

With gold prices swooning

in 2013, Mr. Thornton sought to negotiate a merger with Colorado's Newmont Mining. But the talks fizzled, and Mr. Thornton, appointed executive chairman of Barrick, focused on shrinking the assets of the debt-laden mining behemoth.

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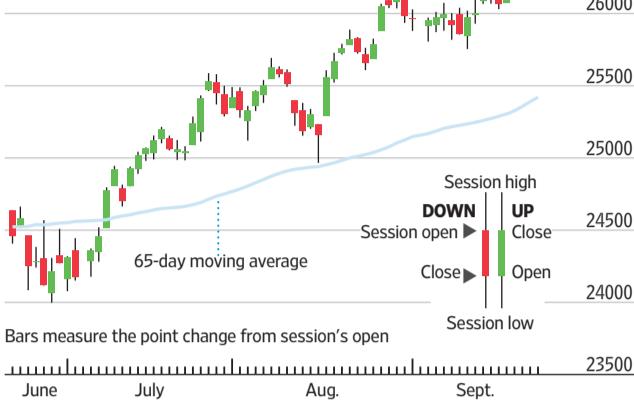
EQUITIES

Dow Jones Industrial Average

26562.05 ▼181.45, or 0.68%
High, low, open and close for each trading day of the past three months.

Trailing P/E ratio 24.01 20.40
P/E estimate * 17.27 18.89
Dividend yield 2.08 2.31
All-time high 26743.50, 09/21/18

Current divisor 0.14748071991788



Bars measure the point change from session's open

June July Aug. Sept. 23500 24000 24500 25000 25500 26000 26500

*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.

S&P 500 Index

2919.37 ▼10.30, or 0.35%
High, low, open and close for each trading day of the past three months.

Trailing P/E ratio 24.55 24.25
P/E estimate * 18.06 19.14
Dividend yield 1.80 1.99
All-time high 2930.75, 09/20/18



June July Aug. Sept. 2600 2700 2750 2800 2850 2900 2950

Nasdaq Composite Index

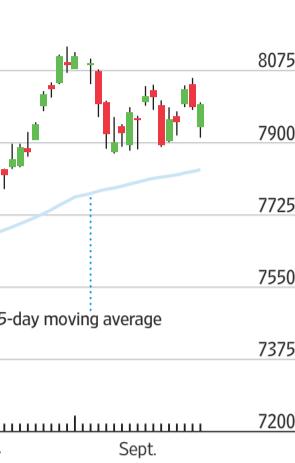
7993.25 ▲6.29, or 0.08%
High, low, open and close for each trading day of the past three months.

Trailing P/E ratio 26.20 25.89
P/E estimate * 21.63 21.38
Dividend yield 0.98 1.11
All-time high: 8109.69, 08/29/18



June July Aug. Sept. 7200 7300 7400 7500 7600 7700 7800

Last Year ago
Trailing P/E ratio 26.20 25.89
P/E estimate * 21.63 21.38
Dividend yield 0.98 1.11
All-time high: 8109.69, 08/29/18



June July Aug. Sept. 8000 8100 8200 8300 8400 8500 8600

Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD % chg	3-yr. ann.
Dow Jones										
Industrial Average	26709.94	26548.68	26562.05	-181.45	-0.68	26743.50	22284.32	19.1	7.5	17.9
Transportation Avg	11515.12	11342.84	11370.21	-162.35	-1.41	11570.84	9440.87	17.0	7.1	13.5
Utility Average	726.88	719.87	720.52	-6.64	-0.91	774.47	647.90	-1.6	-0.4	8.3
Total Stock Market	30306.47	30185.31	30255.53	-109.69	-0.36	30390.61	25876.47	16.9	9.3	14.5
Barron's 400	776.90	771.20	773.88	-3.49	-0.45	786.73	661.72	16.9	8.9	14.5

Nasdaq Stock Market

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD % chg	3-yr. ann.
Nasdaq Composite	7997.90	7912.47	7993.25	6.29	0.08	8109.69	6370.59	25.5	15.8	19.1
Nasdaq 100	7554.95	7447.23	7548.75	17.68	0.23	7660.18	5867.35	28.7	18.0	21.0

S&P

	500 Index	MidCap 400	SmallCap 600	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD % chg	3-yr. ann.
500 Index	2923.79	2912.63	2919.37	-10.30	-0.35	2930.75	2496.66	16.9	9.2	14.7			
MidCap 400	2032.17	2023.71	2032.17	-9.19	-0.45	2050.23	1771.85	14.7	6.9	13.5			

Other Indexes

	Russell 2000	NYSE Composite	Value Line	NYSE Arca Biotech	NYSE Arca Pharma	KBW Bank	PHLX® Gold/Silver	PHLX® Oil Service	PHLX® Semiconductor	Cboe Volatility	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD % chg	3-yr. ann.
Russell 2000	1711.74	1697.76	1705.32	-7.00	-0.41	1740.75	1451.96	17.4	11.1	14.4										
NYSE Composite	13237.81	13148.67	13162.05	-74.39	-0.56	13637.02	12127.92	8.4	2.8	10.2										
Value Line	586.23	584.83	586.23	-3.56	-0.60	593.57	531.06	10.4	4.3	9.5										
NYSE Arca Biotech	5321.60	5219.32	5318.11	112.17		5342.46	4045.25	27.2	26.0	12.8										
NYSE Arca Pharma	594.26	589.64	590.59	-1.84	-0.31	593.12	516.32	8.2	8.4	3.1										
KBW Bank	110.18	108.63	108.71	-1.36	-1.23	116.52	96.78	12.3	1.9	16.3										
PHLX® Gold/Silver	67.85	66.26	66.29	0.26		92.08	61.92	-24.2	-22.3	11.4										
PHLX® Oil Service	150.92	147.71	149.33	1.77		170.18	127.61	6.7	-0.2	-3.4										
PHLX® Semiconductor	1389.06	1369.74	1388.46	5.38		1449.90	1126.40	23.2	10.8	33.0										
Cboe Volatility	12.92	12.18	12.20	0.52		4.45	37.32	9.14	19.5	-19.6										

