

WSJ

THE WALL STREET JOURNAL WEEKEND



DOW JONES | News Corp *****

SATURDAY/SUNDAY, SEPTEMBER 15 - 16, 2018 ~ VOL. CCLXXII NO. 64

WSJ.com ★★★★ \$5.00

What's News

World-Wide

Manafort pleaded guilty to two federal crimes and agreed to cooperate with Mueller's probe, a dramatic turnaround for the ex-Trump campaign chairman. [A1](#), [A2](#)

◆ **Florence started** its slow march across the Southeast, forcing the rescue of hundreds from floodwaters and claiming at least four lives. [A1](#), [A4](#)

◆ **Administration officials** considered replacing FEMA's chief—who faces an inquiry—as Florence developed. [A5](#)

◆ **Supreme Court nominee** Kavanaugh denied an allegation that he engaged in sexual misconduct in high school. [A3](#)

◆ **The governor** of Massachusetts declared a state of emergency, a day after a gas utility's pipeline triggered dozens of fires. [A3](#)

◆ **North Korea operatives** have sought to use U.S. technology and social media networks to evade U.S.-led sanctions and generate income. [A1](#)

◆ **The U.S. is convening** a coalition to expand surveillance of ships smuggling fuel to North Korea. [A11](#)

◆ **Syria has been** holding off on an offensive, as Turkey urges armed groups to evacuate Idlib province. [A8](#)

◆ **Beijing and the Vatican** are set to end a long struggle over who chooses the leaders of Catholicism in China. [A11](#)

Business & Finance

◆ **Kleiner Perkins** is splitting in two, a surprise rupture that is indicative of the changing fortunes in the venture-capital industry. [A1](#)

◆ **Theater chain AMC** raised \$600 million from Silver Lake and repurchased roughly a third of the controlling stake held by China's Wanda. [B1](#)

◆ **The U.S. is probing** Denmark's largest bank over allegations of massive money-laundering flows from Russia and former Soviet states. [A8](#)

◆ **The San Francisco Fed** named its research director, Mary Daly, to become its new president. [A3](#)

◆ **The NLRB proposed** rolling back a ruling that made it easier for contractors and workers at franchised businesses to form unions. [A5](#)

◆ **Russia's central bank** raised rates, moving to defend the ruble against market volatility and inflation. [A12](#)

◆ **Turkey's Erdogan** warned he wouldn't tolerate higher lending rates for long, challenging the central bank. [A12](#)

◆ **Major stock indexes** edged higher, notching weekly gains as fears over trade abated. [B12](#)

◆ **Staples agreed** to buy office-supplies firm Essendant in a \$482.7 million deal. [B3](#)

Get Ready For the Next Financial Crisis

OPINION, A15

CONTENTS Style & Fashion D2-6
Books C7-12 Technology B4
Food D10-12 Travel D7-9
Heard on Street B14 U.S. News A2-5
Obituaries A6 Weather A16
Opinion A13-15 Wknd Investor B5
Sports A16 World News A8-12

37642
0 78908 63144 2

© 2018 Dow Jones & Company, Inc.
All Rights Reserved



Volunteers helped rescue children from their flooded home on Friday in James City, N.C. Hundreds called for emergency rescues in the area.

Storm Slams Carolinas

Florence is downgraded to a tropical storm, with widespread heavy rainfall

BY ERIN AILWORTH AND VALERIE BAUERLEIN

NEW BERN, N.C.—Florence started its slow march across the Southeast Friday, pounding North Carolina with rain, forcing hundreds of people to be rescued from floodwaters and claiming at least five lives.

The storm, which made landfall near Wrightsville Beach, N.C., at about 7:15 a.m., began what could be a day-long deluge in the region, with rain forecast to potentially reach 40 inches in some areas. About 750,000 people were without power and about 210,000 were staying in 170 shelters in the Carolinas. The storm made landfall just 2 miles from where it was expected and it remains to be seen if its impact is as forecasters fear.

At least five people have died in storm conditions in the state, according to authorities. The deaths include two

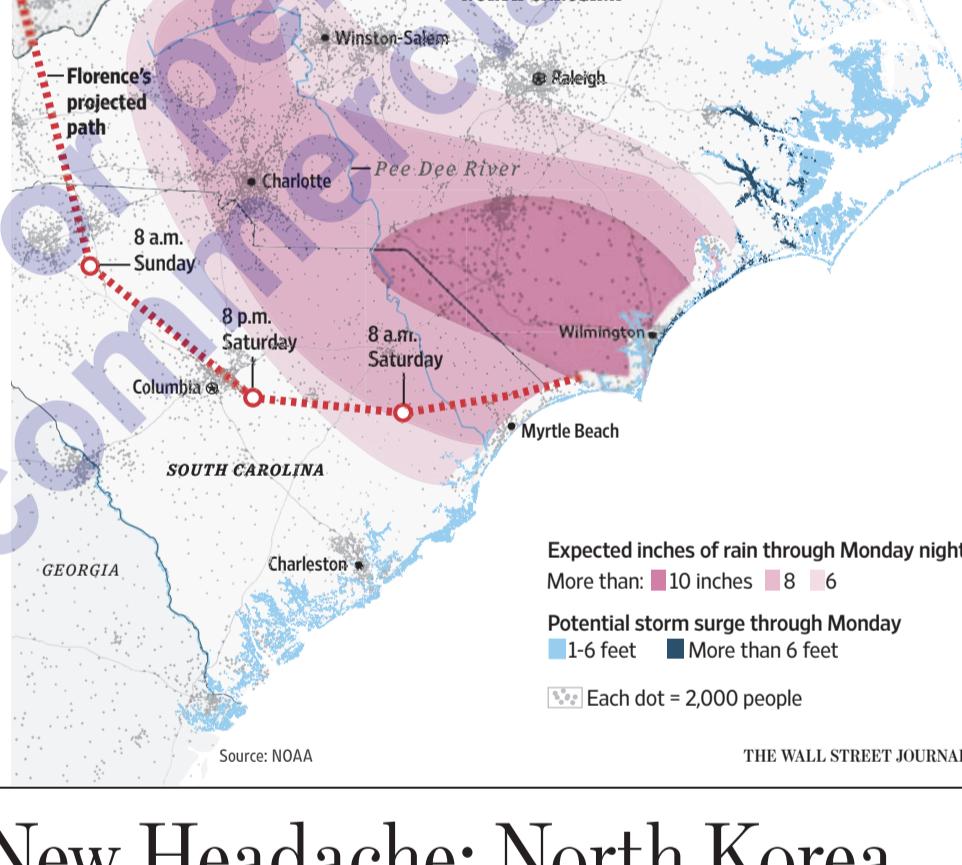
Please turn to page A4

◆ **FEMA chief under scrutiny... A5**

◆ **Track Florence at WSJ.com**

About 750,000 without power Friday, with up to 3 million outages expected

Officials warn residents about dangerous conditions; 'This could be our Harvey'



THE WALL STREET JOURNAL.

Tech's New Headache: North Korea

Hiding behind fake social-media profiles, North Koreans sell IT services to snag hard currency

By Wenxin Fan, Tom Wright and Alastair Gale

soft-owned site Github, communicated over the Slack messaging service and asked for payments via Paypal. They have burnished their fake credentials with profiles on LinkedIn and touted fake operations with Facebook pages.

In short, North Korea has exploited the kinds of vulnerabilities that have

brought heightened political scrutiny to the technology platforms, suggesting how easy it is for Pyongyang to use tools of the digital economy to avoid sanctions aimed at halting information-technology trade with the country.

These details come from a Wall Street Journal investigation into a North Korean business based in China that has been building mobile games, apps, bots and other products for clients in the U.S. and

Please turn to page A10

Please turn to page A6

Barn Weddings Are Hot, but Mind the Party Animals

Farm nuptials can feature abiding odors, spitting llamas, tipsy deer

BY LAINE HIGGINS

Anna Trullinger's wedding day was going perfectly. Her mother and five bridesmaids had finished buttoning her gown, and she was nearly ready to appear before the groom. Then the bumblebees attacked.

Attracted to the bouquets, they got trapped in the fabric of the bridesmaids' dresses. Ms. Trullinger lost patience

when her mother began fidgeting. "I was like, 'Mom, bumblebees don't sting!'" says Ms. Trullinger, a 30-year-old Soul Cycle instructor in New York.

"And then she got stung."

Weddings on picturesque farms are hot. But rustic beauty comes with a price. Couples and guests must brave the elements and the animals: curious cattle, farm vermin, barnyard smells, and the occasional spitting llama.

Ms. Trullinger's 2014 nuptials were at a barn in upstate New York, one of the many farm venues in America where couples are tying the knot. Last year, 15% of weddings were at a barn, farm or ranch, up from 2% in 2009, according to a survey by wedding-planning site The Knot.

Laura Merli was at a barn-wedding reception outside Boston two years ago, waiting

Please turn to page A12

THE FALL 50:
ELEMENTS OF STYLE

OFF DUTY, D1

INSIDE



IN PURSUIT OF A BILLIONAIRE MYSTERY MAN

EXCHANGE, B1

U.S. NEWS

THE NUMBERS | By Jo Craven McGinty

How to Account for Temperature Extremes



When temperatures turn sizzling hot or glacially cold, averages may obscure the extremes.

That's a problem for companies eager to account for the effect weather has on demands for energy, which peak when temperatures soar or plummet.

So instead of relying on averages, the companies use a metric that captures the variability.

It's called degree days.

Degree days are the difference in one day between the average temperature and an arbitrary threshold, usually 65 degrees Fahrenheit. When the daily average is hotter than 65 degrees, buildings need air conditioning; when it's colder, they need heat.

On a warm day, with a daily average of 75 degrees, the difference from the threshold is 10 cooling degree days. On a cool day, with a daily average of 55 degrees, the difference is 10 heating degree days.

Over a span of time—perhaps a month or a season—

degree days can be summed up to look at the impact of the daily extremes. The larger the number, the greater the energy demand.

To understand how the information communicated by degree days differs from that of averages, consider New York City.

So far this year, the daily average temperature measured at LaGuardia Airport is 58.6 degrees Fahrenheit, or about 1 degree above normal. At the same time, there have been 1,425 cooling degree days, which is 411 above normal.

"That's a pretty large departure given that the year as a whole is not that much warmer than average," said Jake Crouch, a climate scientist with the National Centers for Environmental Information.

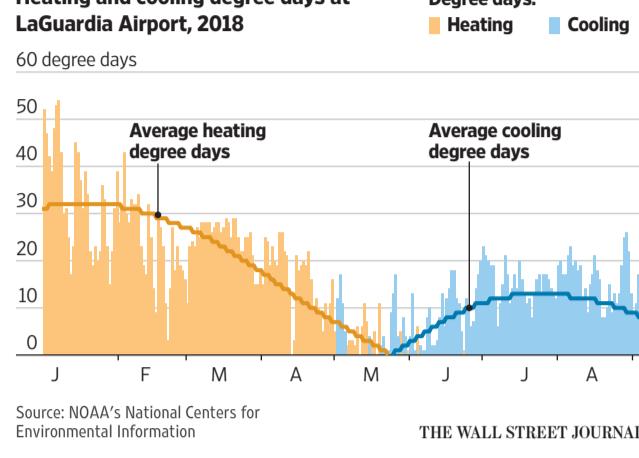
The result suggests buildings near LaGuardia have had to use more energy than usual to stay cool this year.

In this case, the difference between the average temperature and the number of degree days is explained by colder-than-normal days early in the year followed by hotter-than-normal days later on. The average con-

A Better Measure

Degree days are a measure of the variation in degrees from a baseline temperature.

Heating and cooling degree days at LaGuardia Airport, 2018



THE WALL STREET JOURNAL

cealed the extremes. But the sum of the degree days revealed them.

Two decades ago, Enron, Koch Energy and Aquila Energy realized they could leverage this kind of information, according to Brad Hoggatt, chief portfolio manager for MSI Guaranteed-Weather and past president of the Weather Risk Management Association.

They focused on using weather data as the basis for

mined in advance. If the threshold isn't exceeded, the seller keeps the premium.

Today, the notional value of weather futures and options traded on the Chicago Mercantile Exchange is approximately \$362 million, according to a CME spokesman.

The size of the over-the-counter market is unknown, but the National Weather Service estimates it has a market value of \$7 billion.

"The notional value of CME traded contracts is probably dwarfed by one OTC contract," said David Whitehead, the co-chief executive officer at weatherX-change and Speedwell Weather, a consulting firm that helps companies access index-based weather risk protection.

A recent example suggests he's right.

In 2013, the World Bank helped the Uruguayan state-owned hydroelectric power company purchase \$450 million in climate insurance to protect against droughts and high oil prices. The premium wasn't disclosed, and the insurance wasn't triggered before the contract expired.

Now, weather protection can be purchased in the form of derivatives or parametric insurance, which, unlike traditional insurance, doesn't indemnify the loss but instead makes a predetermined payment after a triggering event.

Up to 75% of weather trading still involves the energy sector, according to Martin Malinow, president of Sompo Global Weather, but other sectors, including agriculture, construction and travel have emerged, and contracts may now be based on temperature, precipitation, wind speed, solar radiation or other weather-related yardsticks.

In the U.S., the data are publicly available from the National Centers for Environmental Information and in some cases date to the 1700s. Similar data, assembled for the weather risk market by companies such as Speedwell Weather, are available from other countries.

"This is a global market in every continent outside of Antarctica, whether it's North America, Europe, Asia, Africa, Australia or South America," Mr. Whitehead said. "People are hedging their weather risk everywhere."

Manafort Details Ukraine Lobbying

BY REBECCA BALLHAUS AND JULIE BYKOWICZ

WASHINGTON — Paul Manafort, President Trump's former campaign chairman, acknowledged new details on Friday about his work on behalf of a former Ukrainian president—and his efforts to keep that work secret—as he pleaded guilty to criminal charges arising from special counsel Robert Mueller's investigation.

In court documents associated with his guilty plea, Mr. Manafort said his work for Viktor Yanukovych, the Ukrainian president who was ousted before fleeing to Russia in 2014, included "an all-out campaign to try to kill" congressional efforts to criticize his client.

A key part of Mr. Manafort's effort, according to the documents, was working with former European leaders to lobby U.S. policy makers. The prominent Europeans, whom Mr. Manafort referred to as the Hapsburg Group, lobbied members of Congress and the administration without disclosing that they were being paid by Ukraine.

In a June 2012 "eyes only" memo, Mr. Manafort said the goal was to "assemble a small group of high-level" European officials who could act "informally and without any visible relationship with the government of Ukraine."

The group included a former Austrian chancellor, Italian prime minister and Polish president. In memos to Mr. Yanukovych included in the

court documents say Mr. Manafort hired a half-dozen lobbying and law firms in Washington, including the Podesta Group, Mercury LLC and Skadden, Arps, Slate, Meagher & Flom LLP. The court documents say the firms hired by Mr. Manafort were paid a total of at least \$11 million for their efforts.

Mr. Manafort took measures to conceal his client's role in the lobbying efforts. "It is very important we have no connection," he told his lobbyists in 2013, according to the documents.

THE WALL STREET JOURNAL

(USPS 664-880) (Eastern Edition ISSN 0099-9660)

(Central Edition ISSN 1092-0935) (Western Edition ISSN 0193-2241)

Editorial and publication headquarters:

1211 Avenue of the Americas, New York, NY 10036

Published daily except Sundays and general legal holidays.

Periodicals postage paid at New York, NY, and other mailing offices.

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

All advertising published in The Wall Street Journal is subject to the applicable rate card, copies of which are available from the Advertising Services Department, Dow Jones & Co. Inc., 1211 Avenue of the Americas, New York, NY, 10036. The Journal reserves the right not to accept an advertiser's order. Only publication of an advertisement shall constitute final acceptance of the advertiser's order.

Letters to the Editor: Fax: 212-416-2891; email: wsj.lets@wsj.com

NEED ASSISTANCE WITH YOUR SUBSCRIPTION?

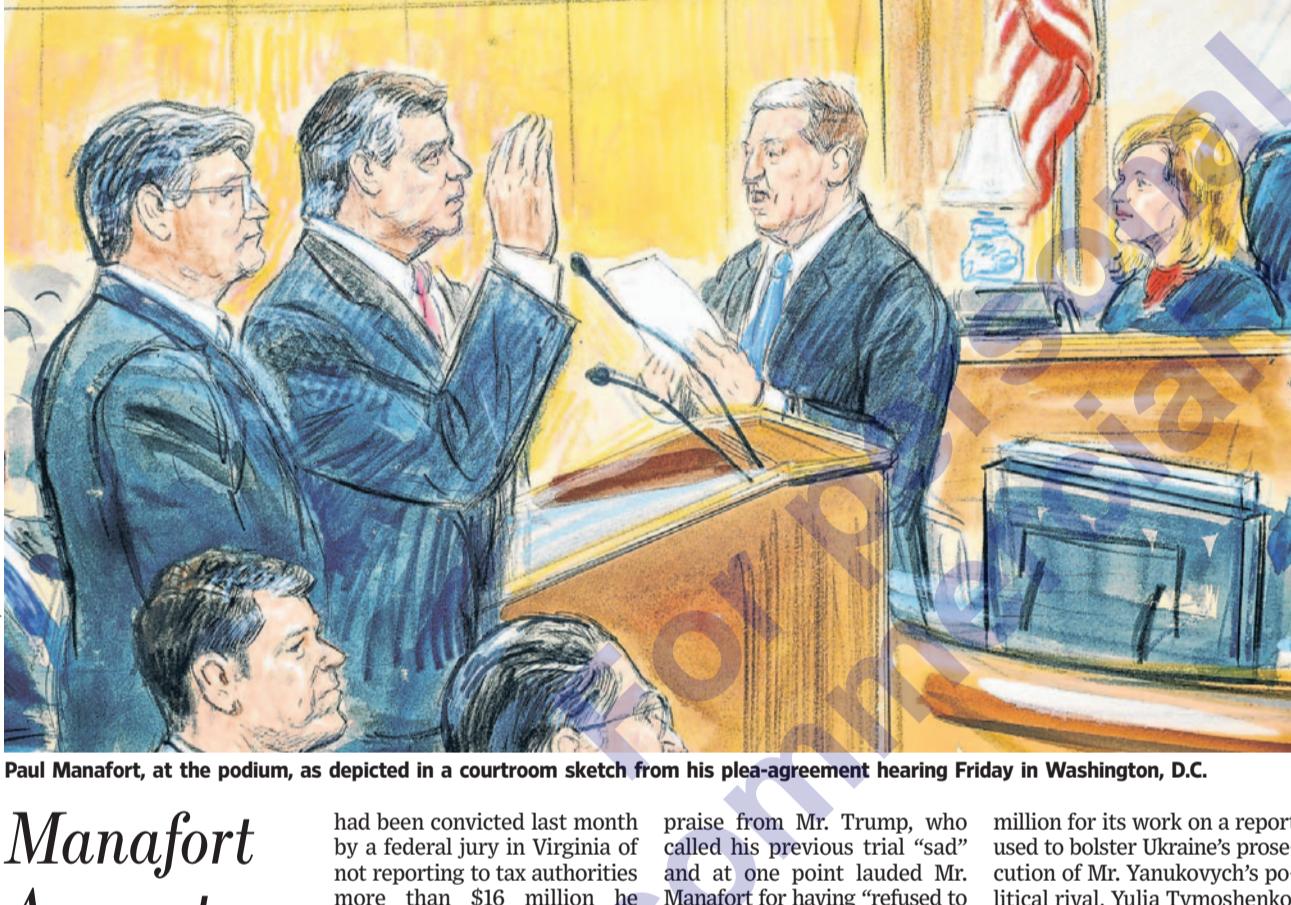
By web: customercenter.wsj.com; By email: wsjsupport@wsj.com

By phone: 1-800-JOURNAL (1-800-568-7625); Or by live chat at wsj.com/livechat

REPRINTS & LICENSING

By email: customreprints@dowjones.com; By phone: 1-800-843-0008

GOT A TIP FOR US? SUBMIT IT AT WSJ.COM/TIPS



Paul Manafort, at the podium, as depicted in a courtroom sketch from his plea-agreement hearing Friday in Washington, D.C.

Manafort Agrees to Help Probe

Continued from Page One prosecutors as they piece together information about Russia and whether Mr. Trump obstructed justice by firing Federal Bureau of Investigation Director James Comey in May 2017. For one thing, Mr. Manafort is the first person to cooperate with Mr. Mueller who also attended a June 2016 meeting at Trump Tower that has drawn the special counsel's interest. That session included Mr. Manafort; Donald Trump Jr.; Mr. Trump's son-in-law Jared Kushner; and several Russians who had promised incriminating information about Democrat Hillary Clinton.

Mr. Trump has denied any wrongdoing, and in a brief telephone interview Friday said that the Manafort case had nothing to do with him. "I got hit with an artificial witch hunt that should never have happened," Mr. Trump said.

Still, that the former campaign chairman is now cooperating with the special counsel is likely to heighten the legal and political pressure on Mr. Trump, less than two months before mid-term elections.

Mr. Manafort, appearing in court Friday, admitted to conspiring against the U.S. and obstructing justice.

"I plead guilty," he said softly as he faced the judge, after one of Mr. Mueller's prosecutors gave a lengthy recitation of Mr. Manafort's misdeeds that included leading an effort for years that lobbied Washington officials on behalf of the Ukraine government without reporting it.

Mr. Manafort, 69 years old,

CORRECTIONS & AMPLIFICATIONS

The value of coastal homes in Virginia, North Carolina and South Carolina has risen \$150 billion over the past five years. A Page One article Friday about Hurricane Florence incorrectly said \$150 million.

Neuroscientists reported in a study published in *Nature Biotechnology* that experimental software trained on recordings from seven patients with brain implants can decode variations in mood. A U.S. News article Tuesday about mood re-

search omitted the first reference to the study, which contained details about the number of patients studied and the fact that the patients had brain implants.

Stuff Media LLC produces podcasts including "Stuff You Should Know." In some editions Friday, a Business News article about iHeartMedia Inc.'s acquisition of Stuff Media mistated the show's name as "How Stuff Works." In other editions, it misspelled the name

as "Stuff You Shold Know."

Puerto Rico in August updated the official death toll from Hurricane Maria to 2,975. A WSJ. Magazine article in the September Men's Style issue chef José Andrés's efforts to feed victims of the hurricane went to print before the updated tally was released, and it contained only an earlier government tally of 64 deaths and an estimate from a recent study of possibly more than 5,000 deaths.

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



Ex-President Viktor Yanukovych

KRISTIN KUTTER/REUTERS/AP/GTY IMAGES

U.S. NEWS

Trump Plan For Cheap Insurance Faces Suit

By STEPHANIE ARMOUR

Patient and advocacy groups filed a lawsuit seeking to block the Trump administration's plan to let people buy less-expensive health insurance that doesn't comply with the Affordable Care Act.

The suit, filed Friday in U.S. District Court for the District of Columbia, takes aim at one of the central planks of the administration's plan to roll back the Obama-era health law, after Congress failed to repeal it last year.

The Trump administration rule finalized in August loosens restrictions on a type of coverage known as short-term medical insurance—low-cost plans that cover a limited period with less-expansive benefit offerings, which are subject to fewer consumer protection regulations. The plans don't have to cover people with pre-existing conditions, and insurers can charge higher premiums based on a consumer's health status.

The lawsuit filed by organizations including the American Psychiatric Association and AIDS United argues that the rule runs contrary to the ACA and will harm patients by resulting in higher costs for those with medical conditions.

"The only practical difference between these plans and comprehensive insurance, then, is that they need not comply with the ACA's protection requirements and can cherry pick healthier consumers—the precise practice prohibited by the ACA," according to the lawsuit.

The lawsuit was filed against Health and Human Services, the Treasury Department and the Labor Department, their agency heads, and the Justice Department.

In a statement, HHS spokeswoman Caitlin Oakley said the plans "are an important option for people in certain circumstances, and the Trump administration is committed to delivering greater access to more affordable choices to the men and women left out by Obamacare."

The Justice Department declined to comment. The Treasury Department and Labor Department didn't immediately respond to requests to comment.

The plan to allow for a proliferation of less robust but cheaper health plans sold on the individual insurance market has been widely expected to siphon off younger, healthier people who now buy coverage on the ACA's exchanges. Health analysts have said that will cause insurers to raise premiums on the exchanges because younger, healthier consumers are needed to offset the costs of older, sicker and more expensive individuals.

The result, they have said, will be a two-tiered market for people who buy their own coverage and don't get it from federal programs or employers—with higher costs for those with pre-existing health issues. They have also said the plans will leave some consumers with huge costs if they develop a medical condition that isn't covered.

The Trump administration and Republicans, however, have praised the rule as a way to provide relief to people who don't get subsidies to offset premium costs on the exchanges. Costs have risen sharply for these individuals, and Republicans largely say insurance-coverage requirements imposed by the ACA are to blame.

The lawsuit is the latest in a spate of litigation that seeks to block changes that will weaken the health law.

Lawsuits have also been filed against new requirements in Kentucky and Arkansas that mandate many Medicaid recipients work and participate in community service to retain or get benefits. In July, a dozen attorneys general filed a lawsuit to block the Trump administration from expanding access to a type of association health plan that doesn't comply with all the ACA consumer protections.



Residents looked over a home in Lawrence, Mass., north of Boston, on Friday that was among those destroyed in more than 60 fires and explosions the previous day.

Pipe Pressure Eyed in Gas Blasts

By JENNIFER LEVITZ AND RUSSELL GOLD

BOSTON—A day after a gas utility's pipeline triggered dozens of fires that killed one person and injured nearly 25, Massachusetts Gov. Charlie Baker declared a state of emergency and directed another company to take over the restoration work.

Federal and state investigators were trying to determine what caused more than 60 fires and explosions on Thursday afternoon, turning three suburban communities into a scene that a local fire chief said "looked like Armageddon."

Preliminary indications were that too much natural gas was pumped into a five-mile section of pipe owned by Columbia Gas, causing the combustible fuel to leak into homes in Lawrence, Andover and North Andover.

On Friday, Mr. Baker ordered

Eversource Energy to take over the effort of restoring utility service to the area, after he and other officials expressed frustration with Columbia Gas's response to the incident.

"We won't know the cause for some time yet but the initial focus is on over-pressure of a gas main," said a spokeswoman for the Massachusetts State Fire Marshal.

Columbia Gas, a unit of utility NiSource Inc., had been doing maintenance work in the area. NiSource shares plunged more than 11% on Friday as investors worried about government fines and lawsuits.

The company, which is working with investigators, released a statement calling the fatality a "tragic incident."

A team from the National Transportation Safety Board, which investigates major pipeline accidents as well as transportation incidents, headed to Massachusetts on Friday. It

joined a state and federal investigation that was mobilizing in Lawrence, a dense city on the Merrimack River, and the two other suburbs about 25 miles north of Boston.

Some residents and lawmakers, meanwhile, on Friday criticized the lack of information

Too much natural gas pumped into a pipe may have contributed to deadly incident.

being released to the public about what happened, who is to blame and when the problems would be fixed.

Michael Pangione, who lives in North Andover and owns insurance agencies in the area, said the limited information is keeping the community on

edge. Some residents who initially feared they were under a terrorist attack Thursday were wondering if their local infrastructure is safe.

U.S. officials said there currently is no reason to suspect that foul play is to blame.

Companies deliver natural gas for cooking, home heating and other uses to customers via a network of small pipelines buried under streets. These distribution lines are kept under a relatively low pressure so that gas flows easily when needed. A substantial increase in the pressure on the line could have forced unwanted amounts of gas into homes.

If NiSource is found liable, it could face substantial fines.

NiSource, an Indiana-based utility with a market value of \$10 billion, provides natural gas and electricity to 4 million customers in seven states in the Midwest and Northeast. It has been fined seven times

since 2010 by Massachusetts' Department of Public Utilities, totaling \$100,000, for improper pressure testing, corrosion control, faulty paperwork and other infractions.

In the latest incident, the cascade of erupting fires and explosions started to hit Lawrence, Andover and North Andover at about 4:30 p.m. Thursday. Homes crumbled, roofs flew off and debris rained down on cars.

Leone Rondon, 18 years old, died in Lawrence when a chimney tore off a house and collapsed onto the car he was parked in, according to the Essex County District Attorney's Office.

On Friday, thousands of people remained unable to return home, while crews visited the residences of 8,600 affected customers to shut off gas meters and conduct safety inspections.

—Dustin Volz contributed to this article.



The San Francisco Fed chose Mary Daly, its research director, as its president. Ms. Daly, a high-school dropout from a lower-income family, took a circuitous path to the top of her profession.

Fed Bank Pick Defies Odds

By MICHAEL S. DERBY

The Federal Reserve Bank of San Francisco named its research director, Mary Daly, to become its new president, a move that adds diversity to the central bank's top ranks.

She will take up the new post Oct. 1, succeeding John Williams, who helmed the San Francisco Fed from 2011 until leaving this year to become president of the New York Fed.

Ms. Daly, 55 years old, has worked at the San Francisco Fed since 1996, starting out as a staff economist before rising through the ranks, becoming research director in 2017. She has focused her work on labor-market issues, a timely interest as Fed policy makers struggle to understand why a strong job market hasn't spurred better wage gains and higher rates of inflation.

With Ms. Daly's promotion, three of the 12 regional Fed banks will be led by women. One of three Fed governors is female. The Atlanta Fed's president is the first ever African-American regional bank president in the central bank's century of existence.

Ms. Daly's journey to the top of her profession didn't follow the same path as that

of many of her colleagues. She told the St. Louis Fed in a podcast this year she lived on her own as a teenager and dropped out of high school. She earned a GED and then went to college.

"I'm a roundabout person, apparently, a crooked-path kind of person," Ms. Daly said in the podcast. She added, "I'm just fundamentally interested in how monetary policy interacts with people's lives, and importantly, I think about myself as a macro labor economist who thinks about the macroeconomy and monetary policy and how we achieve the dual mandate, which is low and stable prices and full employment."

She noted she has a special sensitivity for those outside the majority. "I'm openly gay. I'm female" and come from a lower-income family, Ms. Daly said. "I don't think I've ever felt like I was in the majority." That has caused her to consider other views, she said.

Ms. Daly earned a Ph.D. in economics from Syracuse University in 1994. She got her master's degree at the University of Illinois Urbana-Champaign in 1987 and her bachelor's at the University of Missouri-Kansas City in 1985.

She has been a frequent public speaker and writer on economic issues, but her monetary-policy views aren't well known. She will become bank president as the Fed is gradually raising short-term interest rates amid an active debate over how far to lift them.

Ms. Daly will vote at the interest-rate-setting Federal Open Market Committee meetings this year once she takes office, and will regain that status in 2021 because of the central bank's rotation system.

Colleagues said Ms. Daly has played important roles seeking to promote diversity within the Fed system and the economics profession, which is dominated by white men.

In an interview with The Wall Street Journal in April, Ms. Daly said improving diversity within the Fed system also meant taking a broader focus to recruitment efforts beyond race and gender.

"It means making sure our people don't all come from Stanford, Harvard and Berkeley," she said. "I've seen so many people who didn't have a pedigree background who have been able to step up and make contributions here."

—Nick Timiraos contributed to this article.

Kavanaugh Denies Sex-Abuse Claim, GOP Defends Him

By BRENT KENDALL AND KRISTINA PETERSON

WASHINGTON—Supreme Court nominee Brett Kavanaugh on Friday denied an allegation that he engaged in sexual misconduct in high school, a day after the allegation surfaced and a top Democrat said she referred the matter to federal investigators.

"I categorically and unequivocally deny this allegation," Judge Kavanaugh said in a written statement released through the White House. "I did not do this back in high school or at any time."

The judge's statement came after The Wall Street Journal and other organizations reported Thursday on the allegation. That was prompted by a brief statement from Sen. Diane Feinstein (D, Calif.) saying she had referred an issue relating to Judge Kavanaugh to investigative authorities.

Mrs. Feinstein didn't specify the nature of the issue, but a person familiar with the matter said the allegation involved a claim that Judge Kavanaugh and a friend during their teenage years pulled a girl into a room at a party against her wishes and attempted to assault her.

Mrs. Feinstein, the top Democrat on the Senate Judiciary Committee, on Thursday said the alleged victim "strongly requested confidentiality, declined to come forward or press the matter further, and I have honored that decision."

Republicans have criticized Mrs. Feinstein for raising the issue on the eve of Judge Kavanaugh's confirmation and questioned Democrats' motivations. They have also defended the judge and noted the nomi-

nee has already been vetted in detail by federal authorities. Mrs. Feinstein didn't respond to the GOP allegations.

Judiciary Committee Chairman Sen. Chuck Grassley (R, Iowa) on Friday released a letter from 65 women who knew Judge Kavanaugh when he attended high school between 1979 and 1983.

"For the entire time we have known Brett Kavanaugh, he has behaved honorably and treated women with respect. We strongly believe it is important to convey this information to the Committee at this time," the women said in the letter.

The unexpected episode comes amid a bitterly partisan battle over the makeup of the Supreme Court. If confirmed, Judge Kavanaugh, who now serves on a federal appeals court, would succeed Justice Anthony Kennedy, a maverick conservative who sided with the court's liberal wing on issues including gay rights.

Judge Kavanaugh's written opinions over more than a decade suggest he would be more conservative than Justice Kennedy, a shift that could move the court to the right for decades.

Democrats remain angry that Republicans prevented President Obama from filling the high-court vacancy created by the death of Justice Antonin Scalia in 2016, a slot that was later filled by President Trump's first nominee Neil Gorsuch.

They also view Judge Kavanaugh skeptically because of his work for independent counsel Kenneth Starr's investigation of President Clinton, as well as his service as a lawyer in the George W. Bush White House.

U.S. NEWS

Storm Slams Carolinas

Continued from Page One
people killed in Lenoir County, and a mother and infant killed in Wilmington, N.C., when a tree fell on a home, according to North Carolina Gov. Roy Cooper's office. A woman in Pender County also died when a fallen tree prevented emergency crews from reaching her while she suffered a heart attack, a county spokeswoman said.

Entire communities could be "wiped away" by historic flooding, Mr. Cooper said Friday. "The storm is going to continue its violent grind across our state for days."

"We're all kind of waiting. There's a little bit of apprehension as you can imagine," said Major Mark Craddock with the Salvation Army of Cape Fear, who was hunkered down with about 30 others at the organization's shelter in downtown Wilmington.

The National Hurricane Center downgraded Florence to a tropical storm due to its slow wind speed Friday afternoon but didn't change its warnings of storm surges, flooding and heavy rainfall.

President Trump is expected to travel to areas affected by the hurricane next week, the White House said Friday.

To help with power outages, utility companies staged nearly 40,000 workers on the outskirts of the storm, waiting until it is safe enough to move in. Utility poles were piled up alongside Interstate 95 to replace those snapped by winds and debris.

Between one million and three million power outages are expected, warned Duke Energy Corp., the large power provider based in Charlotte. It warned that the hardest-hit communities could wait weeks for the power to come back on.

The Southeast's big industries battened down. Meat companies including Tyson Foods Inc., Smithfield Foods Inc., Pilgrim's Pride Corp. and Wayne Farms LLC shut down operations from Pennsylvania



Storm water floods a house in Swansboro N.C., above, as winds and water damage a highway off Harkers Island, left. Below, rescue workers evacuate a family in New Bern, N.C., and people shine a flashlight at Comfort Suites in Wilmington. Below left, a woman reacts after learning a tree toppled onto her family members' house, killing two people and injuring a third, in Wilmington.



Entire communities could be 'wiped away' by flooding, said Gov. Cooper.



to North Carolina and Virginia. While some meat processors shifted production to plants outside the storm's path, in other cases processing was put on hold altogether. Farmers worked to protect livestock and waste lagoons from heavy rains.

The disruption in North Carolina—the second-largest pork producing state—meant about 135,000 fewer hogs were slaughtered than forecast earlier in the week, according to Archer Financial Services, helping to boost wholesale pork prices.

The projected rainfall could present a problem for the power industry's 26 coal-ash ponds in the Carolinas. Utilities were monitoring these facilities, which store toxic waste from coal-burning power plants. A heavy rain that caused the ponds to overflow could create an environmental catastrophe.

Ryan Maue, a meteorologist at weather.us, said the storm will dump approximately 10 trillion gallons of water on North Carolina, about a quarter of the annual total. That's roughly double the rainfall

from Hurricane Matthew in 2016, he said.

If the current forecasts hold, many regions could see "a flood of biblical proportions," said Rick Neuherz, a hydrologist with the National Weather Service. "This could be our Harvey."

New Bern, N.C., quickly became a trouble spot as floodwaters rose. In New Bern, along the Neuse River, emergency responders pulled off some 200 rescues overnight and Friday morning, and about

150 people were still awaiting help, city spokeswoman Colleen Roberts said. The entire area had lost electricity.

The area's storm surge had reached 9 feet downtown and water was up over the tops of street signs, said Capt. Donald Gurkin with the Greenville, N.C., Fire-Rescue, who was in New Bern as part of a state task force. "Our guys are tired."

Clara Phillips, who lives in the Brices Creek area of New Bern, sat on her screened-in

back porch on Friday, watching as the wind pushed trees to and fro. Two pines had already fallen and an oak looked likely to drop on her neighbor's home.

"We have a birch that we planted two years ago that looks like it's doing calisthenics," she said. "It's just touching its toes and standing up."

Down the coast in Jacksonville, N.C., emergency responders evacuated 62 people from a hotel early Friday morning. Portions of the hotel's roof col-

lapsed and cinder blocks that are part of the hotel began to crumble.

Meanwhile, by early afternoon Friday in South Carolina, tens of thousands of residents were without power in Horry County, which includes Myrtle Beach. The rest of the state braced for widespread outages and flooding.

In Florence County, officials ordered residents along Black Creek and the Lynches River to evacuate by noon Saturday, because of the risk of flooding.

Near the landfall site in Wrightsville Beach, N.C., Mayor Bill Blair said he found little damage on his initial end-to-end tour of the 4 mile-long barrier island on Friday morning. But by the late afternoon, ocean waves had breached the dunes and washed over roads, and some docks were completely submerged. An \$11 million investment to widen the beach by about 100 yards last winter was largely washed away.

Mayor Blair said the arrival of the backside of the storm coincided with high tide, creating a massive surge of water within hours.

"When you see the movies with the tsunami pushing the water right up all at once?" he said. "It was kind of like that. It was just scary."

—Jon Kamp, Zolan Kanno-Youngs, Rebecca Davis O'Brien, Russell Gold and Jacob Bunge contributed to this article.

Telecom Firms, Airlines Strive to Keep Region Connected

Communications and travel companies took steps to keep the region connected as outages were expected.

Wireless carriers deployed backup generators and engineers to areas likely to be hard hit. Some prepared to deploy drones to provide temporary coverage after the storm.

Verizon Wireless removed speed limits on service for all first responders in East Coast states from Florida to Maryland, said Nicola Palmer, chief network officer. The company came under fire in August after a fire department fighting fires in California said their connec-

By Alison Sider,
Sarah Krouse
and Doug Cameron

tions had been throttled.

She said, in an email, that their network is withstanding the storm so far and has staff on site in storm-hardened facilities throughout the area. They have backup facilities ready to deploy if needed.

Defense communications specialist Harris Corp. opened up its military-spec online tracker of road conditions to public use after Florence made landfall. Harris's Helios tool

already provides real-time updates for government agencies, scraping thousands of videocameras to assess road conditions.

All four major U.S. wireless carriers lifted data limits or overage charges for subscribers in the path of the storm.

Sprint Corp. and AT&T said they would waive call, text and data overage fees through Sept. 25 for customers in areas affected by the storm. AT&T also extended payment due dates for customers of its pay-as-you-go brand, Cricket, who may be unable to get to stores to pay their bills be-

cause of the storm.

T-Mobile and Verizon have also said they would provide free calling, texting and data to customers in areas affected by the storm.

Airlines operated reduced schedules. While flights will continue to be scuttled over the weekend and into next week amid forecasts for continued heavy rain and flooding, carriers are looking to ramp back up in some areas.

Delta Air Lines Inc. has canceled nearly 200 flights as a result of the storm but said it is planning to restart operations as early as Saturday af-

ternoon from airports including Fayetteville, N.C., and Myrtle Beach, S.C.

American Airlines Group Inc. canceled 300 flights on Wednesday and Thursday and called off 670 more through Monday, but is also preparing to resume flying in areas that were hit by the storm.

Southwest Airlines Co. said it plans to resume operations at some airports Saturday and others Sunday.

Airlines said the storm's impact so far has been limited. The biggest effects are being felt at regional airports along the coast. Florence appears to

have veered away from Charlotte, N.C., American's second-largest hub, and American has continued to fly there.

American canceled 340 flights Friday—about 5% of its schedule. During a winter storm March 2, by comparison, the airline canceled about 25% of its flights. On July 23, it canceled 626 flights due to thunderstorms.

Delta has continued to fly a full schedule at Raleigh-Durham international airport and even added a few flights there to help people evacuate, as its weather model indicated the airport would be operating safely.

U.S. WATCH

ECONOMY

U.S. Consumers Are Upbeat About Future

Americans are feeling better about the economy in part because they have a rosier view of the future, a factor that could support spending and output growth later this year.

Consumer sentiment in September jumped to the second-highest level since 2004—behind only the reading in March of this year—according to a University of Michigan survey released Friday. The recent gain was in part due to future expectations reaching a 14-year high.

Meanwhile, sales at U.S. retail stores, websites and restaurants rose 0.1% in August from the prior month, the Commerce Department said. The soft gain came after an upward revision to July's already strong reading. Retail spending was up 6.6% from a year earlier in August, well outpacing the rate of inflation.

The Michigan survey did flag growing concerns about the impact recent tariffs might have on the economy, but Lara Rhame, chief U.S. economist at FS Investments, said she has yet to see evidence that trade disputes are altering what shoppers put in their baskets.

—Eric Morath

LABOR

NLRB Pushes to Rescind Union Ruling

The National Labor Relations Board proposed rolling back an Obama-era job ruling that made it easier for contractors and workers at franchised businesses to form unions and collectively bargain with big corporations.

On Thursday, the body overseeing union-employer disputes released a proposal to abandon a 2015 decision by the prior, Democratic-controlled board that ruled a company could be held liable if it illegally interfered with workers' rights to organize a union, even if those employees didn't directly work for the firm.

Business groups applauded the move, while others said the standard for holding companies liable for employment practices should evolve as the economy evolves.

—Lauren Weber

CALIFORNIA

Net-Neutrality Bill Faces FCC Threat

Ajit Pai, the chairman of the Federal Communications Commission suggested he might take legal action to block California's net-neutrality bill, ratcheting up a high-profile clash over internet policy.

California's legislature passed its net-neutrality legislation in late August, after the FCC rolled back similar federal rules that had been adopted during the Obama administration. Net-neutrality rules generally prohibit internet providers from unfairly favoring some internet traffic.

The Obama-era rules generally have been supported by big internet companies that contend they help preserve online competition. Internet providers have fought them, arguing they represent a government overreach that could stifle innovation and investment.

—John D. McKinnon
and Alejandro Lazo

NEBRASKA

Ex-Doctor Sentenced To Death for Murders

A former doctor convicted in the revenge killings of four people connected to a Nebraska medical school was sentenced Friday to death.

A three-judge panel handed down the sentence against Anthony Garcia, 45 years old, of Terre Haute, Ind. Mr. Garcia was convicted in two attacks that occurred five years apart on families connected to Creighton University School of Medicine in Omaha, where Mr. Garcia once worked.

In 2008, Mr. Garcia fatally stabbed 11-year-old Thomas Hunter, the son of university faculty member William Hunter, officials said. Mr. Garcia also was convicted of killing the housekeeper.

In 2013, another Creighton pathology doctor, Roger Brumback, and his wife, Mary, were killed in their Omaha home. Police recognized similarities in the deaths, and Mr. Garcia was arrested. The killings were motivated by Mr.

Garcia's long-simmering rage over being fired in 2001 by Dr. Hunter and Dr. Brumback from the Creighton medical school's residency program, prosecutors said.

—Associated Press



FEMA's Brock Long, second from right, is the target of a probe into frequent travel between Washington and his North Carolina home. ZACH GIBSON/AGENCE FRANCE PRESSE/GETTY IMAGES

U.S. NEWS**FEMA Chief Faces an Investigation**

BY MICHAEL C. BENDER

WASHINGTON—As Hurricane Florence was forming in the Atlantic, senior Trump administration officials considered replacing the head of Federal Emergency Management Agency amid allegations that he misused resources traveling to his home in North Carolina, according to people familiar with the matter.

FEMA Administrator Brock Long is the target of an internal investigation looking into frequent travel between the nation's capital and his home in Hickory, N.C., according to people briefed on the probe. The investigation included surveilling Mr. Long as he was driven 400 miles each way on his commute, the people said.

Investigators have told administration officials that Mr. Long, while under surveillance, often left agency headquarters on Thursdays and traveled home with a caravan of federal workers, who stayed in nearby hotels for the long weekend, the people said. He has spent about 150 days in North Carolina since he took the job last

year, the people said.

Mr. Long declined, through a spokeswoman, to comment on Friday. He has previously denied any wrongdoing, and he didn't attend a pair of FEMA news conferences Friday afternoon about the storm.

The White House has begun discussing potential replacements for Mr. Long, a senior

The administration weighed removing Long as Florence was developing.

White House official said.

At a media briefing on Thursday, Mr. Long said he "would never intentionally run a program incorrectly" and pledged to cooperate with the investigation, and that he and the agency were "100% focused" on the approaching storm. "That's exactly where our attention needs to be from the standpoint of the life

safety mission," he said.

The Department of Homeland Security inspector general is also reviewing communications between Mr. Long and a FEMA contractor that appear to include discussions about future employment, said one of the people briefed on the investigation. Investigators are also looking into an accident involving an SUV, owned by the federal government and used to transport the director, that wasn't properly reported, the person said.

Mr. Long was informed last fall by DHS attorneys and the inspector general that his trips home violated the law, the people said. The inspector general's office has told administration officials that they tailed Mr. Long's caravan to determine whether he was using federal resources to return home despite the warnings, the person briefed on the investigation said.

The inspector general's final report is expected in the coming days, but preliminary findings have been shared with DHS Secretary Kirstjen Nielsen, administration officials said. The White House spokesman declined to comment.

The existence of the investigation was earlier reported by Politico on Thursday.

Ms. Nielsen brought details of the preliminary findings to Mr. Long and urged him to resign if the allegations were accurate, one administration official said. Another official familiar with the situation disputed that the secretary made that suggestion to Mr. Long.

A DHS spokesman declined to address the allegations, referring questions to the inspector general's office. That office didn't respond to requests to comment.

"We are fully focused on preparing for and recovering from Hurricane Florence," DHS spokesman Tyler Houlton said. "The secretary is confident in the leadership at FEMA."

Senior White House officials discussed replacing Mr. Long in the past several days, according to one person familiar with the matter. White House chief of staff John Kelly ultimately decided to leave Mr. Long in place until the final report was available, the person said. A White House spokeswoman declined to comment.

non-commerce

WEALTH TRANSFER

alone won't ensure they'll prosper in the future.

How do you prepare your kids for financial independence?

If you're unsure about how to talk to your kids about money, you're not alone.

Whether they will inherit a little or a lot, you should talk. But how much should you share? And what should you tell them? We've been advising families for more than a century and can provide insight, guidance, and educational tools to help.

For a deeper understanding of how to prepare your children for your wealth,

call Bill LaFond and his team at **302.651.1665**. Download our research

 **Navigating the Wealth Transfer Landscape** at wilmingtontrust.com/nextgen.

A deeper understanding™  **WILMINGTON TRUST**

PART OF THE M&T BANK FAMILY

WEALTH PLANNING | TRUST AND ESTATE SERVICES | INVESTMENT MANAGEMENT | PRIVATE BANKING

Private Banking is the marketing name for an offering of M&T Bank deposit and loan products and services.

Investments: • Are NOT FDIC Insured • Have NO Bank Guarantee • May Lose Value

Wilmington Trust is a registered service mark. Wilmington Trust Corporation is a wholly owned subsidiary of M&T Bank Corporation. Wilmington Trust Company, operating in Delaware only, Wilmington Trust, N.A., M&T Bank, and certain other affiliates provide various fiduciary and non-fiduciary services, including trustee, custodial, agency, investment management, and other services. International corporate and institutional services are offered through Wilmington Trust Corporation's international affiliates. Wilmington Trust Investment Advisors, Inc., a subsidiary of M&T Bank, is an SEC-registered investment advisor providing investment management services to Wilmington Trust and M&T affiliates and clients. Loans, credit cards, retail and business deposits, and other business and personal banking services and products are offered by M&T Bank, member FDIC.

©2018 Wilmington Trust Corporation and its affiliates. All rights reserved.

OBITUARIES

STAN BROCK
1936 — 2018

Cowboy Gave Up Lasso, Delivered Health Care to Poor

BY JAMES R. HAGERTY

In his younger days, Stan Brock didn't seem very fond of his own species.

After dropping out of school in England at 16, he found work as a ranch hand in British Guiana and learned that "solitude suited me," as he wrote later. His most tender thoughts were for the hummingbirds, jaguars and other game he discovered in the wilds.

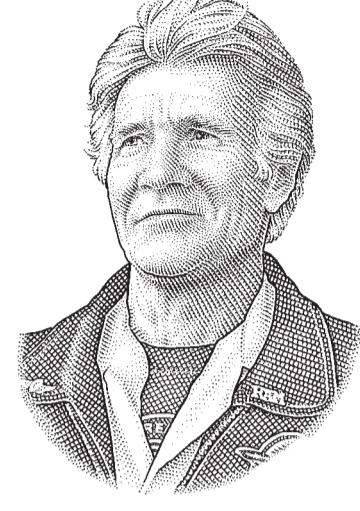
When the TV show "Wild Kingdom" hired him as a co-host in 1968, it was for his ability to subdue and sympathize with the wildest of beasts. In 1974, he ran 165 miles across Florida to raise money for a zoo. The only thing that scared him, he once said, was marriage.

Yet it was for his own kind that Mr. Brock eventually devoted his life. After founding the Tennessee-based nonprofit Remote Area Medical in 1985, he began delivering basic medical services to people in Mexico and other low-income countries. He soon discovered an enormous unmet need for those services among the uninsured in the U.S.

His organization, RAM, since the early 1990s has allotted most of its resources to organizing mobile clinics in the U.S., staffed by volunteers providing free medical and dental treatment. RAM estimates it has cared for more than 740,000 people in a dozen countries since its founding 33 years ago.

"We see countless really, really sad cases on these expeditions where people have their entire mouth infected and full of rotten and broken teeth," Mr. Brock told a local newspaper in 2000. "We also encounter people who have never seen an eye doctor before."

Mr. Brock died Aug. 29 at RAM's headquarters in Rockford, Tenn. He was 82 and had recently suffered a stroke. Having given up



most belongings, he slept on a grass mat next to his desk at RAM's office, colleagues said. He subsisted mainly on fruit, vegetables and porridge.

Mr. Brock, who also starred in movies including "Escape From Angola" and for years did hundreds of sit-ups and chin-ups daily, retained his British accent and dashing looks in old age. He wore khaki bush outfits with epaulettes, similar to those he sported during "Wild Kingdom" episodes while lassoing a water buffalo or being chased by a grizzly bear.

Stanley Edmunde Brock was born April 21, 1936, in Preston, England. His father was a civil servant. As a boy, Stan was fascinated by tales of animals and remote places. He loathed school and recalled having been "strangled by a stiff white collar, black tie, gray drainpipe trousers and an ill-fitting jacket."

After leaving school at 16, he made an ocean voyage to British Guiana, now Guyana, on the northern coast of South America. His father worked in the colonial government. Stan found work on the vast

Dadanawa cattle ranch near the Brazilian border, where he shared lodgings with bats and learned how to herd and rope cattle by watching the other workers, members of the Wapishana tribe.

He surprised them by learning to cope with harsh conditions, including clouds of biting flies that "swarmed into eyes, ears and nostrils like wind-blown sand," as he put it in a 1969 memoir, later republished as "All the Cowboys Were Indians."

He created his own backyard menagerie, including jaguars, ocelots and a 500-pound tapir. His writing about those animals, published in books and magazines, caught the interest of television producers in Britain and the U.S.

In 1968, he accepted an offer to become a co-host of "Mutual of Omaha's Wild Kingdom," alongside Marlin Perkins. Part of his role was to use his lasso skills to capture wild animals in Africa. "It just seemed a rather interesting challenge," he said later.

During his ranching days, he had noted the lack of medical care for people in remote places and vowed to do something about it. He finally pursued that mission in 1985 with the founding of RAM. "It started out small with just a pickup truck and a couple of dental chairs and some eye-exam equipment," he recalled in one video interview. "Pretty soon it just grew and grew and grew."

Mr. Brock, whose survivors include a brother in New Zealand, continued flying airplanes and riding horses into his 80s. He hated asking for donations to his cause. "I'm the world's worst fundraiser," he told the Knoxville (Tenn.) News Sentinel. "I never ask people for money. People like what we do and they send money. And we're eternally grateful for that."

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

ANDRE BLAY
1937 — 2018

Home-Video Boom Paid Off for Entrepreneur

In 1977, Andre Blay owned a company in suburban Detroit with 12 employees. He made corporate training videos and audio tapes featuring the hits of Neil Diamond or Carole King sung by someone else. But Mr. Blay, who was 40, saw something much bigger over the horizon: home video.

Sony Corp. and other Japanese electronics firms were ramping up production of home video recorders. The idea was to let people record TV shows and watch them later. Mr. Blay figured people might also buy their own copies of movies.

At a library, he found the addresses of seven big movie studios. He sent them letters, offering to distribute their films on

videotape. Only one of them, Twentieth Century-Fox, responded.

Mr. Blay made a deal with Fox to buy home-video rights for "M*A*S*H," "The French Connection" and 48 other movies. Soon, his Magnetic Video Corp. was selling them across America at a retail price of \$50. Rivals rushed to catch up.

Mr. Blay sold his firm to Fox in 1979 for \$7.2 million, then worked for Norman Lear on another home-video venture. The big opportunity turned out to be videotape rentals, not sales. Both were doomed by the Internet, but Mr. Blay had secured his place in movie history. He died Aug. 24 in Bonita Springs, Fla., at age 81.

—James R. Hagerty

ADRIAN SWIRE
1932 — 2018

Old China Hand Bet On Hong Kong's Future

As Britain prepared to hand Hong Kong back to China in 1997, few Westerners had more at stake than the Swire family of Britain, whose holdings included control of the colony's leading airline, Cathay Pacific, and large swaths of real estate.

At the helm of John Swire & Sons Ltd. was Adrian Swire, a fifth-generation leader of the London-based conglomerate. He believed Hong Kong "had a future and that we must continue to invest," he wrote later. "This was not the general view of the chattering classes and was considered by many to be naïve."

He cultivated ties with Chinese leaders, and Swire sold stakes in aviation businesses to mainland Chinese partners in 1996. Those

ties helped Cathay Pacific keep its landing rights in Hong Kong. Swire increased its investments on the mainland as a property developer, bottler of Coca-Cola, sugar refiner, operator of bakeries and distributor of ice cream. It hedged by increasing investments elsewhere, including refrigerated warehouses in the U.S., shipping and services to the offshore-oil industry, and real estate in Miami, where two years ago it opened the Brickell City Centre, a \$1 billion residential, office, shopping and dining complex.

Mr. Swire, who died Aug. 24 in London at the age of 86, was a private pilot and owned a World War II Spitfire fighter.

—James R. Hagerty

FROM PAGE ONE

Venture Firm Plans To Split Up

Continued from Page One
market, adding growth funds to capture larger pre-IPO deals that traditional early-stage vehicles weren't designed for.

At Kleiner, tensions brewed between the two sides of the firm over investing approaches, particularly as the flagship early-stage fund's hits have been meager, relegating the firm's once-stellar returns to a middling rank in the market, according to people familiar with the matter.

Ms. Meeker joined Kleiner's growth team in 2010 and is known in part for her annual Internet Trends Report. She, along with growth-stage investors Mood Rowhani and Noah Knauf and talent partner Juliet de Baubigny, will form a new firm—whose name wasn't announced—and will raise funds separately. The remaining core firm will focus on early-stage deals.

Kleiner led the late-1990s dot-com frenzy with investments in Netscape, Amazon, Google and others, but it bet big on clean technology years later with little reward, and missed out on early invest-

ments in some of the generation-defining internet firms including Facebook Inc. and Twitter Inc. Around 2010, it sought to boost its profile in internet investing, hiring Ms. Meeker and pushing money into more mature companies.

In recent years, the growth team has made lucrative bets on later-stage startups such as Uber Technologies Inc., music-streaming service Spotify AB, payments company Square Inc., and fitness-bike maker Peloton Interactive Inc. But its early-stage investment team hasn't kept pace.

The two main investment teams have clashed at Kleiner Perkins.

Kleiner informed its limited partners about the split on Friday morning, catching some of the investors off guard, though not totally surprised given changes the firm has made in recent years, said one partner in the firm. Most recently, Kleiner brought on two new early-stage partners, Mamoon Hamid and Ilya Fushman.

The venture-capital industry also has gone through rapid changes with large firms such as

the \$92 billion SoftBank Vision Fund upending the late-stage investing landscape. Meanwhile, nimble, early-stage seed investors that specialize in specific sectors have proliferated.

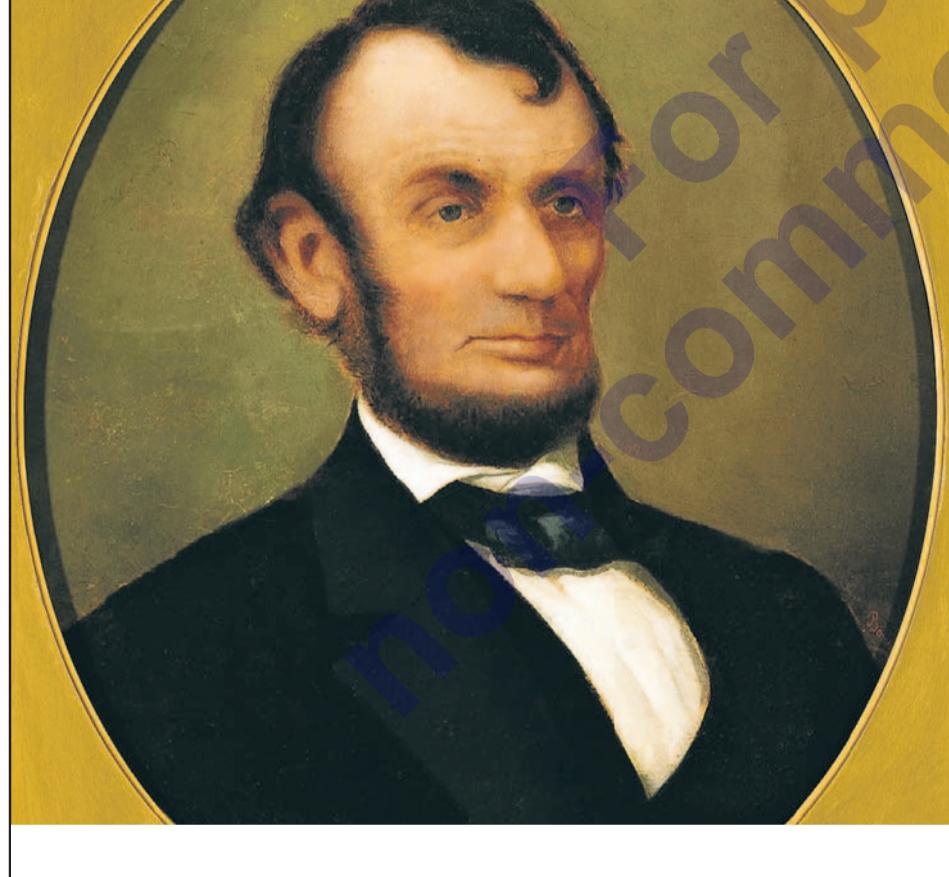
Fundraising rounds by the hottest startups are now intense competitions that often pit early-stage investors against those who focus on later-stage deals. Those investors' differing strategies can spur conflicts, particularly when the investors belong to different practices of the same firm.

At Kleiner such tensions flared up in recent years, according to people familiar with its inner workings. It became a two-headed operation that would clash internally over whether the late-stage fund would invest in the early-stage fund's portfolio companies and propel their growth, according to a person familiar with the fund.

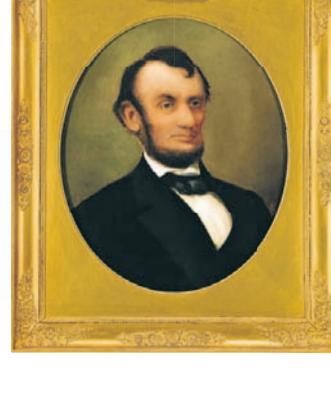
Ms. Meeker and the growth team, though, preferred to find their investments, often meeting with early-stage companies and drawing the ire of the other side of Kleiner in the process, the person said. A spokesperson for the firm denied the two practices feuded.

"We believe specialization and focus is increasingly key," Ms. Meeker said in an interview earlier this week.

—Yuliya Chernova and Eliot Brown contributed to this article.



HONEST ABE DAVID BUSTILL BOWSER



Legendary subject. Noteworthy artist.
Captivating portrait. Boasting both historic and artistic import, this remarkably rare original oil painting depicts one of the most recognized and admired figures in history, President Abraham Lincoln. The period work was painted by one of the very few black American artists of the 19th century, David Bustill Bowser. Based on the famous photograph of Lincoln by Mathew B. Brady that is now featured on the five dollar bill, this important work is both infinitely familiar and a remarkable rarity. Signed and dated 1865 (lower right). Canvas: 26 1/2" h x 22" w; Frame: 33 3/4" h x 27 1/4" w. #30-8301

m.s. rau Antiques
Antiques • Fine Art • Jewelry

630 Royal Street, New Orleans, Louisiana • 888-767-9190 • ws@rauantiques.com • rauantiques.com

Since 1912, M.S. Rau Antiques has specialized in the world's finest art, antiques and jewelry. Backed by our unprecedented 125% Guarantee, we stand behind each and every piece.



Mary Meeker, a general partner of Kleiner Perkins, will help form a new growth-focused firm.

TONY AVELAR/BLOOMBERG NEWS

Cheers!

... to our friends at WSJwine,
celebrating 10 years of wine discovery.

THE WALL STREET JOURNAL.



SPECIAL ANNIVERSARY OFFER AT wsjwine.com/top10

WORLD NEWS

Turkey Tries to Forestall Syria Offensive

Ankara is aiming to persuade armed groups to evacuate Idlib to avert assault

BY SUNE ENGEL RASMUSSEN
AND NAZIH OSSEIRAN

Syria has been holding off, at least temporarily, on an offensive to retake the last major opposition stronghold in the country, as tensions grow between Turkey and its ally Russia.

Turkey has been trying to persuade armed groups to evacuate Idlib province to avert a fight that the United Nations has said threatens to create the worst humanitarian catastrophe of the 21st century.

Russian and Syrian forces have carried out a few dozen airstrikes over the past couple of weeks but appeared still to be preparing forces for a joint ground offensive.

"It seems there is something of a pause," said one U.S. defense official with knowledge of developments in Syria. "There's a feeling that they are not sure that they are ready to go forward."

Russia's envoy for Syria, Alexander Lavrentiev, said this past week that a peaceful resolution in Idlib was still possible—if Turkey manages to separate the moderate opposition from extremists. "It is possible to abstain from using military force," he said.

Western governments share the view that the province shouldn't remain a haven for terrorists, but they haven't proposed an alternative to the Syrian regime's military offensive. The U.S. has indicated it would intervene in Idlib if Mr. Assad's forces used chemical weapons.

Turkey has been fortifying its positions in the province with troops and tanks and gathering its forces on its own borders to deter Syrian civilians fleeing the fighting, following talks last week in Tehran with Syrian President Bashar al-Assad's key backers—Iran and Russia.



A crowd displayed Syrian revolution flags during protests in Maraat Numan, part of Idlib province, which is the last opposition stronghold in the country.

The endgame in Syria's north is complicated by several foreign interests, but the stakes are particularly high for Turkey. Idlib is home to an estimated three million Syrian people, and Turkey worries a military offensive would push many of them toward its borders.

By maintaining a foothold in Idlib, Turkey also aims to play a role in shaping Syria's postwar politics and rebuilding its shattered economy.

An Assad regime offensive on Idlib would position Russia and Turkey on opposite ends of the conflict, with Russian air power poised to target areas containing Turkish troops.

Turkey has sent reinforce-

ments to Morek in northern Hama, on the southern border of Idlib province, where it operates an observation point by a vital highway that runs from Damascus to Aleppo through Idlib.

Still, a direct military confrontation between Russia and Turkey appears unlikely, say Western diplomats.

Russia and Turkey cooperate diplomatically and have, along with Iran, established so-called de-escalation zones across Syria, including Idlib. Turkey hasn't beefed up its limited manpower and equipment at the two observation posts near Jish al-Shughour in western Idlib that are expected to come under attack first.

"I think the Russians are not happy with the Turkish position, but they also value the relationship so much I don't think they want to jeopardize it entirely," said Asli Aydintasbas, a Turkey expert at the European Council on Foreign Relations.

Russia says hard-line militants in Idlib pose a threat to their troops in Syria, including with armed drones. To address such concerns, Turkey has proposed a plan to evacuate rebels to buffer zones in Afrin and Jarablos overseen by groups that Ankara regards as moderates.

Idlib is home to an estimated 10,000 to 15,000 fighters from groups that Russia, Turkey and the U.S. consider

terrorists. It also is a base for tens of thousands of more moderate anti-Assad fighters supported by Turkey.

Turkey hasn't said how it will persuade rebels, such as the extremist group Hayat Tahrir al-Sham, to disarm. Previous attempts have failed, and the looming offensive is causing frictions among militants.

Several Western officials watching Syria estimate there are a few thousand "irreconcilable" militants in Idlib who will refuse any evacuation.

Rare public protests last week against the expected offensive have forced Hayat Tahrir al-Sham, a former al Qaeda affiliate known as the

Nusra Front, to soften its stance toward the local population, said an opposition activist based in the border region near Turkey. In a voice message put out on social media, a leader of the group, Abu Akramah al-Urduni, encouraged his followers to be kinder to citizens of Idlib.

"We don't want it to come out in Western media that the people oppose us, and that the people brought down our banner and stomped on it," the message said.

In August, Turkey designated the group as a terrorist organization, following similar moves earlier in the year from the U.S. and the U.N.

—Dion Nissenbaum contributed to this article.

U.S. Probes Danish Bank Over Russia Money Flows

U.S. law-enforcement agencies are probing Denmark's largest bank over allegations of massive money-laundering flows from Russia and former Soviet states, according to a person familiar with the matter and documents reviewed by The Wall Street Journal.

By Bradley Hope, Patricia Kowsmann and Drew Hinshaw

The Justice Department, Treasury Department and Securities and Exchange Commission are each examining Danske Bank. After a confidential whistleblower complaint was filed to the SEC more than two years ago, the person said. The continuing probes are related to transactions at Danske's tiny Estonian branch over several years through 2015. The Journal reported earlier this month that

the bank is studying \$150 billion that flowed through accounts of non-Estonian account holders at the branch.

The whistleblower complaint identified Deutsche Bank AG and Citigroup Inc., both overseen by U.S. regulators, as involved with transactions into and out of Danske Bank's Estonian branch. Deutsche Bank acted as a correspondent bank for Danske, handling dollar wire transfers. Citigroup's Moscow office was involved in some of the transfers through Danske Bank's Estonian branch, the person familiar with the probes said.

A spokesman for Danske said the bank often talks to regulators. "However, as a general rule, we do not comment," the spokesman said.

Spokesmen for Deutsche Bank and Citigroup declined to comment. The SEC, Justice Department and Treasury Department declined to comment.

Danish and Estonian authorities have shared information with U.S. counterparts, according to several European officials familiar with the matter. "There is cooperation, they are watching it very closely," one of these people said.

Estonian officials are investigating 26 former Danske employees, from low-level staff to the former branch CEO. They are accused of helping launder \$230 million from an alleged fraud committed in Russia.

"In this particular case, it's clearly dirty money from crime," said Marek Vahing, Estonia's state prosecutor.

Treasury Assistant Secretary for Terrorist Financing Marshall Billingslea visited Estonia in May. Russian illicit transactions into Europe were a particular concern, according to people aware of those discussions, who said Danske was mentioned only in passing. Mr. Billingslea and other

Nordic Fall

Danske Bank share price

260 Danish kroner



Note: 1 Danish krone = \$0.16

Source: SIX

THE WALL STREET JOURNAL

"It is critical that they shore up their anti-money-laundering regimes and that they clamp down and tighten down on how they regulate money coming out of Russia," Mr. Billingslea told a Senate panel last month.

"There's an enormous amount of money that is still being exfiltrated from Russia by both organized crime and cronies surrounding Putin," he told senators, many of whom are seeking to levy new sanctions against Moscow.

U.S. involvement in the case greatly raises the stakes for Danske Bank. It is already facing investigations in Denmark and Estonia over the allegations.

Danske's share price has dropped sharply this year as the extent of the money-laundering probe has become clearer. Costs to insure against Danske's debt, some of which is issued in U.S. markets, have jumped in recent weeks.

The U.S. Treasury can restrict the supply of U.S. dollars to foreign banks accused of laundering money, a rarely used penalty known as the "death-blow sanction" because it can send a lender into collapse. So far, the Treasury has mostly used that cudgel against small lenders, including a now-liquidating Latvian bank accused of handling billions of dollars for Russian arms traders and North Korea's missile program.

The Treasury and Justice Department can also choose to fine a bank, punishing the company but sparing its customers, who could lose their deposits if the bank collapsed.

Danske last year initiated an internal investigation into its Estonian branch's activity and is scheduled to release its own report into money-laundering issues next week.

—Ian Talley contributed to this article.

NATO Chief Extols Collective Defense

By COURTNEY MCBRIDE

WASHINGTON—The North Atlantic Treaty Organization embodies a "vital trans-Atlantic bond," its secretary-general said Friday, arguing the alliance is based on values that must withstand economic and political disputes among its member states.

During a speech at the Heritage Foundation, a conservative think tank in Washington, Jens Stoltenberg said NATO "guarantees our prosperity, our security and our freedom."

"Yes, we have our differences, and robust debates," he said. "But two World Wars, a Cold War, and the ongoing fight against terrorism have taught us that we are far stronger together than apart."

President Trump has called the U.S. adherence to NATO into question by repeatedly criticizing other member countries for not contributing enough to alli-

ance defense efforts, and questioning the alliance's mutual-defense clause.

Both the Obama and Trump administrations have pressed European countries to reverse post-Soviet Union military-spending reductions and increase spending. NATO member states agreed in 2014 to reach a military-spending target equal to 2% of their gross domestic product within 10 years. The U.S. military budget, at about \$700 billion, constitutes roughly 3.5% of GDP.

Mr. Trump has complained that not enough countries meet the 2% mark and has suggested that the 2% target is too low.

Of 29 NATO members, eight spend at or above 2% of their GDP on defense, including the U.S.

Alongside that debate, the U.S. also is enmeshed in trade and tariff disputes with a number of trading partners

within the NATO family, including Canada and Germany.

The squabbling spilled into public view at a recent NATO summit, when Mr. Trump voiced support for the alliance but also warned that the U.S.

NATO "guarantees our prosperity, our security and our freedom."

could go its own way if other member states didn't increase their military contributions.

Despite the differences, Mr. Stoltenberg said, assessments of NATO's value "need to take into account the devastating loss of life and the ruinous economic costs of a major war in Europe."

Rather than challenging Mr.

Trump's criticisms of NATO, Mr. Stoltenberg expressed gratitude for the increased focus that has been placed on burden-sharing among nations. Member countries' military spending has been rising for four consecutive years, he said, after trending downward before Russia's invasion of Ukraine in 2014.

Mr. Stoltenberg emphasized the defensive nature of the alliance, dismissing contentions that the actions of member countries on NATO's eastern flank could draw members into a conflict.

In July, Mr. Trump challenged the notion of collective defense, suggesting that "aggressive" actions by Montenegro, the newest NATO member, could pull the U.S. into a war.

Article 5 of the North Atlantic Treaty states that "an armed attack against one or more [members] shall be considered an attack against them all."



ZACH GIBSON/BLOOMBERG NEWS

NATO Secretary-General Jens Stoltenberg met with Secretary of State Mike Pompeo and other officials during his Washington trip.

10TH ANNIVERSARY EXCLUSIVE

Celebration SHOWCASE

Taste Our Top 10 Reds
plus 2 Special-Edition Cabs

SAVE \$139 with this exclusive invitation

WSJwine is celebrating 10 years of wine discovery and you're invited to the party with a remarkable offer. Our Top 10 wines feature nothing but multi-gold-medal winners, 90+ point blockbusters and 5-star favorites.

With this extra-special introduction to the WSJwine Discovery Club, you can enjoy them all — plus two unique, 10th Anniversary Edition California Cabs — for only \$59.99 (plus \$19.99 shipping & tax).

A decade of championing small-estate winemakers

Since 2008, WSJwine has helped wine lovers across the U.S. explore the world of wine with confidence and ambition. The focus has always been on small-batch wines crafted by passionate winemakers. Take today's bonus. Made exclusively for WSJwine, this rich, barrel-aged Cabernet celebrates a 10-year partnership with Raymond Vineyards, "one of the iconic wineries of Napa" (Parker).

Our best wines and prices — guaranteed

We're out to impress. And not just with today's Top 10. You'll have an exciting new dozen to look forward to every three months — at just \$159.99, you save at least 20%. Because we make it easy for you to tell us what you like, every case is tailored to your individual taste. Detailed tasting notes tell the story behind each wine and add to your enjoyment. You take only the cases you want and every bottle is covered by our 100% satisfaction guarantee.

Meet each of our Top 10 reds at right and join the celebration today.



SPECIAL BONUS

**These Two
Luxury Reserve
Cabernets**

\$45.98 value

"We are proud to produce this Cabernet in celebration of WSJwine's 10th Anniversary. Enjoy with good food, great friends, and our best wishes." — Jean-Charles Boisset, Raymond Vineyards

**The WSJwine Top 10 plus
Anniversary Edition Cabernets**

12 wines (worth \$199.88) for **JUST \$59.99**
plus \$19.99 shipping & tax

ONLY
\$59.99
worth \$199.88

10 Triple-Gold Côtes-du-Rhône

From the "truly extraordinary" 2016 vintage (Dunnock).



9 Classic California Cabernet

A rich, oaky superstar — crafted by an ex-Opus One winemaker



8 Double-Gold Portuguese Favorite

"Most exciting wine place on the planet?" (Wine Spectator)



7 Top-Rated Southern Italian

Chocolatey-rich Primitivo from a three-time Vinitaly Winemaker of the Year



6 93-Point Aussie Blockbuster

"Deep, dark and opulent ... delicious fruit flavors" (wineorbit.com)



5 Double-Gold French Pinot Noir

Lots of vibrant red fruit in this "beautiful" award-winner (Gilbert & Gaillard)



4 Perfectly Mature Gran Reserva

Spain's mellow, barrel-aged specialty, released to 547 five-star reviews



3 Double-Gold Boutique Bordeaux

"The 2016s are remarkable wines" (vinous.com)



2 Legendary Argentine Malbec

'Favorited' by 10,892 WSJwine customers — prized for its smoky black fruit



1 94-Point Super Tuscan

Smooth as silk and featured in Italy's "Best Wines of the Year" guide

Top 10 whites & mixed collections also available

WSJwine
THE WALL STREET JOURNAL.

ORDER TODAY AT wsjwine.com/celebrate
OR CALL 1-877-975-9463 Quote code 0136004

WORLD NEWS

Koreas Open Liaison Office In Sign of Thaw

By ANDREW JEONG
AND DASL YOON

SEOUL—North and South Korea opened a liaison office north of the demilitarized zone on Friday, an unprecedented step for political cooperation between the sides that comes as talks between Washington and Pyongyang have stalled.

The office, which some critics have described as a de facto embassy, will facilitate round-the-clock face-to-face communication, providing Seoul and Pyongyang with a concrete symbol of an engagement campaign that began this year. Each side will have 15 to 20 staffers at the facility, according to an agreement they signed Friday.

But the move risks irking U.S. officials, who are seeking to maintain sanctions pressure on Pyongyang and worry that economic cooperation between the Koreas threatens to outpace progress on North Korean denuclearization, undermining U.S. leverage in the nuclear talks.

South Korea's foreign minister told a legislative hearing last month that Seoul and Washington were working to resolve "differences in understanding" on the liaison office, among

other matters.

The same day, State Department spokeswoman Heather Nauert said that the U.S. would examine whether the liaison office violates sanctions on North Korea. State Department officials haven't said publicly whether the office constitutes a sanctions violation.

The office in the North Korean city of Kaesong has been dogged by concerns about whether Seoul's provision of electricity and other supplies to the site risks breaching United Nations sanctions that cap North Korean oil imports and prohibit imports of coal and natural gas. The sanctions further ban the creation of "cooperative entities" with North Korea without an exemption.

Seoul officials have said that the office doesn't violate sanctions and that they have closely coordinated with the U.S. in establishing it. "All supplies, equipment, and electricity provided to the liaison office are for the convenience of our staff, and do not confer upon North Korea any economic benefit," a statement from South Korea's Unification Ministry said.

A ministry spokeswoman declined to comment on whether Seoul would provide oil to the



South and North Korean officials attending a ceremony for the opening of a new liaison office in the North Korean border city of Kaesong.

site and said she couldn't say how much the South had spent to set up the office because those costs would be calculated at a later date.

As a detente on the peninsula blossomed this year, South Korean President Moon Jae-in pushed for increased economic cooperation with the North to advance relations, ease military tensions and establish a permanent peace. The liaison office fulfills a commitment he and North Ko-

rean leader Kim Jong Un made at their first summit meeting in April; they are due to meet again in Pyongyang next week.

The U.S. has signaled misgivings about the pace with which the left-leaning Moon administration is seeking to engage with Pyongyang economically.

On Thursday, the top U.S. military commander in South Korea, Gen. Vincent Brooks, said he had approved a South Korean request to supply materials for repairing cross-border communica-

tions lines and to construct a communications building on North Korea's east coast. While neither was directly related to the liaison office, Gen. Brooks said that Seoul had wanted to send "more than enough" material to the North and that its request had been highly unusual.

As head of the U.N. Command that oversees the Korean War armistice, Gen. Brooks must approve any shipments of material to the North.

In the case of the Kaesong of-

fice, the arrangement could violate U.N. sanctions "depending on the amount of supplies imported," said Cha Du-hyeogn, a visiting research fellow at the Asan Institute for Policy Studies who advised a conservative former president.

Officials at the liaison office plan to meet weekly. A spokesman for Seoul's Unification Ministry said this week that he hopes the office will facilitate denuclearization talks between the U.S. and North Korea.

Pyongyang Earns Cash On IT Jobs

Continued from Page One elsewhere.

"It never crossed my mind" that North Koreans operated an IT business online, said Donald Ward, an Australian entrepreneur, when shown that a programmer he hired to redesign a website, who he thought was Japanese, was actually part of a North Korean crew operating in northeastern China, near the city of Shenyang.

The Journal discovered the Shenyang business after reviewing computers and other devices belonging to a North Korean operative arrested in Malaysia for suspected involvement in last year's murder of North Korean leader Kim Jong Un's half-brother. A car that ferried the alleged killers away from the Kuala Lumpur airport was registered to the North Korean operative, according to Malaysian investigators. The operative, who denied wrongdoing, was deported.

The operative's electronic devices showed he had communicated with the Shenyang group about money-making ventures for North Korea, using vocabulary found only in the north's dialect of the Korean language.

For North Korea, finding new business ventures has been crucial since the United Nations last year tightened sanctions. The U.S. Treasury Department warned in July that North Koreans working abroad were selling IT services and hiding behind front companies and the anonymity provided by freelancing websites.

Interviews with clients, plus records on Freelancer.com, help detail at least tens of thousands of dollars earned by the Shenyang group. In total, North Korea may be pulling in millions from software development with numerous fake social-media profiles, say experts who track North Korean activity. "It's a big chunk of change" for North Korea, said Andrea Berger, of the James Martin Center for Nonproliferation Studies in Monterey, Calif.

Everyday-Dude

A man called Ri Kwang Won appears to be at the heart of the operation in Shenyang. Among other indications, his name appeared in the cellphones and computers of the North Korean operative arrested in connection with the killing in the Kuala Lumpur airport. That operative reached out to Mr. Ri about a plan, which didn't get off the ground, to hack software for medical imaging from a U.S. company and resell it to hospitals elsewhere.

The Malaysia-based operative's phones included an email address saved under Mr. Ri's



Four men in Shenyang, China, in a photo on a device of a North Korean deported by Malaysia after the 2017 airport murder of North Korean leader Kim Jong Un's half brother. Three of their pictures were used in social-media profiles linked to a Shenyang web-programming business. It isn't known if they knew of the use of their photos. Below, a scene in Shenyang, which is in northeast China.

name — multicpu@outlook.com—from which the Journal was able to identify more than 50 fake social-media profiles and websites set up by Mr. Ri and his group.

Saved in a computer of the arrested operative was a Chinese phone number for Mr. Ri. A man who answered a call to that number identified himself as Ri Kwang Won, speaking in Chinese with a Korean accent. He acknowledged being involved with software for medical imaging, as well as with an internet television business called Everyday-Dude.com, but declined to answer further questions.

A Facebook page for Everyday-Dude.com, showing packages with hundreds of programs, was taken down minutes later as a reporter was viewing it. Pages of some of the account's more than 1,000 Facebook friends also disappeared.

Facebook said it had no knowledge of North Koreans using its platform but is committed to rooting out profiles using false names. It suspended numerous North Korea-linked accounts identified by the Journal, including one that Facebook said appeared not to belong to a real person. After it closed that account, another profile, with identical friends and photos, soon popped up.

LinkedIn confirmed that profiles identified by the Journal were fake and said at least two had been restricted. Upwork, which runs a site where freelance programmers gather, said it prohibits use by North Koreans and is dedicated to fighting fraud. Several Upwork accounts traced to the Shenyang crew now are offline.

Freelancer.com, the operator of a similar business, said it was investigating suspect accounts but didn't see ties to North Korea. It closed one account for spamming. Slack, the messaging service through which the North Korean crew communicated,

said it takes appropriate action when notified of problems. PayPal and Twitter declined to comment. Github didn't respond to requests for comment.

Not much is known about Mr. Ri in Shenyang, a gritty Chinese city of 10 million near the North Korean border. Mr. Ri's *modus operandi* appears to have often involved impersonating others online to create social-media profiles through which to market business services.

The North Koreans used fake social media profiles to bring in business.

The Chinese Foreign Ministry said it wasn't aware of details of the business as described to it.

Qian Dongguang, a Chinese citizen of ethnic Korean descent, said he came into contact with Mr. Ri in 2016, when Mr. Ri persuaded him to help set up a company to sell what Mr. Ri called North Korean medical imaging software. "They told me it's important and that I need to keep it secret," said Mr. Qian. He said Mr. Ri and others with

subcontractor had hired people he thought were Chinese.

By this year, Mr. Ri's group had begun impersonating SQ Technologies Inc., a Boston-based company with an app for information about health issues. SQ was co-founded by Fah Sathirapongsasuti, a Thai citizen living in the U.S. who has degrees from Harvard and Stanford universities, and who eventually shut down the company.

The North Korean group copied SQ's website with a slightly different URL and set up a group in Slack impersonating SQ executives, according to interviews with programmers the group hired. Mr. Ri's email is used extensively in the fake SQ, and fake SQ pages also used pictures of Ri's group. The group also set up fake profiles on Upwork and LinkedIn, pretending to be programmers from the U.S., Japan and elsewhere.

As business came in, the North Korean group searched for coders to handle app development, graphic design and other tasks. "SQ Technology is a no B.S. company," said a hiring post on Freelancer.com. Some clients who agreed to do work for the group said they felt reassured by seeing Facebook, LinkedIn and other profiles.

LinkedIn Lead Ninja

Florida marketing firm LinkedIn Lead Ninja was among those that hired the fake SQ. The firm was looking for programmers to help build a bot that would "scrape" LinkedIn to find marketing leads. It said it hired the fake SQ on Upwork.

Mr. Ri's group contacted a data expert from Pakistan on Upwork and offered him \$3,500 a month to code for projects, including the LinkedIn Lead Ninja bot, said the Pakistani man, Dharmendar Devsidas. Mr. Ri's group also connected with programmers from South Korea, India and elsewhere, according to the programmers, using SQ Technologies profiles on Upwork and Freelancer.com.

Mr. Devsidas and programmers said they were interviewed via Slack by a person they believed was the SQ co-founder. They said they were enticed by promises of a work visa to move to the U.S.

Mr. Devsidas began working on code for the LinkedIn Lead Ninja project via GitHub, which allows users to collaborate remotely. Work hours were tracked by an account Mr. Ri set up using his email address, according to screen shots provided by one programmer.

The programmers said they also worked on other projects, including a bot to facilitate bulk purchases on Canadian e-commerce platform Shopify; a website for a U.S. job-search company; and a graphic-design project for Mr. Ward, the Australian entrepreneur, who was trying to get a website built for a wholesale shopping firm. The jobs paid from a few hundred to thousands of dollars.

Some programmers grew suspicious. Mr. Devsidas said he

was told by purported SQ Technologies executives not to communicate with other coders in Slack. He found the prohibition strange and decided to ignore it.

By this summer, Mr. Devsidas said, he had learned that, like him, other programmers weren't getting paid. Programmers interviewed by the Journal said the same.

When Mr. Devsidas reported the alleged fraud to Slack, a customer-service representative suggested he contact local law enforcement, according to messages seen by the Journal. Slack declined to comment on the matter.

Mr. Devsidas reached out to Mr. Fah, the SQ Technologies co-founder, who was receiving angry emails from other unpaid workers. Mr. Fah said he reported the matter to the U.S. Federal Bureau of Investigation.

Mr. Fah tried to figure out who was behind the ruse. When he reached out to names affiliated with the fake SQ Technologies, he received a response from someone describing himself as Indian. The person said he couldn't pay the programmers because he was "very poor," and would shut down SQ Technologies' activities.

When Mr. Fah said he was in touch with the FBI, the person wrote back, "Does FBI come to India as well? I don't like it."

A Journal inquiry to the person's email wasn't answered. The FBI declined to comment.

In the end, the North Korean group made thousands of dollars from LinkedIn Lead Ninja, paid via Paypal, without finishing the bot project, the Florida company said. Coders said they got nothing.

Dane Richardson, an executive at LinkedIn Lead Ninja, said the company was "shocked and astounded" to learn its programmers weren't who it thought they were. LinkedIn Lead Ninja shut down work with the fake SQ Technologies without losing client data, said Mr. Richardson, whose title is "chief problem solver."

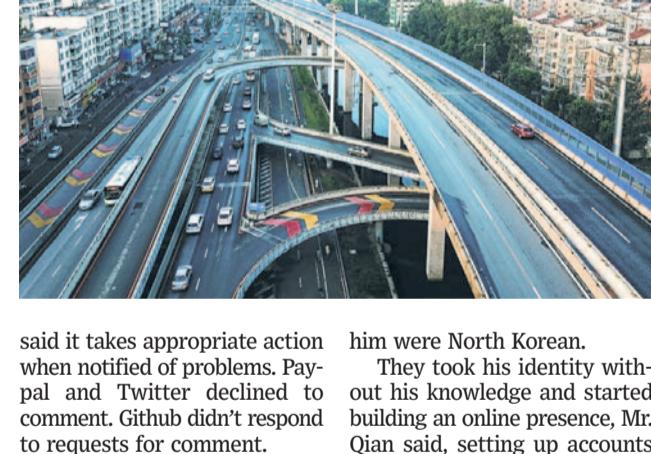
Meanwhile, Mr. Ri in Shenyang appears to be multitasking with other businesses, including a reincarnation of Everyday-Dude.com, the subscription internet-television service, under a new name and marketing it through Facebook and LinkedIn pages.

A new page teased viewers with content related to European soccer clubs and the World Cup in Russia. By mid-July it was touting promotions such as a "15 Days Free Trial Version" that promised "The Joy of Anytime, Anywhere." Facebook shut it down later in the month.

Later, a LinkedIn user—featuring the same photo as one on a shuttered Pro Dos Facebook page—began to look at a Journal reporter's LinkedIn profile.

The user claimed to have attended a university in Hong Kong. The university said it had never heard of the person.

—Ian Talley and Andrew James contributed to this article.



him were North Korean.

They took his identity without his knowledge and started building an online presence, Mr. Qian said, setting up accounts under his name on Freelancer.com and Upwork and using the accounts, which included Mr. Ri's email, to bid for programming jobs.

The group also set up profiles for Mr. Qian on Facebook and LinkedIn, calling him a computer programmer who attended elite Tsinghua University in Beijing. In fact, he took culinary studies in South Korea.

Mr. Ri appears to have used his own email to open a Facebook account in the name of Pro Dos, with an Asian woman as its profile picture. He also set up a Twitter account, @multicpu, in which, in an exchange with a U.S. programmer, he identified himself alternately as Qian Dongguang or Pro Dos.

Ranga Bandara, a Sri Lankan programmer, said he was contacted on Freelancer.com by "Qian Dongguang" about developing an app for an Indian firm called Siteabook. Mr. Bandara said he believed he was dealing with a Chinese programmer called Pro Dos. He said he built the app and is still owed \$800.

The owner of Siteabook, Manikandan Krishnan, said a

WORLD NEWS

Allies to Step Up North Korea Surveillance

By GORDON LUBOLD
AND IAN TALLEY

WASHINGTON—The U.S. is convening a multinational coalition to significantly expand surveillance of ships smuggling fuel to North Korea in violation of United Nations sanctions, American military officials said.

The coalition is the first unified international effort to monitor the ship traffic in the year since the Trump administration launched its “maximum-pressure” sanctions campaign, aimed at strong-arming North Korea into abandoning its nuclear and missile programs. Surveillance efforts until now have been a hodge-podge of intelligence-sharing, U.S. officials said.

More than 50 personnel from allied countries will be hosted aboard the USS Blue Ridge, an American command ship stationed in Yokosuka,

Japan. Special quarters, what's known as the Enforcement Coordination Center, have been created on the ship for the operations.

The coalition, not previously disclosed, will include the U.K., Australia, New Zealand and Canada—the U.S.'s partners in the Five-Eyes intelligence alliance—as well as Japan and South Korea. France is contributing at least one person for now.

Coalition countries are also contributing warships and military surveillance aircraft to better spot illicit shipments.

The expanded surveillance will allow more “bridge-to-bridge” communications between allied ships and suspected smuggling ships—known jokingly inside the military as having “scarlet letters” for their alleged misdeeds. Sanctions violators will no longer be able to plead ignorance.

rance, another military official said: “I didn't know” is no longer an excuse.”

The new coalition isn't necessarily a precursor to more aggressive interdictions, such as boarding suspected ships or forcing vessels into allied ports, officials said. Some critics of the sanctions program have lobbied for more-assertive enforcement as denuclearization talks between Washington and Pyongyang have stalled.

Ships confirmed to be smuggling goods to North Korea are blacklisted by the U.N. Security Council, denying them access to ports of any U.N.-member country.

The efforts follow a May summit in Singapore between President Trump and North Korean leader Kim Jong Un in an effort to denuclearize the Korean Peninsula. Diplomatic efforts have since stalled but the two countries are trying to

revive them.

While most sanctions-busting surveillance focuses on Pyongyang's revenue-generating exports of coal, weapons and labor and its illicit cyber activities, imports of refined petroleum are among Washington's biggest North Korea worries. A critical lubricant for the North Korean economy, they also drive its military.

The Security Council, led by the U.S., late last year capped annual imports at 500,000 barrels. But North Korea exceeded the cap within the first five

months of 2018, according to U.S. intelligence.

The sanctions evasion was aided by Russian and Chinese ships that transferred black-market fuel into North Korean vessels on the high seas to avoid detection, according to U.S. intelligence. Between January and May, two dozen North Korean ships made 89 deliveries of refined petroleum into North Korean ports, according to U.S. intelligence provided to the U.N. and reviewed by The Wall Street Journal. The deliveries were from high-seas transfers, most from either Russian or Chinese ships, U.S. officials said.

Some of those deliveries may have carried volumes allowed under the U.N. sanctions. But many of the ships, according to the Journal's review of U.S. intelligence and public information, loaded their fuel on the high seas in

violation of international bans, had been blacklisted by the Security Council before the deliveries were made, and would be violating the sanctions by carrying volumes that put North Korea over its quota.

The North Korean ship Chon Myong 1, for example, delivered up to 190,000 barrels of refined petroleum to North Korea's Wonsan port in May, two months after being sanctioned by the U.N. The blacklisted Nam San 8 delivered up to 218,000 barrels of fuel into the Nampo port in May. That vessel was later caught by Japan's Ministry of Defense conducting a midnight fuel transfer in the East China Sea on July 31.

U.S. officials have expressed increasing frustration at what they characterize as easing sanctions oversight by Russia and China. Both countries say they are implementing the U.N. bans.

Beijing and Vatican to Sign Agreement Over Bishops

China and the Vatican are set to sign a landmark agreement this month ending a long struggle between Beijing's Communist rulers and the pope over who chooses the leaders of Catholicism in the world's most populous country, according to two people familiar with the matter.

By Francis X. Rocca
in Rome and Eva Dou
in Beijing

Reactions to the deal, which gives both sides a say in appointing the church's bishops in China, are likely to be sharply divided, with some hailing a diplomatic coup by the Vatican that draws China closer to the West and others warning of an important defeat for the principle of religious freedom.

The deal would include the first official recognition by Beijing that the pope is the head of the Catholic Church in China. In return, Pope Francis would formally recognize seven excommunicated Chinese bishops who were appointed by the Communist government without Vatican approval.

“It is a baby step by China toward recognizing some of the framework of the Western world,” said Francesco Sisci, an Italian who teaches international relations at China Renmin University in Beijing. “It doesn't go as far as recognizing what we in the West call religious freedom but it is a degree of religious autonomy.”

Others, including some U.S. diplomats, are concerned the pope is ceding a strong influence over church leadership to an avowed atheist authoritarian regime.

“This is a strange step backward on terrain over which the church has fought,



An attendee waved a Chinese flag as Pope Francis arrived in early June for his weekly general audience in St. Peter's Square at the Vatican.

not for centuries but millennia,” said Sandro Magister, a Vatican expert who writes for Italy's *L'Espresso* magazine. “The church has managed to free itself from control of sovereigns and governments on ecclesiastical matters such as the naming of bishops, but now this achievement is clamorously contradicted by the agreement with China.”

The pact with the Vatican could still fall through or be delayed due to unforeseen

events, one of the people familiar with the matter said. The two sides are close to signing even though China's government has recently intensified a crackdown on Christians and other religious groups, through measures including closing churches and removing religious symbols such as crosses and the domes of mosques. The deal is expected to stir criticism of the pope already under fire from within and outside the church for his han-

dling of clerical sexual abuse. In practice, China's Communist Party is unlikely to give up control over any religion, even Catholicism, which has relatively few adherents in China. Chinese President Xi Jinping has launched a program to “Sinicize” all religions to make sure they don't offer alternate viewpoints to the Communist Party. As part of that policy, Beijing is strengthening its sway over clerical appointments and religious teachings

to emphasize patriotism.

The Chinese leadership has been engaged for years in a campaign to diminish the influence of the Dalai Lama, who remains popular among Tibetans despite nearly six decades in exile. It has also ramped up a mass detention program for Muslims in its northwest region of Xinjiang, where Beijing is worried about violent separatism fanned by militant Islam. Giving the Vatican too much say risks setting a bad

precedent in Beijing's eyes.

The Vatican had hoped to sign the deal in the spring, but needed several more months to overcome resistance from some Chinese Catholics, one of the persons familiar with the matter said. In particular, the bishop of the southeastern diocese of Shantou balked at stepping aside in favor of an excommunicated bishop as part of the agreement, this person said.

—Kersten Zhang contributed to this article.

China Fails to Reverse Investment Slowdown

BEIJING—Investment in factories, railways and other projects in China so far this year has grown at the slowest pace in more than a quarter-century, pointing to challenges in government efforts to arrest an economic slowdown.

Fixed-asset investment outside rural households rose 5.3% in the January-August period from a year earlier, the National Bureau of Statistics said Friday. The rate was the

most sluggish since 1992, when the investment data were first available, according to data provider Wind.

Economists had expected the pace to at least match the 5.5% rate recorded from January to July, given that the government has been encouraging more investment. While investment in property and manufacturing held steady, infrastructure investment—a key part of the government's pro-

gram to prevent a slippage in growth—remained weak, according to the official statistics.

“If investment, especially infrastructure investment, fails to recover in September, the risk on economic growth would be very large,” said Shuang Ding, an economist at Standard Chartered.

A slowing economy is complicating Beijing's trade fight with the U.S., worrying Chi-

nese leaders that a protracted battle would further hit growth. China's Commerce Ministry said Thursday it has received an invitation from the U.S. to resume negotiations.

The Wall Street Journal reported earlier that Treasury Secretary Steven Mnuchin had reached out to his Chinese counterparts to give Beijing another chance to stave off new tariffs on \$200 billion in Chinese exports.

Mr. Ding said that local governments should have received extra funds following a deluge in bond-issuance last month, but that the money is probably still sitting in bank accounts, waiting to be spent on local projects.

Other indicators released Friday paint a mixed picture of the economy. Value-added industrial output rose 6.1% in August from a year earlier while retail sales climbed 9.0%—both slightly higher than their July rates and stronger than economists' expectations.

Beijing has sent inconsistent messages about its policies, according to some economists, and that may be giving local governments pause. Before growth worries prompted the recent efforts to boost infrastructure spending, Beijing spent two years pressuring local governments to curtail debt and excess industrial capacity, and it hasn't completely backed off those goals.

—Liyan Qi and Grace Zhu

During tomorrow's day game (Sunday, Sept. 16), the Yankees and Sato Pharmaceutical will partner for a “Yankees T-Shirt Day” giveaway prior to the game against the Toronto Blue Jays, giving away a T-shirt to the first 18,000 fans attending the game.

The original T-shirt, carrying the logos of both the New York Yankees and Sato Pharmaceutical, has been specifically designed for this promotional event.

Sato Pharmaceutical, a Japanese pharmaceutical company with over 100 years of history, has advertised on the boards behind home plate at Yankee Stadium during the top of the first inning since 2013.

The company is committed to continuing to make all-out efforts to bring healthy life to people around the world.

ADVERTISEMENT

Advertising on the Boards Behind Home Plate at Yankee Stadium!

Sato Pharmaceutical's Yankees T-Shirt Day Taking Place Tomorrow



During tomorrow's day game (Sunday, Sept. 16), the Yankees and Sato Pharmaceutical will partner for a “Yankees T-Shirt Day” giveaway prior to the game against the Toronto Blue Jays, giving away a T-shirt to the first 18,000 fans attending the game.

The original T-shirt, carrying the logos of both the New York Yankees and Sato Pharmaceutical, has been specifically designed for this promotional event.

Sato Pharmaceutical, a Japanese pharmaceutical company with over 100 years of history, has advertised on the boards behind home plate at Yankee Stadium during the top of the first inning since 2013.

The company is committed to continuing to make all-out efforts to bring healthy life to people around the world.

Sato
PHARMACEUTICAL CO., LTD.

A Japanese pharmaceutical company
Providing high quality health care products.

sato-pharmaceutical.com

WORLD NEWS



President Recep Tayyip Erdogan, speaking to his ruling-party members on Friday, said he was losing patience with rate increases.

Erdogan Assails Central Bank

BY DAVID GAUTHIER-VILLARS

ISTANBUL—President Recep Tayyip Erdogan warned he wouldn't tolerate higher lending rates for very long, on Friday challenging the central bank and raising the stakes on an economic plan meant to calm the country's currency crisis.

Finance Minister Berat Albayrak—Mr. Erdogan's son-in-law—is due to present the plan Thursday to explain how Turkey will deal with the tremors caused by a 38% drop in the Turkish lira against the dollar this year.

The central bank jacked up its benchmark interest rate by more than 6 percentage points this past Thursday, bringing it above inflation for the first time in a decade.

Mr. Albayrak said the move proved the central bank was independent and committed to fighting inflation, which

jumped to 18% last month. Analysts welcomed it, saying it would help cool off a credit boom that pushed the Turkish economy into overdrive.

The Turkish president, however, said the decision was misguided because, in his view, higher rates only harm the economy.

"There is your independence," Mr. Erdogan told members of his Justice & Development ruling party in a televised speech from Ankara. "We will now see what the results of this independence are. This is my period of patience, this patience has a limit."