\$ Nasdaq PHLX

Sources: SIX Financial Information; Dow Jones Market Data

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6:30 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 50,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
SPDR S&P 500	SPY	7,946.6	291.20	0.18	0.06	292.08	290.60
General Electric	GE	7,198.8	11.72	-0.02	-0.17	12.17	11.68
iShares MSCI Brazil ETF	EWZ	4,402.8	32.25	-0.54	-1.65	33.75	32.25
Ambev ADR	ABEV	3,858.4					

COMMODITIES

WSJ.com/commodities

Futures Contracts

Metal & Petroleum Futures

	Contract Open	High hi lo	Low	Settle	Chg	Open interest	
	Open	High	hi lo	Low	Settle	Chg	Open interest
Copper-High (CMX) -25,000 lbs.; \$ per lb.	2,835.00	2,846.00	2,807.00	2,816.00	-0.0205	1,239	
Sept. 2,845.00	2,867.00	2,825	2,836.00	-0.0215	136,228		
Gold (CMX) -100 troy oz.; \$ per troy oz.	119.90	120.30	119.40	119.90	3.00	29,102	
Oct. 120.00	120.80	119.80	120.40	3.10	369,130		
Feb.'19 120.60	121.40	120.50	121.10	3.20	41,302		
June 121.90	122.40	121.90	121.70	3.10	13,001		
Aug. 122.40	123.00	122.70	122.50	3.10	2,247		
Dec. 123.70	124.50	123.50	123.70	3.10	5,031		
Palladium (NYM) -50 troy oz.; \$ per troy oz.	1039.50	1052.80	1034.70	1051.60	6.70	19,859	
March'19 1032.00	1045.80	▲	1032.00	1044.50	6.80	807	
Platinum (NYM) -50 troy oz.; \$ per troy oz.	827.50	835.40	823.20	829.30	-0.30	30,449	
Jan'19 830.80	838.40	826.30	832.70	-0.20	51,525		
Silver (CMX) -5,000 troy oz.; \$ per troy oz.	14.250	14.320	14.205	14.251	-0.018	961	
Sept. 14.325	14.420	14.220	14.341	-0.018	174,850		
Crude Oil, Light Sweet (NYM) -1,000 bbls.; \$ per bbl.	71.48	72.74	▲	71.14	72.08	1,30	422,544
July 1.03	72.24	▲	70.68	71.76	1.39	307,567	
Jan'19 70.71	71.84	▲	70.36	71.51	1.45	167,963	
March 70.22	71.30	▲	70.00	71.08	1.50	147,985	
June 69.40	70.51	▲	69.35	70.33	1.46	179,027	
Dec. 67.46	68.49	▲	67.25	68.31	1.27	238,023	
NY Harbor ULSD (NYM) -42,000 gal.; \$ per gal.	2,243.1	2,292.0	2,227.0	2,285.9	.0599	56,496	
Nov. 2,246.3	2,296.5	2,233.7	2,292.0	.0596	123,282		
Gasoline-NY RBOB (NYM) -42,000 gal.; \$ per gal.	2,034.6	2,065.3	2,019.3	2,054.7	.0376	46,547	
Nov. 2,019.7	2,052.0	2,006.1	2,042.1	.0400	172,747		
Natural Gas (NYM) -10,000 MMBtu's; \$ per MMBtu.	2,966.3	3,048	▲	2,951.0	3,038	.061	30,735
Nov. 2,965.3	3,038	2,950	3,029	.055	295,104		
Dec. 3,036.3	3,105	3,023	3,097	.052	184,723		
Jan'19 3,121.3	3,187	3,109	3,179	.048	203,151		
March 2,929	2,959	2,918	2,957	.018	215,602		
April 2,625	2,651	2,620	2,644	.011	159,577		

Contract

	Open	High hi lo	Low	Settle	Chg	Open interest	
	Open	High	hi lo	Low	Settle	Chg	Open interest
Corn (CBT) -5,000 bu.; cents per bu.	357.25	362.00	355.75	360.50	3.25	956,496	
Dec. 369.25	374.00	368.00	372.50	3.25	326,850		
Oats (CBT) -5,000 bu.; cents per bu.	253.25	259.50	252.75	259.25	6.25	3,552	
Dec. 263.00	264.00	262.00	264.00	6.25	635		
Soybeans (CBT) -5,000 bu.; cents per bu.	84.00	84.25	84.00	84.10	-6.25	429,590	
March'19 87.00	87.00	86.25	86.50	-5.75	127,375		
Soybean Meal (CBT) -100 tons; \$ per ton.	306.50	303.40	304.70	307.50	-1.20	34,919	
Dec. 309.40	309.50	306.20	307.50	-1.40	217,663		
Soybean Oil (CBT) -60,000 lbs.; cents per lb.	28.10	28.55	27.89	28.26	.17	41,422	
Dec. 28.36	28.79	28.14	28.52	.18	270,235		
Rough Rice (CBT) -2,000 cwt.; \$ per cwt.	99.50	100.00	98.00	98.00	-5.00	6,996	
Jan'19 100.00	101.45	99.80	99.90	-6.00	601		
Wheat (CBT) -5,000 bu.; cents per bu.	52.00	53.25	52.00	52.70	5.25	222,037	
Dec. 54.00	54.50	53.90	54.50	4.75	107,211		
Wheat (KC) -5,000 bu.; cents per bu.	52.25	53.45	52.50	52.90	3.75	154,245	
Dec. 54.80	55.25	54.67	55.25	3.75	61,093		
Wheat (MPLS) -5,000 bu.; cents per bu.	58.25	58.80	58.50	58.25	1.75	34,251	
Dec. 59.75	60.00	59.50	59.75	1.75	14,246		
Cattle-Feeder (CME) -50,000 lbs.; cents per lb.	156.400	156.875	156.100	156.450	-500	1,900	
Nov. 157.00	157.325	155.525	155.925	-1,070	20,372		
Cattle-Live (CME) -40,000 lbs.; cents per lb.	112.650	113.200	111.875	112.175	-900	45,869	
Dec. 117.850	118.225	116.650	117.000	-1,450	118,190		
Hogs-Lean (CME) -40,000 lbs.; cents per lb.	60.775	61.250	60.000	61.000	.700	31,552	
Dec. 57.400	58.350	56.500	56.975	-425	99,398		
Lumber (CME) -10,000 bd ft.; \$ per 1,000 bd ft.	343.50	343.80	330.60	339.60	-.70	2,706	
Jan'19 343.20	344.70	335.50	342.50	1.30	774		
Milk (CME) -200,000 lbs., cents per lb.	16.14	16.14	16.11	16.13	-.01	3,799	

Agriculture Futures

	Open	High hi lo	Low	Settle	Chg	Open interest	
	Open	High	hi lo	Low	Settle	Chg	Open interest
Soybean Meal (CME) -Cent IL rail; ton48-u	52.00	53.25	52.00	52.70	5.25	222,037	
Dec. 54.00	54.50	53.90	54.50	4.75	107,211		
Soybeans (CME) -No.1 yellw IL-bpu	7.60	7.60	7.60	7.60	0.00	429,590	
Wheat (Spring) -14% pro Mnpls-u	6.6425	6.6425	6.6425	6.6425	0.00	154,245	
Wheat (No.2 soft red St.Louis) -bp.u	4.8750	4.8750	4.8750	4.8750	0.00	61,093	
Wheat - Hard - KC (USA) -No.2 bu per u	5.2900	5.2900	5.2900	5.2900	0.00	34,251	
Wheat - No.1 soft white,Portl,OR-u	6.0000	6.0000	6.0000	6.0000	0.00	14,246	

Contract

	Open	High hi lo	Low	Settle	Chg	Open interest	
	Open	High	hi lo	Low	Settle	Chg	Open interest
Cocoa (ICE-US) -10 metric tons; \$ per ton.	16.05	16.10	15.95	15.99	-.05	4,709	
Dec. 2,160	2,160	2,258	2,156	2,235	68	108,186	
Coffee (ICE-US) -37,500 lbs.; cents per lb.	2,189	2,277	2,186	2,255	59	64,634	
March'19 369.25	374.00	368.00	372.50	3.25	101.90	180,767	
Sugar-Dom							

BANKING & FINANCE

TPG in Talks to Take Over Fund

The Price of Pessimism

Hedge funds with bearish bets have struggled in a market that has seen few pullbacks.

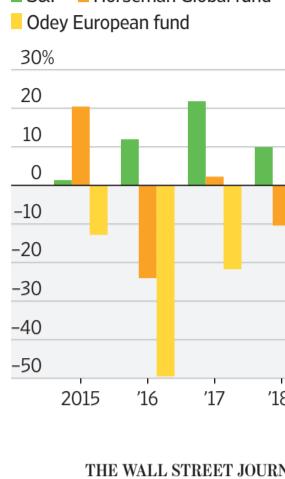
Rolling one-year performance of S&P 500



*Total return †As of August

Sources: Dow Jones Market Data (S&P 500); FactSet (S&P); fund investors (bearish funds)

Performance of bearish funds vs. stocks



THE WALL STREET JOURNAL.

BY SIMON CLARK
AND WILLIAM LOUCH

U.S. private-equity firm TPG is in exclusive talks to take over **Abraaj Group**'s \$1 billion health-care fund, according to a letter to employees of the fund.

Abraaj was the largest private-equity firm in the Middle East with almost \$14 billion of assets until it filed for provisional liquidation in June.

The Dubai-based firm is selling assets and winding down operations.

It got into difficulty in 2017 after investors in its health-care fund, including the Bill &

Melinda Gates Foundation and the World Bank, started investigating whether their money was being mismanaged.

TPG is in talks to combine Abraaj's health-care assets with its Rise Fund, according to a letter to employees from AlixPartners, which is advising on the separation of the fund from Abraaj. The transaction should be completed by the end of the year, AlixPartners said.