In his 15 years at the helm of Turkey, Mr. Erdogan has routinely clashed with central-bank governors over monetary policy, calling interest rates "tools of exploitation" and at times vetoing rate increases.

The standoff comes at a particularly sensitive juncture because increasing global

trade frictions and the U.S. Federal Reserve's tightening of monetary policy have driven money away from riskier countries and into the relative safety of U.S. assets.

Some analysts said Mr. Erdogan's comments risked hindering the Turkish economy's recovery.

"Had Mr. Erdogan not made this intervention, we would have envisaged a more pronounced lira rally from here," Tatha Ghose, an analyst at German lender Commerzbank AG, said in a research note.

The Turkish lira, which jumped 5% against the dollar in the wake of Thursday's rate decision, was flat in European trading on Friday.

At stake, economists say, is whether Mr. Erdogan will allow the Turkish economy to slow down. They say that after years of high, credit-fueled growth, a chilling period is necessary to help break a spiraling inflation cycle under which employees seek higher wages to offset higher consumer prices.

That is far from certain. Mr. Erdogan won re-election in June on the promise to create a bigger and more prosperous Turkey, with a steady flow of cheap loans feeding a dynamic economy. With regional elections due in March, the president is loath to alienate core voters from the country's cohort of small entrepreneurs, who would be hit hard by prolonged high-rate policies.

"We will plan and accelerate investments that are close to finishing," Mr. Erdogan said in his speech Friday. "With days to go before he unveils his plan, Mr. Albayrak revealed little, saying only that it would be focused on fighting inflation and explain how the government will direct the economy toward higher exports."

With days to go before he unveils his plan, Mr. Albayrak revealed little, saying only that it would be focused on fighting inflation and explain how the government will direct the economy toward higher exports.

Russia Raises Interest Rate To Boost Ruble

BY ANATOLY KURMANAEV AND PAUL HANNON

MOSCOW—Russia's central bank raised interest rates Friday, moving to defend the ruble against market volatility and inflation as global investors question the outlook for emerging-market economies and the possibility of fresh U.S. sanctions.

The Bank of Russia raised its key interest rate to 7.5% from 7.25%, ending a series of cuts that brought it down from a peak of 17% at the end of 2014 that was introduced in the wake of earlier sanctions imposed by the U.S. and Europe.

The increase eased investor concerns over the bank's freedom to act in maintaining Russia's macroeconomic stability. In recent weeks, President Vladimir Putin's prime minister and chief economic adviser both suggested lending rates should fall to boost growth.

The bank's move ended weeks of speculation over the course of Russia's monetary policy. For some analysts, it pointed to central bank chief Elvira Nabiullina's willingness to act when confronted with threats to economic stability, even when that meant going against the wishes of Mr. Putin's economic team.

"Our goal is to meet the inflation target, this is the essence of our independence," Ms. Nabiullina told reporters in Moscow after the rate decision.

"There's a growing uncertainty over sanctions against Russia, the growing geopolitical risks have increased the outflow of capital from emerging markets."

She said she would consider further increases this year if the inflationary pressures caused by a rising sales tax and currency depreciation don't subside. The central bank expects inflation to accelerate to



Bank Governor Elvira Nabiullina

7.5%

The Bank of Russia's key interest rate after Friday's increase.

as much as 5.5% by the end of next year, above its 4% target.

To help stabilize the ruble, the central bank will stop buying foreign currency this year, Ms. Nabiullina said. The ruble is down more than 14% against the dollar this year, although it rose 0.7% following the rate decision on Friday.

Markets reacted positively to what they saw as the assertion of Ms. Nabiullina's independence. The country's benchmark 2-year bonds due in 2020 rose slightly following the rate decision. Moscow's main stock index rose 1% Friday.

"With this decision Nabiullina is showing she's prepared to make decisive decisions to react to tactical challenges that are arising in the markets," said Oleg Kouzmin, chief Russia economist at investment bank Renaissance Capital. "Her mandate is strong and she continues to enjoy the market's trust."

—Jon Sindreu in London contributed to this article.

Bountiful Harvest



A fisherman totes his big catch near a port in Mogadishu, Somalia.

SOUTH SUDAN

Fighting Erupts Two Days After Accord

Fighting has broken out in South Sudan two days after the warring sides signed what the government called a "final final" peace deal to end the civil war. Each side blames the other for the attacks.

Clashes erupted Friday when government troops stormed bases in Lainya and Kajo Keji counties, said opposition spokesman Lam Paul Gabriel. "That means the regime is not serious about the peace," he said.

The government called the accusations "propaganda." The attacks were instigated by opposition forces that emerged from hiding along the Ugandan border and were trying to reclaim territory, said spokesman Lul Roai Koang.

—Associated Press

YEMEN

Battles in Port City Threaten Millions

A recent bout of fighting between Yemeni government forces backed by a Saudi-led coalition and Shiite rebels around the Red Sea port city of Hodeidah could jeopardize shipments of 46,000 tons of wheat expected to arrive within the next 10 days, the World Food Program said Friday.

The latest offensive began last week following the failure of what was hoped to be renewed peace talks in Geneva. It was concentrated in the eastern and southern entrances to the city, which is considered the lifeline of Yemen.

The fighting could affect WFP's ability to supply up to 3.5 million people in dire need for one month, a spokesman said.

—Associated Press

WORLD WATCH

BRAZIL

Commercial Whaling Proposal Is Defeated

Members of the International Whaling Commission defeated a Japanese proposal to reinstate commercial whaling at a meeting in Brazil on Friday.

The commission suspended commercial whaling in the 1980s, but Japan argued that stocks have recovered sufficiently for the ban to be lifted and that no good reason exists to maintain a measure that was meant to be temporary.

Other countries argued that many whale populations are still vulnerable and that whaling increasingly is seen as unacceptable.

Japan's proposal was defeated Friday by a vote of 41-27 in Florianopolis, Brazil.

—Associated Press

THAILAND

U.S. Sanctions Thai Company for Iran Ties

The U.S. sanctioned a Thai aviation firm for working with Iran's blacklisted Mahan Air, part of a larger campaign to shut down an airline Washington has accused of ferrying weapons and fighters into Syria in support of President Bashar al-Assad.

In sanctioning the Bangkok-based My Aviation Co. Ltd., the U.S. is targeting the global operations of Iran's largest airline. U.S. officials fear Mr. Assad could launch another chemical-weapons attack. A spokesman for Iran's mission to the U.N. said Mahan Air "is a legitimate air carrier company." Mahan Air and My Aviation didn't respond to requests to comment.

—Ian Talley

FROM PAGE ONE

Critters Crash Barn Weddings

Continued from Page One to take the stage for a comedic tribute to the couple when she wandered over to greet the llamas in nearby pens.

"I thought me and this llama had this connection of sorts. It came over to me, it looked me right in the face," says Ms. Merli, 30, a New York project manager and part-time comedian. "And it just spit with such an intense force...It pretty much drenched me."

She didn't have time to freshen up before performing, but other guests didn't seem surprised at her appearance, she says, because they "knew the improv group was gonna be kind of weird."

A common request at the Salem Cross Inn's restored 18th-century wedding barn: the cows. The West Brookfield, Mass., venue can't prearrange cattle cameos, because "they move from pasture to pasture," says co-owner Martha Salem-Leasca. "We can't really control it."

The cows there did take it upon themselves to bear witness to the vows at one wedding after they broke free from their pasture. "They were mooing like you'd read about, just MOOOO," Ms. Salem-Leasca says. "It kind of stalled the wedding for a little bit."

One bride planning for her wedding at the Barn at Silver Oaks Estate in Winthrop, Maine, asked that three cows she raised on her family's nearby farm be there for her big day, say venue owners Gene and Veronica Carbona. She disinvited her beloved bovines at the last minute, Mr. Carbona says, upon realizing they "make such a mess."

A pair of wedding crashers showed up last September at the Barn at Silver Oaks Estate when about 200 guests were grooving to Justin Timberlake's "Can't Stop the Feeling!" on the

dance floor inside. "Here we are having a perfect wedding," says the venue's Mr. Carbona, "and in walk two deers, right into the barn, the mother and a little baby fawn."

They "stopped on the dance floor and were hopping around to the music," he says. Upon further investigation, he concluded the interlopers were "seven sheets to the wind" from eating fermented apples on the property.

The Broadturn Farm, an operational dairy farm with a wholesale vegetable and flower business in Scarborough, Maine, moves working livestock far away from the wedding barn on weekends with weddings to prevent smells mingling.

Some attendees seek out the roaming cattle, says owner Stacy Brenner. "A lot of the times the guests will be having their cocktails and they'll want to stand next to the cows and do an Instagram."

Even cattle shooed off from a wedding barn can leave olfactory mementos, says wedding photographer Jayna Watkins, who says she has shot about 15 barn weddings since opening her business outside Knoxville, Tenn., in 2012. "Even if they've cleaned up the barn and everything and set it up as a venue for this one day," she says, "you

can't quite get rid of all the animal and the smells that come along with that."

While taking portraits under a barn doorway last summer outside Knoxville, Ms. Watkins heard a squeaking noise. "I asked if it was someone's cellphone and they said, 'no that's barn mice.'"

"I jetted out of there real quick," she says. "They thought it was hilarious, but I'm not a farmer, I don't know! I'm only in barns at weddings."

New wedding barns have sprung up across the country in recent years—restored, relocated or newly built to host nuptials. Wedding-planning website RusticBride.com lists over 3,000 "rustic" venues in 50 states.

Modern wedding barns can stray far from their roots—

decked out with chandeliers, central heating and air conditioning, professional-grade kitchens for caterers and renovated bathrooms. Many have no animals near the premises, their owners having taken pains to get rid of critters.

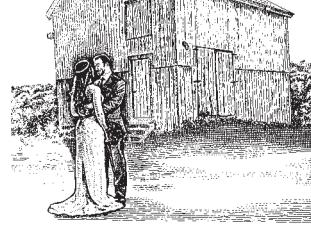
Greg and Deborah Link are in their fifth year of holding weddings at their Hardy Farm near the Maine-New Hampshire border, charging \$4,000 to \$7,500 for their whitewashed barn. The barn had been vacant of farm animals since the 1920s, Mr. Link says, but they had to "chase out the squirrels and the bats."

Brad Beskin, 35, and Garrett Burnett, 30, didn't set out to wed in a barn but hosted their black-tie nuptials at the Brodie Homestead, a self-described "urban barn" in Austin, Texas, in July after falling in love with its dramatic high ceilings.

"It really was just a rustic shell for something very modern and elegant inside and that was sort of the juxtaposition we were going for," Mr. Beskin says. "That's where the barnyard theme stopped."

Starting next year, couples will be able to bring the barn to them, thanks to Tentwood, a startup outside Seattle whose rentable pop-up barn goes for \$6,000 a weekend.

Kelsey Von Stubbe, who founded the company in 2017 and is accepting 2019 bookings, says she hasn't gotten requests to include farm animals. A couple did ask to set up the mobile barn at Seattle Center so their barn-wedding backdrop would include the Space Needle.



How now vow cow?



Anna Trullinger and bridesmaids amid a bee attack on her wedding day at a farm venue.

CHRISTINA BERNALLES

OPINION

THE WEEKEND INTERVIEW with Nathan Glazer | By Jason Willick

Eight Decades of Ethnic Dilemmas

Like many young people, Nathan Glazer was once a socialist. After enrolling at New York's City College in 1940, Mr. Glazer, whose parents were Lithuanian Jewish immigrants, joined the radical wing of a Zionist group called Avukah. Looking back, he says, its ideology wasn't so profound—"something about Jewish and Arab proletarians coming together" against British imperialism in Palestine.

City College in the 1930s and '40s was a politically active haven for aspiring Jewish scholars, whose admission to Columbia and other Ivy League schools was restricted by quotas. This was the milieu that incubated the "New York intellectuals," a loose cohort of left-wing, anti-Soviet writers and thinkers—including Daniel Bell, Irving Howe and Irving Kristol—who shaped American intellectual life in the mid-20th century.

Mr. Glazer, 95, is one of the last living members of this group. As young radicals often do, he drifted rightward as he grew older. After college, he decided "America would be fine if it was more like Sweden." Then he concluded "it can't be, it's too diverse." Now he has doubts about social democracy altogether: "It runs into its own problems."

An iconic sociologist on the problems of group identity, affirmative action and Donald Trump.

But Mr. Glazer, a professor emeritus of sociology at Harvard, drifted only as far as the political center. He is sometimes labeled a "neoconservative," like Kristol or Norman Podhoretz. But he tells me he's never voted Republican except once in Massachusetts, as a protest against "the fact that some Kennedy was being elected from the district again and again."

Mr. Glazer's interest in Jewish identity deepened after World War II and the Holocaust. It eventually drew him to the wider question of how the U.S. accommodates ethnic pluralism, to which he devoted much of his career. His best-known work, "Beyond the Melting Pot"—written with Daniel Patrick Moynihan and published in 1963—described the limits of "assimilation" for Jews, Puerto Ricans, Irish, Italians and blacks in midcentury New York City.

Moynihan and Mr. Glazer argued that ethnic identities—especially "those not close to the Anglo-Saxon center," as they put it—tend to persist in the U.S., shaping politics and social life for generations. Ethnic groups "became interest groups," Mr. Glazer says, "not on the basis of ethnicity but on the basis of their occupational concentrations. When you're talking about the Italian Americans," for example, "you're talking about the sanitation men's union." The Irish were the police, the Jews the small shopkeepers, "and so on." Ethnic residential clusters also persisted for decades, even after Congress severely re-

stricted immigration from Southern and Eastern Europe in 1924.

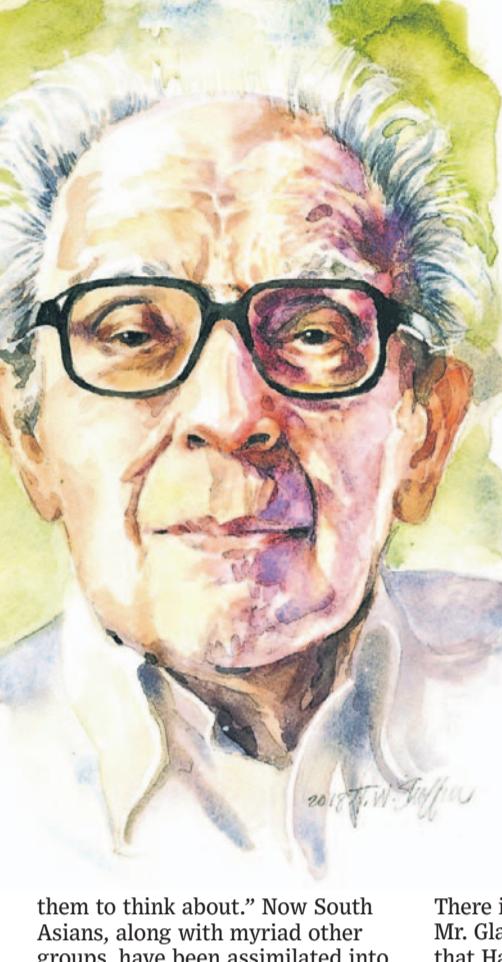
Ethnic politics has existed throughout American history, as the country absorbed successive waves of immigrants. But Mr. Glazer sees contemporary identity politics as something new—an offspring of the civil-rights movement. "What happened was black identity became the model. It became the model for a revival of feminism," Mr. Glazer says. "It became the model for all kinds of groups."

Many sociologists of Mr. Glazer's generation expected that black Americans after civil rights would follow the pattern of ethnic Europeans: They would continue to face discrimination and retain some ethnic distinctiveness, but the process of integration would be possible without state interference like quotas or set-asides. "We didn't think of blacks in the North as we thought of blacks in the South," Mr. Glazer says. "The blacks in the South have to be freed from a political oppression—separate schools, separate public facilities."

Mr. Glazer hoped the Northern model of race relations could spread to the South after civil rights. Instead, liberals began thinking about race in the North along Southern lines—an unfortunate turn, in Mr. Glazer's view. "I kept on fighting the word 'segregation' of blacks in the North," he says. Northern blacks "didn't have money, they lived where they could." But they "were not segregated in schools; they were concentrated because that's where they were"—just as ethnic neighborhoods in midcentury New York had schools that were heavily Puerto Rican or Italian.

The degree of discrimination against blacks under Jim Crow was unparalleled. Yet elite opinion blurred the distinction between the contentious ethnic pluralism depicted in "Beyond the Melting Pot" and legally mandated white supremacy. America's identity problem "became merged, North and South," Mr. Glazer says. New ethnic groups, although they faced different obstacles, replicated the language, tactics and institutions that had successfully liberated Southern blacks.

As an example, Mr. Glazer cites "the last big fight over microaggression, I suppose, or misappropriation—over this Indian figure in 'The Simpsons.'" He means Apu, owner of the Kwik-E-Mart convenience store and subject of a 2017 documentary, "The Problem With Apu," which condemns the cartoon character as an invidious stereotype. Fifty years ago, "who would argue about what you thought of Indian immigrants?" Mr. Glazer asks. "There weren't enough of



TERRY SHOFFNER

them to think about." Now South Asians, along with myriad other groups, have been assimilated into the civil-rights tradition.

Mr. Glazer sees today's racial preferences in college admissions as a legacy of this expansion of the civil-rights model, which has come under strain as new immigrant groups join the fold. A few miles from where we sit, unintended contradictions of this system are coming to a head as Harvard defends itself in a lawsuit whose Asian-American plaintiffs allege they are the victims of discrimination.

In Mr. Glazer's view, preferences have expanded far beyond their original purpose, which was to lift blacks. "The only legitimacy for affirmative action," he says, "was to make up for the fact that they were enslaved, or more or less treated as enslaved for a very long time thereafter." He adds that "we never made it up, and there is no way of making it up"—and observes that today even many black beneficiaries of affirmative action "have at least one white parent" or are immigrants from Africa. "We aren't doing much for the people we are trying to do something for."

Ironically, the civil-rights movement's central idea, colorblindness, precluded policies to help blacks in particular. Instead they had to be justified in ethnically-neutral terms, such as helping minorities in general, or promoting diversity. Mr. Glazer worries that the Asian plaintiffs suing Harvard are misusing the civil-right's era's "no-discrimination dictum," whose purpose was recompense for Jim Crow.

Moreover, he sympathizes with the idea of trying to achieve some ethnic balance at elite schools—notwithstanding the discrimination he faced as a Jewish college applicant nearly eight decades ago. "I think it would have been bad for the country if the Ivy League had

maintained a purely meritocratic basis for admissions," he says. "The Jews would have risen to 40% or something." As "national institutions," these schools "had to be representative nationally in some way." Mr. Glazer believes Ivy League admissions preferences often went too far—especially in medical schools, where the quotas were sometimes as low as 5%. But his pragmatic view of ethnic compromise balances meritocratic fairness with other values.

Comparisons between anti-Jewish discrimination then and anti-Asian discrimination now are complicated by the diversity within the latter category: "The Asian group—we are talking about Indians, we are talking about Filipinos, we are talking about Chinese, Japanese.

There is such mixed history." Still, Mr. Glazer is troubled by reports that Harvard admissions officers gave low "personality ratings" to Asian applicants they'd never met. And he admires the California Institute of Technology, which ignores race in favor of a model of diversity that consists in "having enough particle physicists to match the theoretical mathematicians," as Mr. Glazer says with a laugh. Caltech's student body is 43% Asian.

In Mr. Glazer's ideal world, private institutions would have leeway to practice racial preferences or not, in accord with their public mission. But by now that kind of pluralistic approach has grown hard to sustain because "government has gotten too deeply involved." With Congress funding billions of dollars of research and student loans, and federal regulators statute-bound to scrutinize campuses for discrimination, "the distinction between public and nonpublic has become meaningless," Mr. Glazer says. Federal law mandates colorblindness, so the courts will have to continue tying themselves in knots if they are to permit racial preferences.

What about the politics of all this? Mr. Glazer doubts the issue will drive Asian-American voters to the GOP. "I think the Democratic position on immigration will outweigh Asian-American concern about discrimination in college admissions."

Yet he disagrees with liberals who insist opposition to immigration is born primarily of "racism"—which he understands the old-fashioned way as the view that some races are inherently superior. Instead he emphasizes the economic changes that have affected the white working class. "It's a terrible divorce that's occurred" he says, "between those who get educated and who lead stable lives" and those who don't. He does not be-

lieve that a "nationalist" fear that immigrants "are changing a traditional American society, its culture, its norms, its language" is in itself bigoted. But he remains confident in "the power of American culture to integrate new immigrant groups," and he doubts the radical restrictionism advocated by some on the right is economically or politically practicable.

Mr. Glazer is a critic of President Trump, but temperate one. He believes Mr. Trump has benefited from white identity politics, appealing to the "merged white ethnic classes," but regards comparisons with 1930s Europe as absurd. "I saw the real fascism," Mr. Glazer says. "I don't see any relationship—I just don't." He dismisses claims that Mr. Trump's clashes with the intelligence community and law enforcement amount to a bid to destroy democracy. "I can't get interested in the Mueller thing," Mr. Glazer says, "in part because I am so against what previous special counsels did, particularly in the Clinton case."

He believes anti-Semitism in the U.S. has been all but eliminated in his lifetime, and adds: "I don't see it connected to Trump—if his daughter marries a Jew and converts, if his grandchildren are being raised as Jews and no one cares." As for open racists and anti-Semites who describe themselves as "alt-right": "I don't think anybody in the alt-right these days is going to get elected."

Mr. Trump has made the presidency "a very undignified position," Mr. Glazer says. "It's too bad, because it was a grand position." But he thinks the country can withstand it, and he cites the Adam Smith quip that there is "a great deal of ruin in a nation."

As a visiting professor at the University of California, Berkeley, in 1964, Mr. Glazer arrived at a similar middle ground amid the "free-speech movement." He engaged extensively with radical students and sought to understand their demands. He wrote later that their campaign for social reform was overwhelmed by a desire for "the humiliation of others," and "for the destruction of authority—any authority, whether necessary and worthwhile or not." Yet he opposed Gov. Ronald Reagan's 1967 decision to fire the president of the UC system: "Like ex-communists and Trotskyists who go only as far as being social democrats, rather than going all the way to the right on politics, I thought that was far enough."

Mr. Glazer thinks today's campus activists are characterized by a "discomfort at discussion that looks seriously" at important social issues—just as the Berkeley revolts, in their later stages, ended up seeking to silence opposing ideas. Yet he thinks today's student protesters are likely to be less successful than their 1960s predecessors in pushing society leftward. Perhaps instead they will put off sympathizers and thereby help produce more centrists like Mr. Glazer.

Mr. Willick is an assistant editorial features editor at the Journal.

Minnesota Is a House Divided on Trump

the largest swings in the country.

Now the president's blue-collar appeal is helping make the congressional seat competitive, at least for a certain kind of Republican. Mr. Stauber, a retired Duluth police officer, was at one point the president of his union, Local 363, and he opposes right-to-work laws. He backs President Trump's 25% steel tariffs to the hilt. "The Chinese steel dumping should have been dealt with decades ago," he says. "It devastated our Iron Range and our mining industry."

The splash photo on Mr. Stauber's website shows him riding with Mr. Trump in "The Beast," the presidential limo, before a June rally in Duluth attended by 8,000.

When Mr. Stauber jumped into the race last summer, he expected to face an incumbent Democrat, Rep. Rick Nolan. Then in February the congressman announced he would retire. Instead the Democratic candidate is Joe Radinovich, 32, a one-time state lawmaker who managed Mr. Nolan's last campaign and worked as the Minneapolis mayor's chief of staff.

One point of contention, splitting Democrats, is a pair of proposals to mine copper and nickel in Superior National Forest. The Obama administration, in its waning days, moved to block mining within about 365 square miles. "It was purely political," Mr. Stauber says, "and it was the biggest assault on our way of life." When President Trump came to town, he

pledged to reverse the ban. Mr. Radinovich, who defeated explicitly anti-mining Democrats in the primary, has said he thinks the work can go on without hurting the environment. But he seems much more comfortable talking up Medicare for all.

A poll this week puts Mr. Radinovich in the lead, 44% to 43%, well within the margin of error. Politics aside, Mr. Stauber has a compelling story: He once played minor-league

hockey and then minded four kids while his wife deployed to Iraq with the Air National Guard. If any part of blue Minnesota is open to a Trump Republican, it's the Iron Range.

In the state as a whole, however, Mr. Trump's approval since Inauguration Day has dropped 17 points. This is a problem for Republicans in places like the Second District, anchored in the suburbs south of the Twin Cities. Though it's a somewhat purple area, Republicans had held the seat tightly since 2002. The GOP contender in 2016, Jason Lewis, was expected to flame out, given incendiary comments from his 20-year career in talk radio.

Critics dubbed him "mini-Trump." He won by 1.8 points. But that year's ballot also featured a perennial candidate on the populist left, running under the Independence Party, who took 8%.

Mr. Lewis has worked to build a legislative record. He wrote bipartisan bills on criminal-justice reform and is pushing a legislative amendment to force the Twin Cities' regional government, the appointed Metropolitan Council, to have at least one elected member. "They're raising taxes and spending all their money on very expensive light-rail lines," Mr. Lewis says. "We don't have the density for that sort of transit, and yet what suffers is roads in the Second District." He defends a disputed plan to replace parts of the Enbridge Pipeline, which feeds oil to the state's largest refinery: "I think it's good policy. I think it's safer than truck or rail, so I'm all in favor of it."

Yet old tape from his talk-radio days continues to surface. In July, CNN posted a clip from 2012. "It used to be that women were held to a little bit of a higher standard," Mr. Lewis mused. "Now are we beyond those days, where a woman can be have as a slut, but you can't call her a slut?" Last month BuzzFeed quoted a 2013 show on which Mr. Lewis argued that if courts ruled gay marriage to be covered by the Equal Protection Clause of the 14th Amendment, it would "undo the entire state criminal code"—because,

among other examples, "when we pass a law against rape, you're not treating a rapist equal."

Mr. Lewis's stock defense is that he was paid to be provocative. He insists such comments don't reflect the Jason Lewis voters recall listening to all those years. Is more tape forthcoming? "Who knows?" he says. "Personally, I don't care, because I don't think it's going to work. It's too clever by half. But who knows who's got what?" Radio stations, he explains, don't keep long archives, and neither does he. "Once you leave their employment—zzzip—they erase it. So I don't have the show," he says. "You realize how much server space I'd have to have for 20 years of radio?"

The Democratic candidate, Angie Craig, is the same one Mr. Lewis beat in 2016. A former HR executive at a company that made pacemakers, she was raised in Arkansas and still has a hint of Southern accent. So far, her soft-focus ads center on family life with her wife and four sons. And if, as November nears, the Democrats want to talk about talk radio?

Mr. Lewis is defiant. "I'd rather talk about Enbridge Pipeline, about the Met Council, about a rising tide of economic growth," he says. "If they want to dig up old radio clips, and they think they can win a congressional seat that way, let 'em do it."

Mr. Peterson is a member of the Journal's editorial board.



CROSS COUNTRY
By Kyle Peterson

At the end of August, Mr. Stauber, 52, has to jog to keep up. That's because he so frequently stops to shake a hand, to explain he's the Republican candidate in the Eighth Congressional District, and to add that he hopes he has your vote.

The final finish line on Nov. 6 is weeks away, but Mr. Stauber appears in good political shape given that Northeast Minnesota is historically Democratic territory. The Eighth District includes the Great Lakes' busiest port, Duluth, as well as the state's Iron Range, where thousands still work mining and processing taconite ore. In 70 years, the GOP candidate has won here only once.

What may change that is Donald Trump. The district's center of gravity has shifted slightly in recent decades, as Duluth lost population and the Twin Cities suburbs crawled further up the map. Still, Northeast Minnesota went for Mr. Trump by 16 points in 2016 after President Obama won it by 6 in 2012, one of

OPINION

REVIEW & OUTLOOK

The Dirt and Delay Playbook

A reliable rule of modern politics, especially Supreme Court politics, is to think lower. Really low. That's our advice as we learn more about the last-minute accusation that Democrats are floating against Brett Kavanaugh. The timeline of this ugly disclosure suggests it's part of a calculated if desperate strategy to delay a confirmation vote past the November election.

The New Yorker on Friday offered more details on the accusation from a woman who claims Mr. Kavanaugh had "attempted to force himself on her" at a party when the two were in high school in the early 1980s. Yes, high school. The story was published a day after Senator Dianne Feinstein, ranking Democrat on the Judiciary Committee, announced that she had "information" about Mr. Kavanaugh that she had shared with the FBI.

Ms. Feinstein purported to take the high road of offering no details and protecting the woman's privacy. But someone took the low road of providing the New Yorker details of the accusation contained in a letter from the woman to Ms. Feinstein. The unidentified woman alleges that Mr. Kavanaugh "held her down," covered her mouth with his hand, and with a male classmate turned up the music so she couldn't be heard. "She was able to free herself," the New Yorker reported.

The magazine was given these details with enough time to contact someone close to the woman. The reporters also had time to contact the male classmate who said he had "no recollection" of the incident. For the record, Mr. Kavanaugh "categorically and unequivocally" denies the allegation.

The timeline here is damning about Democratic motivations. The New Yorker says the woman first approached Democrats in July. Yet Ms. Feinstein didn't ask about the accusation in her meeting with Judge Kavanaugh, didn't ask about it at the hearing, and no Democrats asked about it in their 1,278 written follow-up

Democrats want to push a Kavanaugh vote past Election Day.

questions after the hearing.

So why now? As we wrote Friday, the charitable explanation is that Ms. Feinstein didn't think it worthy enough of investigation but finally bowed under pressure from her colleagues. She's running for re-election against a left-wing Democrat who is pounding her for not stopping Mr. Kavanaugh and on Friday hit her for a "failure of leadership" for waiting to disclose the allegations.

This is the explanation implied by the New Yorker reporters, who compare Ms. Feinstein to Joe Biden's supposed failure to get tough on Clarence Thomas after Anita Hill's last-minute accusations in 1991. The idea that Mr. Biden was soft is hilarious. Democrats were vicious.

But if you think lower, waiting to drop the letter is right out of the Anita Hill playbook. Her accusation was also sprung shortly before a confirmation vote and prodded Democrats to hold a second hearing, when Justice Thomas credibly denied her claims.

The letter gambit looks like an attempt to create a similar #MeToo uproar that would force Republicans to delay the hearing. If nothing else, such a delay might spare Democratic Senators running in Trump states from having to take a difficult confirmation vote. No Democrats have called for a new hearing, but let's see what Democratic media say this weekend.

The accuser remained unidentified on Friday, but even if she comes forward the accusation is too distant, too disputed and too late in the day. It also doesn't fit everything else we know about Mr. Kavanaugh's behavior across his 53 years. No fewer than 65 women who knew the judge in high school sent a letter to the Senate Friday attesting that "he has always treated women with decency and respect."

Republicans can strike a blow against this sleazy, late-hit politics by sticking to their timeline and confirming Judge Kavanaugh so he can take the bench when the Court begins its fall term on October 1.

The Vatican's China Syndrome

Imagine if Donald Trump insisted that the Catholic church give him the right to choose the list of men from which Rome would select American bishops. Ridiculous. So why does it make more sense for the Vatican to concede that right to Communist leaders in China?

That's the key Catholic concession in a far-reaching deal between Rome and the Vatican announced Friday. The Vatican has agreed to recognize as legitimate seven Chinese priests who had been excommunicated by Rome for accepting their bishop hats without Vatican approval. Two bishops who had remained faithful to Rome will retire to make room for bishops more to Chinese President Xi Jinping's liking. In exchange, Beijing will officially recognize the pope as head of the Catholic church in China, something it has resisted for decades.

Give China credit for shrewdness. It understands that bishops are at the heart of the Catholic hierarchy as heirs to the early apostles. Over its history the church has sometimes been coerced into deals giving governments a veto over the appointment of a particular bishop, but

Rome gives Beijing the power to select its slate of bishops.

letting a hostile regime come up with the entire candidate pool puts Rome in the junior role. If Rome vetoes one of China's choices, the seat goes empty. Why would China care?

This deal has been long in the making and comes as Mr. Xi is in the midst of a crackdown on Christianity and other organized religions and

is closing or tearing down churches and mosques. Perhaps the Vatican calculated that with oppression getting worse, even a bad agreement might carve out some breathing room for its faithful on the Chinese mainland.

The deal at least doesn't include the restoration of diplomatic relations, and thus it doesn't require the Vatican to break its ties to Taiwan. But this may be only a matter of time. To have any credibility with rank-and-file Catholics, the church would have to settle its religious disputes with Beijing before it granted the favor of diplomatic recognition.

Many Westerners over the centuries have gone to Beijing and come home claiming they had negotiated a great deal—only to find later they'd been had. On the evidence so far, the Vatican is joining this unfortunate list.

The Manafort Plea

Special Counsel Robert Mueller on Friday finally squeezed all the resistance out of Paul Manafort. The former Trump campaign chairman agreed to cooperate with prosecutors, but the important question is whether he knows anything about the alleged Donald Trump-Russia collusion tale that made Mr. Manafort a target.

As with his conviction last month on other charges, Mr. Manafort's Friday guilty plea concerns his business as a political fixer long before he worked for the Trump campaign. He copped to two conspiracy charges, though prosecutors dropped five others ranging from money laundering to false statements. The deal spares Mr. Manafort a second trial and imposes a 10-year cap on prison time on all of the charges against him. He also agreed to forfeit four homes and other assets and cooperate with the Mueller probe.

Mr. Manafort had long resisted Mr. Mueller's full-court legal squeeze, which included a raid on Mr. Manafort's home, prison time and solitary confinement before trial, and dozens of charges that could have put him behind bars for the rest of his life. The previous verdicts and the prospect of more convictions and mounting legal bills appear to have pushed Mr. Manafort to plead guilty.

And who knows? Maybe Mr. Manafort will be the Rosetta Stone of the Trump-Russia narrative, even if there's still no evidence that he is. The longtime Beltway lobbyist has consistently said he has no information to offer on Russia since there was no collusion.

This is supported by the House and Senate Intelligence Committees, which investigated Mr. Manafort and found no evidence of an election conspiracy. On Friday Politico reported that a source close to the Manafort legal team repeated that "the cooperation agree-

ment does not involve the Trump campaign. . . . There was no collusion with Russia."

The Manafort plea follows the end of the legal line for another supposed collusion canary: George Papadopoulos. The one-time junior Trump aide was recently sentenced to 14 days in jail for lying to the FBI about some dates. Mr. Mueller's team had asked for as much as six months of jail time.

When Mr. Papadopoulos pleaded guilty last year and agreed to cooperate with Mr. Mueller, the press had also portrayed the 31-year-old as the key to the collusion narrative. But in his post-sentencing media appearances, the star witness has offered nothing that is incriminating against his former colleagues. Unless Mr. Mueller is compiling a set of so far unknown facts, Mr. Papadopoulos looks more like a hapless young man who didn't understand how ruthless prosecutors and the FBI can be when they want to squeeze you.

Mr. Mueller has convicted several former Trump associates, but the charges have all been for lying to the FBI or corrupt business practices unrelated to the 2016 Trump campaign. None show any connection between the Trump campaign and Russia's meddling in the presidential campaign or hacking of Democratic emails.

The good news for the White House is that the Manafort deal removes the prospect for a second trial as a media fixation during the fall election campaign. If Mr. Mueller follows Justice Department guidelines, which he is obliged to do, he will now postpone any prosecutions through Election Day.

Leaks on other news about his investigation will undermine public confidence in a probe that has already wandered far from its original Russia remit and has now lasted 16 months without a resolution.

LETTERS TO THE EDITOR**Some Feel It's About Time for a U.S. Retreat**

In "The Cost of American Retreat" (Review, Sept. 8), Robert Kagan writes that the policies of the Trump and Obama administrations "have more in common than either would like to admit." This is a brave statement to make knowing that the author will be seen as politically incorrect on both sides of the aisle.

Both sides are failing to look at deeper patterns that are the source of conditions that give rise to distrust, fragmentation and resentment. In their own way, these "opposing" viewpoints fuel the same contemporary cultural fire that produces confusion and despair. Mr. Kagan's article encourages a broader way of looking at the shifting balances and influences in our world order.

BRUCE SCHNEIDER
Kingston, N.Y.

Mr. Kagan rightly points to all the economic progress European and

Asian countries made after World War II, but without the Marshall Plan they would not even have been able to perform basic functions of government. The U.S.S.R. no longer exists and China has emerged as our chief rival. The only thing that has remained constant is America's footing the greater part of the bill for military defense, while nations we protect continue to grow rich at our expense.

The cost of protecting the borders of its empire eventually led to the fall of Rome. We are in a similar position. The nations of the world that we are supposed to protect are going their own way, while we continue to spend and spend in the name of preserving an alliance that is no longer even necessary. As this situation continues, we will have less and less, and those countries that once looked up to us will look somewhere else.

EDWARD D. LASKY
Honolulu

Intergenerational Equity on Pensions Is Hard

In her Sept. 6 letter New York City Chief Actuary Sherry Chan explains that the goal of public-pension funding should be to produce level employer contributions over time, and that governments need to make their contributions as public workers do.

Alas, such ideals are often not achieved. Despite New York having made virtually all of its required actuarial contributions, and the reasonable actuarial calculations of Ms. Chan and her predecessor, New York's contributions increased from 5% of covered payroll in 2000 to 39% in 2015. So much for level contributions and intergenerational equity.

Contributions skyrocketed primarily because of poor asset returns. Because S & P 500 stocks have earned less than 4% a year so far this century compared with the 7% currently assumed for funding purposes, the city's plans' combined funded status declined from more than 100% in 2000 to less than 70% in 2015, despite the

massive contribution increases. Investing less heavily in stocks would reduce contribution volatility.

Another obstacle is that employee contributions are, in effect, guaranteed a return equal to the assumed funding rate (e.g., 7%). If employee contributions earn less, taxpayers must make up the difference. Nowhere in the free marketplace can such guarantees be found.

The solution is to shift employee contributions from these defined-benefit plans to defined-contribution plans, where employees bear the investment risk rather than taxpayers. The surviving employer-funded defined-benefit plans would have less generous benefit formulas and pose less risk to taxpaying. Of course, collective bargaining, statutory and constitutional obstacles to such reform must be surmounted, but without such changes our public-pension woes will likely worsen.

ROBERT J. SARTORIUS, ASA, MAAA, FCA
Palm Beach Gardens, Fla.

Large-Scale Korea Military Exercises a Must

Michael O'Hanlon is right to be concerned that large-scale military exercises can be misinterpreted by the DPRK (Democratic People's Republic of [North] Korea). The solution to this problem is good communication between the U.S. and ROK (Republic of [South] Korea) governments and the DPRK and Chinese governments ("A Better Way to Prepare for War in Korea," op-ed, Sept. 5).

Forces defending the ROK need to hold large-scale, land-forces exercises to practice how they would have to maneuver to repel an invasion from the larger army of the DPRK. Organization of the forces to repel an invasion would be above the brigade level. Maneuvering at the division, corps and army levels are skills that need to be practiced if they are to be available in time of need. ROK forces have the size to do the job (aiming for 38 active and reserve divisions in a reorganization under way) but they need to practice realistically. U.S. forces need to practice with them, and we need to practice moving and integrating reinforcements from outside the Korean Peninsula.

These types of exercises are expensive but necessary to maintaining those skills. The fact that the U.S. Army infrequently conducts large-scale land-forces exercises doesn't mean that the ROK should emulate them. The DPRK knows how effective these exercises are and that is the reason they want them stopped.

STEPHEN WEEKS
Houston

Imparting the Obvious and Useful to Clueless Scholars

Regarding David Gelernter's "Ten Things They Didn't Tell You at Freshman Orientation" (op-ed, Sept. 4) and the Letters of Sept. 10 in reply: I've been teaching classes in personal finance for 21 years and it has been my experience that students are basically clueless in even the basics of managing their own personal financial affairs. This skill is vital for them to become informed and productive adults in a fast-paced world, financial or otherwise. On the first day of class I give my students a guarantee: When they finish this class, they will know more about personal finance than 99% of their peers on this campus, or on any other campus. On the last day of the class, they unanimously agree and confess how scary it would be to go into the working world not knowing how to handle their own personal finances.

Many have told me this is the most useful and informative class they have taken in their entire college career and question why it is not a graduation requirement.

DICK VERRONE
University of North Carolina
Wilmington, N.C.

Pepper ... And Salt

THE WALL STREET JOURNAL

Rubio Is Right, It's Your Own Social Security Money

Regarding John F. Cogan's "Rubio's Family-Leave Benefit Will Go the Way of All Entitlements," op-ed, Sept. 5: It's my money, and I need it now! Sen. Marco Rubio's proposal is essentially an early reimbursement of FICA taxes paid. This is an important distinction from the often-abused disability benefit program which has generally been paid with someone else's money. In this circumstance, there is a guardrail limiting benefits to the Social Security payer and his or her finite sum of benefits.

An expansion of the early use of Social Security would be an expansion of liberty. Theoretically, Social Security is a form of forced savings,

so why shouldn't payers have early access to their benefits, if they so choose?

IAN MCCLINTIC
Houston

Letters intended for publication should be addressed to: The Editor, 1211 Avenue of the Americas, New York, NY 10036, or emailed to wsj.ltrs@wsj.com. Please include your city and state. All letters are subject to editing, and unpublished letters can be neither acknowledged nor returned.



OPINION

Get Ready for the Next Financial Crisis

By Daniel J. Arbess

It's the 10th anniversary of the Lehman Brothers debacle. Do we need reminding that debt crises take place when markets underwrite and buy too much bad debt? Yes.

The 2008 crisis was clearly visible before it struck. So is the next one. The short-term fixes produced by America's broken political system failed miserably to reduce debt. Instead they substantially increased, nationalized and redistributed it—from household mortgages to sovereign, corporate and consumer balance sheets. We may be about to experience the consequences of piling on more debt to solve a debt crisis.

Anyone who followed housing markets could see what was coming a decade ago. Speculators with the lowest credit scores were buying more homes than they cared to occupy—financed with deferred interest and sometimes no money down. Those mortgages were securitized, pooled together in CDOs, “collateralized debt obligation” funds that issued small slices of equity leveraged with huge debt tranches backed by pools of mortgages.

Investors in CDO debt couldn't know the credit risk they were assuming. How could they perform due diligence on thousands of mortgages? Fund sponsors and placement agents reassured investors and credit-rating firms that “housing prices never go down, so mortgages don't default.” One Wall Street participant recently told me that Moody's “stress case” assumed home prices would rise “only” 4% to 5% annually.

Buying credit-default-swap protection to short this assumption was nearly free (19 basis points for super-senior AAA-rated bonds), probably the most asymmetric trade ever. I know, because the Xerion hedge fund I managed did it in 2006, applying lessons learned in structured finance asset management, when we were offered and declined the opportunity to sponsor and manage one of the first mortgage-backed CDOs in 1998.

Wall Street firms started out serv-



CATE GILLON/GETTY IMAGES

ing their traditional and essential purpose of intermediating capital during the mortgage boom. But when yield-seeking institutions filled their capacity for mortgage CDO notes, the bankers convinced their firms to warehouse the leftovers on their own balance sheets to keep the gravy train of placement revenues on the tracks. Managements bought the bankers' never-default narrative, and the financial system paid the price.

The post-2008 fixes piled on more debt. And when rates rise and credit turns, equity won't be far behind.

Investor appetite, and the industry's legitimacy, ultimately relied on investment-grade ratings for the CDO notes conferred by government-certified credit-rating firms Moody's, Fitch and Standard & Poor. But they were hired by the placement agents and fund sponsors. Guess how much independent work did they do, and on whose models they relied?

A sophisticated few CDO investors wisely laid off the risks for a nominal fee to regulated insurers like AIG and financial-guarantee insurance companies such as MBIA and AMBAC. Some “first loss” investors in CDO equity even cleverly hedged by shorting notes senior to their position. It was free money for everyone—until it wasn't. When Lehman was left to fail, the ensuing contagion and panic left the Fed and other sovereign balance sheets as the lenders of last resort.

Decision-making leadership across

society has great technical expertise. Its incentives are another question. But the finance industry's market discipline maximizes efficiency, aiming to produce the most revenue at the lowest cost. That led professionals throughout the system—sponsors, placement agents, credit-rating firms and investors—to take the easy way out. Nobody bears specific responsibility for the last crisis. Everyone does: It was an entire industry ecosystem built on mindless heuristics, shortcuts and failures of common-sense investment diligence.

Talented Fed and Treasury leadership saved the day. Congress, paralyzed by partisan bickering, failed. It barely managed to enact the triage of the Troubled Asset Recovery Program, authorizing the Treasury to purchase defaulted bonds. Then it spent years blaming and vilifying “Wall Street,” only to restrict its critical market-making and liquidity-providing functions while leaving the credit-rating firms and their conflict-laden model untouched. Lawmakers achieved nothing else meaningful in the eight following years.

The Obama White House did rescue the car industry, but only by impairing senior secured creditors and enriching the unions, which were subordinated unsecured creditors, with billions of dollars in equity, repudiating decades of basic bankruptcy law. The main burden of post-crisis government response fell by default to the Federal Reserve.

At least the Trump administration has moved on to reducing business regulations and cutting corporate tax rates, giving American companies an incentive to repatriate and invest overseas profits, a chance to do more

than buy back stock with the savings. Call it fiscal easing. This should help the innovative, small businesses that create most of the economy's new jobs. But it won't be enough; Trump fiscal easing will probably be remembered as another kick-the-can palliative, paid for by adding trillions to the national debt.

In the past decade, total global debt (sovereign, corporate and household) has spiked nearly 75%. This includes a doubling of sovereign debt, from \$29 trillion to \$60 trillion, according to a recent McKinsey report.

Total corporate debt increased by 78% over the same decade, to \$66 trillion. Bank loan volumes have been stable, although low-quality “covenant lite” loans have dominated. Bond markets have filled in, with non-financial bonds outstanding up 172%, from \$4.3 trillion to \$11.7 trillion. McKinsey says 40% of U.S. companies are rated one notch above “junk” or lower, and the Bank for International Settlements estimates 10% of legacy companies in the developed world are “zombies,” meaning earnings before interest and taxes don't cover interest expenses.

This is what zero interest rates and quantitative easing have wrought—more debt and lower credit quality. Yield-starved investors were happy to look the other way and refinance dubious credits so long as rates were low and they had no better alternative. Small wonder central banks are glacially unwinding their balance sheets and raising rates. But higher rates are coming, possibly heralding a tsunami of credit defaults. Why should that be in this disinflationary environment, when software and service technolo-

gies are displacing capital and labor from industry and keeping costs low? Simply: more supply, and declining demand for U.S. Treasurys, whether the Fed raises policy rates or not.

The U.S. owes \$21.5 trillion of Treasury debt, the majority of which is scheduled to be refinanced in the next eight years, disregarding the additional \$1 trillion required by the 2017 tax reform and an estimated \$100 trillion of unfunded entitlement spending ahead. The Fed still owns \$2.324 trillion it bought from banks as part of quantitative easing, which will need to be refinanced at maturity. Foreign sovereigns own \$6.5 trillion, 40% of which is in the hands of China, Japan and Saudi Arabia.

China and Japan are increasingly refinancing their own debt. As China continues its transition from exports to domestic consumption and buys its oil in its “petro yuan” straight from Saudi Arabia, while the U.S. buys less Saudi oil, Riyadh and Beijing have less appetite for U.S. Treasurys.

Finally, the European Central Bank's anticipated policy normalization suggests Europe too will be competing with the Fed for buyers in sovereign refinancing markets. Is it prudent to assume that private institutions will pick up the slack?

Cautious as the Fed may be about raising short-term interest rates, and even should economic growth naturally slow as the one-time spike of fiscal easing subsides, supply-demand dynamics suggest the “belly” of the U.S. Treasury curve is headed higher. If the 10-year Treasury, the reference rate for corporate bonds, surpasses 3.25%, much less approaches its long-term average yield of 4.5%, “lend and pretend” refinancing could stop cold.

When credit turns, stocks have never been far behind. The longest-ever bull market may be closer to ending than we think—and that could be the least of our problems.

Mr. Arbess is CEO of Xerion Investments.

Peggy Noonan is on leave and will return on Oct. 6.

The Satirist Who Mocked the Kremlin—and Russian Character

By David Satter

“I have been instructed to inform you,” an official told Vladimir Voinovich in 1980, “that the patience of the Soviet authorities and the people has come to an end.” The official, a district boss, loomed over Voinovich, who wrote that he imagined the next step would be execution on the spot. Instead he was stripped of citizenship and forced into exile near Munich for “defaming the motherland.”

Vladimir Voinovich was exiled by the Soviets and later hailed as his nation's greatest living writer.

Voinovich, who died July 27 at 85, returned to the Soviet Union in 1990. Eventually he was hailed as Russia's greatest living writer. But he never lost the qualities that wore out the Soviet regime's patience. His singular gift was to see things as they are. In his most famous work, “The Life and Extraordinary Adventures of Private Ivan Chonkin,” he depicted the Soviet people, personified by a bumbling Red Army private, not as heroic builders of communism, but as innocents buffeted by forces they didn't understand.

At an army lecture, the first question is: “Why is our army called a ‘people's army?’” The answer: “Because it serves the people.” Next question: “Who do the armies of the capitalist countries serve?” “A clique of capitalists.”

Chonkin raises his hand and asks if it is true that Stalin had two wives.

THE WALL STREET JOURNAL.

PUBLISHED SINCE 1889 BY DOW JONES & COMPANY

hostility.” The first is the former Soviet republics; the second, the former Soviet satellites; the third, the West—the former “capitalist enemy.”

Voinovich never finished school and was rejected when he applied to a Moscow literary institute. But he had worked as a railway laborer and construction worker and knew the spirit of Russia firsthand. He predicted in the 1980s, while he was still in exile, that the Soviet Union would face radical change because the authorities were “doing stupid things.”

In recent years, he predicted the

collapse of Vladimir Putin's regime for the same reason. “All branches of power are working as one and approaching some sort of explosion,” he said in an interview with Radio Liberty in 2012. “That explosion will definitely come because it isn't possible to upset such a large—and daily growing—number of people day after day.”

Voinovich was fully aware of the regime's ability to hide reality. But he also believed that in the long run, lies can work only in a closed system. “A naked person only seems natural in a sauna,” he said. “When he goes out

into the street, people will either laugh at him or stone him.”