TPG's \$2 billion Rise Fund wants to manage the assets because it aims to make so-called impact investments capable of earning profits and

providing measurable improvements to the quality of life of people on low incomes. The Rise fund aims to provide "accessible, affordable, quality healthcare" across Africa and South Asia, TPG executive Bill McGlashan said in a statement.

The Abraaj health-care fund owns clinics and hospitals in developing countries including Pakistan, India, Kenya and Nigeria.

Its 24 hospitals and 17 clinics employed 3,800 nurses in 2017, according to a company document.

The Rise Fund has famous backers including U2 lead

singer Bono, film producer Jeff Skoll and British entrepreneur Richard Branson. TPG manages about \$84 billion globally, according to its website.

Abraaj, founded in 2002 by deal maker Arif Naqvi, raised the health-care fund in 2016 from more than 20 investors to help provide affordable health care to people in Africa and Asia.

Abraaj's liquidators are in talks with other private-equity firms, including London-based Actis LLP, to sell other parts of the company, according to people familiar with the situation.



KRISTJAN BOCS/BLOOMBERG NEWS

Buoyant Markets Sting Bearish Hedge Funds

BY LAURENCE FLETCHER

Nearly a decade into what feels like a never-ending bull market, it is getting awfully lonely for a group of maverick hedge funds betting on what they think will be a coming financial meltdown.

"If my analysis is right, we're past the point of no return," said Francesco Filia, founder of \$500 million London-based **Fasanara Capital**, who has pivoted his \$100 million macro fund to bet on a market crash. "Nothing else will do than having cash or shorts," he said.

Elliott Management Corp. told investors it was preparing for stocks and bonds to "take a notable dive."

But rather than talking about large outright negative bets, Elliott said it was preparing buy assets once they have fallen in price.

Mr. Filia became convinced around mid-2016 that risks in markets had grown. While the 2008 crash was centered around banks, risks today have moved to markets, Mr. Filia believes, which exist in a fragile state that is creeping closer to their breaking point. "Now we think the awakening from the QE sleep is going to be very violent."

His fund is positioned for a crash. One part bets on falls in stock and bond futures, while another two bet on stock and bond options. A fourth portion

Some managers think quantitative easing has artificially inflated asset prices.

bets against exchange-traded funds, which he considers a key weak point in the financial system, when markets turn. A fifth part uses artificial intelligence to calculate when the market is likely to move sharply lower and then profit.

"I'm one of the few to be putting my money where my mouth is," he said.

Horseman's Mr. Clark thinks the U.S. corporate-bond market and volatility-selling markets are "unsustainable" and that investors' positioning in the face of slowing growth is "dangerous," according to letters to clients reviewed by The Wall Street Journal. He declined to comment.

Many investors have lost patience with performance. Mr. Clark was running \$1.7 billion at the end of 2015. Redemptions have helped slash this to under \$800 million.

—Rachael Levy contributed to this article.

Clients have fled. His European fund, which was around €1.7 billion (\$2 billion) four years ago, has shrunk to around €200 million.

Russell Clark, the main manager at London-based

Deutsche Bank advised the rental-home investment company on that offering, which raised \$1.8 billion, and later advised the company on its \$20 billion merger with Starwood Waypoint Homes, completed in November 2017. Mr. Bartling stepped down as planned when the merger was done.

At Deutsche Bank, Mr. Bartling started Monday as vice chairman of investment banking in the real-estate, gaming and leisure sectors. He is based in Dallas and reports to Drew Goldman, head of investment-banking coverage for the Americas, according to Deutsche

Bank and Mr. Bartling. Mr. Bartling said Deutsche Bank's ranking as a top U.S. property lender and its broader structured-finance business help generate business for its deal-advisory bankers.

Online retailing and inter-

net-based home-shopping tools

are creating opportunities in

everything from construction fi-

nancing to company mergers,

he said.

The aging U.S. population is

also helping fuel health-care-re-

lated real-estate transactions.

"There's still a fair amount of

tailwind to the sector," Mr. Bar-

tling said.

The regulator reprimanded

Deutsche Bank for missing re-

porting deadlines and other

procedural requirements of

German law, rather than cite a

specific client or incident, ac-

cording to a person familiar with the matter.

The German market regula-

tor joins U.S.-based autho-

rities who have installed half a

dozen overseers inside

Deutsche Bank in recent years

to supervise fixes to compli-

ance problems and other

weaknesses. The monitoring is

typically part of legal settle-

ments. Other monitors have

been placed inside the bank by

a New York federal judge, the

U.S. Justice Department and

New York's Department of Fi-

nancial Services.

Denmark's largest bank,

Danske Bank, cited as suspi-

cious more than \$230 billion

in transactions that flowed

through its tiny Estonian

branch, Danske's chief execu-

tive, Thomas Borgen, resigned

last week in connection with

the massive Russian-linked

money-laundering case, which

has drawn scrutiny from U.S.

criminal investigators and Eu-

ropean authorities.

Deutsche Bank acted as a

correspondent bank for Dan-

ске, handling dollar wire

transfers.

The shipping crisis brought

some banks to the verge of col-

lapse.

HSH Nordbank became the

world's biggest ship financier in

the 2000s when its balance

sheet grew to more than €200

billion (\$235 billion) as it ag-

gressively expanded its shipping

portfolio.

But after massive losses, the

bank was sold this year for €1

billion to a group of U.S. private-

equity firms.