Voinovich's death deprived Russia of a powerful defender of the dignity of the individual. But as repression grows, his influence is likely to increase. Russian society is too developed for the regime that has been imposed on it. Voinovich's insights, like his example, offer hope that it will not long endure.

Mr. Satter is author of “Age of Delirium: the Decline and Fall of the Soviet Union.”

The U.S. Is Rich, So Storms Are Worse



Why Donald Trump opened a discussion of the number of deaths from last year's Hurricane Maria in Puerto Rico just as a storm was descending on North Carolina is one of those strategic mysteries that might yield to an icky stroll around Mr. Trump's brain.

He's wrong that researchers who estimated nearly 3,000 deaths in some way connected to Maria were motivated by anti-Trump animus. He's not wrong that such motives apply to many in the media who tout such estimates.

To reach the shocking number of Maria deaths they did, experts looked for excess deaths above the normal trend, then attributed these to the storm's aftermath. We can argue about the utility of such statistical exercises but it gives little insight into what's happening now in the American coastline's encounter with Hurricane Florence.

North Carolina is not an island. Its people and their state are not broke. In many cases, its potential victims aren't even present, riding out the storm at a hotel or relative's house in another state. Their utility infrastructure is not crumbling and out of date. Help will pour down the interstate highways in the form of power crews, food, water and first responders. The electricity will be restored in days, not months.

Barack Obama had been president for eight years and Mr. Trump for eight months when Maria hit. In a non-politicized discussion on the “PBS NewsHour” on Wednesday, Mr. Obama's former head of emergency management said the problem isn't who is president, but how Congress legislates for emergency response.

The questions are two: What kind of more realistic provision should we make in advance of an emer-

gency, including hiring full-time vs. part-time responders? Perhaps equally important, how should aid be conditioned so it doesn't become an artificial incentive to live and build in high-risk places?

A 2016 study published in the Stanford Law Review pointed out what everybody in Washington quietly knows: “We call weather-related catastrophes ‘natural disasters,’ but the losses” are often due to “questionable government policies.”

Donald Trump's thought processes may be a mystery, but better hurricane policy isn't.

On this principle, Congress has struggled for decades to reform the National Flood Insurance Program, which long ago turned into a perverse subsidy for coastal development.

Or as Bob Sheets, then-head of the National Hurricane Center, said after 1979's Hurricane Frederic: “It was like an urban renewal program out there.”

As the respected insurance consultancy AIR Worldwide put it in 2015, not climate change but “the growing number and value of coastal properties is the largest factor impacting hurricane risk today.” A whopping \$17 trillion in property now exists inside the U.S. storm-surge zone.

Maria-style, one could even legitimately ask how many have died over the decades as a result of artificial subsidies for Americans to locate in harm's way.

An interesting archaeological study finds that, starting in the first century A.D., post-Neolithic Germans raised “dwelling mounds” and constructed dikes in response to rising seas and “storm-flood levels.”

Which brings us to the dilemma that preoccupied Wednesday's PBS discussion. Why is there insufficient money budgeted in advance for predictable hurricane relief and rebuilding, but an endless gusher after the fact?

The real answer went unmentioned. If money were budgeted beforehand, taxpayers elsewhere would be able to see and debate how much they are spending to support the lifestyle choices of people on the coasts.

Where is Al Gore when you need him? Oh, right, the climate crowd has become enamored of coastal development because it creates a constituency for doing something about climate change. Well, not exactly for doing something about climate change, but for throwing money at coastal dwellers and calling them “victims of climate change” for the benefit of generating media coverage of climate politics.

There will be harrowing and heroic stories out of this week's Hurricane Florence. You will see them on every news site and cable news channel. Major storms are charismatic events. They afford great footage, which feeds a false sensation in viewers that storms have become more frequent and more powerful. Meanwhile, tragedies befall Americans every day for which the federal government does not shower them with aid because CNN is not present.

Even so, fiscal despair is not in order. Practical steps toward living rationally like the post-Neolithic Germans are still possible. These could begin with Congress quantifying for the American people how much they are forking over annually to entice their fellow citizens to live near the beach.

Rupert Murdoch
Executive Chairman, News Corp
Matt Murray
Editor in Chief

Karen Miller Pensiero, Managing Editor

Jason Anders, Chief News Editor;
Thorold Barker, Europe; Elena Cherny, Coverage Planning; Andrew Dowell, Asia; Neal Lipschutz, Standards; Alex Martin, Writing;
Michael W. Miller, Features & Weekend;
Shazna Nessa, Visuals; Rajiv Pant, Product & Technology; Ann Podd, News Production;
Matthew Rose, Enterprise; Michael Siconolfi, Investigations; Louise Story, Strategy;
Nikki Waller, Live Journalism;
Stephen Wisniewski, Professional News;
Carla Zanoni, Audience & Analytics
Gerard Baker, Editor at Large
Paul A. Gigot, Editor of the Editorial Page;
Dallen Henninger, Deputy Editor, Editorial Page
WALL STREET JOURNAL MANAGEMENT:
Joseph B. Vincent, Operations;
Larry L. Hoffman, Production
EDITORIAL AND CORPORATE HEADQUARTERS:
1211 Avenue of the Americas, New York, N.Y., 10036
Telephone 1-800-DOWJONES

DOW JONES
News Corp
Robert Thomson
Chief Executive Officer, News Corp
William Lewis
Chief Executive Officer and Publisher

DOW JONES MANAGEMENT:
Ramin Beheshti, Chief Technology Officer;
Mark Musgrave, Chief People Officer;
Edward Roussel, Chief Innovation Officer;
Anna Sedgley, Chief Operating Officer;
Christina Van Tassel, Chief Financial Officer
OPERATING EXECUTIVES:
Kenneth Breen, Commercial;
Jason P. Conti, General Counsel;
Tracy Corrigan, Chief Strategy Officer;
Frank Filippo, Print Products & Services;
Steve Grycuk, Customer Service;
Kristin Heitman, Chief Commercial Officer;
Nancy McNeill, Corporate Sales;
Josh Stinchcomb, Advertising Sales;
Suzi Watford, Chief Marketing Officer;
Jonathan Wright, International
DJ Media Group: Almar Latour, Publisher
Professional Information Business: Christopher Lloyd, Head; Ingrid Verschuren, Deputy Head

DOW JONES
News Corp

SPORTS



ETHAN MILLER/GETTY IMAGES

The first bout between Gennady 'GGG' Golovkin, left, and Saul 'Canelo' Alvarez ended in a controversial split draw in September 2017. The rematch takes place Saturday in Las Vegas.

BOXING

The Rivalry That Turned Bitter

After a year of trash talk and controversy, Saul 'Canelo' Alvarez and Gennady 'GGG' Golovkin are set to face off again

By JIM CHAIRUSMI

Las Vegas

WHEN THE FINAL BELL rang after Saul "Canelo" Alvarez and Gennady "GGG" Golovkin fought for 12 bruising rounds last year, both boxers raised their arms in victory.

But neither fighter was able to celebrate, as the battle for supremacy in the middleweight division ended in a controversial split draw.

Amid loud boos inside the T-Mobile Arena in Las Vegas that night, announcer Jim Lampley on the HBO pay-per-view broadcast echoed the thoughts of many boxing analysts at the time: "A draw is a result that should be acceptable to boxing fans because it means we get to see it again," Lampley said.

Rematches are supposed to be gold in boxing, and Alvarez's promoter Oscar De La Hoya and Golovkin's promoter Tom Loefler hoped Canelo-GGG would become a franchise event on a crowded sports calendar. They envisioned that the matchup of contrasting styles between an attacking fighter (Golovkin) and a skilled counter-puncher (Alvarez) would produce not just one, but multiple bouts as

the fighters became familiar to U.S. sports audiences.

But nearly a year later, questions remain on whether a second bout between Mexico's Alvarez (49-1-2, 34 KOs) and Kazakhstan's Golovkin (38-0-1, 34 KOs) will generate the same interest as the first fight.

The first bout was also overshadowed by the boxing spectacle between Floyd Mayweather Jr. and UFC star Conor McGregor that took place only a few weeks earlier, and generated 4.3 million pay-per-view buys. Yet Alvarez vs. Golovkin held its own, drawing 1.3 million pay-per-view buys, with tickets in Las Vegas selling out months before the fight.

But fan interest for Saturday's rematch has been lukewarm, with tickets still available as late as last week. (The bout was announced as a sellout at Wednesday's news conference.)

Tony Walker, vice president of pay-per-view at HBO Sports, said he expected a similar amount of PPV buys as the first fight, with 90% of the purchases likely to come on the day of the fight.

Although the two fighters initially agreed to fight again on Cinco de Mayo weekend in Las Ve-

gas, a fight on May 5 did not take place—and the reason for the delay highlights another challenge for the rematch. In late February, Alvarez failed a pair of drug tests administered by the Voluntary Anti-Doping Agency (VADA). He tested positive for the banned substance clenbuterol, which Alvarez blamed on his consumption of contaminated beef while training in Mexico. As a result, Alvarez was given a six-month suspension by the Nevada Athletic Commission.

"This was my mistake for not reading up on the risks, not researching more, more on the subject, on what's going on with the beef in Mexico," Alvarez told ESPN. "But I didn't do anything intentionally. I didn't do anything to try to enhance my performance."

If it isn't clear that the audience is interested in this bout, the fighters are.

"There's still some lingering things from the first fight. The fighters have a lot at stake here," Walker said.

In the first fight, Judge Adalida Byrd scored it 118-110 for Alvarez, while Dave Moretti gave Golovkin the 115-113 edge. The third judge, Don Trella, had it 114-114 and the fight ended in a

draw.

Byrd's card, in particular, drew scrutiny as Golovkin was awarded only two rounds on her scorecard, despite being the aggressor and landing more punches (218 to 169) in the bout, according to CompuBox. In the aftermath, Byrd was given a break and not assigned another fight by the Nevada Athletic Commission for the remainder of 2017.

While the two fighters appeared to share a mutual respect for each other during the promotion of the first bout—even sitting down for a battle of "Rock 'Em Sock 'Em Robots" at The Wall Street Journal offices in New York—there was no joint promotional tour this time with Alvarez having limited media availability and Golovkin continually taking shots at Alvarez's failed drug tests.

"No one is bigger than the sport. Boxing is about working hard and giving a fair and honest fight," Golovkin said. "I know who I am and I know who Canelo is, and what he has become."

Loeffler said he didn't think the drama outside the ring has hurt the fight but blames the initial cancellation of the rematch for the tepid fan interest.

"I think some of it had to do with a lot of fans being disappointed with the Cinco de Mayo fight being canceled. A lot of fans made flight reservations, hotel reservations, and then they were bitterly disappointed," he said. Nonetheless, Loeffler said he thought the fight was still on track to exceed the revenue of the first fight due to the wider appeal internationally.

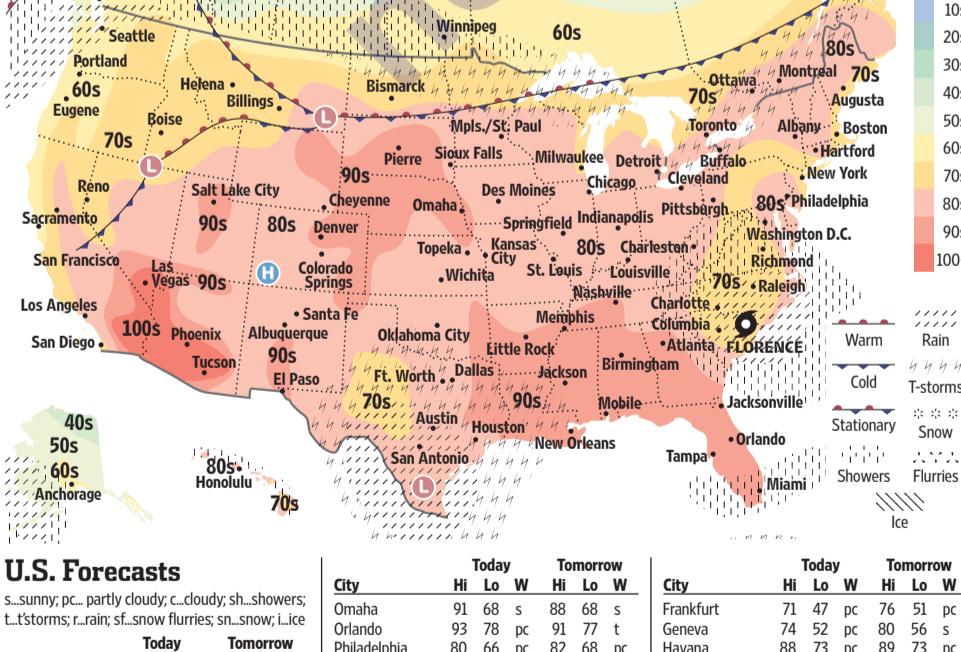
If all this drama sounds familiar to boxing fans, it is because an eerily similar thing occurred nearly two decades ago.

In 1999, Lennox Lewis landed 218 more punches than Evander Holyfield in their heavyweight unification bout yet the three judges at ringside were unable to reach a consensus and the fight was declared a draw.

"This is what is killing boxing," the late trainer Emanuel Steward, who was in Lewis's corner for the bout, said at the time.

The heavyweight clash drew 1.2 million pay-per-view buys, which at the time was the second-highest boxing PPV event that didn't involve Mike Tyson. Eight months later, Lewis and Holyfield fought again. The rematch drew only 850,000 PPV buys.

Weather



U.S. Forecasts

S...sunny; pc...partly cloudy; c...cloudy; sh...showers; t...storms; r...rain; sf...snow flurries; sn...snow; l...ice

Today Hi Lo W Today Hi Lo W

City Hi Lo W Hi Lo W

Anchorage 61 51 pc 58 50 sh

Atlanta 91 73 s 84 71 r

Austin 85 72 r 91 73 t

Baltimore 79 66 sh 78 70 c

Boise 78 49 s 77 45 s

Boston 76 64 pc 79 62 s

Burlington 83 65 c 85 66 s

Charlotte 78 71 r 76 71 r

Chicago 82 67 s 85 67 s

Cleveland 84 69 pc 84 67 pc

Dallas 88 73 pc 91 74 t

Denver 94 61 s 91 62 s

Detroit 84 66 s 84 66 s

Honolulu 86 73 sh 85 75 pc

Houston 89 75 t 92 75 s

Indianapolis 86 70 pc 85 68 s

Kansas City 87 66 s 86 66 s

Las Vegas 101 77 s 101 76 s

Little Rock 90 70 s 101 71 pc

Los Angeles 85 64 s 83 61 pc

Miami 91 78 t 91 79 t

Milwaukee 78 63 s 78 64 s

Minneapolis 89 70 pc 87 69 s

Nashville 91 72 s 83 70 s

New Orleans 94 78 t 94 79 t

New York City 77 66 pc 79 68 s

Oklahoma City 83 70 t 84 70 pc

Today Hi Lo W Today Hi Lo W

City Hi Lo W Hi Lo W

Amsterdam 65 52 pc 69 55 pc

Athens 86 69 s 88 71 s

Bahrain 107 80 s 107 79 s

Bangkok 87 76 t 91 78 t

Beijing 79 55 c 80 56 pc

Berlin 68 51 pc 71 54 pc

Brussels 68 49 pc 71 53 pc

Buenos Aires 72 57 r 70 55 r

Dubai 110 90 s 106 89 s

Dublin 61 54 r 65 49 sh

Edinburgh 57 52 r 62 48 sh

Today Hi Lo W Today Hi Lo W

City Hi Lo W Hi Lo W

Frankfurt 91 68 s 88 68 s

Geneva 93 78 pc 91 77 t

Havana 88 73 pc 89 73 pc

Hong Kong 95 81 pc 87 78 r

Istanbul 80 67 s 82 69 s

Jakarta 93 74 sh 93 74 pc

Jerusalem 80 66 s 82 66 s

Johannesburg 84 53 pc 85 55 s

London 70 54 pc 72 56 c

Madrid 88 62 pc 85 63 t

Manila 71 49 pc 76 52 pc

Melbourne 60 41 s 88 78 sh

Mexico City 73 56 t 71 55 t

Milan 84 66 t 82 65 pc

Moscow 70 57 s 67 44 pc

Mumbai 88 79 pc 88 78 pc

Paris 71 49 pc 76 52 pc

Rio de Janeiro 80 70 t 79 69 pc

Riyadh 108 81 s 106 82 s

Rome 81 66 pc 81 65 pc

San Juan 88 78 t 87 78 sh

Seoul 80 70 pc 80 64 c

Shanghai 85 75 pc 87 78 t

Singapore 86 78 t 85 78 c

Sydney 86 47 s 61 48 s

Taipei City 89 81 r 93 80 c

Tokyo 76 72 sh 84 73 sh

Vancouver 81 65 pc 81 65 s

Warsaw 60 53 r 60 51 sh

Zurich 69 49 pc 68 51 pc

70 48 pc 75 52 s

SOCCER

WATFORD'S SURVIVAL

By JOSHUA ROBINSON

Watford, England

MOST TEAMS that start a Premier League season with four wins in four matches would consider setting their sights high. At Watford, the out-of-the-way club once owned by Elton John in a quiet suburb of London, the mission is a little more modest.

More than anything else, the joint leader of the Premier League just wants to stay in the Premier League.

"Outside of the top six or top seven, I think any team is capable of being relegated," Watford chief executive Scott Duxbury said. "The first instinct is to survive. We're never so arrogant to think that we can't be relegated."

Watford only returned to England's top flight three years ago after nearly a decade spent careening around the second tier. Nothing about it screams Premier League mainstay, from its 21,000-seat stadium to a budget that the likes of Manchester United might find hidden between its couch cushions. But Watford has found surprising stability by dismantling one of English soccer's longest-running institutions: the cult of the manager.

Javi Gracia, hired last January, is Watford's fifth coach in four years. At any other club, that kind of turnover would be a recipe for relegation—particularly in a league where the men in the dugout average less than 18 months of employment at a time.

Here, it's simply built into the model.

"Coaches have a limited shelf life," Duxbury said. "They will either be extremely successful and move on. Or, unfortunately, they won't work out and we have to move



DAVID KLEIN/REUTERS

Watford is off to a fast Premier League start.

them on."

Two of the men who have held the Watford



Driverless Dream
Our self-driving future
seems increasingly
far off **B4**

EXCHANGE

THE WALL STREET JOURNAL.

***** SATURDAY/SUNDAY, SEPTEMBER 15 - 16, 2018 | **B1**

Boiling Over
An activist investor
strains family ties
at Campbell Soup **B8**



BUSINESS | FINANCE | TECHNOLOGY | MANAGEMENT

DJIA 26154.67 ▲ 8.68 0.03% NASDAQ 8010.04 ▼ 0.05% STOXX 600 377.85 ▲ 0.4% 10-YR. TREAS. ▼ 8/32, yield 2.992% OIL \$68.99 ▲ \$0.40 GOLD \$1,195.00 ▼ \$7.00 EURO \$1.1622 YEN 112.05



ILLUSTRATION BY MICHAEL GILLETT

THE BILLION-DOLLAR MYSTERY MAN

Armed with a seemingly bottomless supply of liquid cash, an unassuming Malaysian named Jho Low staged the ultimate Las Vegas party.

Who was he?

BY TOM WRIGHT
AND BRADLEY HOPE

Las Vegas, Nov. 3-4, 2012

Around 6 p.m. on a warm, cloudless November night, Pras Michél, a former member of the '90s hip-hop trio the Fugees, approached one of the Chairman Suites on the fifth floor of the Palazzo hotel. He knocked and the door opened, revealing a rotund man, dressed in a black tuxedo, who flashed a warm smile. The man, glowing slightly with perspiration, was known to his friends as Jho Low, and he spoke in the soft-voiced lilt common to Malaysians. "Here's my boy," Mr. Low said, embracing the rapper.

The Chairman Suites, at \$25,000 per night, were the most opulent the Palazzo had to offer, with a pool terrace overlooking the Strip. But the host didn't plan to spend much time in the room that night; Mr. Low had a much grander celebration in store for his 31st birthday. This was just the preparty for his inner circle, who had jetted in from across the globe. Guzzling champagne, the guests, an eclectic mix of celebrities and hangers-on, buzzed around Mr. Low as more people arrived. Swizz Beatz, the hip-hop producer and husband of Alicia Keys, conversed animatedly with Mr. Low. At one point, Leonardo DiCaprio arrived alongside Benicio Del Toro to talk to Mr. Low about some film ideas.

What did the guests make of their host? To many at the gathering, Mr. Low cut a mysterious figure. Hailing from Malaysia, a small Southeast Asian country, Mr. Low had a

Please turn to page B7

Adapted from "Billion Dollar Whale: The Man Who Fooled Wall Street, Hollywood and the World" by Wall Street Journal reporters Tom Wright and Bradley Hope, to be published Tuesday in the U.S. by Hachette Books.

Actor Leonardo DiCaprio, musician Pharrell Williams, producer Swizz Beatz, Jho Low, heiress Paris Hilton, reality TV star Kim Kardashian and rapper Kanye West all attended the Vegas party.

Online TV Gets Pricier

Sling TV, DirecTV Now are raising their rates

BY DREW FITZGERALD

The online-only television bundles that have lured away cable-TV customers with rock-bottom prices might not stay that low for long.

AT&T Inc.'s DirecTV Now streaming service recently raised its basic channel plan by \$5 over the summer, bringing its starting monthly cost to \$40. Chief Executive Randall Stephenson this week said the company is considering additional price increases for the service.

"We moved the price up and, being a very price-sensitive market, we fully expected to see a considerable number of customers drop off," Mr. Stephenson said in an interview Wednesday. "We haven't seen that. The consumers, it's obvious that they're finding value in the platform."

Streaming services like DirecTV Now, Sling TV, PlayStation Vue and YouTube TV added millions of customers last year by promising big savings over traditional cable and satellite-TV subscriptions. Sling sold its channel package for \$20.

DirecTV Now's basic price is "for the long haul probably still too low," Mr. Stephenson said. He said the service has been unprofitable, and the company wants to steer the most frugal customers to its slimmer WatchTV service, which carries no sports channels and is profitable.

Mr. Stephenson said WatchTV could offer a range of packages from \$15 to \$25 a month to appeal to more people. "We'll exit this year with a very different looking portfolio," he said.

Market leader SlingTV this summer raised the price of its basic package by \$5 to \$25 a month, with its owner Dish Network Inc. blaming higher channel programming fees.

"Our team works hard to negotiate fair programming deals, with the goal of keeping your price as low as possible," Dish executive Warren Schlichting said in a blog post. "Programming fees, however,

Please turn to page B2

THE INTELLIGENT INVESTOR | JASON ZWEIG

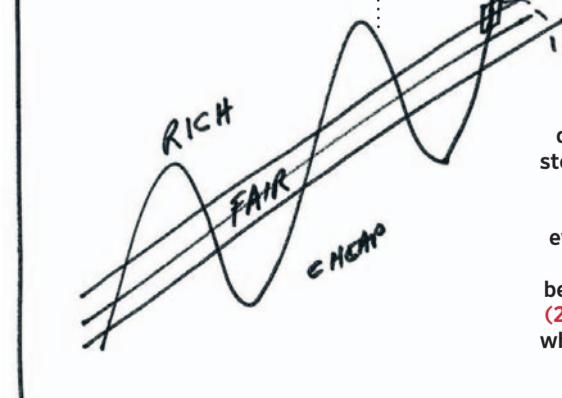
You Can Time the Market—Just Not All of the Time

Next month, the respected investor Howard Marks is coming out with a new book, "Mastering the Market Cycle," whose title might inspire many readers to scour it for evidence that short-term market timing can work.

They will look in vain. You should scale back or crank up the level of risk you take in the markets, says Mr. Marks—but only when signs of euphoria or despair become extreme. The more often you do change your stance, the less likely you are to be relying on valid indicators.

To be sure, Mr. Marks warned in early 2007 that the mortgage market was overheating. In October 2008, with the stock and bond markets in free-fall, he wrote: "When others conduct their affairs with excessive negativity, it's worth being positive." As a result, Oaktree Capital Management, the Los Angeles-based investment firm that Mr. Marks co-founded and co-chairs, largely avoided the buy-high-sell-low behavior that devastated so many other investors during the financial crisis a decade ago.

As Mr. Marks explains in his book, markets typically move in big, multi-year cycles. The turning points can be recognizable, but they are sur-



Howard Marks's drawing shows that stocks will eventually fall when they get expensive (1). But even when investors know stocks are becoming overvalued (2), it's hard to know what they'll do in the short run.

HOWARD MARKS

moves on little more than noise. Worse, many investors—individuals and professionals alike—take their own current emotions as indi-

Please turn to page B6

THE SCORE

THE BUSINESS WEEK IN 7 STOCKS

ALTRIA GROUP INC.

MO The Food and Drug Administration chief said he is considering pulling all flavored e-cigarettes from the U.S. market, pending makers' plans for curbing surging use among teenagers. "The availability of e-cigarettes cannot come at the expense of addicting a new generation of youth onto nicotine," said Dr. Scott Gottlieb. The announcement lifted shares of traditional tobacco companies, which have lost market share amid the rise of e-cigarettes. Altria, which makes Marlboro, **rose 6.7% Wednesday**, while U.S.-listed shares of Camel maker British American Tobacco PLC were up 5.9%.

ALIBABA GROUP HOLDING LTD.

BABA Chinese e-commerce tycoon Jack Ma, in a letter to Alibaba shareholders published on his 54th birthday, said he would step down as executive chairman after the 2020 annual shareholders meeting and hand over control of the tech giant to current Chief Executive Daniel Zhang. Although Mr. Ma's successor has a proven track record at Alibaba—he is credited for establishing Singles' Day, the one-day internet shopping bonanza that has become an annual phenomenon in China—investors were wary of the power transition. The company's American depository receipts **fell 3.7% Monday**.

STOCKS AFFECTED BY HURRICANE FLORENCE

Source: SIX



DUKE ENERGY CORP.

DUK Hurricane Florence made landfall Friday, putting a spotlight on stocks and sectors that stand to be affected. Duke Energy, a utility with a big presence in the Carolinas, **fell 0.6% Friday** and was down 0.9% for the week as investors braced for costly repairs. Meanwhile, home-improvement retailers Lowe's Cos. and Home Depot Inc. were up 3.9% and 1.4% on the week, respectively, as investors anticipated a post-storm sales boost.

ACTIVISION BLIZZARD INC.

ATVI With the latest version of its most popular videogame, "Call of Duty," set to launch in October, Activision Blizzard has put "Fortnite" in its crosshairs. On Monday the gaming company rolled out a live beta version of "Call of Duty: Black Ops 4 Blackout" that features a new multiplayer mode that Benchmark analyst Mike Hickey says could win back gamers who became obsessed with Fortnite, the popular online multiplayer shooting game, in recent months. "We believe Blackout will be a potentially massive hit," he said. Activision Blizzard stock **rose 7.1% on Tuesday**.

SNAP INC.

SNAP A month after reporting its first quarterly decline in daily users, Snap learned it will lose one of its top executives: Chief Strategy Officer Imran Khan. His departure is the latest in a string of executive exits in finance, sales and product at the social-media company in recent months. Shares **fell 1.9% Monday** in the wake of the news and continued their slide with a 7% dive on Wednesday after BTIG downgraded Snap's stock to "sell" from "neutral," citing concerns with Chief Executive Evan Spiegel's product vision. "We do not believe the pain is over," BTIG analyst Richard Greenfield said.

APPLE INC.

AAPL The theme of Apple's annual product showcase? Bigger and pricier. The company unveiled three iPhones that will feature the largest displays in the device's history, while also bumping up the price of the high- and low-end phones. The company also introduced a smartwatch with a 30% larger display than previous models as well as an FDA-approved sensor capable of taking electrocardiograms. Still, shares **sank 1.2% on Wednesday**. Shares also fell 1.3% on Monday after President Trump pressed the company to shift production to the U.S. from China to avoid paying tariffs.

UNITED PARCEL SERVICE INC.

UPS With the holiday shipping season on the way, UPS is looking beyond low-margin, high-volume customers like Amazon.com Inc. in a bid to boost profitability. At an investor conference Thursday, executives laid out a plan to cater to small businesses, which often pay higher shipping rates than their larger counterparts, and health-care companies, whose products have more time-sensitive commitments that cost more. UPS also said it would raise surcharges on large packages to improve revenue per piece. Shares delivered a **2.9% decline on Thursday**.

—Laine Higgins

Dalian Wanda Cuts Stake In AMC

Continued from page B1

AMC said Friday that Silver Lake invested \$600 million in convertible notes and in turn AMC spent about \$421 million of those proceeds to buy back about 24.1 million of Wanda's Class B shares.

AMC also said it would use \$160 million to pay its Class A and Class B shareholders a special dividend of \$1.55 a share.

Riley FBR senior analyst Eric Wold said in a note that Friday's news was a positive for a number of reasons, including reducing concern over Wanda's intentions. He also said he wouldn't be surprised if more Chinese companies with overseas investments sold stakes in public companies.

Earlier this year, Chinese company HNA Group Co. exited an investment in U.S.-based Hilton Worldwide Holdings Inc. that had been valued at more than \$6 billion.

According to Mr. Aron, Wanda has told AMC that its sale of the theater company's shares satisfies Wanda's cash needs and that the Chinese company expects to keep AMC shares for a "considerable time."

As part of the deal with Silver Lake, the private-equity firm also would get a seat on AMC's board, which will be filled by managing director Lee Wittlinger. AMC, which is based in Leawood, Kan., said it would also choose a new independent director "with support" from Silver Lake.

The unsecured convertible notes used in the deal will be due in 2024. They would convert to Class A shares at \$20.50, or \$18.95 following the special dividend. Assuming a full conversion of the notes, Wanda would own 38% of AMC shares, AMC said. It added that Silver Lake "generally" has to wait a year before converting the notes.



The Beijing-based conglomerate acquired a majority stake in AMC six years ago in a deal valued at \$2.6 billion.

With MoviePass Struggling, Rivals Are Entering the Picture

As MoviePass has struggled, theater companies and other competitors have sensed a business opportunity and are moving quickly to satisfy the public's newfound appetite for subscription movie tickets.

Last month, MoviePass limited its 3 million subscribers to three films a month, from as many as 31 previously, and restricted the number of titles available for tickets—while still charging \$9.95 a month. The changes were made to stanch the financial bleeding of its earlier business model. Meanwhile, competitors have sprung up to snatch a share of the users disgruntled by the changes, saying they have learned from MoviePass's woes.

Sinemia Inc., a rival service, announced a sale that offers three movies a month at \$9.99. Its chief executive, Rifat Oguz, said in the past moviegoers complained his company's service was too expensive compared to MoviePass. Now, they can try both at essentially the same cost and see which they prefer, he said.

Unsubscribed

Shares in MoviePass parent company Helios & Matheson Analytics



Source: SIX

THE WALL STREET JOURNAL.

Sinemia's business, which launched in 2014 and operates in five countries, is profitable today, Mr. Oguz said, because it took a longer-term approach with reasonable pricing. He said when MoviePass slashed its prices last August it was overwhelmed by the sudden wave of customers.

Mr. Oguz said movie-ticket subscription services are here to stay because

the casual moviegoer tends to be "more show-time oriented, show-time loyal," rather than favoring specific theaters or studios.

Movie exhibitors also have considered or implemented their own services. AMC Entertainment Holdings Inc., the largest U.S. cinema chain, in June introduced a \$19.95 monthly offering of three movies a week at its theaters.

Although pricier, AMC Stubs A-List, as the service is known, had attracted more than 260,000 subscribers as of August. Executives of MoviePass and its parent company, Helios & Matheson Analytics Inc., were unavailable for comment, according to a spokesman. As MoviePass struggled, Helios & Matheson shares swooned.

MoviePass's financial problems have been compounded by technical snafus, such as available showings disappearing from the app without notice, and by the steps the service has taken against fraudulent uses of its payment systems.

To head off potential problems, MoviePass has steered users to a small number of theaters that have electronic-ticketing partnerships with the service. Some subscribers have had to drive dozens of miles to the closest theater, while for others venues are completely out of reach.

—Benjamin Din

Video Reveals Reaction at Google to 2016 Election

By RACHEL FEINTZIG AND KELSEY GEE

A newly surfaced video that shows Google executives lamenting the 2016 presidential election in an all-staff meeting days after President Trump's victory offers a glimpse into how the tech giant discusses political issues with employees and comes as Silicon Valley faces accusations of stifling conservative voices.

"Most people here are pretty upset and pretty sad because of the election," Sergey Brin, **Alphabet** Inc. president and Google co-founder, said in opening the employee town-hall meeting in November 2016. "Myself, as an immigrant and a refugee, I certainly find this election deeply offensive, and I know many of you do too."

Google is increasingly under scrutiny on many issues, including data privacy, election interference by for-

eign actors and allegations of political bias. Mr. Trump has complained that Google's search results are "rigged." Google has said its search results don't account for ideological viewpoints.

The company was criticized by lawmakers last month after it declined to send Alphabet Chief Executive Larry Page for a hearing on election interference that also included testimony from Facebook Inc. Chief Operating Officer Sheryl Sandberg and Twitter Inc. CEO Jack Dorsey.

In response to the video, which was published by the conservative website Breitbart, Google said: "At a regularly scheduled all-hands meeting, some Google employees and executives expressed their own personal views in the aftermath of a long and divisive election season. Everyone at Google has been able to freely express their opinions at these

meetings."

"Nothing was said at that meeting, or any other meeting, to suggest that any political bias ever influences the way we build or operate our products," the company said in a written statement.

During the 2016 meeting, Eileen Naughton, vice president of Google's people operations, said, "I think it's fairly obvious that Google leans largely liberal and Democratic." She was among several executives who expressed frustration with Mr. Trump's win, while also urging employees to respect the democratic process.

Kent Walker, Google's legal chief, said populist movements like those that propelled Mr. Trump's campaign were driven by xenophobia and hatred. "We do think that history is on our side," he said.

During the meeting, several

Google employees took aim at the company's technology, accusing Google of helping amplify conspiracy theories and fake stories about candidates within some groups of YouTube and search engine users. "Can Google do anything to try to figure this out?" one employee in the crowd asked.

Chief Executive Sundar Pichai said Google would do more to understand the potential negative effects of the company's algorithms on the variety of information shown to users, and Mr. Walker acknowledged the power of Google's platform.

"While it may be that the internet and globalization were part of the cause of this problem, we are also fundamentally an essential part of the solution to this problem," Mr. Walker said.

—Douglas MacMillan and Lauren Weber contributed to this article.

Out on Top

Customers are fleeing traditional cable and satellite service despite recent price increases in online TV.

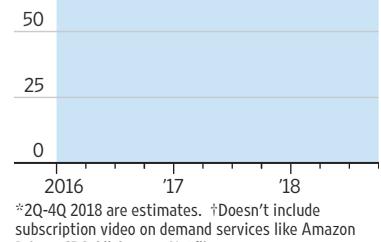
U.S. pay TV subscribers

Households with no pay TV service

Online pay TV

Traditional pay TV

125 million



*2Q-4Q 2018 are estimates. †Doesn't include subscription video on demand services like Amazon Prime, CBS All Access, Netflix

Source: UBS
THE WALL STREET JOURNAL.

BUSINESS NEWS

Staples Wins Bid To Acquire Essendant

By KIMBERLY CHIN

Staples Inc. agreed to acquire office-supplies company **Essendant Inc.** in a deal worth \$482.7 million in cash, a combination that would strengthen one of the world's largest office-solutions providers.

After previously resisting overtures from Staples, **Essendant** said Monday that a sweetened offer from the office-supplies retailer of \$12.80 a share was superior to the one it had pending with **Genuine Parts Co.**

Genuine Parts, a supplier of automotive parts as well as office products, had three days to change its offer but said Monday it wouldn't make a new offer and expected the deal agreement to end.

Staples said Friday it would pay the \$12 million breakup fee to **Genuine Parts** as part of its agreement with **Essendant**.

Staples, based in Framingham, Mass., was acquired a year ago by **Sycamore Partners**, a private-equity firm that owns about 11% of **Essendant**, according to FactSet.

The **Staples** proposal has met with some resistance from **Essendant** shareholder **Pzena Investment Management**, which insisted that the **Genuine Parts** offer was still superior. As of June 30, **Pzena** was **Essendant**'s largest shareholder, with 4.87 million shares, for a 12.9% stake.

Essendant, based in Deerfield, Ill., agreed in April to combine with **S.P. Richards**, **Genuine Parts**' office-products business.

When the deal was announced, the companies said the transaction valued **S.P. Richards** at about \$680 million.

Shares of **Essendant**, which rose 1.6% to \$12.81 on Friday, have climbed by more than a third this year.

Rockwell Deal Is on Track, Says UTC Chief

By THOMAS GRYTA

United Technologies Corp. Chief Executive Greg Hayes said that he expects to close the \$23 billion acquisition of **Rockwell Collins Inc.** by the end of the month, and that in the meantime the industrial conglomerate is forging ahead with plans for a possible breakup.

The deal was announced a year ago and Mr. Hayes said in May that he expected it to close in June or July, leading to speculation that regulators were raising questions. Trade tensions with China have also led to fear that the deal could become a negotiating chip in the larger trade controversy.

"The regulatory process in China has gone as well as we could have expected," Mr. Hayes said at a Morgan Stanley conference Friday.

The delay was caused by the need to sell a business unit as part of the deal, but it reached an agreement to sell those operations to France's **Safran SA** this month.

Chinese regulators are waiting for the U.S. Justice Department to approve the deal, he said, which is expected soon.

Mr. Hayes noted the company isn't waiting for the deal to close to evaluate its portfolio.

The company has previously talked about a possible three-way split with its aerospace business, including **Rockwell Collins**, combining with jet engine maker **Pratt & Whitney**. The **Otis** elevator business would be separate, as would its Climate, Controls & Security division, which owns **Carrier** air conditioners.

Activist investor Bill Ackman's **Pershing Square Capital Management LP** and Daniel Loeb's **Third Point LLC** have been pushing the company to pursue a split.

A decision about the process is expected within 60 days, Mr. Hayes said.

A Few Life Lessons From Bezos

Avoid meetings before 10 a.m., get eight hours of sleep, Amazon chief tells D.C. audience

By LAURA STEVENS

WASHINGTON — Ama-zon.com Inc. Chief Executive Jeff Bezos tries never to schedule a meeting before 10 a.m.

"I go to bed early, I get up early, I like to putter in the morning" reading the newspaper, drinking a cup of coffee and eating breakfast with his children, he told an audience Thursday. Mr. Bezos schedules "high IQ" meetings before lunch, and tries to finish making his tough decisions by 5 p.m.

Mr. Bezos said his primary job each day as a senior executive is to make a small number of high-quality decisions. That means getting eight hours of sleep, too. "I think better, I have more energy, my mood's better."

If he slept less, he could make more decisions. But it wouldn't be worth it. "If I have three good decisions a day, that's enough," he said. "They should just be as high quality as I can make them."



Amazon Chief Executive Jeff Bezos earlier this month

While Amazon's stock is currently near record levels, he said he continues to tell employees what he has told them in more than two decades of all-hands meetings.

"When the stock is up 30% in a month, don't feel 30% smarter, because when the stock is down 30% in a month, it's not going to feel so good to feel 30% dumber—and that's what happens," Mr. Bezos said.

He pointed to a quote by legendary investor Benjamin Graham, who said in the short term the stock market is a voting machine. In the long term, it is a weighing machine.

"What you need to do is operate your company in such a way, knowing that you will be weighed one day," he said. "Never spend any time thinking about the daily stock price. I never do."

Mr. Bezos said he also learned the importance of clarity when choosing a name for his company. He initially wanted to name his online startup Cadabra, as in the old magician's term "abracadabra."

When he called to speak with a lawyer about incorporating the company, the attorney misunderstood the name as cadaver. "I was like, OK, that's not going to work."

About three months later,

he changed it to Amazon: "Earth's biggest river, earth's biggest selection," he said.

Mr. Bezos spent time in his appearance Thursday talking about one of his favorite topics: the customer.

When he considered how to expand Amazon beyond its initial book, music and video businesses, he emailed a random group of 1,000 customers, asking them what else they wanted to buy on his site. Most responded with whatever they needed to purchase in the moment, like windshield wipers. "I thought to myself, 'We can sell anything this way,'" he said.

Mr. Bezos said he would bring many of his business-leadership lessons to his new **Bezos Day One Fund**, announced Thursday, which is to be funded with an initial \$2 billion to help homeless families and to form a new network of preschools in low-income areas.

Day One refers to one of Mr. Bezos's key management challenges: how to keep a company in startup mode. "It's hard to remember for you guys, but for me it was like yesterday that I was driving the packages to the post office myself and hoping one day we could afford a forklift," he said.

AEG Seeking a Piece of StubHub's Action

By ANNE STEELE

One of the nation's largest sports and entertainment companies is taking a crack at scalping.

EBay Inc.'s StubHub is out as the official ticket reseller for **Anschutz Entertainment Group's** venues, including the Los Angeles Staples Center, as it turns to its ticketing subsidiary AXS as its preferred resale site, according to the companies.

The new arrangement, which also rolls out AXS's digital ticket technology to 30 of AEG's venues and sports franchises in the U.S., is intended to give performers, teams and venues more control over how and for how much tickets are sold and resold—and to allow them to realize more of the true market value of their tickets.

The deal is the latest sign of the collapsing distinction between the primary and secondary ticket markets—that is, when tickets are first sold for face value versus when they are resold by brokers or fans, often at a markup. Offering resale tickets means an event is rarely declared "sold out."

"You never want to be in a situation where you have to turn away a fan because you don't have something to sell them," says AXS Chief Executive Bryan Perez.

Live Nation Entertainment Inc.'s Ticketmaster has been increasingly aggressive about presenting shoppers with a mix of face-value seats and tickets being offered for resale. That has helped siphon



The company is out as the official ticket reseller for Anschutz Entertainment Group's venues, including the Los Angeles Staples Center.

market share from resale sites like StubHub, whose contract with AEG expired this summer.

That market share is lucrative: A ticketing company will typically collect around \$3 on a ticket sold for face value; the profit on the secondary market can be nearly a quarter of what the ticket is sold for, according to people in the industry.

The resale market is massive. Some 3,000 to 4,000 tick-

ets are resold for any given major sporting game and the best seats at a concert can be resold for many times their face value.

With the rise of the secondary market—worth some \$15 billion a year, according to industry estimates—the primary seller of the tickets is effectively relegated to a middleman role, with contact with a dwindling share of the people actually attending events.

When brokers snap up swaths of tickets and resell them on other sites, the primary ticketer as well as the artist or team don't know who buys them or how much they paid. They also don't get a cut of the final, market-value sale.

To be able to track tickets—and the people buying them—AXS says it will now tie every ticket sold to the purchaser's identity. Each customer will have their own AXS account

through which tickets can be bought, sold or transferred to other customers.

That means that venues, teams and artists can know a lot more about who is walking in the door at events.

"This lets you go from knowing a third of the people in the building to potentially everybody in the building regardless of if they bought it on primary or on resale," Mr. Perez says.

Fly Me to the Moon: SpaceX Claims First Passenger

By ANDY PASZTOR



SpaceX's BFR rocket, not yet ready for a test flight, aims to ferry space tourists around the Moon.

Elon Musk's SpaceX, demonstrating its founder and chief executive's penchant for showmanship, announced that it had signed up the first private passenger seeking to fly around the moon. But the company provided no timetable or other details about the plan.

In a message on Twitter on

Thursday, closely held Space

Exploration Technologies Corp. said the mission is slated

to use its largest rocket,

dubbed the BFR, which is still

under development and, ac-

cording to some industry offi-

cials, may be at least a year or

two from an initial test flight.

Others speculated that, based

on SpaceX's history, the BFR

may not launch humans until

the middle of the next decade.

In the message, however,

SpaceX described the latest

plan as "an important step to-

ward enabling access for ev-

eryday people who dream of

traveling to space." The iden-

tity of the passenger and other

specifics are expected to be

disclosed Monday.

Revised proposals for both

were unveiled earlier this year,

at which time Mr. Musk indi-

cated he hoped to use the com-

plexion to take private pas-

sengers, and ultimately U.S.

astronauts, toward the moon

and deeper into space.

But the latest development

also highlights Mr. Musk's con-

trarian, sometimes unpredict-

able streak, as well as the fre-

quently shifting outlines of his

manned space-transportation

strategy. In early 2017, Mr.

Musk shocked the aerospace

community by announcing his

intention to send two space

tourists, who also weren't

identified, around the moon by

the end of this year. Those

trailblazing flights were sup-

posed to use a human-rated

version of the company's exist-

ing Dragon spacecraft on top

of a Falcon Heavy rocket—a

27-engine behemoth in which

SpaceX has invested close to

\$1 billion. At the time, veteran

industry officials expressed

doubts about the timetable.

The first Falcon Heavy

launched successfully earlier this year. But just the day before, Mr. Musk revealed the rocket already was in danger of being relegated to a backup role regarding future human flights.

Months later, a SpaceX spokesman confirmed the late-2018 timetable for the lunar-tourist mission had slipped to at least mid-2019 and likely longer.

Now, company leaders seem to have moved closer to scrapping those specific Falcon Heavy ambitions altogether, by aiming to use that rocket almost exclusively for unmanned missions such as launching commercial or military satellites. Mr. Musk appears focused on accelerating BFR development as part of his human-exploration agenda.

As he has before, the billionaire entrepreneur, who also runs electric-vehicle maker Tesla Inc., may end up confounding naysayers, even if it takes longer than anticipated. In May, Thomas Mueller, the manager who has been in charge of designing every one of the company's rockets, told a space conference in Los Angeles he was devoting essentially all his time to the BFR.

TECHNOLOGY



DOUG CHAYKA

Mercedes-Benz unveiled its dream of a fully autonomous multipurpose vehicle this past week. The announcement was full of buzzwords—the modular Vision Urbanetic “enables on-demand, sustainable and efficient movement of people and goods” and “reduces traffic flows, relieves inner-city infrastructures and contributes to an improved quality of urban life.”

Hardly a week goes by without fresh signposts that our self-driving future is just around the corner. Only it’s probably not. It will likely take decades to come to fruition. (Even a car like this Mercedes is more a sketch of what’s to come than an actual blueprint.) And many of the companies that built their paper fortunes on the idea we’d get there soon are already adjusting their strategies to fit this reality.

Uber, for example, recently closed its self-driving truck project, and suspended road testing self-driving cars after one of its vehicles killed a pedestrian. Uber’s chief executive even announced he would be open to partnering with its biggest competitor in self-driving tech, Alphabet Inc. subsidiary Waymo. Meanwhile, Waymo CEO John Krafcik recently said it will be “longer than you think” for self-driving vehicles to be everywhere.

“Self-driving technology has the potential to make our roads safer and cities more livable, but it will take a lot of hard work, and time, to get there,” says an Uber spokeswoman.

In the past two years, Tesla CEO Elon Musk planned, then scrapped a coast-to-coast autonomous road trip. And Lyft CEO John Zimmer’s 2016 prediction that self-driving cars would “all but end” car ownership by 2025 now seems borderline ridiculous.

There are many reasons the self-driving tech industry has suddenly found itself in this “trough of disillusionment,” and chief among them is the technology. We

KEYWORDS | CHRISTOPHER MIMS

Relentless Hype Collides With Driverless Reality

The bubble around autonomous cars turns into a ‘trough of disillusionment’ as our self-driving future appears increasingly far off

don’t yet know how to pull off a computer driver that can perform as well or better than a human under all conditions.

It turns out that the human ability to build mental models isn’t something that current AI can just learn, no matter how much data it’s fed. And even once we have the technology, we’ll still have to deal with all those unpredictable humans in cars, on bikes and scooters, and on foot. The more self-driving vehicles hit the road, the more pressing the safety concerns and legal and regulatory issues will become.

This means worries—mainly in academic circles—that America’s truck drivers will face “eroding job quality” because of autonomy are premature. It means cities don’t yet need to wonder what will become of their mass transit. And it means Uber and Lyft aren’t likely to ditch human drivers soon, and their investors should value them accordingly.

In the meantime, we’ll have to adjust to the reality that autonomous driving could be headed for narrower—but still transformative—applications. And if our desire for driverless taxis and delivery vans is strong enough, we might need to create dedicated roads for them.

Cars can’t learn to drive simply

by being trained on data about how real humans do it, no matter how much data you have, says Gary Marcus, New York University professor and former head of Uber’s AI division. “That’s why companies like Waymo have to break [self driving] into pieces that can be engineered rather than treating it like one giant data problem,” he adds.

A prediction that self-driving cars would ‘all but end’ car ownership by 2025 now seems borderline ridiculous.

In Chandler, Ariz., Waymo actually set up a self-driving car service. It deserves credit for solving an enormously difficult problem—creating a driverless, fully autonomous taxi service. But the company accomplished this in part by carefully constraining the circumstances under which their vehicles drive.

The service only operates in an area the team has thoroughly mapped. Chandler is “well laid out and has modern roads and conditions,” says Nathaniel Fairfield, principal software engineer at Waymo.

Self-driving cars generally rely on the lidar detection system, whose lasers can be foiled by inclement weather. “It doesn’t rain a whole lot there and there’s no snow,” Mr. Fairfield says. Chandler also has less than 4,000 people per square mile, making it about 1/20th as dense as Manhattan.

Mr. Fairfield notes that Waymo is also constantly training its vehicles under far more difficult conditions. But this tells us nothing about when self-driving technology will come to places with actual seasons, less-than-perfect roads or higher population density.

Over a lifetime of driving, humans become expert at countless subtasks, from noticing distracted pedestrians to questioning the judgment of construction workers waving them through a work site. While much has been made of the total number of miles that various self-driving systems have racked up, conquering these little annoyances actually requires an enormous amount of intellectual labor by many teams of engineers.

While auto makers and investors are pouring huge sums into this field, competition is likely to remain thin until this results in another Waymo’s worth of effort on the technology. Waymo has been at it since 2009, with some

of the best-compensated engineers on earth.

Even when (or if) we get a working, go-anywhere self-driving system, we would face myriad legal and behavioral challenges, says Meredith Broussard, author of “Artificial Unintelligence: How Computers Misunderstand the World.”

When a Tesla slammed into the back of a stopped firetruck at 60 miles an hour, the driver sued the auto maker, claiming the company misrepresented the capability of its Autopilot software. Who is liable when a self-driving car gets into an accident? We have yet to resolve the issue, which could lead to a sea change in how we insure vehicles.