"We had to write off about

€10 billion in shipping, and this

will certainly never happen again," said Stefan Ermisch,

HSH's chief executive.

The lender has cut its ship-

ping exposure to €5 billion from

a 2008 peak of €40 billion and

does limited ship transactions

with clients from Greece, Asia

and the U.S.

Deutsche Bank, Germany's

flagship lender, agreed in June

to sell \$1 billion of nonperfor-

ming shipping loans to U.S. inves-

tors Oak Hill Advisors and

Varde.

The shipping crisis brought

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MARKETS

Dow Drops as Trade Hopes Fade

Stocks of industrial companies, vulnerable to tariffs, are among day's biggest decliners

BY CHRISTOPHER WHITTALL AND AKANE OTANI

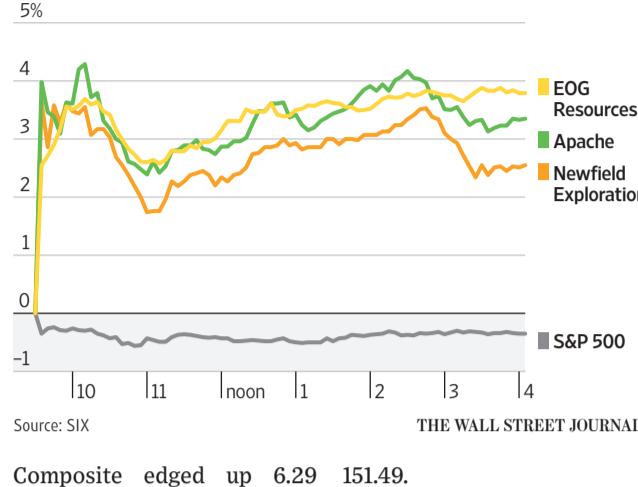
The Dow Jones Industrial Average retreated from its Friday record, as heightened trade tensions stoked cautiousness among investors.

The Dow and MONDAY'S MARKETS the S&P 500 began the week on a downbeat note after China pulled out of trade talks with the U.S. The move came after the two countries announced new tariffs on each other's goods last week, escalating a conflict that has kept many investors on edge this year.

The Dow industrials fell 181.45 points, or 0.7%, to 26562.05, posting its biggest one-day percentage decline since August. The S&P 500 dropped 10.30 points, or 0.4%, to 2919.37, while the Nasdaq

Energized

Shares of energy companies got a boost Monday as oil prices rallied.



Composite edged up 6.29 points, or 0.1%, to 7993.25.

Shares of industrial companies, which many analysts have said are particularly vulnerable to tariffs, were among the biggest decliners in the S&P 500. Aerospace-parts maker Arconic lost \$1.26, or 5.5%, to \$21.62, while tool manufacturer Stanley Black & Decker shed 2.87, or 1.9%, to

151.49.

The losses offset a rally in the S&P 500 energy sector, which rose 1.5% after a Sunday meeting of oil-producing countries failed to produce a consensus on how to contain prices. U.S. crude for November delivery jumped 1.8% to \$72.08 a barrel, settling at its highest level since July.

Despite an uptick in volatil-

ity in recent weeks, many investors are continuing to bet stocks will be able to keep nudging higher. Economic data have pointed to strength in the U.S. labor market and sustained growth in corporate earnings.

Some investors, such as Fabrizio Quirighetti, co-head of multiasset investments at SYZ Asset Management, are looking through the near-term headlines in the belief that the U.S. and China will reach an agreement after the midterm elections in November.

Having favored U.S. stocks over the summer, Mr. Quirighetti is now buying equities in other regions including Europe, where he thinks growth is firming after a slowdown earlier in 2018.

"We have become more constructive on the rest of the world," said Mr. Quirighetti.

Elsewhere, the Stoxx Europe 600 slipped 0.6% as declines in shares of auto makers and construction firms offset a rally in the energy sector.

In Asia, there were signs of last week's positive momen-

tum reversing, though many markets were closed for holidays. Hong Kong's Hang Seng Index slumped 1.6% after rising 2.4% last week. Australia's S&P/ASX 200 declined 0.1%.

Hong Kong was closed for a holiday Tuesday. Early Tuesday, Japan's Nikkei Stock Average was up 0.1%. Australia's S&P ASX 200 was down 0.3% and the Shanghai benchmark was down 0.3%.

Later this week, investors say their attention will turn to central banks. Investors are largely expecting the Federal Reserve to raise its benchmark rate by a quarter percentage point when it concludes its September meeting on Wednesday.

"We don't think there'll be a dovish surprise coming out of the meeting," said Ian Samson, markets research analyst at Fidelity International.

The yield on the benchmark 10-year U.S. Treasury note rose Monday to 3.078%, compared with 3.068% Friday. Yields, which rise as bond prices fall, have notched four consecutive weekly advances.

Treasurys Fall Ahead Of Fed Meeting

BY DANIEL KRUGER

U.S. government bond prices swung between gains and losses before ending lower Monday on signs that conditions are improving for the global economy, curbing demand for safe assets.

The yield on CREDIT MARKETS the benchmark 10-year Treasury note snapped a two-session streak of declines, settling at 3.078% from 3.068% Friday. Yields rise as bond prices fall.

Yields rose in early trading after comments from European Central Bank President Mario Draghi suggested that the European economy may be poised to accelerate, adding to optimism about the global economy.

Demand for the safety of government bonds has waned after central bankers in Argentina and Turkey began raising interest rates to rein in rapid inflation. Some analysts said previously weak responses by policy makers in those countries were leading to sharp declines in their currencies, while also raising concerns their troubles could spill over to other emerging-market economies.

Rate increases in those economies have encouraged investors to view events in the context of an expanding global economy, and they have recently been willing to overlook some softness in U.S. data relating to consumer prices and retail sales, analysts said. Weak inflation helps support the value of government bonds by preserving the purchasing power of their fixed payments.

"There's been a change in sentiment," said Christopher Sullivan, chief investment officer at the United Nations Federal Credit Union.

Investors are also looking ahead to the Federal Reserve's meeting Tuesday and Wednesday, where policy makers are widely expected to raise interest rates for a third time this year, analysts said.

Investors will be looking at the projections of policy makers on the economy and the path of interest-rate policy for 2021, which officials will be offering for the first time.

Fed officials have penciled in three rate increases for 2019, though many investors have said they are uncertain whether policy makers will interrupt the trend of quarterly rate raises at some point next year to reconsider their options.

Yields retraced an early advance Monday after news reports said that Deputy Attorney General Rod Rosenstein was likely to leave the Trump administration. Yields rose again after the White House said President Trump and Mr. Rosenstein would meet Thursday to discuss Mr. Rosenstein's status.

Investors could see Mr. Rosenstein's departure as a sign that Mr. Trump could end the investigation into Russian election interference, which could add "a pretty big source of uncertainty" to financial markets, said Priya Misra, head of global rates strategy at TD Securities.

The yield on the two-year Treasury note edged up to 2.813%, a new 52-week high. The yield is the highest since June 2008, based on the 3 p.m. close in New York.

AUCTION RESULTS

Here are the results of Monday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

13-WEEK AND 26-WEEK BILLS

13-Week 26-Week

Applications \$144,438,628,500 \$137,935,969,500

Accepted bids \$48,000,238,500 \$42,000,495,500

*noncomp \$939,583,500 \$841,550,500

*foreign noncomp \$975,000,000 \$878,000,000

Auction price (rate) 99.448944 98.827111 (2.320%)

Coupon equivalent 2.223% 2.380%

Bids at clearing yield accepted 11.22% 8.804%

Cusip number 912796Q05 912796PX1

Both issues are dated Sept. 27, 2018. The 13-week bills mature on Dec. 27, 2018; the 26-week bills mature on March 28, 2019.

TWO-YEAR NOTES

Applications \$90,162,253,100

Accepted bids \$37,000,075,500

*noncompetitively \$390,858,100

*foreign noncompetitively \$100,000,000

Auction price (rate) 99.847531 (2.82%)

Interest rate 2.750%

Bids at clearing yield accepted 44.96%

Cusip number 91282852D

The notes, dated Oct. 1, 2018, mature on Sept. 30, 2020.

Dozens of Stocks Feel Tariff Bite

BY MICHAEL WURTHORN AND AKANE OTANI

Dozens of stocks remain stuck in bear-market territory even as the U.S. stock market has charged to records, reflecting a disconnect that shows a robust economy hasn't offset trade jitters for many American conglomerates.

The trade fight has weighed particularly hard on shares of industrials and materials companies, which account for about one-fifth of the 80 stocks in the S&P 500 that have tumbled at least 20% from their 52-week highs—the common definition of a bear market.

Motorcycle manufacturer Harley-Davidson Inc., appliance maker Whirlpool Corp., tool company Stanley Black & Decker Inc. and machinery builder Caterpillar Inc. are among the biggest stocks that have slumped more than 20%, largely due to trade-related woes. Many companies that missed out on the broader rally have said trade tensions raised their costs, damped their profit outlooks or forced them to scrap projects.

Despite the stumbles, the market has recovered from the inflation- and trade-fueled volatility that put the nine-year rally on hold for most of 2018.

Investors have ranked a trade war as the top tail risk for four consecutive months, Bank of America Merrill Lynch said in its September survey of global fund managers. Fears that tighter trade policies could crimp growth also have hit fund managers' global outlooks, with 24% of investors expecting global growth to slow in the next year, up from 7% in August.