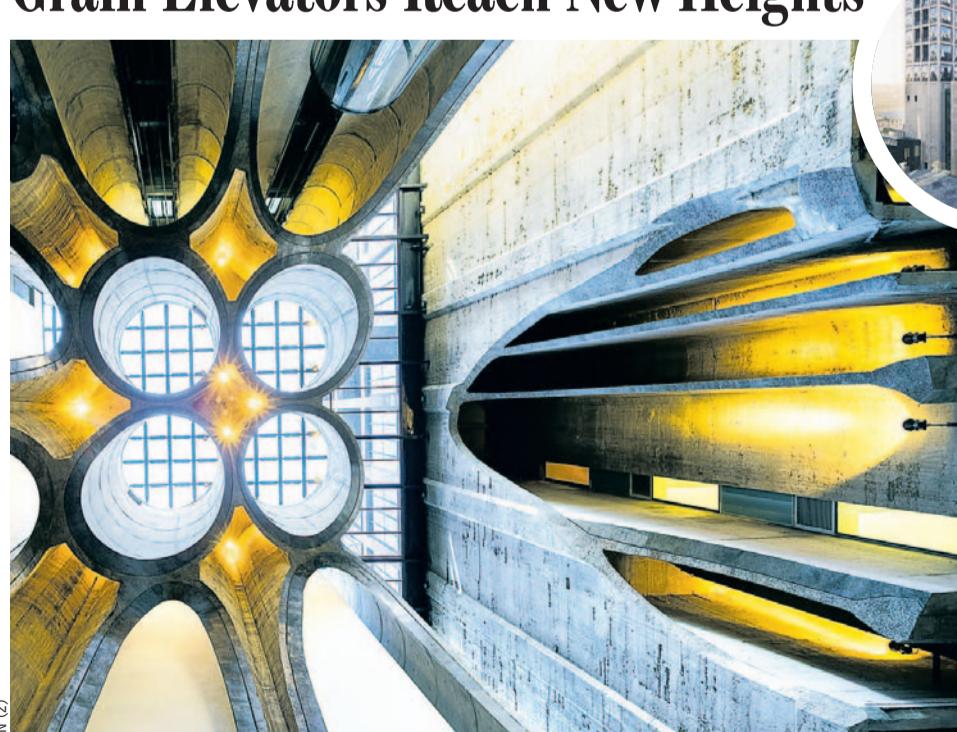
It’s also not true that we must transition to self-driving cars because human-piloted ones are so lethal, Prof. Broussard says. Countless innovations have made cars radically safer since the 1950s and continue to do so. Meanwhile, new distractions, such as smartphones, can be addressed more cheaply, without resorting to full autonomy.

Our love affair with self-driving cars is a form of “techno-chauvinism,” Prof. Broussard says. “It’s the idea that technology is always the highest and best solution, and is superior to the people-based solution.”

While we work all of that out, we’ll also need to start spending big money refashioning our cities, bike lanes and sidewalks so that they are friendlier to self-driving vehicles. This would have to coincide with the rollout of widespread and robust 5G wireless internet that could power a massive vehicle-to-vehicle communications infrastructure. If every car driven by every human was tracked, along with every autonomous vehicle, then perhaps humans and machines could share the road.

After all, it’s not keeping to a lane that’s hard. It’s predicting what all those capricious and distracted human drivers around you might do next. That’s what keeps the computer programmers up at night.

Grain Elevators Reach New Heights



In the early 20th century, modernist artists and architects, including Le Corbusier, were fascinated by the tall, stark cylinders of grain elevators. The structures—round towers of concrete or steel, colloquially called silos—were typically built along city waterfronts or railway lines. In the U.S. alone, more than 9,400 grain storage facilities still stand, according to the Department of Agriculture. Hundreds or even thousands have fallen into disuse, as grain-shipping routes have shifted.

Demolishing a grain elevator can cost millions of dollars because of their height and size. So instead of destroying them, cities around the world are repurposing these remnants of their agricultural pasts to draw tourists and shoppers. In recent years, cultural institutions, visitor bureaus and artists have turned the elevator complexes into money-making attractions, from museums and luxury hotels to shopping venues and art installations.

In downtown Waco, Texas, former HGTV stars Chip and Joanna Gaines built a retail compound around two 120-foot-tall steel silos. In Quebec City, a free nightly light show is presented across the 2,000 square feet of grain towers along its waterfront.

In Buffalo, N.Y., the city has turned hundreds of old silos along the Buffalo River into

breweries, event spaces and places to host history tours, raise bees and showcase art.

“People used to...call them eyesores,” said Jill Jedlicka, executive director of Buffalo-Niagara Waterkeeper, a nonprofit that tends to this section of the Buffalo River. “And now people are embracing them.”

Last September, South Africa’s Zeitz Museum of Contemporary Art Africa opened in a complex of 42 grain silos on Cape Town’s waterfront. The 187-foot-tall complex was the tallest structure in sub-Saharan Africa

when it was built in the 1920s, but it hadn’t been used for 16 years. V&A Waterfront, a joint venture between Growthpoint Properties and South Africa’s government employees’ pension fund that owns the site, decided against demolishing it in 2010, said development director Mark Noble.

London designer Thomas Heatherwick was brought in to handle the revamp in 2011. As part of a \$40 million overhaul, the silos became the museum’s grand atrium. Other proposals “largely turned their back on the grain silo building,” said Mr. Noble, but Heatherwick Studio’s plan “inverted that and made it the hero, the center, a cathedral.”

—Lynn Freehill-Mayne

THE FUTURE OF EVERYTHING

WEEKEND INVESTOR



Hiding money from the U.S. government is a lot harder than it used to be.

On Sept. 28, the Internal Revenue Service will end its program allowing American tax cheats with secret offshore accounts to confess them and avoid prison. In a statement, the IRS said it's closing the program because of declining demand.

But the agency vowed to keep pursuing people hiding money offshore and said it will offer them another route to compliance.

What a difference a decade makes.

Before 2008, an American citizen could often walk into a Swiss bank, deposit millions of dollars, and walk out confident that the funds were safe and hidden from Uncle Sam, says Mark Matthews, a lawyer with Caplin & Drysdale who formerly headed the IRS's criminal division.

Now, he says, "Americans hiding money abroad have to go to small islands with sketchy advisers and less reliable financial systems."

The reason: a historic crackdown on the longstanding problem of U.S. taxpayers hiding money offshore. U.S. officials ramped it up after a whistleblower revealed that some Swiss banks saw U.S. tax evasion as a profit center and were sending bankers onto U.S. soil to hunt for clients.

The defining moment came in 2008, when Justice Department prosecutors took Swiss banking giant UBS AG to court and managed to pierce the veil of Swiss bank secrecy. In 2009, UBS agreed to pay \$780 million and turn over information on hundreds of U.S. customers to avoid criminal prosecution.

The Justice Department repeated the UBS strategy, with variations, for scores of other banks and financial firms in Switzerland, Israel, Liechtenstein and the Caribbean. So far, institutions have paid about \$6 billion and turned over once-sacred customer information. More major settlements are still to come.

Prosecutors also successfully pursued more than 150 individuals hiding money abroad. Some defendants earned jail time, and many paid dearly—a total of more than \$500 million so far. Dan Horsky, a retired business professor and startup investor, appears to have handed over the largest amount: \$125 million for hiding more than



MIKE JASO

\$220 million offshore.

In many cases, a taxpayer can owe a penalty of half a foreign account's value, if it's greater than \$10,000 and it's not reported to the Treasury Department. Ty Warner, the billionaire creator of Beanie Babies plush toys, paid \$53.6 million for hiding an account with more than \$100 million.

The IRS capitalized on tax cheats' fears of detection with its Offshore Voluntary Disclosure Program, the limited amnesty that's ending. It hit confessors with large penalties in exchange

for no prosecution. Since 2009, more than 56,000 U.S. taxpayers in the program have paid \$11.1 billion to resolve their issues.

To be sure, the U.S. crackdown hasn't reached everywhere—notably Asia.

Edward Robbins, a criminal tax lawyer in Los Angeles formerly with the IRS and Justice Department, attributes the enforcement gap to the widespread use of human beings, rather than structures like trusts, to shield account ownership in Asia.

"In the Far East, individuals of-

ten use other individuals who use other individuals to hold assets. Finding the true owner is a tough nut to crack, unlike in the West," he says.

The crackdown also had drawbacks, making financial life difficult for many of the roughly 4 million U.S. citizens living abroad. Unlike most countries, the U.S. taxes citizens on income earned both at home and abroad. Often expatriates were stunned to find they could be considered tax cheats under the expansive U.S. law and that compliance would be onerous.

In reaction, more than 25,000 expats have given up U.S. citizenship since 2008, with some paying a stiff exit tax. Others are working to get Congress to change the taxation of nonresidents.

For expats and others, the IRS now offers a compliance program with lesser penalties, or none, for offshore-account holders who didn't willfully cheat. About 65,000 taxpayers have entered the program, and the IRS says it will remain open for now.

Current and would-be tax cheats should take seriously the IRS's vow to keep pursuing secret offshore accounts, says Bryan Skarlatos, a criminal tax lawyer with Kostelanetz & Fink who has handled more than 1,500 offshore disclosures to the IRS.

The IRS's message, says one criminal tax lawyer: 'More than ever, there's no place to hide.'

Although the IRS's staffing is way down, he says, the agency and the Justice Department have far better tools for detecting and combating evasion than 10 years ago.

Among these agencies' tools are the Fatca law, which requires foreign firms to report information on American account holders. This law is providing the IRS with streams of useful information it's using in prosecutions. This week brought the first guilty plea for a violation of Fatca rules by a former executive of a bank in Hungary and the Caribbean.

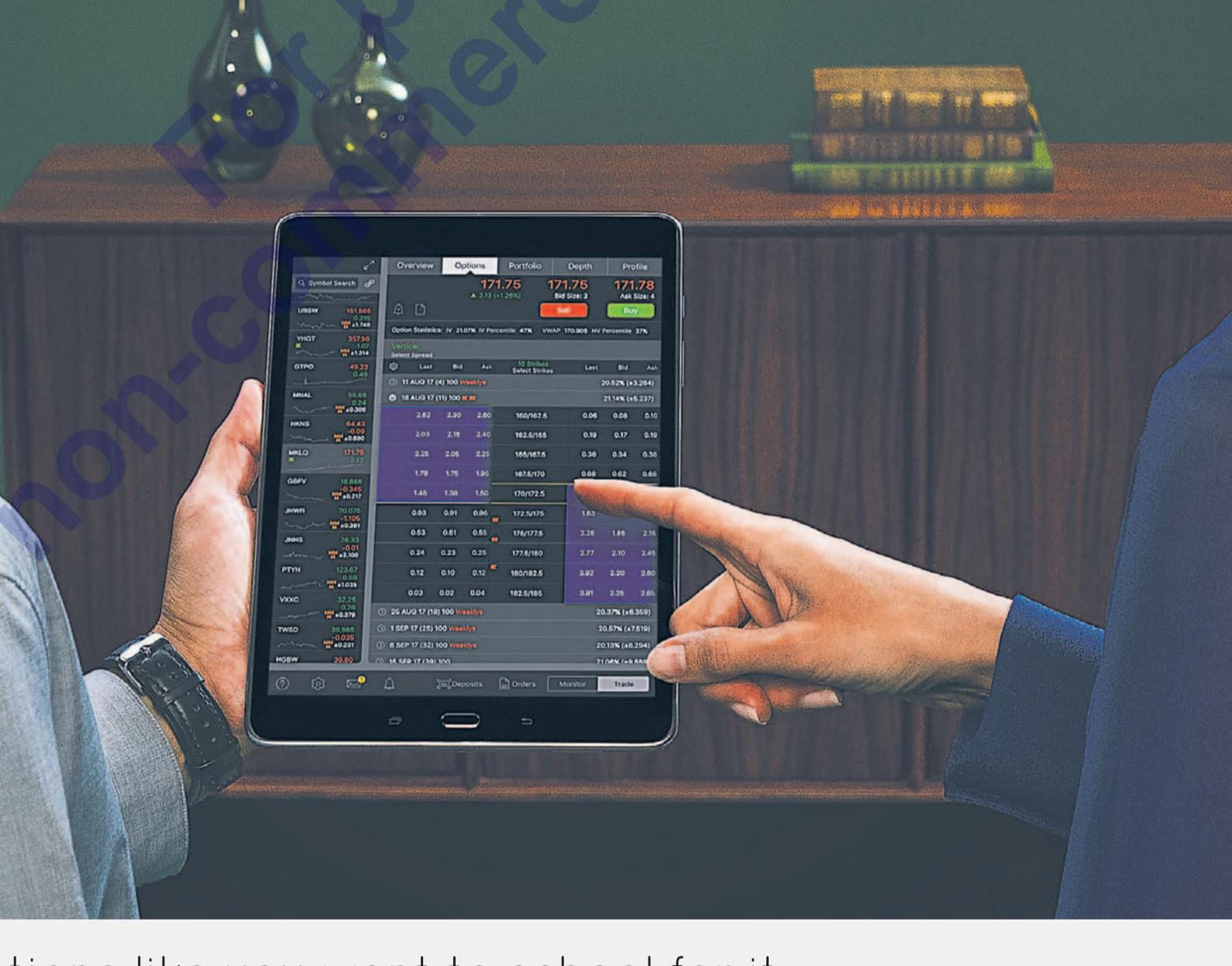
The IRS is also mining data from foreign bank settlements and whistleblower information. The payment of \$104 million to UBS whistleblower Bradley Birkenfeld, apparently the largest ever, has inspired other informers.

To detect clusters of cheats, U.S. officials now can use a "John Doe summons" to force firms to release information on a class of customers suspected of evading taxes—even if their identities aren't known, and even if the information isn't in the U.S.

This strategy has been so successful that the IRS has broadened its use to identify possible tax cheats using cryptocurrencies.

"More than ever, there's no place to hide," says Mr. Skarlatos.

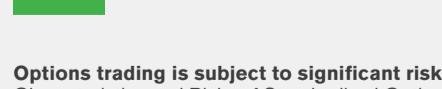
From the IRS's limited-amnesty program \$11.1 billion		Credit Suisse Group \$2.6 billion	UBS \$780 million
Julius Baer Group \$547M	Other banks and asset managers* \$1.65B		
Bank Leumi Group \$400M			
In connection with criminal prosecutions At least \$500 million			



Trade options like you went to school for it.

Options trading doesn't have to be intimidating. TD Ameritrade provides educational courses, expert trading support, and online coaching to help you learn to trade with confidence.

Get up to \$600 when you open and fund an account.



Visit tdameritrade.com/tradeoptions to learn more.

Options trading is subject to significant risks and is not suitable for all investors. Options trading privileges subject to TD Ameritrade review and approval. Before trading options, carefully read Characteristics and Risks of Standardized Options. Contact TD Ameritrade at 800-669-3900 for a copy.

See tdameritrade.com/600offer for offer details and restrictions. This is not an offer or solicitation in any jurisdiction where we are not authorized to do business. TD Ameritrade, Inc., member FINRA/SIPC.

© 2017 TD Ameritrade.

FINANCE



Natalie Jaresko worked to restructure Ukraine's finances before taking a similar job in Puerto Rico. Her new job may be the harder one, she says.

Remaking Puerto Rico's Economy

Natalie Jaresko has broad powers to revamp the island's finances, but critics ask why the austerity has to start before the storm recovery is over

By MATT WIRZ

Natalie Jaresko has faced almost constant criticism since taking the helm of Puerto Rico's federal oversight board 18 months ago. Investors and politicians on the mainland attack her for pushing reforms too slowly, while those on the island blast her austerity measures and criticize her \$625,000 annual salary. Lawyers and bankers involved in the restructuring—all men—call her blunt and brusque.

"I'm getting used to it," said Ms. Jaresko, 53, who restructured Ukraine's finances in 2016 as that country's finance minister and now is looking to do the same in Puerto Rico. "With all due respect, the challenges in this situation are as great, or greater than, in Ukraine, which is much larger and has been attacked and occupied by Russia."

The project to revamp Puerto Rico's economy is at a critical juncture as the board shifts from fact finding and economic forecasting to actually enacting the debt restructurings and structural reforms needed to stabilize the island's financial health. Ms. Jaresko aims to install policies she hopes will reverse more than a decade of economic stagnation on the island, but such measures are politically unpopular, especially after the devastation caused by Hurricane Maria last year.

Ms. Jaresko scored much-needed wins in August when she won a key legal ruling establishing her author-

ity over the island and brokered deals with bond funds who own 40% of the island's \$73 billion in municipal bond debt accumulated through years of borrowing.

Her efforts are closely watched by investors. Puerto Rico became the largest municipal bond restructuring ever when the U.S. territory entered a court-supervised restructuring akin to a bankruptcy in May 2017. Its bonds are widely held by individuals nationwide, mostly through mutual funds, and the handling of the island's record default is widely seen as a watershed event for the nearly \$4 trillion market for U.S. municipal bonds. The resolution could offer clues to how officials could deal with defaults all over the world, as concerns mount that rising interest rates will hit other governments that have borrowed extensively from Argentina to Chicago.

The U.S. Congress kicked off the process in Puerto Rico when it passed legislation allowing the commonwealth to seek bankruptcy court protection last year. Bankruptcy was meant to allow Puerto Rico to cut its debts, revamp its decrepit power utility known as Prepa and balance a budget bloated by high public-sector employment.

The oversight board tasked with these jobs chose Ms. Jaresko as its director in March 2017. Six months into her tenure, Hurricane Maria hit the island, causing mass deaths and devastation that left many without electricity for months. Relief and re-



construction came slowly, highlighting the scale of the problems Ms. Jaresko faces in fixing Puerto Rico's dysfunctional economy and dilapidated power utility. Ms. Jaresko rebooted fiscal reform talks with local politicians this spring but encountered steeper resistance to austerity measures because so many people on the island were struggling with the storm's aftermath.

Born to Ukrainian-American parents in a Chicago suburb, Ms. Jaresko became a U.S. diplomat in Ukraine after the Soviet Union collapsed. Later, she managed investment funds there. She became known as "the iron lady" when she became Ukraine's finance minister

in 2014 and pushed fiscal conservatism and financial transparency on the country, while restructuring about \$25 billion of government debt, bringing the country back to financial stability.

"She handled a very difficult situation extremely well," said Kurt Volker, the U.S. special representative for Ukraine, of her time as finance minister. "Like anyone in her position would, she faced criticism, whether it was about her being too strict financially or being too American."

The limelight has also been harsh since Ms. Jaresko moved to Puerto Rico last year with her teenage daughter.

Puerto Rico's Senate President

Thomas Rivera Schatz attacked her salary as exorbitant when it was disclosed and has frequently pilloried her in the media since then.

U.S. members of Congress upbraided her in private for not pressuring Puerto Rico Gov. Ricardo Rosselló harder on reforms, said a staffer on the U.S. House Committee on Natural Resources, which has jurisdiction over Puerto Rico.

Bondholders lambasted her for being too slow to broker a deal with them and for exacting as much debt reduction as possible without forcing comparable budget cuts on Puerto

'Although the work I do is not pleasant, something has to change.'

Rico's government. Ms. Jaresko spent much of her time this summer with advisers working on restructurings of \$17.5 billion of bonds issued by its sales-tax authority and about \$9 billion in Prepa debt.

Puerto Rico's government and the oversight board negotiated a fiscal plan in April that calls for expense reductions through healthcare and labor-law reforms, government staff cuts and subsidy reductions, among other measures. The local Senate rejected the labor reforms required by the plan in July and Ms. Jaresko is now compelling the government to cut spending in other areas to make up the difference and balance its budget.

Ms. Jaresko and the board have failed to communicate to the electorate the need to stabilize the island's finances to revive economic activity, says former Puerto Rico Senate President Eduardo Bhatia. "She's a smart woman...but they haven't been able to communicate why we have to do certain things before something worse comes," Mr. Bhatia said.

On the mainland, Ms. Jaresko is finally winning some fans. Her recent deals with bondholders and increasingly confrontational approach with local politicians are hopeful signs, the House staffer said.

"We're finally seeing what we had wanted to see for two years," the staffer said, while acknowledging her agenda is unpopular on the island. "She's going to be one of the most vilified people on the island if she pushes through these budget changes."

Gov. Rosselló wants the budget cuts proposed by Ms. Jaresko to come after growth policies like infrastructure investment have time to boost the economy, said Christian Sobrino, the governor's representative to the board.

"If the oversight board insists on its version of the budget, it's going to lead to a government shutdown that's going to put creditors and the public of Puerto Rico at risk," Mr. Sobrino said.

This month, she says she will shift to working on reforms in areas like the electricity sector, business regulation and welfare with Gov. Rosselló and the Puerto Rico Senate. Those talks may be overshadowed by the ongoing fiscal fight between the board and the government.

"Although the work I do is not pleasant, something has to change," Ms. Jaresko says. Her role as lightning rod for public fury about that change comes with the territory, she says, because it gives politicians someone to blame "for making decisions that might be difficult, or even impossible, otherwise."

Rare Times For Timing The Market

Continued from page B1
cators of the market's future moves.

In an interview, Mr. Marks, 72 years old, grabs a piece of paper. With a practiced hand, he draws a long, swooping series of ups and downs that slope up the page from lower left to upper right. With three swift pen-strokes he draws a diagonal and two parallel lines that bisect all the curves. He scribbles "FAIR" on the central line, to mark the normal zone of decent value. Below it he writes "CHEAP"; above, he writes "RICH," to show when assets are overpriced.

In the top right, as the curve of the market sweeps up and into the zone of RICH, Mr. Marks draws a little box to show the short-term fluctuation of prices. So what will happen next? He scribbles a fan of three dotted lines: one going up, one flattening out, one falling.

Mr. Marks admits his book is a kind of tug of war between his certainty that "we don't know what the future holds" and his belief that "we can identify where the market stands in its cycle."

By studying how the economy,

the markets and the psychology of investors all move in long cycles of expansion and contraction, Mr. Marks and Oaktree have been better able to cut back risk near market peaks and ramp it up near market bottoms, he says.

But Mr. Marks doesn't think you can use that sort of understanding to go all-in or all-out of markets again and again. He likes the book's subtitle—"Getting the Odds on Your Side"—better than its title, he quips.

"Recent performance doesn't tell us anything we can rely on about the short-term future," he says, "but it does tell us something about the longer-term probabilities or tendencies."

Markets typically move in big, multiyear cycles. Turning points are rare and far apart.

He pokes a finger again at the sketch he has made.

"Everything about our human makeup conspires to make us do the wrong thing," he says. "Most people get excited at the highs and depressed at the lows instead of being able to buy low and sell high. That's the human failing."

In his book, Mr. Marks describes a conversation he had with a pen-

sion-fund client in the fall of 2008. Trying to get the pension fund to invest more, Mr. Marks emphasized how the crisis was creating current bargain prices and, thus, high potential future returns.

As Mr. Marks demonstrated that Oaktree's investors would still make money in one doomsday scenario after another, each more dire than the last, the pension officer kept interjecting, "But what if it's worse than that?"

That was an epiphany, Mr. Marks tells me: "When there's no assumption you can make that the onlookers consider bad enough, things must be too bad to be true."

Today, neither stocks nor bonds are cheap overall, but they aren't so drastically overvalued "that this is the time for maximum defense," says Mr. Marks. "Nor are prices so low and the outlook so good that you should be aggressive." You should expect returns over the next five years or so to be "low or negative in most asset classes."

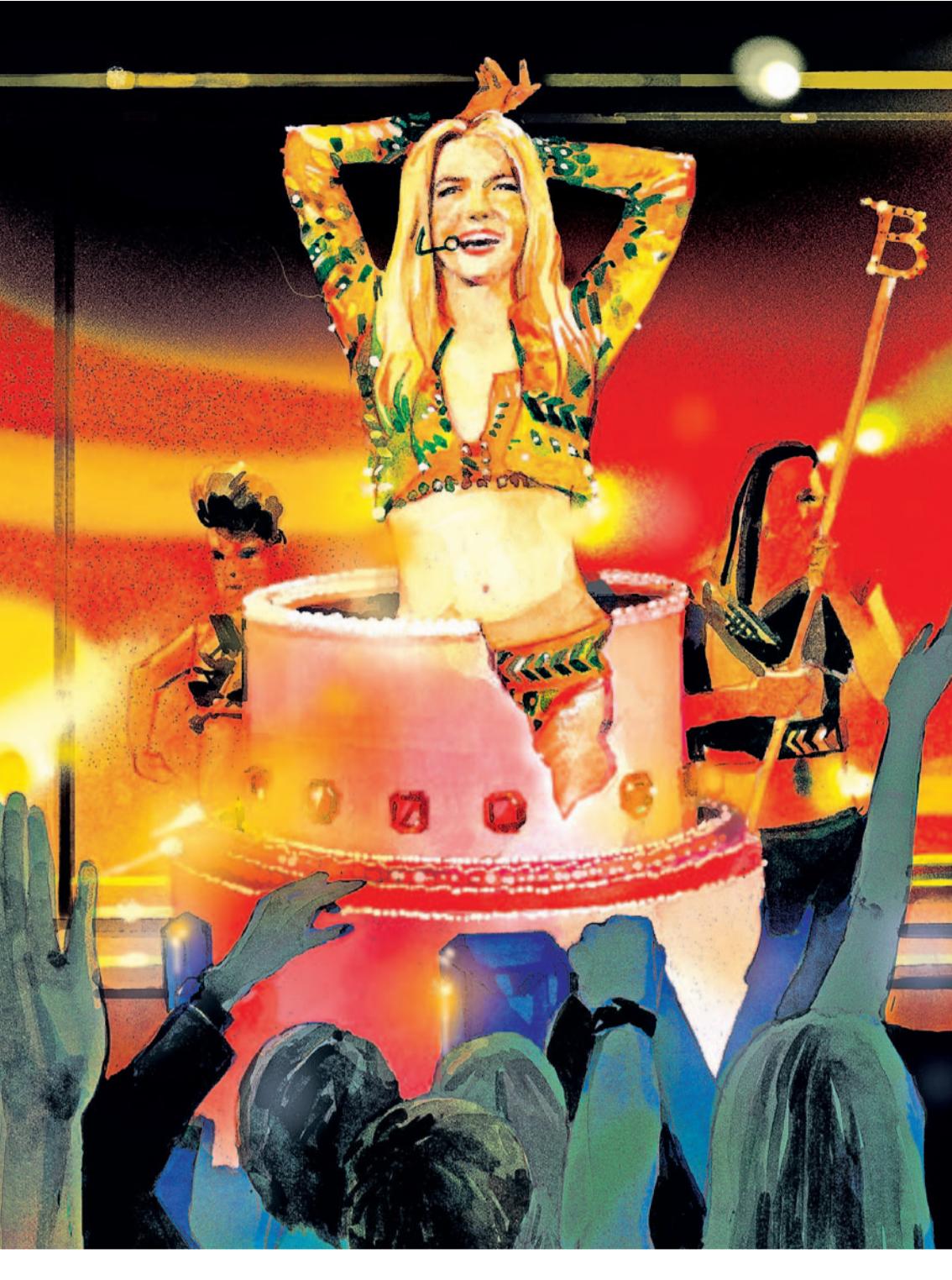
Imagine a continuum from 0 to 100, he says, with 0 being completely out of the market and 100 being completely in using aggressive techniques like investing with borrowed money.

"Each of us, based on our understanding of ourselves, should have a normal position between 0 and 100. So, vis-à-vis our normal position, where should we be now? I think today we should be moderately tilted toward defense."



In market extremes, 'everything about our human makeup conspires to make us do the wrong thing,' warns investor Howard Marks.

EXCHANGE



In Pursuit of A Billionaire Mystery Man

Continued from Page One

round face that was still boyish, with glasses, red cheeks, and barely a hint of facial hair. His unremarkable appearance was matched by an awkwardness and lack of ease in conversation, which the beautiful women around Mr. Low took to be shyness. Polite and courteous, he never seemed fully in the moment, often cutting short a conversation to take a call on one of his half a dozen cellphones.

But despite Mr. Low's unassuming appearance, word was that he was loaded—maybe a billionaire. Guests murmured to each other that he was the money behind Mr. DiCaprio's latest movie, "The Wolf of Wall Street," which was still filming. Mr. Low's bashful manners belied a hard core of ambition the like of which the world rarely sees. Look more closely, and Mr. Low wasn't so much timid as quietly calculating, as if computing every human interaction, sizing up what he could provide for someone and what they, in turn, could do for him. Despite his age, Mr. Low had a weird gravitas, allowing him to hold his own in a room of grizzled Wall Street bankers or pampered Hollywood types. For years, he had methodically cultivated the wealthiest and most powerful people on the planet. The bold strategy had placed him in their orbit and landed him a seat here in the Palazzo. Now, he was the one doling out favors.

The night at the Palazzo marked the apex of Mr. Low's ascendancy. The guest list for his birthday included Hollywood stars, top bankers from Goldman Sachs, and powerful figures from the Middle East. In the aftermath of the U.S. financial crisis, they all wanted a piece of Mr. Low. Pras Michel had lost his place in the limelight since the Fugees disbanded, but was hoping to reinvent himself as a private-equity investor, and Mr. Low held out the promise of funding. Some celebrities had received hundreds of thousands of dollars in appearance fees from Mr. Low just to turn up at his events, and they were keen to keep him happy.

But even those stars couldn't really claim to know Mr. Low's story. If you entered "Jho Low" into Google, very little came up. Some people said he was an Asian arms dealer. Others claimed he was close to the prime minister of Malaysia. Or maybe he inherited billions from his Chinese grandfather. Casino operators and nightclubs refer to their highest rollers as "whales," and one thing was certain about Mr. Low: He

was the most extravagant whale that Vegas, New York, and St. Tropez had seen in a long time—maybe ever.

A few hours later, just after 9 p.m., Mr. Low's guests began the journey to the evening's main event. As the limousines drove up the Strip, it was clear they weren't heading to the desert, as some guests thought, instead pulling up at what looked like a giant aircraft hangar, specially constructed on a vacant parcel of land. Among those present was Robin Leach, who for decades, as host of the TV show "Lifestyles of the Rich and Famous," had chronicled the spending of rappers, Hollywood stars, and old-money dynasties. But that was the 1980s and 1990s, and nothing had prepared him for the intemperance of the night. A gossip columnist for the Las Vegas Sun, Mr. Leach was among the few guests who had gleaned some details of what was coming. "Wicked whispers EXCLUSIVE: Britney Spears flying into Vegas tomorrow for secret concert, biggest big bucks private party ever thrown," he tweeted.

Goldman Sachs bankers mingled with Hollywood stars at Jho Low's birthday party.

One puzzling requirement of Mr. Leach's invitation was that he could write about the party, but not name the host. He had made his career from the desire of rich people to brag about their affluence; what made this guy want to spend so much cash in secret? he wondered. A nightlife veteran, Mr. Leach was stunned by the audacity of the construction on the site. As he surveyed the arch of the party venue, which was ample enough to house a Ferris wheel, carousel, circus trampoline, cigar lounge, and plush white couches scattered throughout, he did some calculations. One side was circus themed, with the other half transformed into an ultrachic nightclub.

It must have cost millions, Mr. Leach estimated. Here were new lovers Kanye West and Kim Kardashian canoodling under a canopy; Paris Hilton and heartthrob River Viiperi whispering by a bar; actors Bradley Cooper and Zach Galifianakis, on a break from filming "The Hangover Part III," laughed as they took in the scene. "We're used to extravagant parties in Las Vegas, but this was the ultimate party," Mr. Leach said. "I've never been to one like it."

Mr. Low was careful not to overlook his less well-known friends and key business contacts. Among the guests were Tim Leissner, a German-born banker who was a star deal maker for Goldman Sachs in Asia. There

Britney Spears reportedly earned a six-figure sum for jumping out of a cake and singing 'Happy Birthday' to Jho Low at the Las Vegas party.

were whispers among Wall Street bankers about the huge profits Goldman had been making in Malaysia, hundreds of millions of dollars arranging bonds for a state investment fund, but they hadn't reached insular Hollywood.

The crowd was already lively when Jamie Foxx started off the show with a video projected on huge screens. It featured friends of Mr. Low from around the world, each dancing a bit of the hit song "Gangnam Style." As the video ended, Psy, the South Korean singer who had shot to stardom that year for "Gangnam Style," played the song live as the crowd erupted. Over the following hour and a half, there were performances from Redfoo and the Party Rock Crew, Busta Rhymes, Q-Tip, Pharrell, and Swizz Beatz, with Ludacris and Chris Brown, who debuted the song "Everyday Birthday." During Q-Tip's session, a drunk Mr. DiCaprio got on stage and rapped alongside him. Then, a giant faux wedding cake was wheeled on stage. After a few moments, Britney Spears, wearing a skimpy, gold-colored outfit, burst out and, joined by dancers, serenaded Mr. Low with "Happy Birthday." Each of the performers earned a fat check, with Ms. Spears reportedly taking a six-figure sum for her brief cameo.

Then the gifts. The nightlife impresarios who helped set up the party, Noah Tepperberg and Jason Strauss, stopped the music and took a microphone. Mr. Low had spent tens of millions of dollars in their clubs Marquee, TAO, and LAVO over the past few years, just as the financial crisis hit and Wall Street high rollers were feeling the pinch. He was their No. 1 client, and they did everything to ensure other nightclub owners didn't steal him away. As Messrs. Tepperberg and Strauss motioned to staff, a bright red Lamborghini was driven out into the middle of the marquee. Someone gave not one but three high-end Ducati motorcycles. Finally, a ribbon-wrapped \$2.5 million Bugatti Veyron was presented by Szen Low to his brother.

Just after 12:20 a.m., the sky lit up with fireworks. Partying went into the early hours, with performances by Usher, DJ Chuckie, and Kanye West. Surrounded by celebrities and friends, Mr. Low piled into a limousine and brought the party back to the Palazzo, where

Jho Low's Network

In just a few years, the Malaysian expanded his universe to include Hollywood royalty and international bankers.



Martin Scorsese
Director of 'The Wolf of Wall Street'



Noah Tepperberg and Jason Strauss
Nightlife impresarios



Paris Hilton
Frequent guest at Jho Low's parties



Najib Razak
Former prime minister of Malaysia



Swizz Beatz
Rapper and hip-hop producer



Tim Leissner
Former star Goldman Sachs banker in Asia



Leonardo DiCaprio
Actor, star of 'The Wolf of Wall Street,' friend of Jho Low



he gambled well into the bright light of Sunday afternoon.

This was the world built by Jho Low.

"While you were sleeping, one Chinese billionaire was having the party of the year," began an article on the website of local radio station KROQ two days later, mistaking Mr. Low's nationality. It referred to him as "Jay Low." It wasn't the first time Mr. Low's name seeped into the tabloids or was associated with extravagance—and it wasn't the last—but the Vegas birthday party was a peak moment in his strange and eventful life.

Many of those who came across Mr. Low wrote him off as a big-talking scion of a rich Asian family. Few people asked questions about him, and those who bothered to do so discovered only fragments of the real person. But Mr. Low wasn't the child of wealth, at least not the kind that would finance a celebrity-studded party. His money came from a series of events that are so unlikely, they appear made up. Even today, the scale of what he achieved—the global heists he is suspected of having pulled off, allowing him to pay for that night's party and much, much more—is hard to fathom.

Mr. Low might have hailed from Malaysia, but his was a 21st-century global scheme. His alleged co-conspirators came from the world's wealthiest 0.1%, the richest of the rich, or people who aspired to enter its ranks: young Americans, Europeans and Asians who studied for M.B.A.s together, took jobs in finance, and partied in New York, Las Vegas, London, Cannes and Hong Kong. The backdrop was the global financial crisis, which had sent the U.S. economy plummeting into recession, adding to the allure of a spendthrift Asian billionaire like Mr. Low.

Armed with more liquid cash than possibly any individual in history, Mr. Low infiltrated the very heart of U.S. power. He was enabled by his obscure origins and the fact that people had only a vague notion of Malaysia. If he claimed to be a Malaysian prince, then it was true. The heir to a billion-dollar fortune? Sure, it might be right, but nobody seemed to care. Not Leonardo DiCaprio and Martin Scorsese, who were promised tens of millions of dollars to make films. Not Paris Hilton, Jamie Foxx and other stars who were paid handsomely to appear at events. Not Jason Strauss and Noah Tepperberg, whose nightclub empire was thriving. Not the supermodels on whom Mr. Low lavished multimillion-dollar jewelry. Not the Wall Street bankers who made tens of millions of dollars in bonuses. And certainly not Mr. Low's protector, Malaysian Prime Minister Najib Razak.

Mr. Low's purported scheme involved the purchase of storied companies, friendships with the world's most celebrated people, trysts with extraordinarily beautiful women, and even a visit to the White House—most of all, it involved an extraordinary and complex manipulation of global finance. The FBI is still attempting to unravel exactly what occurred. Billions of dollars in Malaysian government money, raised with the help of Goldman Sachs, is believed to have disappeared into a Byzantine labyrinth of bank accounts, offshore companies, and other complex financial structures. Tim Leissner, who left Goldman in 2016, is now in plea-deal talks with U.S. authorities. Goldman has said it had no way of knowing there might be fraud surrounding the Malaysian government funds.

As the scheme began to crash down around them, Malaysia's prime minister turned his back on democracy in a failed attempt to cling to power. After a stunning election loss in May, he is now under arrest and facing charges including money laundering. He has denied wrongdoing.

Wanted for questioning by the FBI, Mr. Low is a fugitive moving between Hong Kong, Macau and mainland China as Malaysia seeks his arrest. Through a spokesman, he maintains his innocence.

"Billion Dollar Whale: The Man Who Fooled Wall Street, Hollywood and the World" is the result of three years of research, drawing on interviews with more than 100 people in more than a dozen countries. Every anecdote is based on the recollections of multiple sources and in some cases backed up by photographs, videos and other documentation. The authors reviewed tens of thousands of documents, including public court records and confidential investigative and financial records, as well as hundreds of thousands of emails provided to authorities during the course of probing the case. They also relied on official allegations contained in the U.S. Justice Department's civil asset-forfeiture cases, as well as court proceedings in Singapore and official reports by Swiss authorities.

STRATEGY

At Campbell Soup, Family Tensions Come to a Boil

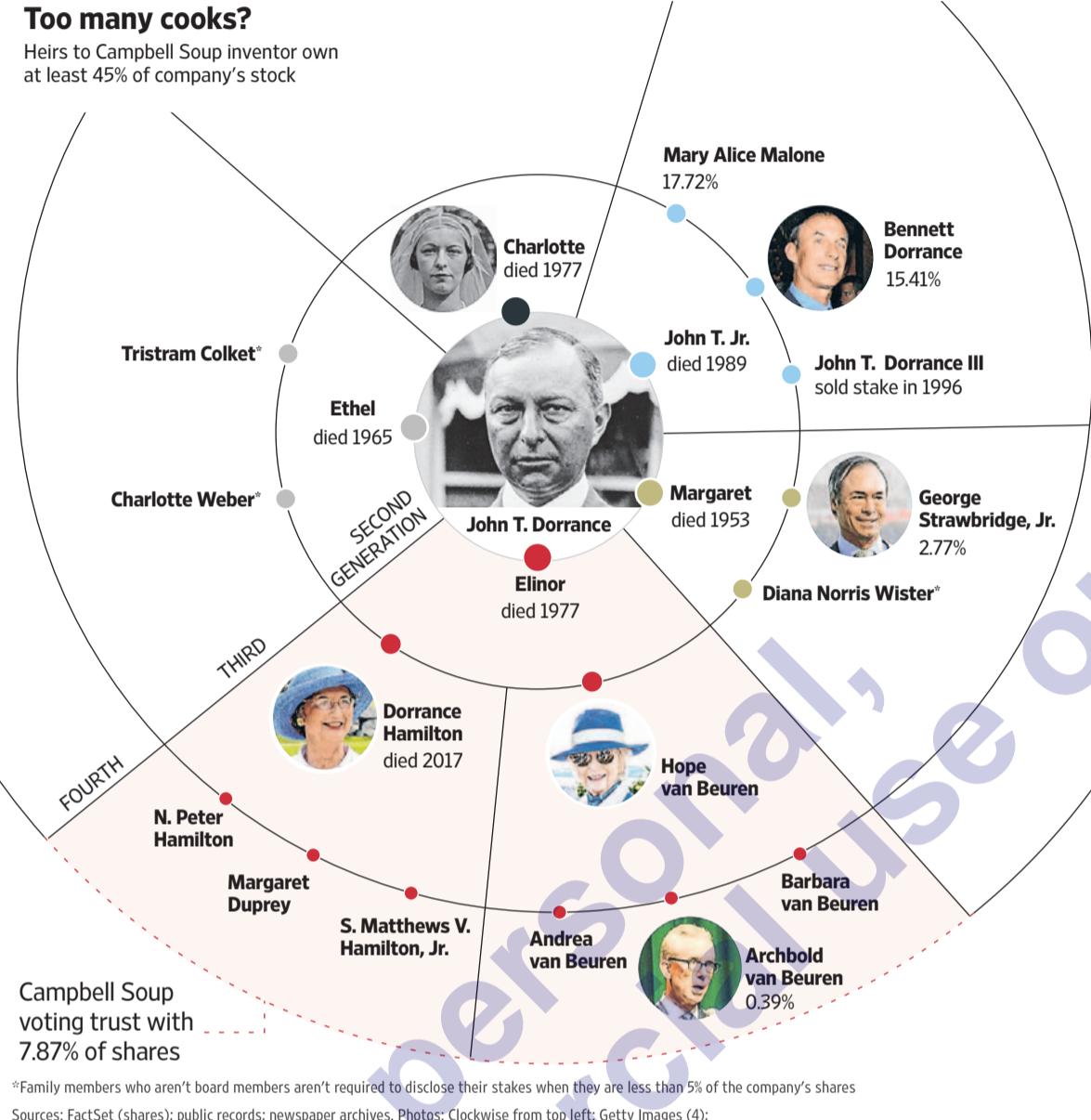
Activist investor Daniel Loeb's campaign to unseat the board exposes the challenges of taking on a family-controlled company

BY ANNIE GASPARRO AND CARA LOMBARDO



Too many cooks?

Heirs to Campbell Soup inventor own at least 45% of company's stock



*Family members who aren't board members aren't required to disclose their stakes when they are less than 5% of the company's shares

Sources: FactSet (shares); public records; newspaper archives. Photos: Clockwise from top left: Getty Images (4); PMC (2); AP Images

Roque Ruiz/THE WALL STREET JOURNAL.

Strawbridge and Dorrance, the person added. Ms. Malone hasn't shared her thinking as widely, the person said.

Mr. Strawbridge urged his cousins to shake up Campbell's management and strategy in recent years, the person said. Campbell's acquisition of snack maker Snyder's-Lance this year, a shift that drastically increased the company's debt, caused Mr. Strawbridge to lose patience and prompted him to work with Third Point, the person said. The company has said snacks are an integral part of its current strategy, and proceeds from planned sales will help it reduce debt.

Mr. Strawbridge and Third Point

believe a sale or the continued existence of Campbell as a stand-alone company under new leadership could work, The Wall Street Journal has reported.

"Board members have refused to engage in meaningful conversations," Mr. Strawbridge said last month in a financial filing. Only a new board "free of the need to defend past actions and other legacy issues" can objectively weigh a sale, he said. He and Third Point say Campbell's plan to revitalize its soup sales and divest itself of two businesses isn't ambitious enough. Campbell shares are down 16% this year. Mr. Loeb wants to put Mr. Strawbridge back on the board. Mr. Strawbridge didn't re-

turn calls seeking comment. Third Point declined to comment.

Other family-owned companies have sold out to larger rivals after generations of independence. In 2008, Mars Inc. and Warren Buffett's Berkshire Hathaway Inc. orchestrated a deal to acquire Wm. Wrigley Jr. Co. for more than \$22 billion. Rupert Murdoch's News Corp acquired Dow Jones & Co., publisher of The Wall Street Journal, from the Bancroft family in 2007 for around \$5 billion.

In 1897, John Dorrance, a chemist whose uncle at the time was running the company, invented a method for removing water from soups to allow them to be transported more cheaply. He went on

to buy up all the stock in Campbell, leaving the company to his future grandchildren when he died in 1930.

The family retained majority ownership when Campbell went public in 1954. Jack Dorrance, the inventor's son and one of five children, became chairman and controlled the largest chunk of shares. When he died in 1989, that stake went to his three children: Ms. Malone, Bennett Dorrance, and John "Ippy" Dorrance III.

Around that time, Campbell was hurt by rapid expansion of its product line and overextension overseas. Three other grandchildren of the inventor, Dorrance "Dodo" Hamilton, Hope "Happy" van Beuren, and Diana Strawbridge Norris Wister pushed to sell the company.

Bennett Dorrance was working at the time as a real-estate developer in Arizona. Mr. Strawbridge, the son of the inventor's daughter,

Margaret, was running the Buffalo Sabres professional hockey team and racing thoroughbreds. They and Ms. Malone worked together to keep the company under family control. They lobbied to hire David Johnson, an experienced consumer-products executive who turned around Campbell's sales and profit as chief executive from 1990 to 1997.

The three heirs who had pushed for a sale combined their shares into a trust in 1990. In a regulatory filing at the time, they said they supported Mr. Johnson's efforts to improve the company's profitability but believed that the best interests of the shareholders would be served by selling Campbell. While Campbell's success under

Mr. Johnson quelled the disagreement for several years, their rift with the cousins who wanted to keep Campbell independent didn't heal.

"When you are accustomed to having everything your way because of your family and wealth, you don't forgive easily," Bennett Dorrance said at a 1995 conference of the Family Firm Institute in Scottsdale, Ariz., according to Family Business Magazine.

By 2000, Campbell was in financial trouble again. Then-CEO Dale Morrison resigned. Other food companies were merging, putting pressure on Campbell to do the same. This time, more family members appeared open to a sale.

When rival Bestfoods considered acquiring Campbell for about \$16 billion in 2000, The Wall Street Journal reported that the Dorrance heirs supported a sale. The deal fell apart when Unilever PLC bought Bestfoods. Campbell brought in Doug Conant as CEO, and he drove Campbell to better returns for the next decade. Pressure on Campbell to improve its business has resurfaced.

Some of the inventor's heirs, including Ippy Dorrance, have since cashed out their shares. Other family members still hold smaller stakes that they aren't required to disclose, making the family's total ownership likely more than 45% of Campbell shares, the company said.

CAN: GETTY IMAGES



Guillermo Diaz Jr.

Chief information officer and senior vice president, Cisco Systems

Age 53

Education Bachelor of science in business administration from Regis University

Family Four children—Jorge, 30; Karen, 28; Guillermo III, 27; and Ricky, 17

Career highlights Director of global Network Services for Silicon Graphics; senior director of IT for Intelligent Electronics; manager of telecommunications for Alza Corp.

Fun fact As a 14-year-old, Mr. Diaz was a martial-arts national champion. He holds a black belt in tae kwon do.

Favorite book "The Speed of Trust" by Stephen M. R. Covey

What time does your alarm go off on weekdays? I am my own alarm at 5:30 a.m.

As a teenager in Pueblo, Colo., Mr. Diaz faced a choice: earn his college degree by studying telecommunications with the U.S. Navy or by becoming a jet-engine mechanic for the U.S. Air Force—his "Coke-bottle glasses" disqualified him from his dream of piloting fighter jets. He chose the Navy at the urging of his mother and started down a 30-year career path in information technology that eventually led to Cisco's C-suite. Stints at Intelligent Electronics and Silicon Graphics in the late 1990s led to another major life choice in 2000: become CIO of a startup or join Cisco as a senior manager to redesign the whole web architecture. His wife, Gema, whose energy he credits as a source of inspiration throughout their marriage, encouraged him to pick Cisco and its established reputation. Here, four trusted advisers.

—Laine Higgins

PERSONAL BOARD OF DIRECTORS

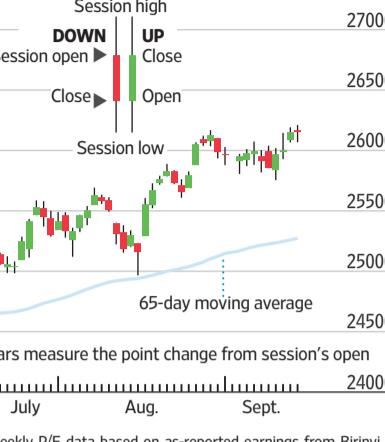
The trusted advisers of top business leaders

<p>Lucy Serna Mother Independent marketing director at Team National</p> <p>Mr. Diaz considers his mother the chairwoman of his personal board. Raised in southern Colorado, Mrs. Serna was one of the first in her family to get a college degree. She secured a telecommunications job at a time when few women worked in technology and she instilled a strong work ethic in her children.</p>	<p>Rick Goldsby Former SVP of operations at Cisco</p> <p>When Mr. Diaz joined Intelligent Electronics early in his career, he relocated to other employees with ease and didn't consider his people skills in need of sharpening. Mr. Goldsby, his boss at the time, "put a finer point that I should leverage that and the power of teams—whether they reported to me or not—that I could bring people together."</p>	<p>Rebecca Jacoby Vice president of customer strategy and success at Cisco</p> <p>Mr. Diaz says the fellow Pueblo native "pushed me to a level where I either didn't really see or didn't know I had." In 2005, Ms. Jacoby encouraged him to transition from IT to the sales and marketing side of Cisco's services business to gain a broader perspective. Mr. Diaz credits that experience for his rise to CIO, the role Ms. Jacoby held for nine years.</p>	<p>Lance Perry Vice president of customer strategy and success at Cisco</p> <p>Mr. Diaz credits Mr. Perry, his onetime boss in the infrastructure department, with encouraging and shaping his leadership skills. "One of the things that Lance always says is 'leaders are the message.'"</p>
--	---	---	---

MARKETS DIGEST

Dow Jones Industrial Average

26154.67
▲ 8.68
or 0.03%
All-time high
26616.71, 01/26/18



Bars measure the point change from session's open

July Aug. Sept. July Aug. Sept. July Aug. Sept.

Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.

Major U.S. Stock-Market Indexes

	High		Low		Latest Close		Net chg		% chg		52-Week High		Low		% chg		YTD % chg		3-yr. ann.											
	Dow Jones	Industrial Average	Transportation Avg	Utility Average	Total Stock Market	Barron's 400	26154.67	11570.84	736.88	30186.01	780.54	26616.71	11570.84	774.47	30290.78	786.73	22268.34	21.2	16.7	17.5	5.8	16.9	9.0	13.0	1.9	10.2	9.1	13.9	9.8	14.1
Industrial Average	26211.11	26068.29	11623.58	11475.80	30225.91	30090.50	26154.67	11570.84	736.88	30186.01	780.54	26616.71	11570.84	774.47	30290.78	786.73	22268.34	21.2	16.7	17.5	5.8	16.9	9.0	13.0	1.9	10.2	9.1	13.9	9.8	14.1
Transportation Avg	11623.58	11475.80	11623.58	11475.80	30225.91	30090.50	11570.84	11570.84	736.88	30186.01	780.54	26616.71	11570.84	774.47	30290.78	786.73	22268.34	21.2	16.7	17.5	5.8	16.9	9.0	13.0	1.9	10.2	9.1	13.9	9.8	14.1
Utility Average	739.21	730.84	736.88	-5.08	-0.68	-0.68	736.88	736.88	-0.68	736.88	-0.68	774.47	647.90	-1.3	774.47	647.90	2496.66	16.2	8.7	14.2	1.9	10.2	9.0	13.0	1.9	10.2	9.1	13.9	9.8	14.1
Total Stock Market	30225.91	30090.50	30225.91	30090.50	30186.01	25.99	30186.01	30186.01	0.09	30186.01	0.09	30290.78	25865.74	16.7	30290.78	25865.74	2496.66	16.2	8.7	14.2	1.9	10.2	9.1	13.9	1.9	10.2	9.1	13.9	9.8	14.1
Barron's 400	782.30	777.50	780.54	3.73	0.48	0.48	780.54	780.54	0.48	780.54	0.48	786.73	653.36	19.5	786.73	653.36	2496.66	16.2	8.7	14.2	1.9	10.2	9.1	13.9	1.9	10.2	9.1	13.9	9.8	14.1

Nasdaq Stock Market

Nasdaq Composite	8040.83	7979.78	8010.04	-3.67	-0.05	8109.69	6370.59	24.2	16.0	18.6
Nasdaq 100	7581.30	7515.04	7545.50	-16.19	-0.21	7660.18	5867.35	26.0	18.0	20.5

S&P

S&P 500 Index	2904.98	0.80	0.03	2914.04	2496.66	16.2	8.7	14.2		
MidCap 400	2051.10	2039.02	2046.56	7.33	0.36	2050.23	1753.91	16.7	7.7	13.3
SmallCap 600	1088.06	1077.43	1086.35	7.37	0.68	1098.36	860.84	26.2	16.0	17.6

Other Indexes

Russell 2000	1726.00	1712.81	1721.72	7.40	0.43	1740.75	1431.71	20.3	12.1	14.3
NYSE Composite	13064.88	13014.49	13050.52	15.91	0.12	13637.02	12080.14	8.0	1.9	9.3
Value Line	588.42	585.27	587.38	1.76	0.30	593.57	526.46	11.6	4.5	8.9
NYSE Arca Biotech	5183.02	5114.40	5139.85	-10.28	-0.20	5342.46	4045.25	23.0	21.7	9.2
NYSE Arca Pharma	587.23	583.99	585.41	-2.63	-0.45	593.12	516.32	7.2	7.4	2.1
KBW Bank	107.83	107.29	107.56	0.47	0.44	116.52	93.81	14.7	0.8	14.6
PHLX® Gold/Silver	64.47	63.35	63.36	-0.38	-0.60	92.08	61.92	-28.3	-25.7	12.7
PHLX® Oil Service	141.07	139.50	140.43	0.41	0.29	170.18	127.61	4.9	-6.1	-6.0
PHLX® Semiconductor	1382.35	1365.90	1377.31	15.10	1.11	1445.90	1126.40	20.1	9.9	30.6
Cboe Volatility	13.15	11.93	12.07	-0.30	-2.43	37.32	9.14	18.7	9.3	-20.8

\$Nasdaq PHLX

Sources: SIX Financial Information; Dow Jones Market Data

International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
World	The Global Dow	3076.93	6.44	0.21	-0.3
	DJ Global Index	400.97	0.97	0.24	0.9
	DJ Global ex U.S.	248.53	1.11	0.45	-6.8
Americas	DJ Americas	689.83	0.43	0.06	7.4
Brazil	Sao Paulo Bovespa	75429.10	742.42	0.99	-1.3
Canada	S&P/TSX Comp	16013.49	11.78	0.07	-1.2
Mexico	S&P/BMV IPC	49611.93	-81.28	-0.16	0.5
Chile	Santiago IPSA	3960.97	-6.22	-0.16	-5.9
EMEA	Stoxx Europe 600	377.85	1.33	0.35	-2.9
Eurozone	Euro Stoxx	374.74	1.63	0.44	-2.8
Bel-20	3709.56	17.20	0.47	0.47	-6.7
Denmark	OMX Copenhagen	907.71	-5.68	-0.62	-2.1
France	CAC 40	5352.57	24.45	0.46	0.8
Germany	DAX	12124.33	68.78	0.57	-6.1
Israel	Tel Aviv	1627.84	7.8
Italy	FTSE MIB	20885.43	39.25	0.19	-4.4
Netherlands	AEX	540.53	1.01	0.19	-0.7
Russia	RTS Index	1094.73	10.19	0.94	-5.2
South Africa	FTSE/JSE All-Shares	56581.88	415.02	0.74	-4.9
Spain	IBEX 35	9365.30	36.10	0.39	-6.8
Sweden	OMX Stockholm	606.51	4.50	0.75	6.6

MARKET DATA

Futures Contracts

Metal & Petroleum Futures

	Contract				Open interest	
	Open	High	Low	Settle	Chg	
Copper-High (CMX)-25,000 lbs.; \$ per lb.						
Sept 2.6660 2.6660 2.5950 2.6275 -0.0370 2,370						
Dec 2.6765 2.6990 2.6075 2.6460 -0.0370 141,466						
Gold (CMX)-100 troy oz.; \$ per troy oz.						
Sept 1203.40 1195.00 -7.00 73						
Oct 1208.10 1192.90 1196.20 -6.60 35,393						
Dec 1206.60 1213.80 1197.70 1201.10 -7.10 368,345						
Feb'19 1213.50 1219.00 1203.80 1206.80 -7.20 40,609						
June 1228.90 1229.00 1216.20 1218.40 -7.30 11,447						
Dec 1244.00 1247.70 1234.80 1236.60 -7.20 4,833						
Palladium (NYM)-50 troy oz.; \$ per troy oz.						
Sept 999.90 1004.00 999.00 998.80 1.80 29						
Dec 972.00 978.10 965.90 970.50 1.80 16,085						
March'19 967.80 971.90 ▲ 959.30 963.80 0.40 617						
Platinum (NYM)-50 troy oz.; \$ per troy oz.						
Oct 803.70 812.40 794.60 798.60 -4.70 67,956						
Jan'19 807.20 815.10 797.40 801.20 -5.00 24,373						
Silver (CMX)-5,000 troy oz.; \$ per troy oz.						
Sept 1411.10 1417.15 1403.00 1404.02 -0.10 421						
Dec 1421.15 1431.15 1407.00 1414.12 -0.10 178,627						
Crude Oil, Light Sweet (NYM)-1,000 bbls.; \$ per bbl.						
Oct 68.74 69.91 67.94 68.99 0.40 181,504						
Nov 68.57 69.70 67.79 68.77 0.36 363,159						
Dec 68.49 69.57 67.74 68.67 0.32 288,844						
Jan'19 68.41 69.40 67.65 68.54 0.29 154,562						
June 67.42 68.21 66.71 67.56 0.29 166,544						
Dec 65.73 66.47 65.15 65.99 0.30 233,942						
NY Harbor Ursd (NYM)-42,000 gal.; \$ per gal.						
Oct 2.2294 2.2338 2.1935 2.2092 -0.0143 103,114						
Nov 2.2336 2.2373 2.1972 2.2130 -0.0134 85,117						
Gasoline-NY Rbob (NYM)-42,000 gal.; \$ per gal.						
Oct 1.9993 2.0015 1.9604 1.9702 -0.0227 94,052						
Nov 1.9834 1.9871 1.9482 1.9591 -0.0173 141,456						
Natural Gas (NYM)-10,000 MMBtu; \$ per MMBtu.						
Oct 2.810 2.814 2.762 2.767 -0.050 131,952						
Nov 2.796 2.802 2.747 2.751 -0.049 240,723						
Dec 2.884 2.890 ▼ 2.840 2.843 -0.047 166,489						
Jan'19 2.975 2.981 ▼ 2.930 2.934 -0.048 189,775						
March 2.850 2.855 ▼ 2.810 2.814 -0.044 201,437						
April 2.606 2.610 2.575 2.582 -0.028 161,926						

Agriculture Futures

	Contract				Open interest	
	Open	High	Low	Settle	Chg	
Corn (CBT)-5,000 bu.; cents per bu.						
Sept 338.50 338.75 337.50 337.00 .75 90						
Dec 350.75 352.50 349.50 351.75 1.25 965,107						
Oats (CBT)-5,000 bu.; cents per bu.						
Dec 242.50 243.25 240.25 241.75 -.75 3,508						
March'19 247.00 247.00 246.75 246.00 -.75 366						
Soybeans (CBT)-5,000 bu.; cents per bu.						
Sept 828.25 831.75 828.25 821.50 -.125 104						
Nov 833.75 838.00 829.50 830.50 -.275 436,705						
Soybean Meal (CBT)-100 tons; \$ per ton.						
Sept 307.30 -4.00 11						
Dec 314.30 315.40 308.20 308.70 -6.20 227,296						
Soybean Oil (CBT)-60,000 lbs.; cents per lb.						
Sept 27.43 -.01 282						
Dec 27.83 27.95 27.65 27.76 -.03 267,890						

Exchange-Traded Portfolios | WSJ.com/ETFresearch

Largest 100 exchange-traded funds, latest session

Friday, September 14, 2018		Closing Chg YTD		Closing Chg YTD	
ETF	Symbol	Price (%)	Chg (%)	Price (%)	Chg (%)
AlerianMLPETF	AMLP	10.90	-0.27	1.00	-0.27
CnsmStapleSelSector	XLY	116.92	-0.37	18.5	-0.37
CnsmStapleSelSector	XLP	54.76	-0.27	-3.7	-0.27
EnSelectSectorSPDR	XLE	74.26	0.53	2.8	0.53
FinSelSectorSPDR	XLF	28.23	0.71	1.1	0.71
FT DJ Internet	FDN	142.84	-0.23	30.0	-0.23
HealthCareSelSet	XLV	93.53	-0.33	13.1	-0.33
IndSelSectorSPDR	XLI	79.07	0.50	4.5	0.50
InvsQQQI	QQQ	183.99	-0.29	18.1	-0.29
InvsC&P500EW	RSP	107.74	0.13	6.6	0.13
iSh3-7YTreasuryBD	IEI	119.17	-0.13	-2.4	-0.13
iShCoreMSCIEFAFE	IEFA	63.05	-0.06	-4.6	-0.06
iShCoreMSCIEmgMk	IEMG	50.73	-0.06	-10.8	-0.06
iShCoreMSCITotMkt	ITOT	66.90	0.07	9.4	0.07
iShCoreUSAggBD	AGG	105.67	-0.09	-3.3	-0.09
iShSelectDividend	DVY	102.19	0.11	3.7	0.11
iShEdgeMSCIMinEAFE	EFAV	71.97	-0.19	-1.4	-0.19

Borrowing Benchmarks | WSJ.com/bonds

Money Rates

September 14, 2018

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Inflation		Latest	Week ago	-52-Week-High	-52-Week-Low
Aug. Index level	Chg From (%)	July 18	Aug. 17		
Switzerland	0.50	0.50	0.50	0.50	
Britain	0.75	0.75	0.75	0.25	
Australia	1.50	1.50	1.50	1.50	

International rates

Secondary market		4.281	4.201	3.434	3.372
Latest	ago	4.303	4.224	3.471	3.399

Notes on data:

U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective June 14, 2018. Other prime rates aren't directly comparable; lending practices vary widely by location. Complete Money Rates table appears Monday through Friday.

Sources: Bureau of Labor Statistics; SIX Financial Information

New Highs and Lows | wsj.com/newhighs

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. % CHG-Daily percentage change from the previous trading session.

Friday, September 14, 2018

Stock

BIGGEST 1,000 STOCKS

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are composite quotations that include primary market trades as well as trades reported by Nasdaq BX (formerly Boston), Chicago Stock Exchange, Cboe, NYSE National and Nasdaq ISYE. The list comprises the 1,000 largest companies based on market capitalization. Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume. **Boldfaced quotations** highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher.

Footnotes:
 i-New 52-week high.
 j-New 52-week low.
 dd-Indicates loss in the most recent four quarters.
 FD-First day of trading.
 Stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from 4 p.m. the previous day.

h-Does not meet continued listing standards.

i-Late filing.

q-Temporary exemption from Nasdaq requirements.

t-NYSE bankruptcy.

v-Trading halted on primary market, being reorganized under the Bankruptcy Code, or securities assumed by such companies.

MARKETS NEWS

Battered Industrial Shares Get New Wind

By AMRITH RAMKUMAR

Beaten-down shares of industrial firms are starting to bounce back, supporting major U.S. stock indexes even as sectors including technology wobble.

The S&P 500 industrials sector has risen 4.8% in the past month, making it the best-performing of the broader index's 11 groups in that span and lifting it up 2.3% despite recent swings in the market's best-performing sectors. It has risen in nine of the past 11 weeks and is at its highest level since February.

The Dow Jones Industrial Average has also outperformed recently, earlier this month narrowing the gap on the S&P 500 to its lowest level since July. The blue-chip index is up 5.8% for the year, compared with the S&P 500's 8.7%.

The Dow industrials' stability marks a shift from earlier in 2018, when trade tensions and worries about higher commodity costs battered manufacturers. Data Friday showed U.S. industrial output rose more than expected in August, lifted by strong utility and motor-vehicle production.

Industrial stocks have been among the market's worst-performing sectors in the past six months even with the U.S. economy growing at its quickest pace in years, so some analysts think more strong data could give the group a further boost. Figures from last month showed July output from factories, mines and utilities was weaker than expected.

Yet investors have re-



Some analysts think strength in the U.S. economy could continue to underpin manufacturing stocks, even as trade discussions continue.

warded industrials lately after many manufacturers reported strong second-quarter earnings despite the threat of tariffs hurting global demand.

Additionally, data earlier this past week showed a gauge of U.S. business prices in August clocked the first monthly decline in about a year and a

half, a potentially positive sign for consumer-facing firms combating higher costs. Some commodity prices have fallen lately, a potential boon for

many industrial companies.

Some analysts think strength in the U.S. economy could continue to underpin manufacturing stocks, even as

trade discussions continue. "We're focusing more on domestic demand," said Benjamin Lau, chief investment officer of Apriem Advisors, who has been slightly overweight industrials this year.

Signs that the U.S. is willing to compromise with Canada, the European Union and China on trade after reaching a deal with Mexico have also helped sentiment in the sector, analysts say. The Trump administration is giving Beijing another chance to try to stave off new tariffs on \$200 billion in Chinese exports, asking top officials for a fresh round of trade talks this month, The Wall Street Journal reported earlier this week.

Third-quarter earnings season will mark a crucial period for industrial shares, with investors increasingly looking for sectors cheaper than the broader market that can still post consistent sales growth.

However, cautious comments from industry executives or weaker-than-expected results could send the group spiraling again, putting pressure on other sectors to pick up the slack.

After machinery manufacturer Caterpillar warned in April that first-quarter results could prove to be a "high-water mark" for the year, investors have been looking for signs that the group can sustain recent growth.

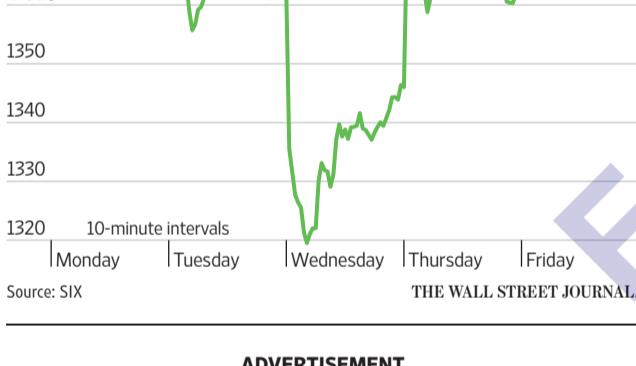
"We think that the sector may have derated enough that continued strength in earnings from here can help drive upside," Morgan Stanley analysts said in a recent note to clients.

Declining Trade Worries Buoy Major Stock Indexes

Chip Dip

Semiconductor stocks fell in recent trading sessions, but were on pace to end the week higher.

PHLX Semiconductor Index



Source: SIX

By RIVA GOLD
AND CORRIE DRIEBUSCH

Major indexes edged higher Friday, notching weekly gains as fears about an escalation in trade disputes abated.

"What's driving intraday volatility and chopiness in the market? It's going to be trade," said Shawn Cruz, who manages trading strategy at TD Ameritrade.

The Dow Jones Industrial Average rose 8.68 points, or less than 0.1%, to 26154.67. The S&P 500 ticked up 0.80 point to 2904.98, a day after the index notched its biggest gain in two weeks on Thursday. The Nasdaq Composite slipped 3.67 points to 8010.04, though it joined the other two

major indexes in posting weekly gains.

One driver of stocks' advances this week was technology companies, which had been one of the prior week's biggest decliners.

"It's good day, bad day with the chip sector, and you still have Facebook and Google under regulatory scrutiny, but the theme in tech is still positive. You're still getting good earnings reports," said Dan Morgan, senior portfolio manager at Synovus Trust.

This week, technology companies in the S&P 500 rose 1.8%, with the PHLX Semiconductor Index up 1.1%. Apple shares have risen 1.1% this week after the company announced a new lineup of mo-

bile devices.

Consumer companies declined Friday after U.S. retail sales data showed American consumers reined in their spending in August, taking a breather after very strong sales growth in July. The data come as U.S. wages rose in August, with private-sector hourly wages growing 2.9% from a year earlier, the fastest pace since mid-2009.

"If that's not translating into retail spending, retailers will feel the brunt of that move" as it costs more to pay their employees, Mr. Cruz said.

The Stoxx Europe 600 rose 0.4%. Shares in Danske Bank fell 1% after The Wall Street Journal reported that U.S. law-enforcement agencies are prob-

ing Denmark's largest bank over allegations of money-laundering flows from Russia and former Soviet states.

Japan's Nikkei closed at its highest level since early February, ending its best week since July.

Softness in the dollar and stabilization in emerging markets has helped improve investors' risk appetite.

Shoqat Bunglawala, head of the global portfolio solutions group for EMEA and Asia Pacific at Goldman Sachs Asset Management, said he is cautious on emerging markets in the short term because of issues stemming from sentiment and volatility, but in the medium term is still very positive on broader emerging markets.

The Marketplace

To advertise: 800-366-3975 or WSJ.com/classifieds

FRANCHISE

BEST FRANCHISE OPPORTUNITY

Fast-Casual PIZZA & ITALIAN

RUSSO'S NEW YORK PIZZERIA

CONTACT US — 855.978.7767
RussosFranchise.com

BUSINESS OPPORTUNITIES

Capital wanted \$5 million on \$8 million real estate 2 or 3 year note.

Property recently appraised. Lender will hold 1st mortgage position, 8-10 percent interest.

Call John for more details 918-961-7345

BUSINESS OPPORTUNITIES

www.earn11.com EARN up to 11%

INVESTING IN 1ST MORTGAGES Short Term, High Yield, Low LTV.

Secure & Great Monthly Income.

Call 800-359-1111

COMMERCIAL REAL ESTATE

LAND WANTED

Investor seeking waterfront land for development.

Approved subdivisions ok.

Must have navigable water.

Cash buyer. Call 804-539-6734 or 864-420-3758.

TRAVEL

Save Up To 60%

First & Business INTERNATIONAL

Major Airlines, Corporate Travel Never Fly Coach Again!

www.cooktravel.net (800) 435-8776

THE WALL STREET JOURNAL THE MARKETPLACE

(800) 366-3975 | sales.mart@wsj.com

© 2018 Dow Jones & Company, Inc. All Rights Reserved.

EARN 6% PER YR.

LTV 50% - OTC TENANT

Good Profits & Good B/S

\$900,000 First Mortgage

Call 805.565.7521

Head of Deutsche Investment Bank to Stay

By JENNY STRASBURG

Deutsche Bank AG renewed the contract of the head of its investment bank, Garth Ritchie, during a supervisory-board meeting Friday, according to a person familiar with the matter.

Mr. Ritchie was named sole head of the investment bank earlier this year, after serving as head of global markets and co-head of investment banking.

The Wall Street Journal reported in April that Mr. Ritchie had discussions with Deutsche Bank's chairman and others about potentially leaving the bank as soon as this year. Days later, he was named sole investment-banking chief in an overhaul that included the naming of a new chief executive, Christian Sewing.

Mr. Ritchie's current management-board term expires at the end of this year. The supervisory board renewed his contract for five years in a unanimous vote at a meeting in Hamburg on Friday, the person said.

Mr. Ritchie has worked at Deutsche Bank since 1996 and

has served on the management board since January 2016.

Deutsche Bank's supervisory board, which hires, fires and oversees the lender's top executives, was meeting into the weekend for an annual

session to discuss corporate strategy, structure, performance and management. The bank's top executives will also present business assessments and answer questions.

Persistent management uncertainty and defections have complicated a troubled turnaround at Germany's biggest lender, which faces speculation about whether it might merge with rival Commerzbank AG.

Representatives of the banks haven't directly commented on the speculation; people close to the lenders and government officials in recent months have considered such a merger possible, though not imminent.

Deutsche Bank may also have a new investor in coming months as embattled Chinese conglomerate HNA Group Co. plans to unload its entire 7.6%

stake in the bank as part of a plan to shrink its global footprint, the Journal has reported.

Mr. Ritchie, a South African longtime equities-trading executive, oversees Deutsche Bank's biggest division by revenue and, historically, its profit engine. But the investment bank has struggled to maintain market share in a range of trading and advisory businesses. The consistent stream of banker, trader and senior-management departures has further fueled investor concern about future profits.

Mr. Ritchie is one of nine management-board members, down from 12 before the CEO change earlier this year. He's one of two presidents directly under the CEO; the other is Karl von Rohr, the bank's chief administrative officer.



Ritchie

Garth Ritchie had earlier been in discussions about potentially leaving the German bank.

Showroom

To advertise: 800-366-3975 or WSJ.com/classifieds

MERCEDES BENZ

1971 Mercedes Benz 300 Sel

Rare 6.3 liter with only 9000 actual Miles this car is in museum quality a true gem stored and preserved in a temperature controlled environment fully equipped all options including sunroof 100% original untouched. This car is truly perfect! Offered by owner at \$159,900

Can arrange shipping (773) 815-0406

THE WALL STREET JOURNAL SHOWROOM

(800) 366-3975

sales.showroom@wsj.com

For more information visit:

wsj.com/classifieds

© 2018 Dow Jones & Company, Inc. All Rights Reserved.

MARKETS NEWS

Yield on 10-Year Note Flirts With 3%

By SAM GOLDFARB

U.S. government bond prices fell Friday, briefly pushing the yield on the 10-year note above 3% for the first time since early August, as investors' appetite for Treasurys was once again tested by forecasts for higher interest rates and continued strength in the U.S. economy.

The yield on the benchmark 10-year Treasury note briefly reached as high as 3.001% early in the U.S. trading session.

It settled at 2.992%, compared with 2.964% Thursday.

Yields, which rise as bond prices fall, have climbed in recent weeks, as factors constraining their rise, including concerns about trade tensions and emerging-market economies, have receded.

At the same time, forces pushing them higher, such as solid U.S. economic data, have remained in place.

The 10-year yield's move to 3% will bring increased scrutiny to the bond market, with investors watching to see whether the yield can break through a level that has previously acted as a ceiling this year.

The 10-year Treasury yield is of great importance to the global economy, serving as benchmark for a range of interest rates used by consumers, businesses and governments.

The yield has moved above 3% on a few occasions this year, only to quickly fall back down again, ensuring that the credit environment for consumers and businesses remains relatively favorable, even as the Federal Reserve has steadily raised short-term interest rates.

Oil Prices Bounce Back on Strong Demand

By DAN MOLINSKI
AND CHRISTOPHER ALESSI

COMMODITIES Oil prices rebounded Friday from big losses a day earlier as investors eyed strong global demand, shrinking crude exports from Iran and low U.S. inventories.

Liquid sweet crude for October delivery ended 0.6% higher at \$68.99 a barrel on the New York Mercantile Exchange. The U.S. benchmark oil price ended the week nearly 2% higher than where it began. Brent crude, the global benchmark, slipped 0.1% to \$78.09 a barrel.

The latest oil market report from the International Energy Agency released Thursday "painted a rather bullish picture," said JBC Energy.

The report showed global oil demand increased by around 100,000 barrels a day in 2017, 2018, and 2019, JBC Energy noted.

That continued strength in



CALIGHAN O'SHAKE/BLOOMBERG NEWS

U.S. commercial crude-oil inventories fell by 5.3 million barrels last week to 396 million barrels.

demand points to a possible and eventual global supply squeeze, in part because U.S. oil sanctions against Iran will continue to have a bigger effect over the coming weeks

and months, said Gene McGillian, vice president of research at Tradition Energy.

Oil's move on Friday, Mr. McGillian said, is a result of "the combination of demand

improving next year and the reduced exports from Iran, plus, this week's inventory report on U.S. crude stocks that were at a 3½ year low."

The federal Energy Infor-

mation Administration on Wednesday reported U.S. commercial crude-oil inventories fell by 5.3 million barrels last week to 396 million barrels, the lowest since 2015.

Oil prices pared some of their gains Friday afternoon after a report from oilfield-services company Baker Hughes that showed the total number of active oil rigs in the U.S. jumped by seven in the latest week, to 867. Despite the weekly bump, the total remains hemmed inside a rather tight, four-month-old range between 858 and 869.

Despite Friday's rise in prices, Alfonso Esparza, senior analyst at foreign-exchange trading group Oanda, said oil faces some headwinds in the coming days and weeks, especially as the dollar begins to rebound from a nearly six-week low.

"Geopolitical factors like the U.S.-China trade tensions will continue to put downward pressure on crude prices," Mr. Esparza said.

Citi Fined Over Its 'Dark Pool'

By MICAH MAIDENBERG
AND ALEXANDER OSIPOVICH

Citigroup Inc. will pay regulators \$12.9 million to settle charges related to its operation of a "dark pool" trading platform called Citi Match.

The Securities and Exchange Commission said the Citi affiliate that marketed Citi Match misled users between at least December 2011 and June 2014 by informing them that high-frequency traders weren't permitted to trade in the pool.

Dark pools are private, off-exchange stock-trading venues that arrange transactions without broadcasting their users' orders to the broader market. They are often used by big investors that want to buy or sell large quantities of shares without tipping off other market players about

their intentions.

Such investors are often wary of letting high-frequency traders see their orders, fearing the traders will infer a large buyer or seller is at work. That can cause the speedy trader to adjust its price quotes in response, and the investor getting a worse price for its transaction.

In the Citi example, the users of the dark pool, such as mutual fund and retirement fund advisers, paid what the SEC called a "relatively high commission rate" that was generally a penny per share to trade in Citi Match.

One PowerPoint presentation frequently used to market Citi Match said "No High Frequency Flow," the SEC said.

However, two high-frequency trading firms accounted for more than 17% of all transactions by dollar vol-

ume in Citi Match during the period the SEC reviewed, the agency said.

In addition, the affiliate failed to tell customers that nearly half of the orders in Citi Match were routed to and executed in other trading venues. Some customers received notices saying trades were made in Citi Match when they weren't, according to the SEC.

"All trading venues, regardless of their trade volume, must ensure that their users have accurate information, particularly about key issues like order routing," said Joseph Sansone, chief of the SEC enforcement division's market abuse unit.

Citigroup agreed to the settlement without admitting or denying the SEC's findings. A spokeswoman for Citigroup said the company was pleased to have the matter resolved.

Dollar Rises Despite Mixed Picture on Retail Spending

By DANIEL KRUGER

The U.S. dollar rose Friday after data showed that consumers are increasingly confident in their outlook for the economy.

The WSJ CURRENCIES Dollar Index, which measures the U.S. currency against a basket of 16 others, climbed 0.4% to 89.59.

The dollar rose after the University of Michigan said its preliminary index of U.S. consumer sentiment had moved up to its second-highest reading since 2004. The index measured 100.8 this month, up from August's final reading of 96.2. Economists in a Wall Street Journal survey predicted 86.1.

The improvement in sentiment comes after last week's

Labor Department report that showed average hourly earnings rose 2.9% in the 12-month period ended in August, the fastest since 2009.

The increase in wages is happening after 95 consecutive months of job growth—much of it near or slightly below the 200,000 monthly mark.

A Commerce Department report Friday presented a mixed picture on retail sales. Purchases at retail stores and restaurants rose 0.1% from the prior month to a seasonally adjusted \$509 billion in August, well below the 0.4% increase economists surveyed by The Wall Street Journal had expected.

Still, revised data showed retail sales rose 0.7% in July, up from an initially reported 0.5% increase.

TASTE THE REAL THING.

Genuine Extra Virgin Olive Oil Straight From Italy (Plus FREE Shipping)

As green and gold as the olives it was born from, true Italian Extra Virgin Olive Oil has a rich, complex taste that delicately flavors the food it's paired with. For four generations and over a century, the Carli family has been passionately devoted to producing the best olive oil — fruity, delicate, with a light almond taste and a famously low acidity. Unlike the imitations, Olio Carli's Extra Virgin Olive Oil is made from the first cold press of the finest olives, picked when they are perfectly ripe and pressed as quickly as possible to lock in the flavor.

Today, fresh Olio Carli is delivered by truck to over 700,000 homes in Italy in the same way that milk used to be delivered in the U.S. Olio Carli is the third leading brand in Italy, and now has over 50,000 customers in the U.S. where it is delivered direct to the home. Olio Carli's Extra Virgin Olive Oil is only delivered fresh and is not sold in stores.

We're pleased to offer readers a 66% discount until October 15th only.

- Three 16.9 oz Bottles of our Finest Extra Virgin Olive Oil
- FREE Ceramic Oil Carafe
- FREE Shipping & Handling

You pay just \$19.99



Olio Carli

100% Italian, Guaranteed!

Complete Satisfaction or Your Money Back

The Carli company guarantees the quality of its products.

If at any time you are unhappy, you can return them at our cost.

This offer is intended for new customers only, and can be used only once per customer.



Order NOW at www.oliocarli.us/jeb or call toll free 1866-259-3165
(and mention Promo Code JEB)

EXCHANGE

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Car Makers Have a Lot to Lose in China

But how much precisely? Investors need a better idea of what's at stake as the world's largest auto market slows

By STEPHEN WILMOT

Car sales in China have shifted into reverse, but figuring how exposed the world's biggest auto makers are to the world's biggest car market is almost impossible.

Most major car makers have done very well in China, including through joint ventures with Chinese peers. Nissan and Volkswagen get nearly a quarter of their pretax profit from those businesses, and General Motors isn't far behind.

What the car companies don't tell investors is how much they earn from exports, royalties and parts sales in China, which can be significant and aren't fully disclosed.

The same goes for the rare cases where there are losses. For example, the depth of Ford's China problem isn't visible in its joint venture, which roughly broke even in the second quarter. Coming clean about its actual exposure, Ford said it lost \$483 million in China in the quarter, largely because it is selling fewer imported Explorers and spending more to design new models to be sold by the JV. Ford's stock has fallen 11% since the July revelation as investors have brought down their profit forecasts for 2018.

After years of rapid growth, the Chinese market is far larger than its counterparts in the West, with more than 24 million cars sold last year compared with roughly 17 million in the U.S. and 15 million in the European Union. But sales fell 7% in August compared with a year earlier, according to the China Passenger Car Association, following declines of 6% in July and 3% in June.

The numbers are likely to get worse. Sales last fall were boosted by tax incentives, and a crackdown on lending has hurt the lower end of the car market. The trade feud

with the U.S., which led to higher tariffs on U.S.-built cars exported to China in July, will also likely weigh on sales.

The slowdown makes it important to understand how much money global car giants like General Motors and Volkswagen earn in China. Unfortunately, the complexity of flows between the companies' Chinese joint ventures and their wholly owned operations makes this impossible to work out precisely. It is likely that global car makers use the opacity to play down Chinese profits in their accounts because investors see them as risky or to avoid extra scrutiny from the government.

Companies need to better disclose sales from imports of high-end cars to China's wealthy coastal markets, parts sales to joint ventures and royalties from them for designs. For the German brands, these profits are almost certainly greater than those of their joint ventures. Brokerage Bernstein estimates that China contributed roughly €5.5 billion (\$6.4 billion) in profit, or more than 40% of the total, to both BMW and Daimler's Mercedes-Benz last year. Conversely, we wouldn't know the extent of Ford's Chinese travails if the auto maker hadn't spelled them out.

The Germans have the most to lose in China, but have been protected from the slowdown by their strong brands. For them, the tariffs on U.S.-built cars exported to the country are a bigger problem. A decision to split the cost of the tariff with its Chinese customers will hit BMW's profits by roughly €300 million this year, while Daimler blamed the tariffs in part for a June profit warning.

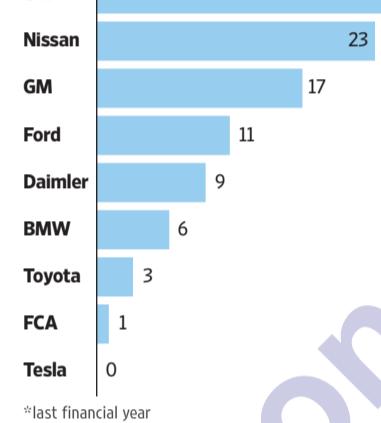
Mass-market global manufacturers like GM and Nissan may struggle more with the deteriorating market backdrop. GM warned in



Car sales have started to slow in China. Ford revealed it lost \$483 million in the country in the second quarter.

Fragile China

Chinese joint-venture net profits as a share of group pretax profits*



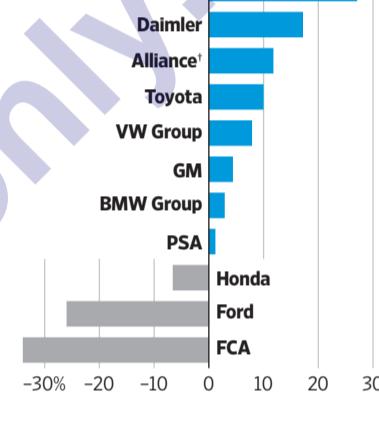
*last financial year
†Renault-Nissan-Mitsubishi

Sources: the companies (joint ventures); Wind Info, China Passenger Car Association (change); CarSalesBase (sales)

China's monthly car sales Change from a year earlier



Unit car sales in China Jan.-July '18 vs. Jan.-July '17



THE WALL STREET JOURNAL.

July that its Chinese JV would face more competition in the second half. And the weaker Chinese currency is a problem for everyone.

Car makers aren't the only ones overexposed to China. Luxury groups like Moët Hennessy Louis Vuitton LVMH and Gucci-owner Kering typically make between

30% and 40% of their sales from Chinese consumers. Because sales are growing faster in China than elsewhere, the industry's growth is even more dependent on the country. This became clear in late 2015, when the yuan devaluation made Chinese consumers cautious and handbag sales suddenly hit a wall.

The difference is that investors know how important China is to makers of fancy bags and watches. Most of the world's automotive giants offer no indication of how much is at stake. As warning signs mount, car makers shouldn't wait for a Ford-style collapse to bring the market up to speed.



Retail: TIMOTHY FADEL/BLOOMBERG NEWS; GETTY IMAGES

Surveys suggest Walmart has been aggressive on prices lately.

A Reality Check for The Retail Revival

Slowing sales growth raises questions

By JUSTIN LAHART

About that retail revival. It might be less powerful than investors think.

Strong second-quarter results from many retailers bolstered the optimistic view that industry bulls have been spinning this year. Stores have finally started to figure out **Amazon.com**, developing clicks and mortar strategies that are helping them defend their turf against the online giant. It is part of why stocks of retailers have been among the year's best performers.

But Friday's retail sales report suggests that the third quarter might not be as rosy as the second. The Commerce Department reported that overall sales rose just 0.1% in August from a month earlier, after rising 0.7% in July. That was the slimmest gain since January, when sales declined.

The sales report hardly counts as a death knell for the American consumer, but it does suggest that the very strong retail sales figures from the three months ended in July, which coincides with the fiscal second quarter for most retailers, weren't sustainable.

The details of the report rein-

force this sense. Department store sales fell 1% in August after gaining 1.4% in July. Furniture and home-furnishing store sales fell 0.3% after a flat reading a month earlier. And apparel and accessory store sales slipped 1.7% after gaining 2.2%.

Online sales appear to have moderated as well. Nonstore retail sales—a category dominated by Amazon—increased by 0.7% in August, versus a July gain of 1.5%. Even so, nonstore retailers' share of sales excluding auto dealers, gasoline stations and restaurants and bars climbed slightly to a record 19.1% from 19%. So Amazon is still making inroads.

And the competition among other retailers remains intense. Price surveys conducted by Wolfe Research analyst Scott Mushkin show that Walmart has been aggressive on prices, holding them steady and in some cases reducing them. Thursday's inflation report from the Labor Department showed that apparel prices slipped by 1.6% in August from a month earlier.

Anybody who thinks retailing suddenly became easy could be in for a big disappointment.

OVERHEARD

Botox isn't just for baby boomers. That has long been the view of Allergan, which makes the antiwrinkle treatment.

Next up, millennials, the oldest of whom are now approaching 40. Allergan announced at an investor presentation that it will begin running a new ad campaign for Botox called "Bo-curious." The ads are still under development, but a concept reel shown Friday included music from Katy Perry's 2008 hit "I Kissed a Girl." Potential customers viewing the ad likely won't need any medical treatment to raise their eyebrows.

The ad fits with Allergan's effort to boost sales of Botox by marketing it to younger people and to men. After all, total Botox sales reached nearly \$1 billion in the second quarter, so generating additional growth will take some effort.

Still, using the term Bo-curious to get these people interested in Botox is curious on its own. The phrase invokes the term "bisexual," defined by the Urban Dictionary as an "intense interest in bisexuality."

That is certainly one way to get people of all ages and genders talking.



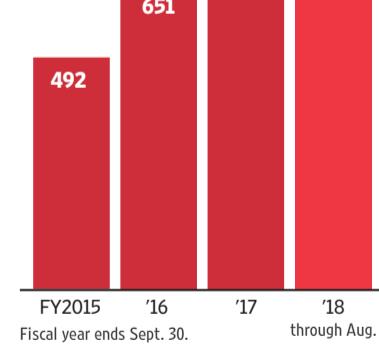
The Worst Is Over for Generic-Drug Stocks

There are signs that the industry's long stock-market nightmare is ending

By CHARLEY GRANT

Peaking

Approved generic-drug applications



Fiscal year ends Sept. 30.

Source: Food and Drug Administration

THE WALL STREET JOURNAL.

RBC Capital Markets. That is important for investors; consider that Teva trades at less than eight times forward earnings. Include debt however, and its valuation of 10 times Ebitda looks more expensive.

While those moves have resulted in lowered short-term profitability, they have made it easier to generate growth in the future. As Mr. Stanicky, who anticipated the sector's downturn back in 2016, put it, "The result of the decline in earnings we have seen over the last couple of years is ultimately going to be a positive."

While generic approvals could set another record this fiscal year, the rate of growth is slowing from recent years. And applications are actually behind last year's pace.

Investors shouldn't expect an immediate stock surge; for one thing, the price-fixing investigation is still open. And the sector likely needs more time to reduce debt.

But this time, patience should pay off: Years of ugliness have helped create a much prettier picture.

Those measures have set the industry up for a rebound. For starters, three of the five largest U.S. generic-drug companies will reduce their leverage to less than three times earnings before interest, taxes, depreciation and amortization by the end of next year, according to Randall Stanicky at



Infernal Visions
People have feared Hell
for thousands of years.
Do we still? C5

REVIEW

THE WALL STREET JOURNAL.

Win With Willkie!
What happens when a rogue
businessman hijacks the
Republican Party?
Books C7



CULTURE | SCIENCE | POLITICS | HUMOR

**** SATURDAY/SUNDAY, SEPTEMBER 15 - 16, 2018 | C1

THE HUMAN PROMISE OF THE AI REVOLUTION

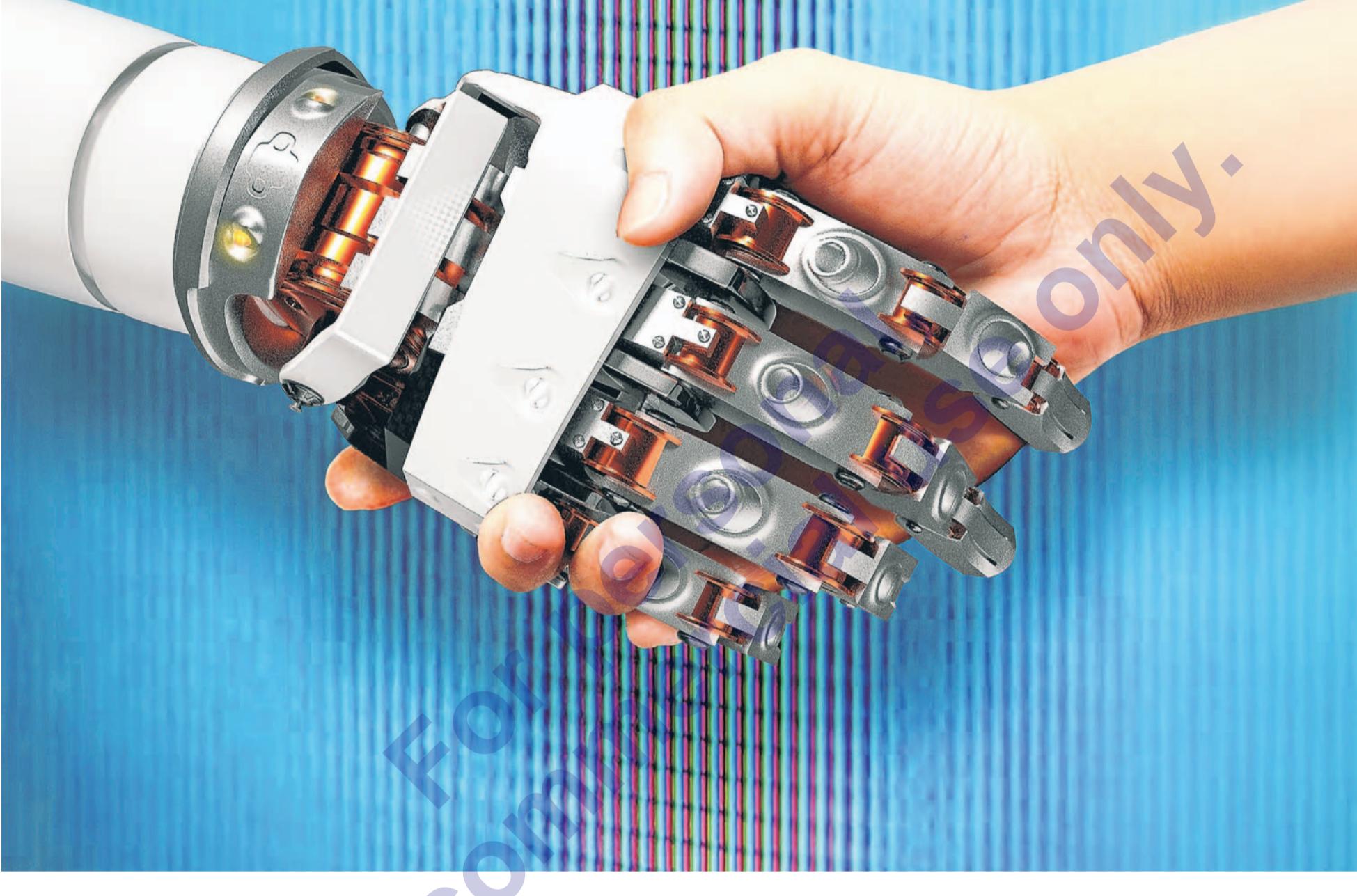


PHOTO ILLUSTRATION BY EDDIE GUY; GETTY IMAGES (ROBOT, BOOKS)

Artificial intelligence will radically disrupt the world of work, but the right policy choices can make it a force for a more compassionate social contract.

By Kai-Fu Lee

derstand the universe that they will act as omnipotent oracles, answering humanity's most vexing questions and conjuring brilliant solutions to problems such as disease and climate change.

But not everyone is so optimistic. The best-known member of the dystopian camp is the technology entrepreneur Elon Musk, who has called super-intelligent AI systems "the biggest risk we face as a civilization," comparing their creation to "summoning the demon." This group warns that when humans create self-improving AI programs whose intellect dwarfs our own,

"Pepper," a robot manufactured by SoftBank Robotics, is designed to interact with human beings.

Artificial intelligence is a technology that sparks the human imagination. What will our future look like as we come to share the earth with intelligent machines? Our minds gravitate to extremes, to the sharply contrasting visions that have captured public attention and divided much of the technological community. As a longtime AI researcher and venture capitalist in China and the U.S., I've observed these two camps across continents and over many decades.

Utopians believe that once AI far surpasses human intelligence, it will provide us with near-magical tools for alleviating suffering and realizing human potential. In this vision, super-intelligent AI systems will so deeply understand the universe that they will act as omnipotent oracles, answering humanity's most vexing questions and conjuring brilliant solutions to problems such as disease and climate change.

But not everyone is so optimistic. The best-known member of the dystopian camp is the technology entrepreneur Elon Musk, who has called super-intelligent AI systems "the biggest risk we face as a civilization," comparing their creation to "summoning the demon." This group warns that when humans create self-improving AI programs whose intellect dwarfs our own,

we will lose the ability to understand or control them.

Which vision to accept? I'd say neither. They simply aren't possible based on the technology we have today or any breakthroughs that might be around the corner. Both scenarios would require "artificial general intelligence"—that is, AI systems that can handle the incredible diversity of tasks done by the human brain. Making this jump would require several fundamental scientific breakthroughs, each of which may take many decades, if not centuries.

The real battles that lie ahead will lack the apocalyptic drama of Hollywood blockbusters, but they will disrupt the structure of our economic and political systems all the same. Looming before us in the coming decades is an AI-driven crisis of jobs, inequality and meaning. The new technology will wipe out a huge portion of work as we've known it, dramatically widening the wealth gap and posing a challenge to the human dignity of us all.

This unprecedented disruption requires no new scientific breakthroughs in AI, just the application of existing technology to new problems. It will hit many white-collar professionals just as hard as it hits blue-collar factory workers.

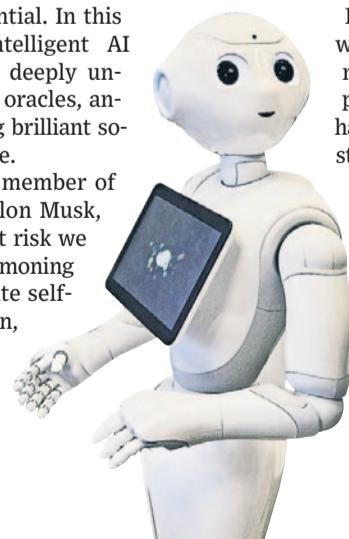
Despite these immense challenges, I remain hopeful. If handled with care and foresight, this AI crisis could present an opportunity for us to redirect our energy as a society to more human pursuits: to taking care of each other and our communities. To have any chance of forging that future, we must first understand the economic gauntlet that we are about to pass through.

Many techno-optimists and historians would argue that

Please turn to the next page

“

AI can let us inject more pride and dignity into work focused on enhancing our communities.



This essay is adapted from Dr. Lee's new book, "AI Superpowers: China, Silicon Valley and the New World Order," which will be published by Houghton Mifflin Harcourt on Sept. 25. He is the Chairman and CEO of Sinovation Ventures and the former president of Google China.

Inside

LAW

The modern Supreme Court has become more powerful, and more partisan, than the founders ever intended. C3



Nap Time

Jason Gay relishes daytime shut-eye. Convincing his kindergartner is another matter. C6

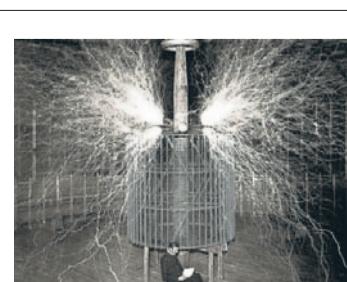
CULTURE

Sell tourist trinkets to survive? Some booksellers on the storied banks of the Seine are declaring *jamais!* C4



TECHNOLOGY

Tesla, the Man
The electric car's namesake was brilliant at invention, awful at business. C3



REVIEW

Continued from the prior page
productivity gains from new technology almost always produce benefits throughout the economy, creating more jobs and prosperity than before. But not all inventions are created equal. Some changes replace one kind of labor (the calculator), and some disrupt a whole industry (the cotton gin). Then there are technological changes on a grander scale. These don't merely affect one task or one industry but drive changes across hundreds of them. In the past three centuries, we've only really seen three such inventions: the steam engine, electrification and information technology.

Looking at this smaller data set, we have a mixed bag of economic impacts. The steam engine and electrification created more jobs than they destroyed, in part by breaking down the work of one craftsman into simpler tasks done by dozens of factory workers. But information technology (and the associated automation of factories) is often cited by economists as a prime culprit in the loss of U.S. factory jobs and widening income inequality.

The AI revolution will be of the magnitude of the Industrial Revolution—but probably larger and definitely faster. Where the steam engine only took over physical labor, AI can perform both intellectual and physical labor. And where the Industrial Revolution took centuries to spread beyond Europe and the U.S., AI applications are already being adopted simultaneously all across the world.

AI's main advantage over humans lies in its ability to detect incredibly subtle patterns within large quantities of data and to learn from them. While a human mortgage officer will look at only a few relatively crude measures when deciding whether to grant you a loan (your credit score, income and age), an AI algorithm will learn from thousands of lesser variables (what web browser you use, how often you buy groceries, etc.). Taken alone, the predictive power of each of these is minuscule, but added together, they yield a far more accurate prediction than the most discerning people are capable of.

For cognitive tasks, this ability to learn means that computers are no longer limited to simply carrying out a rote set of instructions written by humans. Instead, they can continuously learn from new data and perform better than their human programmers. For physical tasks, robots are no longer limited to repeating one set of actions (automation) but instead can chart new paths based on the visual and sensor data they take in (autonomy).