"There's a number of money managers who've been

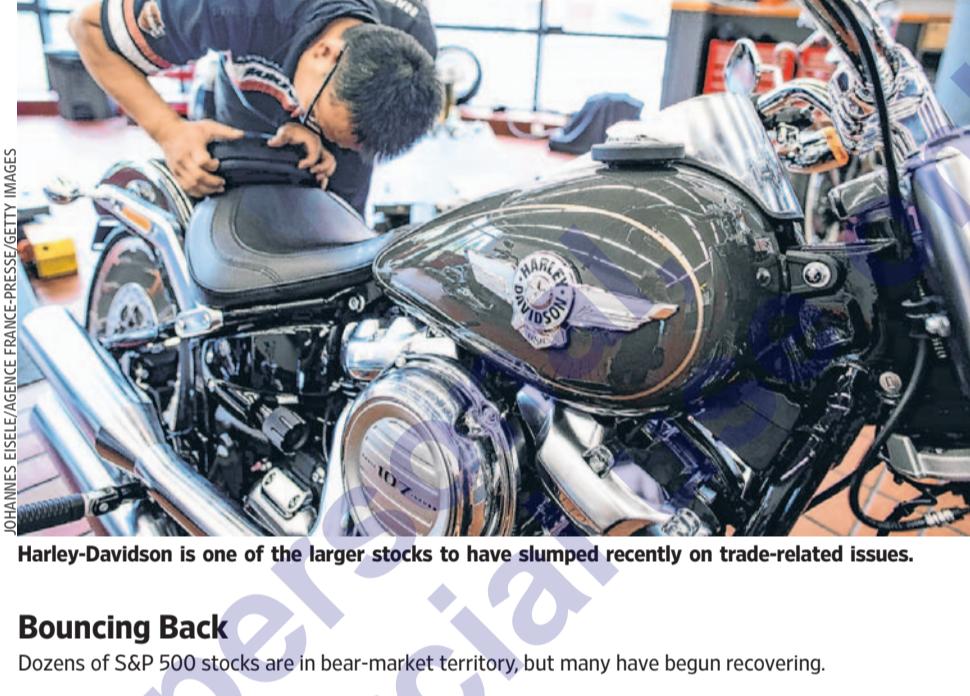
hesitant to be involved with the [companies] that are going to be potentially affected by the tariffs, whether they'll be able to export fewer goods or be buying less from China," said Mark Grant, managing director and chief global strategist at B. Riley FBR Inc.

Many of the firms that investors say have been most vulnerable to the trade rift fall in the industrial and materials sectors.

Among the hard-hit industrials stocks, engine maker Cummins Inc. is down 23% from its 52-week high after falling as much as 32%, hit by 25% tariffs on the small diesel engines and components it imports from its plants in China. Stanley Black & Decker, which has had to weigh replacing U.S. suppliers with foreign ones because of steel and aluminum tariffs, fell as low as 25% from its 52-week high and remains down 14%.

Auto makers and retailers that cater to drivers are another group of laggards. Ford Motor Co., down 28% from its 52-week high, earlier in the month scrapped plans to import its Focus vehicle to the U.S. from China. BorgWarner Inc. remains firmly stuck in bear-market territory and is down 13% so far this year. This month, the auto-parts supplier cut its earnings and sales outlooks for the year, citing weaker industry volumes in China, as well as "short-term issues" in Europe.

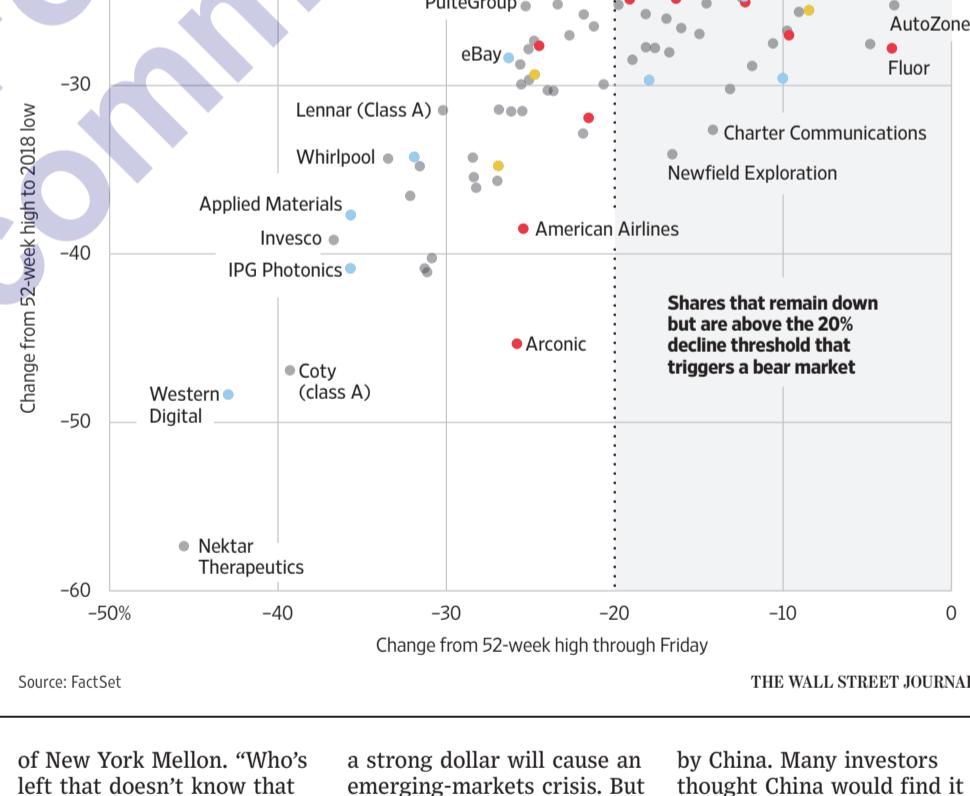
Shares of several tech manufacturers also have been crushed by tariffs on Chinese imports. Chip-equipment maker Applied Materials Inc. has seen its stock slide 37% from its March high. Lam Research Corp. and Western Digital Corp. shares have fallen more than 30% each from their trailing-year highs.



Harley-Davidson is one of the larger stocks to have slumped recently on trade-related issues.

Bouncing Back

Dozens of S&P 500 stocks are in bear-market territory, but many have begun recovering.



Source: FactSet

a strong dollar will cause an emerging-markets crisis. But fear of a broad emerging-markets crisis also can cause a stronger dollar, as investors flee for safety; the subsequent lack of contagion (so far) from emerging markets can at least help to cause a weaker dollar again.