Together, this allows AI to take over countless tasks across society: driving a car, diagnosing a disease or providing customer support. AI's superhuman performance of these tasks will lead to massive increases in productivity. According to a June 2017 study by the consulting firm PwC, AI's advance will generate \$15.7 trillion in additional wealth for the world by 2030. This is great news for those with access to large amounts of capital and data. It's very bad news for anyone who earns their living doing soon-to-be-replaced jobs.

There are, however, limits to the abilities of today's AI, and those limits hint at a hopeful path forward. While AI is great at optimizing for a highly narrow objective, it is unable to choose its own goals or to think creatively. And while AI is superhuman in the coldblooded world of numbers and data, it lacks social skills or empathy—the ability to make another person feel understood and cared for. Analogously, in the world of robotics, AI is able to handle many crude tasks like stocking goods or driving cars, but it lacks the delicate dexterity needed to care for an elderly person or infant.

What does that mean for workers who fear being replaced? Jobs that are asocial and repetitive, such as fast-food preparers or insurance adjusters, are likely to be taken over in their entirety. For jobs that are repetitive but social, such as bartenders and doctors, many of the core tasks will be done by AI, but there remains an inter-

"Han" (above) and "Sophie" (below) are robots developed by Hanson Robotics.

active component that people will continue to perform. The jobs that will be safe, at least for now, are those well beyond the reach of AI's capabilities in terms of creativity, strategy and sociability, from social workers to CEOs.

Even where AI doesn't destroy jobs outright, however, it will exacerbate inequality. AI is inherently monopolistic: A company with more data and better algorithms will gain ever more users and data. This self-reinforcing cycle will lead to winner-take-all markets, with one company making massive profits while its rivals languish.

a new caste system, split into a plutocratic AI elite and the powerless struggling masses.

Recent history has shown us just how fragile our political institutions and social fabric can be in the face of disruptive change. If we allow AI economics to run their natural course, the geopolitical tumult of recent years will look like child's play.

On a personal and psychological level, the wounds could be even deeper. Society has trained most of us to tie our personal worth to the pursuit of work and success. In the coming years, people will watch algorithms and robots easily outmaneuver them at tasks they've spent a lifetime mastering. I fear that this will lead to a crushing feeling of futility and obsolescence. At worst, it will lead people to question their own worth and what it means to be human.

So what can be done?

This grim vision is shared by many technologists in Silicon Valley, and it has sent them casting about for solutions. As the architects and profiteers of the AI age, they feel a mix of genuine social responsibility and fear of being targeted when the pitchforks come out. In their rush for a quick fix, many of the techno-elite have seized on the idea of a universal basic income: an unconditional, government-provided cash stipend to allow every citizen to meet their basic needs.

I can see the appeal. UBI is exactly what Silicon Valley entrepreneurs love: an elegant technical solution to tangled social problems. UBI can be the magic wand that lets them wish away the messy complexities of human psychology and get back to building the technologies that "make the world a better place," while making them rich. It's an approach that maps well onto how they tend to view society: as a collection of "users" rather than as citizens, customers and human beings.

We can do better. Some form of guaranteed income may indeed be necessary, but if we allow such support to be the endgame, we will miss the opportunity presented by this transformative technology. Instead of simply falling back on an economic painkiller like a universal basic income, we should use the economic



A New Social Contract



bounty generated by AI to double down on what separates us from machines: human empathy and love.

Such a revolution in how we relate to work will require a rethink from all corners of society. In the private sector, instead of simply viewing AI as a means for cost-cutting through automation, businesses can create new jobs by seeking out symbiosis between AI optimizations and the human touch. This will be especially powerful in areas such as health care and education, where AI can produce crucial insights but only humans can deliver them with care and compassion.

Beyond the private sector, governments across the world need to start thinking now about how to use the riches generated by AI to rewrite the social contract and reorient our economies to promoting human flourishing.

At the center of this vision, I would suggest, there needs to be what I call the Social Investment Stipend, a respectable government salary for those who devote their time to three categories of activities: care work, community service and education. These activities would form the pillars of a new social contract, rewarding socially beneficial activities just as we now reward economically productive activities. The idea is simple: to inject more ambition, pride and dignity into work focused on enhancing our communities.

Care work could include parenting or home schooling of young children, assisting aging parents or helping a friend with mental or physical disabilities live life to the full. Service work would focus on much of the current work of nonprofit and volunteer groups: leading after-school programs, guiding tours at parks or collecting oral histories from elders in our communities. Supported education activities could range from professional training for the jobs of the AI age to taking classes that turn a hobby into a career.

The participation requirements of the stipend wouldn't be designed to dictate the lives of citizens. There would be a wide enough range of choices for all workers who have been displaced by AI. The more people-oriented could opt for care work, the ambitious could enroll in high-tech training, and others could take up community-service work.

By requiring some social contribution to receive the stipend, we would foster a public philosophy far different from the laissez-faire individualism of universal basic income. Providing a stipend in exchange for participation in community-building activities carries a clear message: Collective effort from people across society allowed us to reach this point of economic abundance, and now we must use that abundance to recommit ourselves to one another and to our humanity.

Many difficult questions remain to be answered, of course, before we could consider implementing such a sweeping and idealistic policy. The urgency to create, and the ability to pay for, a far-reaching Social Investment Stipend will depend on the pace and nature of AI's economic impact. But the humanistic values it embodies can serve as a guide while we navigate the treacherous waters that lie ahead. We may yet be able to harness the full potential of both machines that think and humans who love.

Max Fleischer's animated studio released a cartoon titled "Crazy Town," featuring Betty Boop and her boyfriend taking a trip to a topsy-turvy land. With birds swimming in a lake and fish flying in the sky, the couple perform the song, "Let's Go Crazy." (A somewhat similar cartoon called "Crazytown" was released by Harvey Fils in 1953.)

"Crazytown" also has been used as an affectionate moniker for hometowns. Starting in the early 1960s, the San Francisco columnist Herb Caen would sometimes use "Crazytown, USA" as the dateline for his columns as a way of poking fun at the bizarre and unpredictable goings-on in his beloved "Baghdad by the Bay."

Most of the time, however,

"crazytown," like "crazy" itself,

maintains a strong pejorative whiff of mental instability. (The "crazy" slur has recently been critiqued as an example of "ableist language," as it denigrates the mentally ill.) If Mr. Kelly did use the word to describe the White House, it's a safe bet that he wasn't likening his workplace to an entertaining carnival attraction.



WORD ON THE STREET

BEN ZIMMER

A Name for Asylums, Then for a Wild Ride, Then ...

BOB WOODWARD'S book

"Fear," a bombshell account of a White House in chaos under President Trump, was published this week. But a few days earlier, one of its most shocking revelations had already made headlines, thanks to a preview by the Washington Post. Mr. Woodward quotes White House chief of staff John Kelly as saying of the president, "He's an idiot. It's pointless to try to convince him of anything. He's gone off the rails. We're in Crazytown."

[Crazytown]

ton Post. Mr. Woodward quotes White House chief of staff John Kelly as saying of the president, "He's an idiot. It's pointless to try to convince him of anything. He's gone off the rails. We're in Crazytown."

In a statement, Mr. Kelly denied calling Mr. Trump an "idiot," but did not say specifically whether he and fellow White House staffers were, in fact, in "Crazytown."

The word attributed to Mr. Kelly has a history dating back to the late 19th century as a jocular expression to describe a place or situation that seems to lack sanity.

The first part of the compound, "crazy," goes back to the 1570s, based on an old use of the verb "craze" to mean "shatter, break into pieces." ("Crazy quilt" still maintains the sense of cracking under pressure, since the quilt's patchwork design resembles pottery made with a cracked glaze.) "Craze"

came to be applied to a person with broken-down health, particularly the mental kind, who could be described with the adjectives "crazed" and "crazy." Especially in American usage, "crazy" spread to cover not just people but foolish or disorderly states of affairs.

When "crazy" first got grafted to "town," it was sometimes used as the nickname of

an insane asylum. An article in the June 15, 1895 issue of the Montana newspaper the Anaconda Standard was headlined "Sent to Crazytown" and described a trial in which a local man was institutionalized after being judged of unsound mind.

Soon "crazytown" began to be used more broadly for wild, chaotic situations, as among enthusiastic sports fans. A 1907 account in a newspaper from Elmira, N.Y., told of a wild caravan for a local baseball team descending on Binghamton, under the headline, "Train Load of Supporters Went to Crazytown."

In 1913, Luna Park, a large amusement park in New York's

Coney Island, opened up a new attraction called "Crazytown." "It is not meant for a repetition of

New York, but is an altogether different sort of Crazytown," the New York Sun reported, noting that it was populated by Mother Goose characters with "various adventures prepared for the visitors," including a "cyclone cellar" and a slide into a haystack. By 1916, traveling carnivals were featuring their own sideshow versions of "Crazytown."

One notable use of the expression came in 1932, when



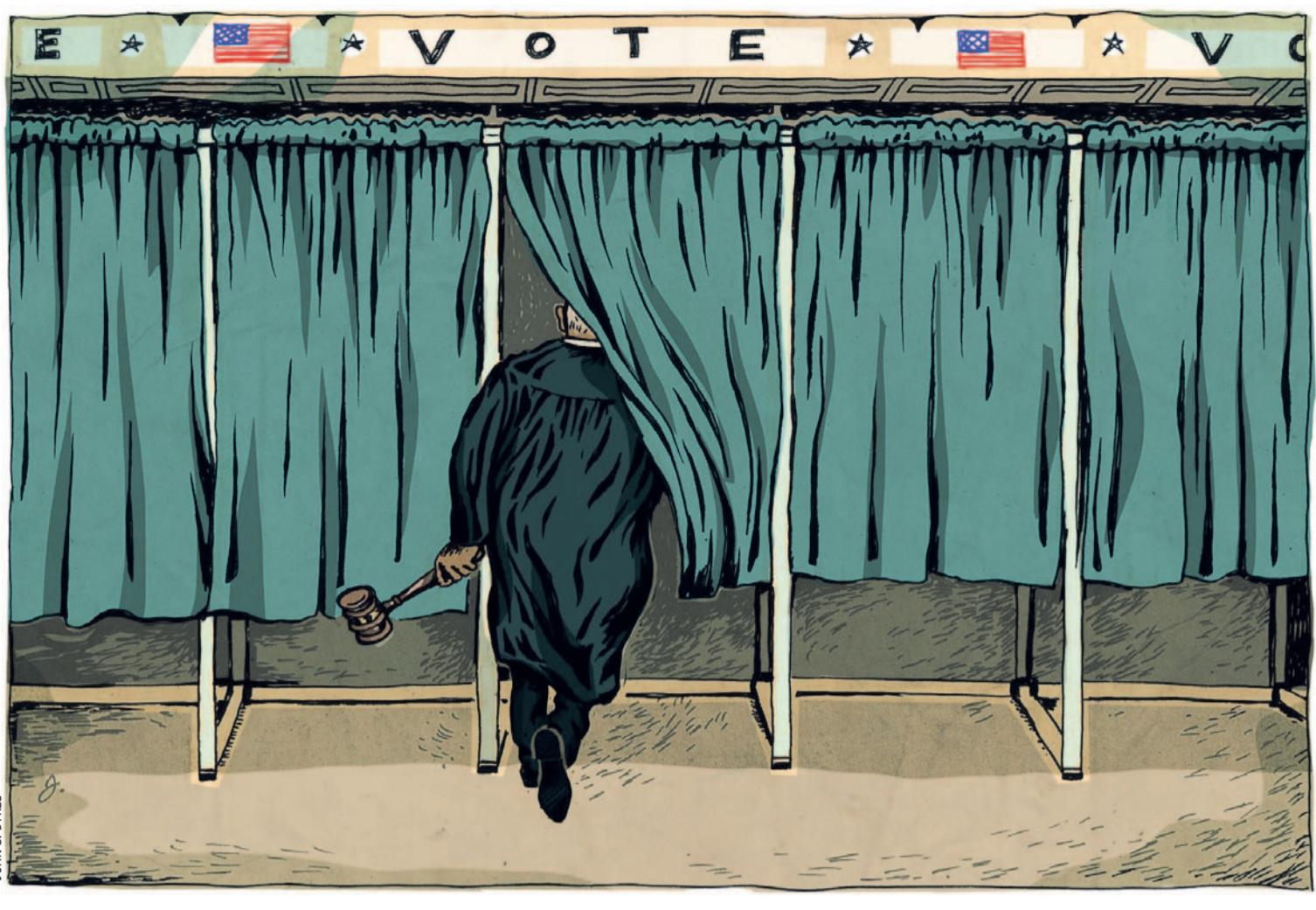
Max Fleischer's animated studio released a cartoon titled "Crazy Town," featuring Betty Boop and her boyfriend taking a trip to a topsy-turvy land.

With birds swimming in a lake and fish flying in the sky, the couple perform the song, "Let's Go Crazy." (A somewhat similar cartoon called "Crazytown" was released by Harvey Fils in 1953.)

"Crazytown" also has been used as an affectionate moniker for hometowns. Starting in the early 1960s, the San Francisco columnist Herb Caen would sometimes use "Crazytown, USA" as the dateline for his columns as a way of poking fun at the bizarre and unpredictable goings-on in his beloved "Baghdad by the Bay."

Most of the time, however, "crazytown," like "crazy" itself, maintains a strong pejorative whiff of mental instability. (The "crazy" slur has recently been critiqued as an example of "ableist language," as it denigrates the mentally ill.) If Mr. Kelly did use the word to describe the White House, it's a safe bet that he wasn't likening his workplace to an entertaining carnival attraction.

REVIEW



The Supreme Court Was Never Meant to Be Political

Since the 1950s, the justices have become ever more powerful and partisan. It's time to stop expecting them to be the ultimate arbiters of domestic law.

BY JOSEPH J. ELLIS

It is now received wisdom that perhaps the single most important power of the American president is the nomination of justices to the Supreme Court. In today's debate over the nomination of Judge Brett Kavanaugh, both sides agree that the future direction of the American republic is at stake, because the next appointment will determine the political tilt of a judicial body that has become the ultimate arbiter of the laws under which we live.

Most members of America's founding generation would have regarded this situation as strange. If you read the debates among the delegates at the Constitutional Convention of 1787, and then read their prescriptions for judicial power in Article III of the Constitution, it becomes clear that the last thing the 39 signers of the document wanted was for the Supreme Court to become supreme. They expected that status to belong to Congress, and a majority thought that each branch of government should decide the scope of its own authority. The last location the framers of the Constitution wished to place sovereignty in the government they created was the Supreme Court, the most unrepresentative body and the one most removed from the wellspring of ultimate authority in "the People."

For most of American history, the Supreme Court only infrequently stepped forward to redefine the political landscape in decisive fashion. The two most conspicuous occasions both involved the great American tragedy of race.

In *Dred Scott v. Sandford* (1857), the Court attempted to provide a legal resolution of the politically unsolvable problem of slavery. The majority opinion argued that the

framers of the Constitution clearly regarded slaves as property, and therefore the Missouri Compromise (1819) and the Compromise of 1850 were unconstitutional. This meant that the federal government had no authority to limit the expansion of slavery in the western territories, in effect endorsing its anomalous persistence within the American republic. The ruling in *Dred Scott* deepened the sectional divide that led to the Civil War, and legal scholars and historians have long considered it one of the worst Supreme Court decisions in American history.

Almost a century later, the Supreme Court in *Brown v. Board of Education* (1954) landed squarely on the other side of the racial divide, striking down the legal doctrine of "separate but equal" that the justices had upheld as a justification for racial segregation in *Plessy v. Ferguson* (1896). The Court thus placed segregation on the permanent defensive at a time when a clear majority of the white citizenry in the former Confederacy was fiercely opposed to racial integration. If only in retrospect, the *Brown* decision signaled a crucial shift in the role of the Court, the first step on its way to becoming the dominant branch of the federal government in deciding the direction of domestic policy.

The judicial revolution launched by *Brown* proceeded in a liberal direction for nearly 30 years. The liberal wave was based on the belief that the justices were interpreting a "living Constitution" that obliged them to adjust its meaning to evolving standards of justice. The liberal agenda expanded the rights of criminal suspects, broadened the definition of free speech and, in *Griswold v. Connecticut* (1965), discovered a new right to privacy. Most controversially, building on that principle, the Court affirmed a woman's right to abortion during the first trimester in *Roe v. Wade* (1973).

All
justices
should
take a
vow of
humility.

"

Then came the conservative wave. It began in July 1985, with an address by Attorney General Edwin Meese endorsing the judicial theory of "originalism," a conservative doctrine with radical implications. Originalists claimed that contemporary standards of justice cannot take precedence over the values that prevailed when the Constitution was written and ratified. All those liberal precedents were suddenly vulnerable because they violated the "original meaning" of the Constitution. One of the seductive appeals of the originalist persuasion was the claim to derive its judicial insights from the founders, who allegedly enjoyed privileged access to eternal truths.

The awkward fact about the landmark decisions of the conservative court was that the eternal truths consistently aligned with the Republican agenda, just as the decisions of the liberal court had aligned with the Democratic agenda. In *Bush v. Gore* (2001), the Court's conservative majority read the tea leaves of a baffling Florida statute to award the presidency to George W. Bush. In *District of Columbia v. Heller* (2008), the Court overturned two centuries of legal precedents to find that the Second Amendment sanctioned an almost unlimited right to own a gun. Then, in *Citizens United v. Federal Election Commission* (2010), the Court overturned a century of precedents to find that federal restrictions on corporate contributions to "electioneering communication" were unconstitutional violations of the First Amendment right to free speech.

In sum, since *Brown* we have watched the Supreme Court bend the law in two different directions, landing on one side or the other of the political spectrum based on which political party could command a 5-4 majority. The only difference between the two sides is that liberals are transparent about their political agenda, while conservatives, using originalism to make problematic claims of detachment, are not. Small wonder that recent confirmation hearings of the Senate Judiciary Committee have become television spectacles in which nominees appear as magicians who have no idea how the rabbit got into the hat.

What we are really witnessing, however, in the Kavanaugh hearings is the scene in "The Wizard of Oz" when Dorothy draws back the curtain. The nomination and appointment process has become so transparently partisan and thoroughly politicized that no exalted image of the Supreme Court as a uniquely American version of the Oracle at Delphi is sustainable any longer.

Perhaps we can take comfort in realizing that we are putting away childish things. For just as it was always delusional to believe that tongues of divine fire appeared over the heads of those 55 men gathered in Philadelphia so long ago, it was equally fanciful to believe that all controversial questions could be resolved by a tribunal of elders endowed with a preternatural affinity for the truth.

And as we understandably shed a few tears over the death of our Delphic delusion, we might gain some semblance of solace by realizing—originalists take note—that we are recovering the original intent of the founders. None of them claimed to be oracles, and they thought that anyone claiming such status was a charlatan or demagogue.

Where does that leave us? As citizens, we need to lower our expectations and realize that the Supreme Court cannot perform the impossible and otherworldly mission it has been assigned in our time. All justices should take a vow of humility, content themselves with incremental reforms of the law except on rare occasions, and thereby place the burden on Congress to perform its constitutional task of shaping the direction of domestic policy, as the founders intended.

Mr. Ellis is the author of many books on the founding era, including "American Dialogue: The Founders and Us," which will be published by Knopf on Oct. 16.

Lessons From Tesla (the Man, Not the Car)

BY JOHN F. WASIK

A HUNDRED YEARS before Elon Musk sent a Tesla car into outer space and then took the electric-vehicle company and its stock on a roller-coaster ride, that name was made famous for a time by another larger-than-life tech visionary—Nikola Tesla himself, arguably his era's greatest inventor and most ill-fated entrepreneur.

The original Tesla was in some ways a strange choice to be a namesake for a company looking to overcome obstacles and achieve groundbreaking business success. True, he pioneered many of technologies that still power and light the world (alternating current, the electric induction motor, fluorescent and neon bulbs), and he was awarded more than 300 patents.

But Tesla died virtually penniless in a New York hotel room in 1943, after failing to capitalize on his major innovations while others won fortunes and Nobel Prizes by building on his work. Until the revival of Tesla's name in recent years, it had sunk into near-obscurity except

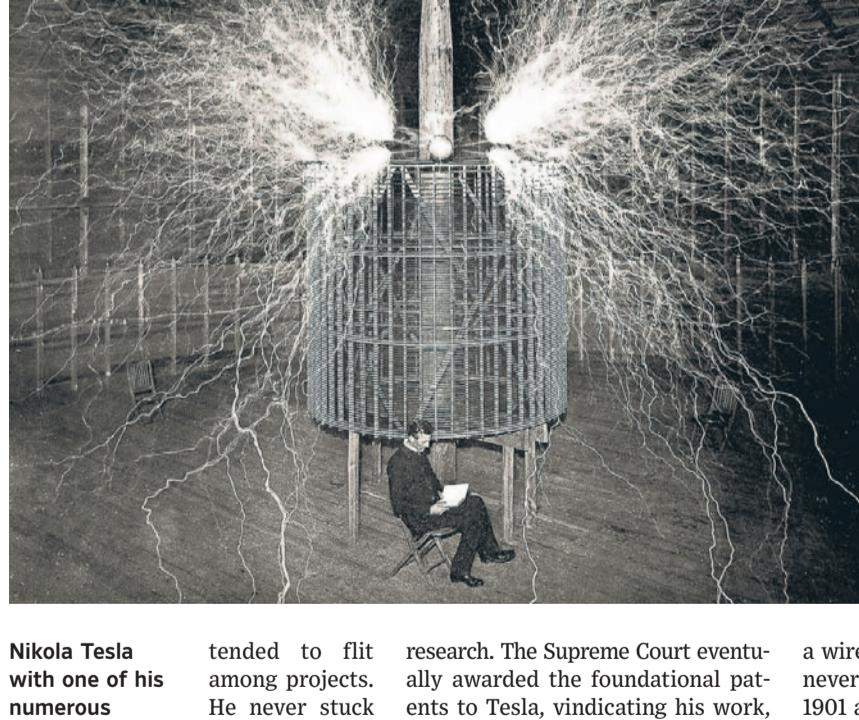
among electrical engineers.

Where did this patron saint of innovation go wrong? The disappointing career of the Serbian-born engineer is a cautionary tale, highlighting destructive habits and tendencies that kept him from realizing his most ambitious projects.

Lone-wolf behavior: Tesla frequently left jobs over disputes and didn't build a lasting, loyal team around him. After starting his career as chief electrician for the Budapest telephone exchange in 1881, he got his big break by being asked to fix power plants in Paris for Thomas Edison's company. The firm brought him to New York City, but he soon quit because of a disagreement about his bonus.

While trying to interest American investors in his idea of an alternating-current (AC) motor, he started a Tesla company of his own, making arc lamps, which were already nearly obsolete predecessors to the incandescent bulb. The older technology didn't hold his interest and his investors forced him out, with only worthless stock certificates in hand.

Lack of follow-up: Early on, Tesla



Nikola Tesla with one of his numerous inventions, the 'magnifying transmitter,' in Colorado Springs in 1899.

tended to flit among projects. He never stuck around long enough to reap rewards, leaving credit and opportunities to others.

Around 1890, he designed the basic circuits for a radio apparatus, which he called an oscillator. He applied for patents and demonstrated a radio-controlled boat in Madison Square Garden, but he failed to commercialize these innovations. Guglielmo Marconi would be recognized for inventing radio and won the 1909 Nobel Prize for related

research. The Supreme Court eventually awarded the foundational patents to Tesla, vindicating his work, but only after his death.

In 1894, Tesla also experimented with X-rays and produced what he called "shadowgraphs." But he took that work no further and instead sent his images to the German physicist Wilhelm Roentgen, who was also working on the technology. Roentgen published his own findings the next year and eventually won the first Nobel Prize for physics.

Financial naivete: The industrialist George Westinghouse financed the building of Tesla's motor and alternating current system, buying Tesla's patents in exchange for a lu-

creative royalty agreement. Tesla showcased the technology at the Columbian Exposition in Chicago in 1893 and again at the power station he designed at Niagara Falls, the world's first major hydroelectric plant. But when the enormous cost of the wiring threatened to bankrupt Westinghouse, Tesla tore up the royalty contract, which would have made him one of the richest men in the world. He was never able to replace it and lacked the capital to sustain his later projects.

Increasing tunnel vision: Tesla ultimately devoted most of his efforts to a wireless transmitting project that never proved out. He bought land in 1901 and began building a lab and a nearly 200-foot tower near Shoreham, N.Y. But in a few years he burned through his investors' initial funds and his own. By his own admission, writing in 1919, he "suffered a complete collapse" when he ran out of resources for the project. Eventually, his tower was torn down and sold for scrap to help pay his outstanding hotel bill at the Waldorf Astoria.

Mr. Wasik is the author of "Lightning Strikes: Timeless Lessons in Creativity from the Life and Work of Nikola Tesla" (2016).

REVIEW

WILCZEK'S UNIVERSE

FRANK WILCZEK

Gyrosopes,
Pulsars and the
Power of Spin

“IF MORE ATTENTION were paid to the intelligent examination of tops, there would be greater advances in mechanical engineering and a great many industries...and our knowledge of Light, and Radiant Heat, and other Electromagnetic Phenomena would extend much more rapidly than it does.”

Thus opens a charming and instructive book, “Spinning Tops and Gyroscopic Motion,” by the Irish engineer and mathematician John Perry, who died in 1920. It is based on a popular lecture that he gave in 1890. I recently came across an old Dover Press edition while browsing at a used book store in New Hampshire. After reading the first few pages, I was hooked.

The book is only 79 pages long (plus appendices). It contains 58 drawings but no equations. It weaves together demonstrations—which you have to imagine—and explanations. The technique is to build up gradually from simple situations to more complicated ones, so that each bite is digestible.

Perry devotes much of the book to the gyroscope—basically a top mounted in a frame, so that it can spin freely. The most amazing thing about gyroscopes is the simple but profound fact that they lock into a particular orientation. A rapidly spinning gyro resists attempts to change the direction of its axis, even as you carry it from one place to another. A gyro’s axis thus serves as a reference, enabling you to tell which way you’re pointing.

By contrast, no simple device can lock into your position in space. To get your location, the best you can do is to keep track of your varying accelerations over time and calculate to determine how much you’ve moved. Alternatively, the satellites that empower your GPS can do that work, and then your device triangulates to determine your position.

When Perry was writing, gyrocompasses were cutting-edge, immature technology. Today they’re a staple of nautical navigation. The axis of a north-pointing gyro appears to slowly reorient, but its direction actually remains fixed as the Earth’s rotation carries the observer with it. More generally, the use of gyros has blossomed into the field of inertial guidance. Airplanes and spacecraft would be lost (or, more accurately, dizzy) without them.

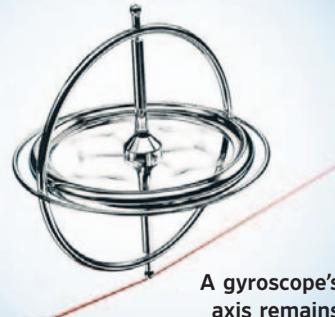
The Earth itself is a giant gyro, rotating daily. The near-constant tilt of its axis—23.5 degrees relative to the plane of its orbit around the Sun—leads to the predictable cycle of our seasons. Some of the most interesting objects in astrophysics are pulsars, which are rapidly spinning neutron stars. And now we’re beginning to observe, in spinning black holes, the embodied gyroscopic motion of geometry itself.

At the other extreme of size, we find gyroscopic motion in the heart of matter. Electrons, photons and most other fundamental particles have an intrinsic “spin.” Rotation is an essential part of their being, on the same footing as their mass. These little guys make ideally perfect gyros, since they’re insulated from friction.

Using lasers, magnetic fields and some newer tricks with quantum entanglement, we’re learning how to grip and reorient the axes of these elemental gyros. A revolution in quantum technology is emerging from our improving ability to manipulate the spins of photons and electrons (and atomic nuclei).

One of the charms of old books that make predictions is that you can see whether they got it right. John Perry looks prescient. After reading through his book in one sitting, I found that I wasn’t done with it. It kept tugging at my mind, and I kept coming back to it.

As a practicing quantum mechanic, I’m accustomed to thinking about spin through equations. Bringing that abstract variable to life, as an aspect of strange but wonderfully tangible objects, has opened a new perspective and suggested new questions. Whether it will lead to anything important, I don’t know. In any case, I’m asking Santa to bring me some high-quality tops and gyros.



A gyroscope's axis remains fixed in space.

The Storied Bookstalls Of Paris Fight for Survival

Bouquinistes along the River Seine seek protection as ‘intangible heritage’.



Jérôme Callais sets up his book stall near Paris's Pont Neuf. He is leading an effort to preserve the literary character of the stalls.

BY SAM SCHECHNER

Jérôme Callais has been selling used books from his green kiosk near the Pont Neuf bridge in Paris for nearly three decades. These days, he says, passersby would rather fiddle with their smartphones than browse his wares.

Books have been sold from wooden cases perched along the banks of the River Seine for centuries, in perhaps the most celebrated display of the country’s bibliophile tradition. But now even France is falling out of love with the printed page. The internet is forcing the closure of bricks-and-mortar bookstores across the country. Paris’s open-air booksellers, icons of the city and its reading culture, are also struggling to adjust.

Mr. Callais and the city’s other 200-some riverfront bookmongers, or bouquinistes, find themselves at a crossroads. Some have donned the mantle of free-market realists, pushing aside some of their books to make room for more profitable tourist knickknacks like Mona Lisa magnets, baguette-shaped bottle openers and Eiffel Tower keychains.

For his part, Mr. Callais hopes to arrest the march of the market with a classically French approach: an appeal for conservation. He wants his profession recognized by Unesco (the United Nations Educational, Scientific and Cultural Organization) as an “intangible cultural heritage,” like Belgian beer, Mongolian calligraphy and Brazilian samba. Such recognition, he says, would encourage the stricter application of rules limiting what the bouquinistes can sell.

The first big test for Mr. Callais’s initiative comes on Oct. 1, when a committee at France’s culture ministry is set to consider new applications for France’s national intangible-heritage list, including Mr. Callais’s 24-page submission.

“We are integral to the soul of the city,” said Mr. Callais, a former classical double-bassist who has been buying used books since he was a child. “If we don’t protect our profession, there will only be souvenir stands on the riverfront. We will be replaced by miniature Eiffel Towers.”

The profession traces its existence back to at least the 17th century. By 1723, France’s dictionary of commerce described “poor booksellers” displaying their wares along the Pont Neuf. The practice spread, and in the late 19th century, Paris authorities began letting sellers leave book crates on the riverside parapet overnight for a small fee. Today, the city licenses the bouquinistes’ 28-foot plots for free, provided the booksellers agree, among other things, to run their stalls personally at least three days a week.

The mere existence of an open-air book market in central Paris is a testament to the written word’s place at the heart of French culture. A century ago, foreign writers such as James Joyce and Ernest Hemingway flocked to the city, where they found an early audience for

their seminal works. French teachers still have their students recite texts from memory, and novelist Victor Hugo remains a national hero.

In 2017, the French bought nearly twice as many printed books per capita as Americans, according to a comparison of sales figures from market researcher GfK and book tracker NPD BookScan.

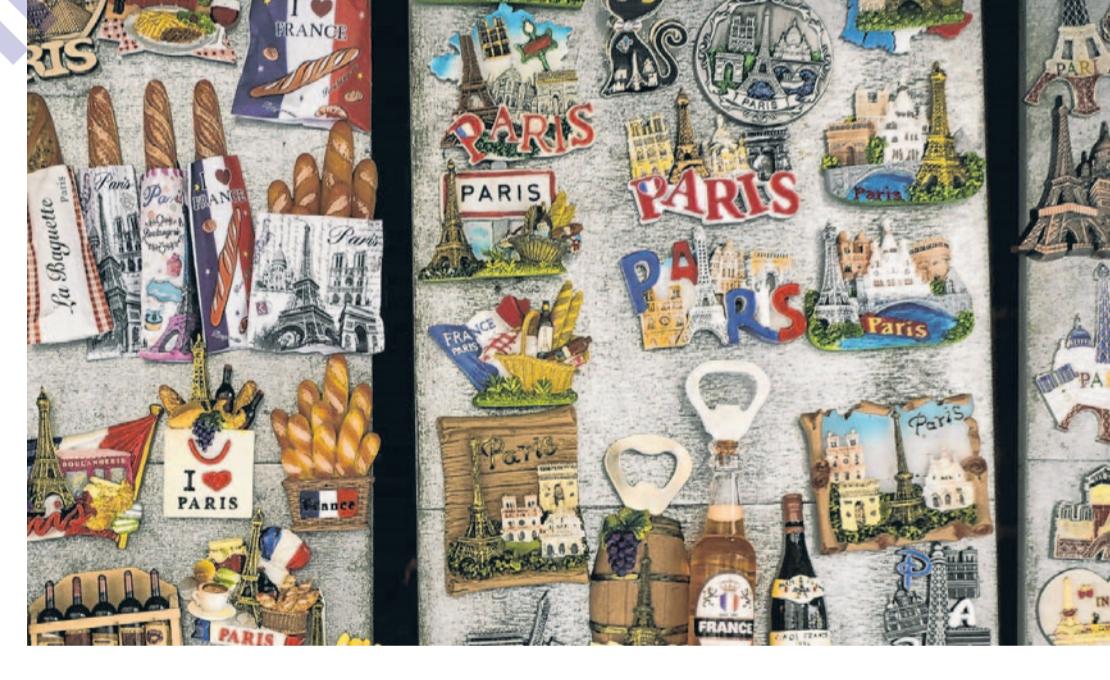
On the riverfront, the titles for sale range from the controversial Michel Houellebecq novel “Submission” to a 1951 edition of the children’s classic “Le Petit Prince.” Pascal Corseaux, a bouquiniste who recently displayed an 1859 book called “Probity Rewarded” with a gold-embossed cover, says that customers—even ones who don’t read French—often make purchases to decorate their bookshelves.

is roughly equivalent to France’s minimum wage, just over €1,500 (\$1,730). In a bad month, he says, he might bring in less than €500, from which he has to cover expenses like his merchandise and social-security taxes.

Mr. Callais became a bouquiniste instead of musician, he said, because he didn’t want to have a boss anymore. He can get by because he and his wife, a sculptor, own their apartment across the river in the heart of Paris; she largely supports the couple.

“The biggest luxury is freedom,” said the wild-haired Mr. Callais, noting that he had recently opened late to take in an exhibit first at the Pompidou Center.

Unesco has recognized Paris’s riverfront as part of the world’s cultural heritage since



Some bouquinistes have given magnets and other souvenir trinkets a significant share of their display space.

But the ground is shifting. While retail sales of printed books have ticked upward in the U.S., sales in France have fallen 7.3% from their latest peak in 2012 to just under 300 million copies in 2017, according to GfK France. People increasingly purchase even their physical books online, accounting for 20% of the total in 2017, up from 10% in 2009, according to figures from the French culture ministry.

In Paris, the number of bookstores, while high by U.S. standards, has fallen by one-third since 2000 to 703 last year, according to the Paris Urbanism Agency.

With no rent to pay, bouquinistes are in some ways insulated from the fallout. Their ranks haven’t significantly thinned, but some stalls open less frequently, and the punishing market pressures are forcing others to change how they do business.

Declining sales caused Francis Robert, a 39-year veteran of the trade, to devote one of his four crates overlooking the Seine to selling magnets, keychains and Eiffel Tower statuettes. The trinkets generate 75% of his profits. “It’s more than a crisis. It’s reality,” he said as he sold a magnet to a passerby. “To save the books, we need to sell tourism.”

Mr. Callais has resisted hawking tourist souvenirs, but in his best months his revenue

1991. But Mr. Callais says that enshrining the status of bouquinistes would encourage city authorities to enforce more strictly the rules that limit the vendors’ display of non-printed material to one box out of four. He also wants the city to allow bigger stalls and provide better lighting to let bouquinistes stay open later in the evening.

Not everyone agrees with Mr. Callais’s call for purity. Mr. Robert argues that curtailing souvenir sales could drive many bouquinistes out of business. “We need to be hybrids,” he said. “Being on a list won’t keep us alive.”

Getting recognized by Unesco could take years. Since 2015, the body has limited countries to nominating only one candidate for the list every two years, leading to a backlog. It also isn’t clear how much help a Unesco designation would give bouquinistes: Intangible-heritage listings don’t create legal obligations for governments. But Mr. Callais, who insists he isn’t out to stop all sale of tourist goods, says that a listing would help to reinforce the literary roots of his profession.

Bouquinistes have a good shot eventually of at least making it onto France’s list. “Look at the number of films in which bouquinistes are in the backdrop. Look at the number of photographs, of paintings,” said Isabelle Chave, a chief heritage curator at the French culture ministry. “We have very tangible proof of their impact on Paris.”

REVIEW



A 13th-century depiction of Hell, from the ceiling of the Baptistry of San Giovanni in Florence, Italy.

BY SCOTT G. BRUCE

In March 2018, Pope Francis allegedly denied the existence of Hell and the endless suffering of the damned in a private talk with his friend Eugenio Scalfari, a left-wing journalist, who published his account of their conversation in the Italian newspaper *La Repubblica*. The response to Scalfari's article was immediate and explosive. How could the pope deny such a fundamental teaching of the Catholic Church? The New Testament is clear on this doctrine. God created Hell for Satan and the rebel angels, but there was plenty of room to torture with fire and brimstone everyone who had rejected Jesus Christ as the Son of God: "This is the second death, the lake of fire" (Revelations 20:14). For their part, Vatican officials denied that Scalfari represented the pope's views about Hell accurately, dismissing the journalist's article as "the fruit of his reconstruction."

If true, Francis' doubts about the existence of Hell would continue the reconsideration of the afterlife begun with much less fanfare by his predecessor, Pope Benedict XVI. In 2007, Pope Benedict quietly abolished the concept of Limbo, the otherworldly destination of babies who die before their baptism. The report of the Vatican Theological Commission on Limbo was hopeful that God would, in fact, save unbaptized babies rather than have them linger for eternity on the threshold of Hell, as Catholics had believed for centuries. The shattering of Limbo was a victory for those who believe that God's mercy and love should trump his terrible judgment. Is it time, then, for the Catholic Church to foreclose on Hell as well?

By any measure, Hell is a cruel and oppressive concept: a place where sinners suffer unspeakable torments for all eternity for sins committed during their mortal lives. It has a long history that predates Christianity by more than a millennium. Many ancient societies in the Near East told stories that hinted at the terrible fate awaiting unjust souls in the afterlife. In Homer's "Odyssey," the Greek hero Odysseus visits the underworld of the dead, where he glimpses the torments of individuals who offended the gods. These include parched and famished Tantalus, from whom food and water always retreated whenever he tried to consume them, and Sisyphus, doomed to roll a massive boulder up a hillside, only to watch it teeter and roll back before it ever reached the top.

Early Christians appropriated this literature of suffering, composing harrowing stories of human souls escorted by angels to witness the torture of those imprisoned in the infernal

Do We Still Need To Believe In Hell?

From ancient Greek myth to Christian doctrine to modern atrocities, there's no escaping the idea of eternal punishment

depths. By the Middle Ages, Hell was a cornerstone of Christian doctrine. Parish priests delivered sermons about the awful torments awaiting sinners; theologians such as Thomas Aquinas argued that the blessed in Heaven rejoiced in the suffering of the damned; and Dante Alighieri composed his towering poem "The Inferno," which depicts Hell as an efficient bureaucracy shaped like a descending funnel, with Satan trapped in ice at the very bottom.

It was widely believed that the fear of Hell helped to lead souls to Heaven. In an effort to avoid the flames, believers would avoid sinful behavior and embrace lives of virtue. But the concept of Hell also has played a vital cathartic function in societies rife with injustice, providing the grim satisfaction that tyrannical leaders, corrupt priests and other evildoers would not escape God's judgment in the world to come. As the Book of Wisdom says, "The mighty will be mightily tormented."

It was widely thought that the fear of Hell helped lead souls to Heaven.

Hell lost some of its purchase on humankind in the 19th century, when new scientific theories such as Darwinism eroded the authority of the Bible and the tides of sentiment turned against God's wrath in favor of His mercy. But Hell remains a powerful concept in the early 21st century. According to a 2014 survey by the Pew Research Center, more than 50 percent of American adults still believe in the existence of a place "where people who have led bad lives and die without being sorry are eternally punished." Unsurprisingly, very few of them believe that they themselves will end up there when they die.

At the same time, Hell has become a powerful metaphor for the most extreme suffering and squalor in this world. Vasily Grossman, a Red Army war correspondent, entered the extermination camp of Treblinka at the end of World War II. When he contemplated the suffering of the hundreds of thousands of Jews who had died in its gas chambers and were burned in its ovens, his only point of comparison for describing the atrocities was Dante's "Inferno." But the horrors of literature paled before the reality of such cruelty: "Not even Dante, in his Hell, saw scenes like this."

Has Hell outlived its usefulness to modern society? Probably not. The doctrine still serves Christianity as it has for centuries, as a frightening deterrent to sinful behavior. We still hope that wicked people and corrupt leaders will get their just deserts in the world to come.

In some distant, better future, the foreclosure of Hell will be an important step in the maturation of human communities that can mete out justice on their own, without supernatural aid. In the meantime, Hell is here to stay. Will Pope Francis evict the Devil and his minions and liberate the numberless, tortured souls clawing at the walls of their burning cells? Don't count on it. There isn't a hope in Hell.

Dr. Bruce is professor of history at Fordham University and the editor of "The Penguin Book of Hell," published this month by Penguin Classics.

ASK ARIELY

DAN ARIELY

When a Berry Patch Becomes A Free Buffet

Dear Dan,
I have a farm where people come to pick blueberries, and I charge \$3 per pound. The problem is that people think it is an open buffet and eat a lot of blueberries while in the field, and then they come back to the payment station with just \$3 worth of blueberries. Without being rude, how can I let them know that they are stealing? —Michelle

I must admit that when I've picked blueberries I too ate a few in the process. It's just so tempting that I think it's inhuman to ask people not to eat any. So if we accept that people will eat some blueberries in the process of picking, maybe the best approach is to charge an entrance fee to cover the cost of the snacking. But make sure to call it an entrance fee and not a snacking fee—otherwise people will try to maximize their benefit by eating even more blueberries.



Dear Dan,
Conventional wisdom says that when providing criticism, you should use a "compliment sandwich," that is, say something nice, give the critique and then end with something nice again. Have there been any studies regarding the effectiveness of this practice? It seems to me that the person may just hear and remember the positive parts, and that the impact of the criticism would be lost. —Andrew

"Compliment sandwiches" certainly feel less painful than sheer critiques—but they don't seem to be particularly effective. According to a study by Jay Parkes, Sara Abercrombie and Teresita McCarty, published in 2013 in the journal *Advances in Health Sciences Education*, people who received "compliment sandwiches" were more likely to believe that the feedback would improve their performance. But they didn't actually do any better than those who received more straightforward criticism. The good news is that the sandwich method did not get them to perform any worse either—it just made no difference. It is really hard to change people's behavior, and a single piece of feedback is not going to do much, no matter how it is phrased.

Dear Dan,
I teach computer science 101, and I've recently started thinking of ways to get students to begin their work earlier in the semester. Research has shown that if they start earlier, they are likely to put more time into their project and get a better grade. I wonder if it would be useful to send a daily email reminder asking the students to start working on their project today. What do you think? —Kristin

A daily reminder is a good start, and it should certainly help the students to get going. But it would be even more powerful to give concrete instructions and make use of social comparison. What if the email didn't just ask them to work on their project today but specifically told them to spend 30 minutes on it? You could also tell them something about the work habits of students who do well in the class—for example, "Historically, the students who got an A in this class started working on their projects early and worked on them consistently throughout the semester."

Have a question for Dan? Email AskAriely@wsj.com

EXHIBIT

Out of the Doghouse

AS A TRIBUTE to his late Spitz dog, who used to overheat during humid summers, Japanese architect Hiroshi Naito created a stylish "dog cooler" from an undulating array of ice-filled tubes. It is one of hundreds of innovative pet structures featured in a new book, "Pet-tecture" (Phaidon, \$24.95), by Tom Wainwright.

The designs combine beauty and practicality, as in the pentagonal Negura bed (left), created by the Tokyo firm

Natural Slow, and the Curvynest (below) by Taiwan-based Catswall Design.

Pets only started to benefit from high design in the 21st century, says Mr. Wainwright. These days, he says, pet beds and playthings are "constructed to standards equivalent to, and sometimes exceeding, those for human architecture and furnishings."

—Alexandra Wolfe



REVIEW



WEEKEND CONFIDENTIAL | ALEXANDRA WOLFE

Scott Harrison

A turn from nightclubs to philanthropy

The breaking point for Scott Harrison came at the end of 2003 while he was partying in the resort town of Punta del Este in Uruguay. A nightclub promoter at the time, Mr. Harrison was there with his model girlfriend, surrounded by fireworks and magnums of Dom Perignon. But looking out at his rented megayacht, he wondered why, at age 28, he was so unhappy.

"I saw there would never be enough money, enough girls, enough status," he recalls thinking. "My tombstone was going to read, 'Here lies Scott Harrison, who has gotten over a million people wasted.'"

When he got home to New York, he sought to make changes. "The big question I was asking myself," he now says, "was 'What would the opposite of my life look like?'"

Today, at 43, he is the founder of the clean-water nonprofit Charity: Water. The organization has raised \$320 million in 12 years to help provide clean drinking water to 8.5 million people from Africa to Asia to Central America. He's written a memoir, called "Thirst,"

that comes out Oct. 2.

Mr. Harrison grew up in New Jersey's Hunterdon County, the son of churchgoing parents. His mother suffered from carbon monoxide poisoning after a leak in their home, and a young Mr. Harrison spent much of his time caring for her as she struggled with her health afterward.

Initially, he thought he might become a doctor, but when he went on to New York University, he pursued a degree in journalism and got drawn into the city's nightlife. "I went from the virtuous kid who didn't smoke and didn't curse to the nightclub kid, and I was all in," he says.

He became a successful nightclub promoter, but ultimately found himself unsatisfied. In 2004, following his New Year's epiphany in Uruguay, he quit his job and discovered a renewed interest in

“
I saw there would never be enough money, enough girls, enough status.”

spirituality, seeking out churches to try to find a good fit.

He also applied for work with humanitarian organizations. About a dozen rejected him, until Mercy Ships, a faith-based fleet of floating hospitals that provides free medical care to the poor, offered him a volunteer role in Liberia. For two years, he paid \$500 a month to serve as a photo-journalist, documenting the work of Mercy Ships.

Onboard, he learned that many of the health problems he encountered stemmed from unclean water supplies. When his tour finished in 2006, he decided that he wanted to launch his own charity to provide poor communities with clean water.

It was a slow start. "In some ways, on paper, I would be uniquely unqualified to ever start a charity," he says. "It would be like if you ran into someone at a nightclub high on cocaine you wouldn't say, 'This guy's going to raise a third of a billion dollars for charity,' you'd say, 'This guy is a joke.'"

He read the book "Nonprofit Kit for Dummies" and emailed the president of Charity Navigator, which assesses charities, to ask for advice about potential partners. He also turned to contacts from his nightclub life. On Mercy Ships, he had started a personal blog and sent an email newsletter about his work to 15,000 contacts who had previously received his club promotional notices. Some asked how they could help, and he called on them when he started working on his water charity. He traveled around the country meeting with potential donors, "convincing people I wasn't crazy."

On his 31st birthday, he launched Charity: Water with a party that raised \$15,000 to help fund his first water projects in Uganda.

The group has no full-time hydrologists or civil engineers. Instead it funds local groups who dig wells, build rainwater catchers and set up water purifiers or other systems. Staffers at Charity: Water identify and oversee the projects.

One such initiative was a multiyear effort in Ethiopia to provide clean water to more than two million people in rural communities who were facing a water shortage. Another project helped people in Rwanda build water systems for families, health facilities and schools. In Cambodia, a project installed water treatment systems in people's houses.

Mr. Harrison says that his own religious beliefs help to motivate his charity work but that Charity: Water isn't a religious organization. He currently attends a small community church near his home in Manhattan.

He says that some of the skills he learned in his nightclub promoting days carry over into his charity work. "The skill that I really learned was storytelling and promoting, and I was promoting the idea that if you get past the velvet rope and spend all of your money buying expensive champagne and being with beautiful people then your life has meaning," he says. "I changed that story to say...If you're working to end needless suffering around the world then your life has meaning and purpose."

Many of his efforts have centered on trying to make giving to charity seem cool and fun. "So much of traditional charity is based on shame and guilt," he says, citing commercials featuring children and animals in extreme need. "It's as if Nike was telling people they were fat and lazy, so please buy our gear and go for a run."

He tries to use technology in novel ways to tell a positive story about his group's work, creating, for instance, virtual reality videos chronicling villages' reactions to water projects. He has also set up Twitter accounts for some of the group's well-drilling rigs, to send out news about their progress. This year's fundraising gala on Dec. 1 in San Francisco will feature a 350-foot screen showing footage shot by drones from villages the group hopes to help, in an effort to make the evening feel like it's taking place in virtual reality.

His old life feels foreign now, he says. Recently, he and his wife, a former employee of Charity: Water, arrived at a nightclub at 11:30 p.m. and were surprised to find it nearly empty. He was so out of practice that he had forgotten that most people didn't show up until after midnight. Since leaving that world 14 years ago, he says, "I've never even thought about going back."



JASON GAY

Advice to The Next Generation: Nap When You Can

I loved napping before it was cool. But try telling that to a five-year-old.

MY SON has started kindergarten, and he's already got a beef: He doesn't want to nap. Apparently, there's a designated midday "rest time" in class. Each student rolls out his or her own yoga mat and relaxes and maybe gets a few minutes of shut-eye—or at least daydreams of Lego castles and gummy-worms pizza.

My child is not feeling it. "I hate naps," he said. "Please tell them I don't want to nap."

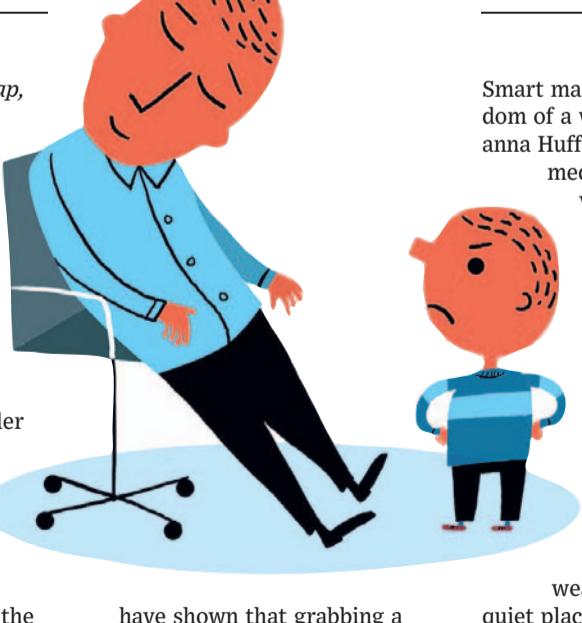
I love my son. I would do anything for him. Still, I have to level with him: Kid, when

someone offers you a nap, take one.