The rest of the dollar weakness can be explained

by China. Many investors thought China would find it hard to stimulate its weakening economy without a repeat of the 2015-16 capital flight that roiled global markets. But last month China managed to end the fall in its currency with little more than words, calming fears that a yuan devaluation might hit the global economy.

There are still a lot of hedge funds betting on a rising dollar, according to Commodity Futures Trading Commission data on futures positions, suggesting plenty of positions to be unwound if global sentiment keeps improving. On the other hand, U.S. short-term fundamentals are looking great for the dollar, with domestic economic data less disappointing than it had been, and more disappointing in Europe. That ever-widening gap in yields in favor of the greenback should make dollars attractive, too.

Fundamentals are likely to reassert themselves eventually, but sentiment has the momentum for now.

Script Is Flipped for The Dollar

Continued from page B1
bonds has widened to 3.35 percentage points, the highest since before the Berlin Wall fell in 1989. The trade fight with China has intensified. Emerging markets, Italy and Brexit remain live issues. And instead of rising, the dollar has fallen against the euro, sterling and yuan, while emerging-market currencies have been much more stable than they were. (Troubled Argentina is a notable exception.)

A clue to what is going on can be found in the yen, the one major currency weaker against the dollar since mid-August. Investor demand for the safety of Japan has waned because global risk appetite has risen. It shows up in the lower—though still high—volatility of emerging

markets, in the lower—though still high—extra yield on offer from Italian bonds over German bonds, and in the subdued investor response to the latest trade skirmishes.

"We've come through the worst and the market was positioned for bad news," says Simon Derrick, chief currency strategist at Bank

of New York Mellon. "Who's left that doesn't know that there's bad news in any of these markets?"

A shift from bracing for disaster to being merely concerned explains a lot of the dollar's recent decline, and raises an intriguing point about the direction of causation.

Usually the danger is that

Mixed Signals

Cumulative change in value against the dollar



MARKETS

Palladium Leads a Rebound in Metals

BY AMRITH RAMKUMAR

A runaway rally in the silver-white metal palladium is revving up investor optimism for global growth.

Palladium, used in automobile converters that make toxic emissions less harmful, has surged 25% since mid-August on softer-than-expected tariffs from China and the U.S., as well as signals that the Trump administration wants to compromise on trade.

Prices are now at their highest level in nearly seven months, with the most-active futures on track to post their ninth straight session of gains Monday—the longest such streak since October 2014, according to Dow Jones Market Data.

Some investors look at palladium as an indicator for car demand and sentiment. Its rapid increase and signs that the Chinese government wants to spur domestic growth have led a rally in other metals markets.

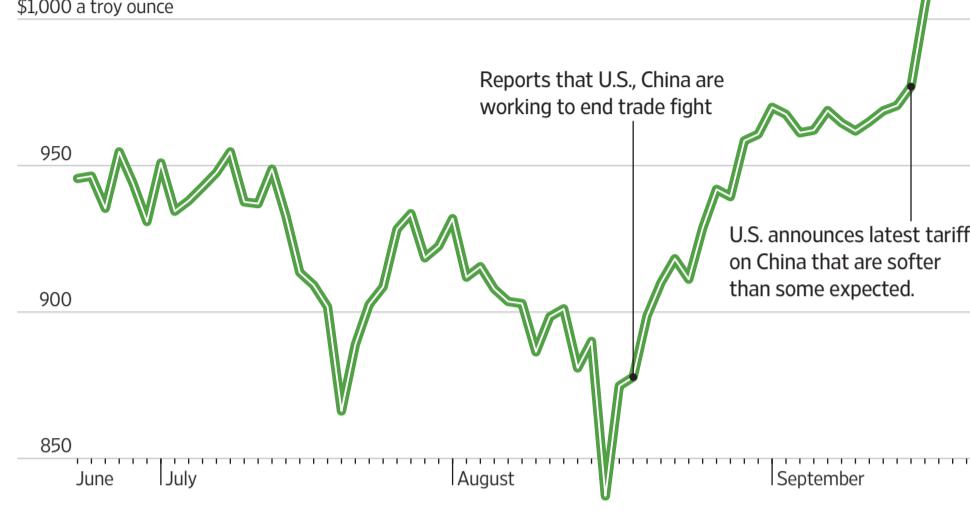
On Friday, nickel rose nearly 5% on the London Metal Exchange, and copper surged 4.3% to cap off its best week in nearly two years. Most other metals were roughly flat Monday as traders weighed the latest trade headlines.

Palladium is “a small market, but sometimes these small markets can lead in terms of sentiment,” said Tai Wong, head of metals trading at BMO Capital Markets.

Investors look at industrial metals—widely used in manufacturing and construction—broadly to gauge growth worldwide. A monthslong price slide in these markets had eroded investor confidence, pushing money managers into U.S. assets throughout the year.

Yet recently, some analysts appear much more confident that a full-blown trade war and slowdown in China won’t materialize. Japan’s Nikkei

The rise accelerated last week as investors reacted positively to the latest trade headlines.

Palladium price*

Palladium has stayed above platinum lately for the first time in more than 15 years, a sign of investors’ changing preferences in the metals industry.*



*Most-actively traded futures †Projection

Sources: FactSet (futures price); Commodity Futures Trading Commission (net bets); Johnson Matthey (supply and demand)

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