Listen to us adults. A life with a mandatory nap is probably the happiest kind of life. If the Journal came to all of its employees with an office nap program, I'd be the first to sign on. I'd nap in my chair. I'd nap under my desk. I'd definitely nap in any meeting that took place after 2 p.m.

(I actually work from home a lot, where naps are sometimes on the menu, I'll confide. Just don't tell my editors. On second thought, do tell them. They should be taking naps themselves. Let's normalize the nap!)

I've loved naps since before they were all trendy and cool, but there's now a growing science around the benefits of even brief sleep in the middle of the day. "Dozens of studies



have shown that grabbing a few Zs in the daylight hours is healthy," Heidi Mitchell wrote in the Journal last year. Naps turn out to be good for attentiveness and energy. They relieve sleep debt. They also make you incredibly handsome. OK, I made that last one up.

The business world has finally caught on. The days of labeling office nappers as lazy good-for-nothings are over.

Smart managers know the wisdom of a well-placed nap. Arianna Huffington, who built a media empire, now advises executives to put down their phones and laptops and hit the hay.

Meanwhile, napping is becoming a business itself. You may have read in this newspaper about "sleep pod" stations that have opened around New York and other cities to give weary workers a comfy, quiet place to rest. You have to pay for those, however, and personally, I'm not sure why I'd pay for a nap when I can just fall asleep on the train. I may wake up in Coney Island, but look, it's a free nap.

I do think you have to keep your napping reasonable. Science says a 20-minute nap will give you the boost you need. An hour is probably the longest reasonable stretch. Take a

two-hour nap, and you're liable to have a nightmare that you're being chased by a chainsaw-wielding maniac from the human resources department. You'll wake up under your desk, covered in sweat.

My son possesses no such anxieties. He is five, and his biggest worry of the day is whether or not his kid sister is playing with his pet lizard while he's not around. He has the energy of a hyper-caffeinated golden retriever. He does not covet a nap. He thinks naps are for babies.

I'm going to have a talk with him. I don't expect him to start snoozing every day on command. Personally, I can't imagine taking a group nap on the floor of a classroom. (If you work at an office that does group naps, it may be time to consider a new job.)

But naps are not for babies. I think his kindergarten teachers are imparting some important wisdom.

Nap when you can. The rest of life is exhausting enough.

JAMES YANG



Spy vs. Spies
A British agent at the
red-hot center of Soviet
intelligence C9

READ ONLINE AT WSJ.COM/BOOKSHELF

BOOKS

Unjust Desserts
The pain and suffering
of the Jell-O
heiresses C11



SATURDAY/SUNDAY, SEPTEMBER 15 - 16, 2018 | C7

The Great Disruptor

The Improbable Wendell Willkie

By David Levering Lewis
Liveright, 371 pages, \$28.95

BY AMITY SHLAES

WHAT HAPPENS when a rogue businessman hijacks a Republican campaign? That is one of the questions that David Levering Lewis asks in his insightful, disciplined biography of the 1940 Republican candidate for president, Wendell Willkie. Willkie lost the election, but along the way he shifted the parameters of debate over the war in Europe, replacing the question "Should we engage?" to "When should we engage?"

As Mr. Lewis shows in "The Improbable Wendell Willkie," the 1940 election wasn't the only time that Willkie startled America into new thinking. Particularly notable were his drives to rein in Franklin Roosevelt's New Deal, advance civil rights and set up a system for postwar geopolitical governance. The unlikely Hoosier proved to be, as Mr. Lewis says, an "extraordinary internationalist."

In Mr. Lewis's telling, Willkie emerges as the kind of figure who is missing on the political stage today: the classical liberal, who stands for individual rights at home and will fight tyranny abroad. Classical liberalism, Mr. Lewis suggests, was part of the family DNA. Willkie's forebears had come to the U.S. in the mid-19th century from the province of Saxony, then governed by a Prussian regime "of asphyxiating political repression," in Mr. Lewis's phrase. Willkie's father, Herman, would remember being thrashed on the family doorstep, when he was a toddler, by a Prussian officer who had stumbled over him.

The family settled in Indiana, and Herman Willkie eventually took up the law, marrying Henrietta Trisch, also of German descent, who was one of the first women admitted to the Indiana bar. The Willkies were "silver" Democrats and once hosted William Jennings Bryan in their home. When the neighborhood kids shouted McKinley slogans, Willkie and his brothers shouted back: "Free Silver for Freedom and Bryan."

As for Wendell, after graduating from Indiana University, he entered law school there and took a degree before joining up in 1917, when the U.S. entered World War I. After the war, his father suggested that he become a part of the family's law firm in Elwood, Ind., but Henrietta did not approve. "Her advice," Mr. Lewis writes, "was to seek a wider, more challenging forum."

And so the young lawyer started working in Akron, Ohio, for Harvey Firestone, a fan of Calvin Coolidge who thought Willkie would "never

amount to much" since he was a Democrat. From his perch at the Firestone tire company, Willkie spotted a business sector with more possibilities than even autos—electricity. New York or Chicago might glow, but rural America waited to be wired. "The South," as it was said at the time, "is tired of living in the dark."

First as counsel and then as chairman of the conglomerate Commonwealth & Southern, Willkie structured an unwieldy utility, then owned by multiple private parties, so that it might tap capital markets and go public. He wagered that, in a few years, Commonwealth & Southern would achieve

economies of scale and offer low prices in the regions it served, not least in the Tennessee Valley. Even in the 1930s, Americans used more electricity almost every year. There seemed to be no barrier to this transformative industry.

Until Franklin Roosevelt threw one up. In 1933 the president made the centerpiece of his New Deal the Tennessee Valley Authority, a new federal entity designed to oversee not only the installation of a hydropower dam system but also the establishment of a model town featuring vari-



ous social programs—creating, it was hoped, a little social-democratic utopia. The TVA commenced as a pilot project, and the administration promised that, when it came to electricity, it would partner with private companies. Yet the laws that governed the TVA rigged electricity prices, so much so that the TVA threatened private competitors.

By 1935, Willkie began to speak up, criticizing the TVA's power grab and tallying the cost it imposed on Depression-strapped taxpayers. The Tennessee River, Willkie quipped, "waters five states and drains the nation."

Nor, Willkie noted, were utilities the only business threatened by

the New Deal. The more popular Roosevelt grew, the more belligerent he became, promising to show business aristocrats that, in government, they had met "their master." Early on, FDR had told the nation that it had nothing to fear but "fear itself," yet the New Deal, Willkie said, brought a "new fear" evoked by "the hostile attitude of government itself." "Few businessmen," Mr. Lewis writes, "would have thrown down the gauntlet with such forcefulness."

The year 1937 brought Willkie's moment. Unemployment was heading

back to the 14% range, and the country was tired of waiting for the New Deal to deliver recovery. In a career-boosting evening on radio's "Town Hall of the Air," Willkie and Roosevelt protégé Robert Jackson debated the topic of business-government cooperation. The name "New Deal" sounded good, Willkie said, but described a game in which the government held all the cards. It was a "catchword" that would "obscure analysis for 50 years."

The evening proved to be a triumph.

Willkie's heretofore sheepish fellow utility heads began to criticize the New Deal as well, including executives at General Electric, whose leadership had dallied with progressivism.

As the possibility of a third FDR term loomed, voters sought an alternative to both Roosevelt and the traditional Republican Party, one of

whose candidates was the isolationist Sen. Robert Taft of Ohio. Willkie,

"the man who talked back," provided the alternative. He joined the Republicans and bullied Roosevelt even

more into the interventionist camp.

"Every time Mr. Roosevelt damns Hitler and says we ought to help

democracies in every way we can

short of war," Willkie said, "we double-damn Hitler."

Newsmen and voters liked what

they saw in the shambling Willkie,

whom the writer Rebecca West

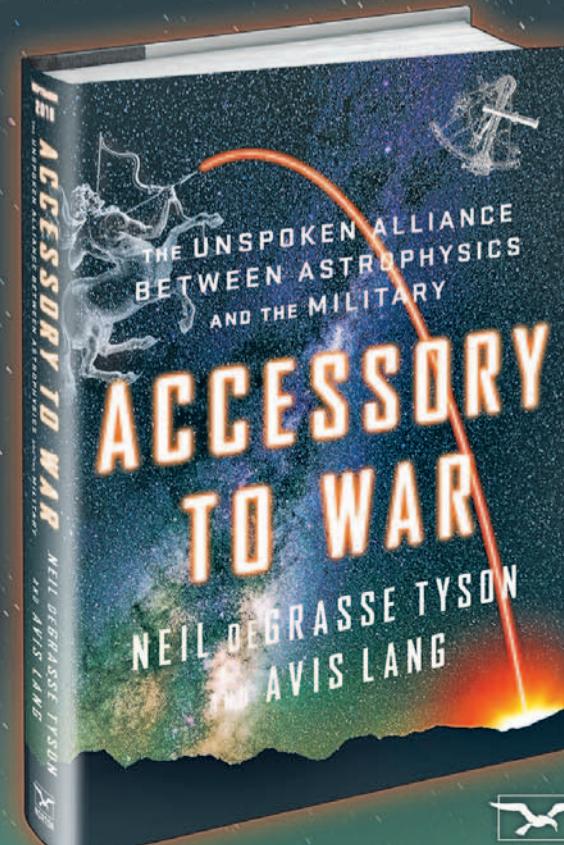
described as having "the well-orga-

nized balkiness of a healthy bear." The press in particular, viewing the GOP's prospects, preferred Willkie to prosecutor Thomas Dewey of New York. (At the time, Dewey was only 38 years old: Roosevelt adviser Harold Ickes joked that Dewey had "thrown his diaper into the ring.") Norman Thomas, the socialist candidate, commented acidly that Willkie both "agreed with Mr. Roosevelt's entire program of social reform and said it was leading to disaster." Nonetheless, after multiple rounds, Willkie won the GOP nomination. As Time magazine summed up: "While Tom Dewey, with bravado, was fumbling with the topic of foreign affairs, while Taft appeared to be running toward the wrong goal posts, Willkie seized the ball."

In the event, "the barefoot boy from Wall Street" carried only 10 states to Roosevelt's 38. But the power of Willkie's arguments forced the Republican Party away from isolationism, and the Willkie movement shamed Roosevelt into softening his anti-business stance.

Mr. Lewis gives special attention to the short, exciting stretch between Willkie's 1940 defeat and his 1944 death at the age of 52. Willkie had always favored the underdog, even successfully representing before the Supreme Court a Communist Party official who sought to regain his revoked citizenship. As chairman of

Please turn to page C8



NEW FROM AMERICA'S MOST INFLUENTIAL ASTROPHYSICIST

"Enlightening."

—Walter Isaacson,
author of *Steve Jobs* and Professor of History, Tulane University

**"Wide-ranging
and provocative."**

—John M. Logsdon,
Professor Emeritus, Space Policy Institute, George Washington University

"Phenomenal."

—William E. Burrows,
author of *This New Ocean: The Story of the First Space Age*

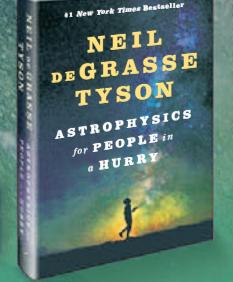
**"Indispensable and
mind-blowing."**

—Walter LaFeber,
Tisch Distinguished Professor Emeritus, Cornell University

**"A much-needed read
for both policymakers and the public."**

—Joan Johnson-Freese,
Professor of National Security Affairs, Naval War College

**More than
1 million copies sold**



W. W. Norton & Company
Independent publishers since 1923
www.norton.com

BOOKS

'Something there is that doesn't love a wall, / That wants it down.' —ROBERT FROST



TREMENDOUS
The Great Wall of China
near Beijing.

... And Stay Out!

Walls: A History of Civilization in Blood and Brick

By David Frye
Scribner, 292 pages, \$28
By FELIPE FERNÁNDEZ-ARMESTO

REMUS GOT into fatal trouble for deriding his brother's first effort to build a wall around Rome: Livy says he fell when he tried to jump over it; others say Romulus killed him. Ever since, border boundaries have been ridiculed, punctured, climbed over, subverted, outflanked, blasted, cannibalized for more constructive purposes, or abandoned and left to subside on their own. The Berlin Wall went the way of those of Nineveh and Tyre. But scoffers today make President Trump's proposed southern border wall look—if possible—even sillier than it is. Walls often work.

That is why the Eurasian steppe is fringed to the south with barriers designed to forestall horsemen. Even feeble, permeable or undermanned walls slow foes: In Roman Britain, Hadrian's wall worked because it impeded the livestock-rustling that was the main motive of northern invaders. Mountain-top communities, despite the advantage of altitude, have often capped their peaks with additional, artificial defenses, and have walled off productive valleys against attack.

The current proliferation of border walls is in line with most historical experience.

In forests, it is more important to clear spaces to keep approachers under observation: even so, no self-respecting Roman general would venture into the woods without surrounding his camp with—as every schoolboy who read his Caesar once knew—"a rampart and a ditch." The current proliferation of border walls is in line with most historical experience. Even anti-wall liberals sometimes cannily gate their communities against their undesirables.

In "Walls: A History of Civilization in Blood and Brick," David Frye tells the story of all these sorts of barriers with eloquence and panache, from the third millennium B.C. to early modern times, when he deserts his ramparts and takes a Remus-like leap to the 20th-century. A comprehensive history of walls would take in even more topics: It might start with paleolithic drive lanes for game, and corrals that served as hunters' aids; include the internal walls that often divided medieval cities; and cover the Enlightenment critique of city walls. A book about walls could even deal with alternatives to walls, such as bunkers in the Maori wars, or trenches and minefields.

Mr. Frye's book may be incomplete but he is enviably good at turning historical and archaeological evidence into vivid prose, and his writing is as clear as on any wall. Yet every virtue seems to overspill into a neighboring vice. Trenchancy becomes dogma-

tism, when, for instance, the author insists that wall-builders are averse to warfare and victims of "a chronic failure of confidence," or when he repeatedly dismisses claims that walls are raised for purposes other than defense or motives other than fear.

What about pride of possession, vainglory, revulsion from outsiders, self-satisfaction, purity, boundary marking, and the "irrational whims" that Mr. Frye admits some people have, especially Chinese emperor Shi Huang, who longed for immortality and built a wall to help his empire achieve it.

When the author simplifies, he overdoes it: The Silk Road, he says, "was born" when Emperor Wu built a wall. Humor slips into flippancy: Tolstoy's remark that Russians want to be Cossacks "may well have been true," Mr. Frye quips, "even if they were only trying to escape an assigned reading of *War and Peace*." And the author too credulously swallows ancient exaggerations of Spartan primitivism or lubriciously celebrates seraglios thousands strong—like Sui Yang-ti's, in "a labyrinthine pavilion where he could privately pursue his aphrodisiac-driven sexual desire."

All this is to say nothing of the women he forced to haul his

enormous barges . . . their punishment for not making the cut for his harem." Such figures are only credible for female hostages—not sexual partners—even of the most energetic tyrant.

Desperately seeking coherence,

the author blunders into a binary world-view, divided between civilized softies and pugnacious primitives, wallers and warriors.

This dichotomy is unconvincing

even in hands as deft as Edward

Gibbon or Ibn Battuta. Contrary to Mr. Frye's belief that those who build walls don't want war, sedentarism exacerbated and extended warfare, by boosting competition for cultivable land, and required forces to be raised to compel work and guard warehouses.

In cities, people did not become more peaceful than previously, but more specialized. Mr. Frye realizes, as he puts it, that "male inhabitants of walled communities . . . learned to dabble in other pursuits" than combat—which seems rather ungenerous to classical thinkers and artists—but he does not credit soldiery as one of the specialized vocations sedentary life encouraged. The author also ignores the martial virtues that continued to resound in, say, Roman poetry, or in military exercises that kept armies of peasants and citizens in the field.

In short, Mr. Frye's book belongs to that underappreciated category: good but wrong. One thing the author is right about, however, is the effectiveness of walls against unwanted outsiders, except in extraordinary times, when refugees flood uncontrollably. The Berlin Wall worked for a long time. It fell, but successors proliferate because for governments that feel threatened by migrants (or by the effects of migrants on voters), they justify investment. Mr. Trump's wall will never be built, not because it is bound to fail, but because border security costs already suffer from diminishing returns, and because for most of the time economics, not politics, determines the pace of migration.

Mr. Fernández-Armesto is a professor at Notre Dame.

At the Bleeding Edge

Heart: A History

By Sandeep Jauhar
Farrar, Straus & Giroux, 269 pages, \$27

BY LAURA KOLBE

THE CARDIOLOGIST Sandeep Jauhar has become a Dante of modern medicine, with his earlier memoirs, "Intern" (2008) and "Doctored" (2014), casting the progress from training to career as a path studded with suffering, indignity and ethical hazard. His latest book, "Heart: A History," is something of a "Paradiso," pointing to the field's brightest and noblest stars while recognizing just how much darkness is still left in the firmament.

Contemporary cardiology, Dr. Jauhar notes, is coming off a perhaps unrepeatable century of success. Since 1950, deaths from cardiovascular disease have declined by 60% in the U.S.—meaning that, every year, more than a million Americans who would have died under midcentury care survive. Today a host of advances—drugs that lower cholesterol and blood pressure, implantable defibrillators, catheterizations to unclog arteries, and even heart transplants—have turned many forms of heart disease into manageable illnesses rather than death sentences.

Now, however, Dr. Jauhar believes that the field "in its current form might have reached the limits of what it can do to prolong life." For years, hospitals have raced to decrease "door-to-balloon time"—the delay from arrival to the deployment of a catheter for patients suffering heart attacks—on the dictum that "time is muscle," with cardiac cells suffocating by the minute. Yet a 2013 study found that, beyond a certain point, additional rapidity may not increase survival. New and much-lauded (and pricey) drugs for heart failure improve mortality and hospitalization rates by only a few percentage points. And the number of cardiac transplants performed annually has stagnated. Where do we go from here?

Poignant and chattily erudite, "Heart" shuttles between scholarship and memoir to relate this continuing epic, the uneasy companionship between humans and our most metaphorized organ. Dr. Jauhar offers brief biographies of luminaries—such as John Gibbon, inventor of the heart-lung machine, and Werner Forssmann, pioneer of cardiac catheterization—that are sympathetic but not hagiographic.

Yet if medicine is to advance, it may be driven less by single superstar intellects than by methods of intensive and searching inclusivity. Dr. Jauhar discusses the famous Framingham Heart Study, in which researchers have followed residents of a Massachusetts town since 1948 to detect disease patterns, in one early example of learning from an entire population. Though flawed in its assumption that the results from its mostly white, middle-class subjects would be applicable world-wide, it provided the first evidence of smoking and cholesterol as risks for heart disease.

But we can do better. The Masala study of South Asians in the U.S. (mentioned in a footnote in Mr. Jauhar's book) seeks to answer similar questions, this time for a group that other studies have excluded, underrepresented or buried under statistical noise. Many South Asians who die of heart attacks have no risk factors at all under the Framingham model. What such "mystery" cases need is less a super-sleuth than sustained epidemiologic attention.

Where "Heart" shines is in charting another crucial shift that sounds like a throwback but might well be cardiology's next wave: attending to the mind-body problem. Interest in the connection between so-called affective traits and heart disease languished after the discrediting of the 1950s "type-A personality" hypothesis—essentially, a psychological profile invented by a pair of cardiologists in a rather improvisatory attempt to explain why so many executives had heart attacks.

While results of this early personality-typing research proved shaky, a more rigorous 1981 study found that a startling number of patients with life-threatening arrhythmias had suffered acute psychological stress the day of their attacks. This July, a small but provocative study demonstrated better outcomes for patients who had been prescribed an antidepressant after a heart attack.

Dr. Jauhar is careful to couch these findings in politically neutral terms, but they are ripe for more polemical interpretations. To a libertarian-minded reader, they are evidence that patients can increasingly be captains of their cardiologic fate, that self-knowledge and proactive management can mean survival. (Cardiac rehab centers that used to be long walls of treadmills are now just as likely to have yoga mats, meditation rooms and talk therapy.) To a progressive reader, such mind-body data shows that chronic stressors such as inequality and prejudice are not just unfair but literally poisonous to the heart.

What's clear to all, though, is that, as Mr. Jauhar writes: "We will need to shift to a new paradigm, one focused on prevention—turning down the faucet rather than mopping up the floor."

Dr. Kolbe is a resident physician in internal medicine at Brigham and Women's Hospital in Boston.

Wendell Willkie

Continued from page C7

Twentieth Century Fox in the early 1940s, Willkie hosted Walter White of the NAACP at a gathering of studio executives to argue for giving blacks the kind of credible heroic roles normally allotted to white characters. Willkie joined Eleanor Roosevelt in establishing Freedom House, the international watchdog of oppression around the world. He fought for the integration of the armed forces. He proved the merit of the argument that, as Mr. Lewis puts it, "the health of the market economy was codependent with a just social contract."

In 1942 Roosevelt tapped Willkie as his goodwill ambassador, dispatching his former opponent on a world tour. At the time, Stalin and Chiang Kai-shek were our allies, and Willkie sought to convince them that they could unite with the U.S., after the war, under some form of Woodrow Wilson's League of Nations. (Taft, here prescient, was more cautious.) It is



this "extraordinary internationalist" whom Mr. Lewis likes best. To read Mr. Lewis is to be led to think that only after 1940 did Willkie fully see the light.

Or, one might counter, fall into darkness. For in fact Willkie's tour proved a farce. Addled by vanity and alcohol, he misstepped wherever he alighted. In Russia, he echoed Lincoln Steffens. "Russia is an effective society," he pronounced. "It works." In China, he counseled Chiang Kai-shek to emulate not Commonwealth & Southern but the Five Year Plans of Soviet Russia. Stalin, Willkie said, knew how to exploit "mass-production technique."

Not long before Mao made China a totalitarian prison, Willkie, like others, allowed himself to be convinced by Mao's ally Zhou Enlai that Chinese communism was somehow gentle and might be more "a national and agrarian awakening than an international or proletarian conspiracy" (Willkie later reversed himself on such comments.) During the Chinese part of his travels, Willkie gave a great deal of attention to Madame Chiang Kai-shek, who drew him to a secret apartment in Chongqing and charmed him so thoroughly that he invited her to return with him to America.

The book that Willkie produced after his trip, "One World," sold more than a million copies within months. Its most compelling section is Willkie's case for global communication and against protectionism: "We shut ourselves away from world trade by excessive tariff barriers," he wrote. But other Willkie contentions, especially his argument

that international organizations deliver freedom and prosperity, simply don't hold up. Willkie's effort to revive the League of Nations gave rise to the corrupt, flawed United Nations.

What Mr. Lewis misses is that the better Willkie was the Willkie of 1937 or 1938, the one who supported business and individual freedom and called evil by its name. By campaigning against the TVA, Willkie showed that it was possible for CEOs, notorious cowards, to speak up and check government incursions.

It is an irony of history that, in the early 1960s, GE fired Ronald Reagan as its spokesman and TV host because, in a speech, he cited the Tennessee Valley Authority as an example of intrusive big government. But by that time, the power company had trained Reagan in market economics and placed him before hundreds of audiences on national tours. Reagan had internalized enough Willkie-style economics to succeed where Willkie had failed—in a presidential campaign.

Miss Shlaes is the author of "Coolidge" and "The Forgotten Man: A New History of the Great Depression."

Dr. Kolbe is a resident physician in internal medicine at Brigham and Women's Hospital in Boston.

BOOKS

'He had two lives: one open, seen and known by all who cared to know . . . and the other running its course in secret.' —ANTON CHEKHOV

Inside the Mind of a Double Agent

The Spy and the Traitor

By Ben Macintyre

Crown, 358 pages, \$28

BY STEPHEN BUDIANSKY

WHAT MAKES a person betray his country?

For many of the spies who worked for the Soviets at the dawn of the Cold War, the motivation was a naive but sincere commitment to the communist cause. Klaus Fuchs, Julius Rosenberg and the other atomic spies were convinced they were promoting world peace by handing Moscow the secrets of the Manhattan Project.

By the 1980s, when the brutal truths about the Soviet regime had become too well known for much romanticism to be left about the worker's paradise, the KGB relied mostly on the simpler motive of

As KGB agents tailed him, Gordievsky was hustled into the trunk of a diplomat's car and driven over the border.

(brush-contacts, secret recognition signals, countersurveillance tactics) that went into the daring operation.

The story of his hair's-breadth escape was told with great brio and in vivid detail by Mr. Gordievsky himself in the opening chapter to his 1995 memoir, "Next Stop Execution." Mr. Macintyre adds some new drama to his retelling, thanks to the extraordinary access he gained to the MI6 officers involved in the operation. Many in MI6 considered the whole plan not only ridiculous, but insane. Particularly entertaining is Mr. Macintyre's inside account of the furious objections of the newly appointed British ambassador, who learned of the operation just as he was about to take up the post that was to be the capstone to a long diplomatic career. "It's an absolute bloody disaster," he shouted. "I've got to leave for Moscow tomorrow and in a week I'll be back again." He was overruled by Prime Minister Margaret Thatcher, who was adamant that Britain must honor its promise to a man who had risked his life and do everything in its power to save him, never mind the diplomatic consequences.

From interviews on the Russian side, the author also gleans some previously unknown details, including that the escape was greatly aided by political infighting that prevented the KGB from employing its most experienced surveillance operatives to keep track of Mr. Gordievsky in Moscow, allowing him to reach Britain before the KGB even knew he was gone.

Mr. Macintyre engages in a certain amount of hyperbole in describing Mr. Gordievsky as "one of the most valuable spies in history," and the events of his book "the greatest espionage story of the cold war." Mr. Gordievsky's value as a double agent was principally in identifying Soviet agents in the West in the spy vs. spy game. Mr. Macintyre credits him also

with a decisive part in averting nuclear catastrophe, by convincing Prime Minister Thatcher and President Ronald Reagan that a paranoid Soviet leadership genuinely believed the West was planning a surprise nuclear attack, but here the evidence is much more impressionistic and not wholly convincing.

Mr. Gordievsky lacks the flamboyance of Philby, which makes for a less interesting psychological portrait in any event: He comes across as a slightly arrogant, self-centered and emotionally shallow man, oblivious to the harm he caused others and incapable of admitting that his desire to enjoy the materialistic comforts of the West was an important factor in his mix of motives.

Only at the end does Mr. Macintyre probe a bit more deeply, drawing on insights offered by Mr. Gordievsky's ex-wife Leila and his former KGB colleagues. Mr. Gordievsky's decision to leave Leila and his two young daughters behind when he fled is revealed to be due to his fear that she—the daughter of a KGB general—would turn him in if he told her the truth about his double life. (MI6 was prepared to smuggle the entire family out.)

Though they were eventually re-

united in England after intense pressure from the West for his family's release, the marriage quickly fell apart.

As Leila explains, her husband simply

expected her to resume her old role of dutiful wife, without showing a hint

of understanding what a terrible place he had left her in by his escape.

"From his point of view he was my savior. But who put me in the shit-hole?" she said. "He was so bloody Russian." Those who had worked with him in the KGB—including old col-



SURVEILLANCE Photos taken by Danish intelligence agents during Oleg Gordievsky's visits to Copenhagen.

leagues and close personal friends—came under a cloud of suspicion, too, their lives and careers ruined.

Like other Soviet defectors, Mr. Gordievsky cast his decision to spy for the West as an act of high-minded principle, particularly after the 1968 invasion of Czechoslovakia opened his eyes to the brutality and lies of the Soviet system. But as one former colleague is quoted near the end of the book, "It's true that Oleg was a dissident. But who in the USSR in his sober mind wouldn't be a dissident in the 1980s? . . . The majority of us in the London rezidentura were a bunch of dissidents to different degrees, and we all liked life in the West. But it was only Oleg who turned out to be a traitor." As Mr. Macintyre notes, this former colleague "spent the rest of his life wondering why Gordievsky had taken the leap into betrayal."

It is the question that the reader is left wondering, too.

Mr. Budiansky's latest book is "Code Warriors: NSA's Codebreakers and the Secret Intelligence War Against the Soviet Union."

The Face of Real News

In 2013, Jessica Donati arrived in Kabul at the tail end of the U.S.'s transfer of security to the Afghanistan government. Despite the dangers, she traveled with and without military escort to report on the country's dramatic upsurge in violence. Over the next four years, Ms. Donati provided WSJ readers the full scope of the unending corruption, bombings and kidnappings that has encapsulated America's longest war.

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

WATCH HER STORY AT WSJ.COM/JESSICA

#TheFaceOfRealNews

THE WALL STREET JOURNAL.
Read ambitiously



BOOKS

'I applied for the University of Life. Didn't get the grades.' —DAVID NICHOLLS

FIVE BEST NOVELS ABOUT COLLEGE DAYS

Donal Ryan

The author, most recently, of 'From a Low and Quiet Sea'

Between Dog and Wolf

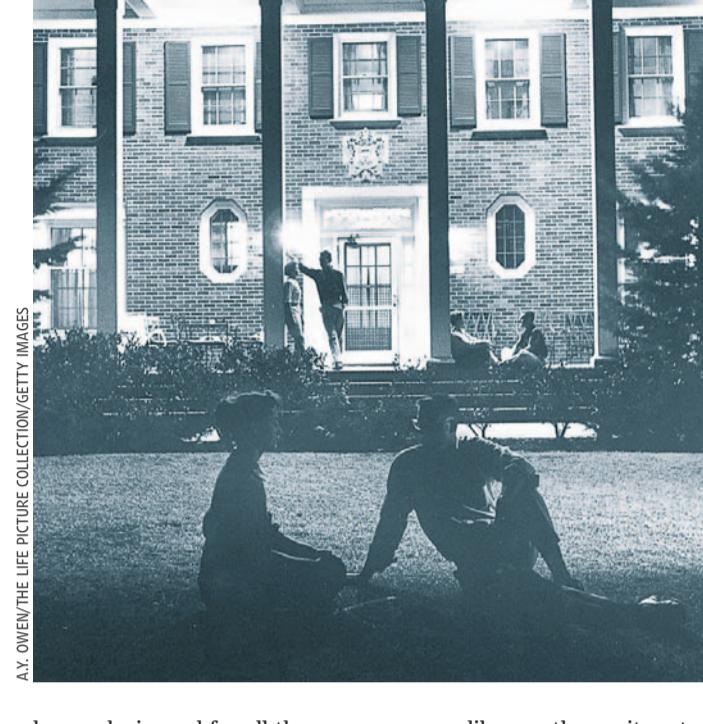
By Elske Rahill (2013)

1 "Between Dog and Wolf" is an unflinching exposition of the tumultuous lives of three students from Trinity College in Dublin. A triptych of narratives in first-, second- and third-person voices reveals a danger-pitted and darkly charged social and sexual landscape where young people obsess about their bodies, their voices and their performances. Not here the carefree days and joyfully intoxicated nights of classically described studentdom; the terrain between adolescence and adulthood being negotiated by the haughty, world-weary Cassandra, the malleable and traumatized Helen and the porn-addled misogynist Oisin is creviced and slyly shifting. With nods to tragic Greek and Celtic myth and in language so finely turned that the reader is tempted at times to read sentences aloud for their vibrancy and lyrical cadence, Elske Rahill transforms the hideous pressures exerted on her characters from within and without into a story that will strike terror into the hearts of parents of college-age children.

The Ginger Man

By J.P. Donleavy (1955)

2 Also at Trinity, but in a Dublin perched on the washed-out edge of postwar Europe—a place both burgeoning and contracting, liberating and stifling—one of literature's most lovable antiheroes, Sebastian Dangerfield, is studying law on the G.I. Bill. "All I want / is one break / which is not / my neck," quoth the charming, impecunious rogue in one of J.P. Donleavy's trademark chapter-closing verses. And it's hard not to root for Dangerfield, even as he divests himself of all his husbandly, fatherly and scholarly obligations in order to romp and raunch unfettered to his wounded heart's content. And wounded he is: For all his excesses, his ceaseless seductions, his froth and



A.Y. OWEN/THE LIFE PICTURE COLLECTION/GETTY IMAGES

braggadocio, and for all the savage hilarity of this wild and picaresque tale, "The Ginger Man" is at its core a novel about sadness. It has about it, as John Banville remarked, a "sense of sweet and delicate melancholy that clings to the pages," equal parts defiant and regretful, and gloriously, extraordinarily human. As he conducts a chaotic disquisition on life, searching always for that "silent minute" where he can be "bled of his seed, rid of his mind," Dangerfield will make you roar with laughter even as he breaks your heart.

On Beauty

By Zadie Smith (2005)

3 E.M. Forster echoes strongly throughout this beautifully arranged novel involving clashes of beliefs, cultures, classes and egos, set on the fictional campus of Wellington College outside of Boston. Centered on two families, the devoutly liberal Belseys and the fundamentalist Christian Kipps, "On Beauty" concerns itself with all the variegated and messy stuff of lives lived. Comic and gently biting, it explores the uneasy relationship between the principles we hold sacrosanct and our ability to honor them. Zadie Smith sets

scenes like no other writer at work today and fills them with characters and conversations that pulsate with a bottomless energy. "Throughout their friendship, Claire had satirized his scrupulous intellectualism, just as he had teased her about her artistic ideals. It was her old joke that Howard was only human in a theoretical sense." In a perfect metamorphosis, Ms. Smith strolls into the novel as a visiting writer at Wellington, and so assures readers that she includes herself on the honor roll of the affectionately mocked.

Starter for Ten

By David Nicholls (2003)

4 "Starter for Ten" is the most relatable campus novel I've ever read. When I went to college in 1994, at the age of 18, I was full of knowledge and completely clueless. Some of my idiocy was knocked from me by a constant procession of small shocks about the way the world outside my rural market town actually worked. And so it is for the hapless Brian Jackson, a small-town working-class lad with a penchant for trivia and quiz shows, who leaves his dead-end friends and loving widowed mother for gongs and glory at a prestigious university

and, as a member of its quiz team, to compete on "University Challenge." Brian grew up watching the television quiz show with his father who, it seems, worked himself to death as a traveling salesman. Brian's first-person narrative is lensed through his grief for his father, his feelings of love and guilt toward his mother, his bewilderment at the unknowable ways of the upper classes: "But like my dad used to say, the crucial thing about an education is . . . the doors it opens, because otherwise knowledge, in and of itself, is a blind alley, especially from where I'm sitting, here, on a late-September Wednesday afternoon, in a factory that makes toasters." David Nicholls's account of Brian's attempts to find himself as a student, a lover, a quiz-team star and a citizen of the world outside England's Southend is both poignant and sidesplittingly funny.

5 Eily has traveled to London from Ireland to study drama. Like many other first-year students, she harbors concerns about losing her virginity, which she soon does via a casual fling with Stephen, a baggage-heavy, burnt-out actor more than twice her age. Their initially facile relationship quickly deepens and becomes all consuming. Eimear McBride describes their assignations intimately but obliquely: Much of the physical act is left to the imagination. And yet the pages of this novel, written in a sublimely fractured stream-of-consciousness style, are saturated with sex, with the moments that surround the act of lovemaking, evoked in ways that perfectly reflect the place between conscious thought and articulation: "Pity the finished. We do and lie quiet remembering which body's his, which is mine. Well, I've never experienced anything quite like that, he says." And neither will readers of this bewitching novel.

Retire Or We'll Retire You

Boomer1

By Daniel Torday

St. Martin's, 342 pages, \$27.99

By EMILY BOBROW

MARK BRUMFELD is angry. At 31 he is jobless, jilted and deep in debt. His hopes of becoming a hard-hitting journalist founders when magazines traded investigative features for tips on wearing a pocket square. His Ph.D. in literature left him with whopping credit-card bills. He can no longer afford New York, particularly after blowing his savings on an engagement ring his girlfriend rejected. So, with a head full of rage and his tail between his legs, he moves in with his parents in suburban Baltimore. There, in the basement bedroom of his youth, he spawns the Boomer Boomers, a revolutionary group of unemployed millennials who accuse baby boomers of selfishly clinging to all the good jobs. "They were meant to retire at the age of sixty-five," Mark declares in the first of many homemade videos to go viral. "And they have not retired. They have not."

Intergenerational warfare, sparked by the unforgiving economics of the new millennium, is a great premise for a novel. With "Boomer1" Daniel Torday is clearly enjoying himself. He tells the story of Mark and his burgeoning movement from the points of view of Mark, his mother, Julia, and his girlfriend, Cassie. All inhabit a world rife with conspicuous winners and losers.

Mark, for example, can trace his revolutionary fervor to the realization that he would never live as comfortably as his former professor—a boomer whose books sell poorly but who somehow owns a Brooklyn Heights brownstone. Cassie, meanwhile, lucks into a cushy job in the "Native Content Division" of a media startup called RazorWire, where she edits advertiser-backed clickbait. (Mr. Torday nicely skewers the way "content" now tends to describe material that is content-free.) At parties, fellow millennials kvetch over the need "to release the palsied prehensile claw of the baby boomers from the scarce resources in this country." That these would-be radicals nurse bourgeois aspirations and prize their parents' music is something they conveniently overlook.

For a book animated by the gripes of young people, it is interesting that the most fully realized character here is Julia, Mark's mother, a gifted folk musician, cuts a lonely figure, having traded her dreams of traveling the world as a fiddler to instead become a suburban housewife. Her story highlights some of the fatuousness of making broad generational generalizations, not least because most female boomers have had less agency than their daughters. She also poignantly illustrates the slow but steady creep of time, and the way "old" age often arrives as a surprise.

Mr. Torday has written this book with verve, but it would have been nice if he had slowed down a bit. Mark and Cassie's relationship feels rushed, and some of their choices seem more convenient than plausible. Still, "Boomer1" is a sharp, bright and often amusing snapshot of this unwieldy economic moment.

Ms. Bobrow, a former editor for the Economist, is a journalist based in New York.

The End of a Monstrous Struggle



FICTION

SAM SACKS

By the final volume of his epic of the mundane, the author seems fed up with being trapped in his own mind.

TRANSGRESSION IS

a fragile reed on which to base a literary style, if only because time and familiarity have a way of making the shocking seem commonplace. When Karl Ove Knausgaard published the first book of his six-volume confessional novel "My Struggle" in Norway in 2009 (it appeared in the U.S. in 2012), co-opting the title of the most notorious book ever written for a meticulous chronicle of an average Norwegian's upbringing, family life and emergence as a writer was an act of brazen effrontery, a grenade tossed into the staid precincts of literary fiction. But now, as the immense final volume appears in English, Mr. Knausgaard's series has become so well known and influential that its title passes without comment. In the way of all countercultural fashions, what was scathingly ironic has become de rigueur.

And why not? Everyone has a personal struggle, after all, and according to the trend that prioritizes raw experience above storytelling craft, every personal struggle is worthy of a book. This philosophy was already axiomatic in the genre of the memoir, but no one has done more than Mr. Knausgaard to popularize it in the novel, emboldening a flood tide of followers that include Sheila Heti, Ben Lerner, Elif Batuman and Keith Gessen. In a typically meandering lecture delivered in

2017 and now published under the title "Inadvertent" (Yale, 92 pages, \$18), Mr. Knausgaard says he was attracted to the idea of mining his own life—of depicting his friends and family and re-creating real events—because "there was something unheard-of about it . . . it was in a sense forbidden." Innumerable reviews and author profiles have followed each successive installment of "My Struggle." It's safe to say that the technique isn't unheard-of anymore.

"*My Struggle: Book 6*" (Archipelago, 1,157 pages, \$33) is Mr. Knausgaard's reckoning with the consequences of his project. The book opens in 2009 in the days preceding the publication of Book 1. (In a cheeky metafictional nod to the series's fundamental egotism, the first scene recounts his trip to sit for an author photograph.) The conflict arises when he nervously emails the manuscript to the unsuspecting people who appear in it, hoping to get their approval before it's loosed on the public. Some give Karl Ove their tentative blessings, but not his uncle Gunnar, who's enraged by the portrayal of Karl Ove's father—Book 1 centers on the squalid circumstances of his death—and threatens a lawsuit. Meanwhile, Karl Ove's wife, Linda, has gone to visit a friend, so the scenes follow his days caring for their three small children as he contemplates the horror of a public scandal.

The narrative continues from there, steadily swallowing its tail until it catches up to the writing of Book 6. The trademark of "My Struggle" is its microscopic degree of detail. Every meal, every visit to the playground, every trip to the grocery store is faithfully recorded for posterity—during one checkout we

TWO BY KARL OVE KNAUSGAARD

My Struggle: Book 6

Translated by Don Bartlett & Martin Aitken

Inadvertent

Translated by Ingvild Burkey

learn Karl Ove's PIN code—just as a historian might recount the minutes of some world-changing event. Because it's part of his daily ritual, Mr. Knausgaard annotates his writing process. As "My Struggle" becomes a controversial sensation, straining his marriage and cutting into his household responsibilities, he begins composing with manic speed in a desperate effort to put the thing behind him. Book 5, which is 656 pages, he writes in eight weeks—"by then I really didn't give a damn."

Book 6, too, bears the marks of blind haste. For all its length and elaboration, it feels oddly cursory, like an assignment pounded out on the bus before

class. In "Inadvertent," Mr. Knausgaard describes a technique that resembles the automatic writing of the Beats: "I simply [don't] have time to think, to plan or to calculate." This is the logical end point of the autobiographical novel—it becomes indistinguishable from a personal diary. Any creative freedoms the form seems to promise are belied by Mr. Knausgaard's evident

impatience with the daily chore of transcribing his memories like an overworked office clerk. He's fed up with being trapped inside his own consciousness, and so is the reader. Aren't books supposed to help us escape that condition?

The lack of objectivity bedevils the book's most interesting portion. Smack in the middle is a 400-plus page account of the youth of Adolf Hitler, accompanied by a close reading of "Mein Kampf." The essay, which takes extended digressions to discuss the work of Paul Celan and Knut Hamsun, the paintings of Claude Lorain and J.M.W. Turner, and much else, is rigorous, stimulating, and entirely untrustworthy. Why is it here? The answer, obviously, is that Mr. Knausgaard wants to investigate his similarities with the mass murderer from whom he borrows his title. Thus he lays selective emphasis on biographical details that resonate with his own. We read

of a man scarred by his bullying father; a frustrated artist fueled by grandiose "fantasies he goes to great lengths to preserve from any confrontation with reality"; a narcissist committed to romantic self-mythologizing. Having failed to touch the sublime in painting, Mr. Knausgaard suggests, Hitler turned to war.

It's not that Mr. Knausgaard denies Hitler's anti-Semitism, but because it isn't a trait that he shares he has comparatively little to say about it. Yet a Hitler who isn't primarily animated by race hatred is not Hitler at all. A strangely incomplete interpretation of history results, one shaped to conform to the author's reflection.

It's only at the extreme end of Book 6 that circumstances jar Mr. Knausgaard from the ruts of self-absorption. Linda, who is herself a novelist, suffers a frightening manic-depressive episode and has to be hospitalized. The crisis suddenly casts all the torments and anxieties that fueled the series in a new light, making them seem minor and preening. "Her struggle had been very different from mine; hers had been life or death." This is a moving self-rebuke, but how late in the day it arrives! After six books and some 3,800 pages Mr. Knausgaard has finally recognized the reality of a person other than himself.

BOOKS

'We spend our entire lives avoiding Jell-O but it is always there at the end, waiting.' —JOHN GRISHAM

They Broke the Mold

**Jell-O Girls:
A Family History**

By Allie Rowbottom

Little, Brown, 277 pages, \$28

By MOIRA HODGSON

ACHEERY, JIGGLING bowl of Jell-O is, in the words of the old advertising slogan, America's Most Famous Dessert. But Allie Rowbottom's memoir of her family, heirs to the Jell-O fortune, is neither sweet nor wistfully nostalgic. It is a dark, disturbing story of patriarchy, oppression and sickness, alternating with a meticulously researched feminist history of the Jell-O business and its marketing campaigns directed at women.

Jell-O brand gelatin is made from boiling the hides of animals (usually cows and pigs) processed for their meat. The first Jell-O factory opened in 1897 in the town of LeRoy, in upstate New York, and Ms. Rowbottom's great-great-great-uncle bought the business for \$450 in 1899. Twenty-six years later, it was sold for \$67 million.

In LeRoy, Ms. Rowbottom writes, "Trucks arrived each week heaped with the dusty remnants of tissue and bone, ready to be mixed with sweetness and dye to make the first Jell-O flavors—strawberry, raspberry, orange, or lemon." For years the water from the factory ran into the town's creek, turning it different colors from the dyes (the business was moved to Delaware in 1964).

As the 20th century progressed and cooks who worked in private homes left them for more lucrative factory jobs, women in middle-class families saw Jell-O as a quick and easy dessert that they could make themselves. For their edification, the company published booklets of simple instructions and recipes. Ms. Rowbottom writes: "How sweet and cunning these booklets were, teaching women all over America how to make the perfect Christmas fruit mold, Cherry Cheese Charmer, cranberry squares; teaching women how to mold their Jell-O, so pliable, so good; teaching them how to mold themselves to match it, pliable and good."

Norman Rockwell (who else?) was the artist hired to depict the virtues of the Jell-O girl. In the print ads, "it was important that



SWEETS Advertisement by Norman Rockwell, printed in the Saturday Evening Post beginning in October 1923.

BOOKS

'[Music] is the most romantic of all the arts—one might almost say, the only genuinely romantic one—for its sole subject is the infinite.' —E.T.A. HOFFMANN

A Dreamer at the Piano

Schumann: The Faces and the Masks

By Judith Chernaik
Knopf, 349 pages, \$30

BY MICHAEL O'DONNELL

PICTURE A MAN swooning and raging with all the passions of youth. Every problem is a crisis, each feeling an ocean. His commitment to political and artistic freedom yields only to the irrepressible truths of love and beauty. Put that exhausting spirit to music and you have the tragic Romantic composer Robert Schumann. His diaries repeatedly refer to the worst day or night or week of his life. He spent his free time wandering the countryside and yearning. In the first of several autobiographies, he wrote: "Already in my eighth year—if one can believe it—I learned to know the art of love." The superintendent's daughter Emilie was his paramour.

Today's reader might confront such a person and ask him to calm down. Yet Schumann (1810-56) not only embodied the spirit of his age, he converted his existential anguish and romantic ardor to music. He composed some of his best work while longing for his future wife, Clara Wieck, whose father forbade their union. Likewise, Schumann wrote his finest songs in the *Lieder* tradition by quitting his desk and taking to the hills. As Judith Chernaik relates in "Schumann: The Faces and the Masks," he stopped composing at the piano and began crafting songs "while taking walks in which the poems assumed melodic shape." The accompaniments came later, upon returning home.

Ms. Chernaik, an American who has lived and taught in London for more than 30 years, is well-positioned to undertake a biography of Schumann, even though the path is well-trod. (Several other biographies in English as well as the composer's collected letters have appeared in the past decade.) A novelist and academic specialist on the poetry of Shelley, she is an enthusiastic student of Schumann's music and a fine chronicler of his turbulent life. "The Faces and the Masks" is a well-proportioned, highly readable biography for general readers that establishes Schumann as a man thoroughly of his time.

The book's greatest contribution is to situate Schumann in a remarkable fraternity of 19th-century composers. He knew and admired contemporaries from Chopin to Liszt, but his most important colleague was Felix Mendelssohn, who earned fame before his younger friend and did all he could to promote Schumann's works. They were "two sensitive, prickly composers of genius," Ms. Chernaik writes. "Schumann admired Mendelssohn above all other musicians, but there were recurrent tensions," including "an insidious mixture of envy and



PASSIONATE Robert Schumann circa 1835.

resentment." Mendelssohn served as godfather to one of Schumann's children and was namesake to another. The two composers fell out for ambiguous reasons that may have had to do with anti-Semitism. Yet Schumann was devastated by Mendelssohn's death and served as a pallbearer to the man he called "a true God."

Still, no relationship in Schumann's life can compare with the remarkable partnership he shared with his wife, Clara, a composer and virtuosic concert pianist. The two were childhood playmates; Schumann took piano lessons from Clara's father, Friedrich Wieck. Schumann's own performing career was cut short when he injured three of his fingers with a contraption meant to strengthen the hand. Yet, unlike Clara, he lacked natural brilliance at the piano and so

decided to devote himself to composition. Wieck steadfastly opposed the courtship, which took place before Schumann had earned a name for himself. The obstacles Wieck placed in the way of the two lovers can make him seem almost a cartoon villain.

Schumann even successfully sued him for defamation, landing his future father-in-law a short prison sentence.

Ms. Chernaik casts new light on Wieck's motivations. She quotes from a previously unpublished letter confirming the reason for the paterfamilias's divorce from Clara's mother, Mariane. The cause was infidelity. The letter to Wieck from Mariane's father reads: "Never would I have believed that Mariane could sink so low . . . and I cannot understand even now how she can have become what she now is. My God! Must I and my dear

wife in our old age live through such disgrace from a child whom I raised with so much care?"

Ms. Chernaik writes that this betrayal may have motivated Wieck's implacable hostility to a match between Clara and Schumann. "Was it possible that Clara, his darling, his creature, had inherited her mother's low character? He could not bear the thought that having lost her mother, he would now lose his daughter."

Some will write this off as speculation or armchair psychology—but it is certainly plausible. In any event, the letter is a remarkable discovery.

Once the couple had united, Clara served as breadwinner by concertizing across Europe, leaving her beloved husband the freedom to compose. She was his greatest champion, and the two artists' devotion to each

other is extraordinary. Their arrangement left Clara less time for her own composing, but Ms. Chernaik insists that her choices were hers alone: "Although it has been fashionable to consider her a victim of contemporary attitudes toward women composers, it was her own decision to put Schumann's needs as both a man and an artist ahead of her own. She was always the stronger of the two, and her fame as the greatest woman pianist in Europe far outshone Schumann's uncertain reputation."

Schumann worked with all the fury of a Romantic: quickly, in passionate, frenetic bursts. Many of his works have entered the standard concert repertoire, including the song cycle "Dichterliebe" ("A Poet's Love"), the exquisite piano trios, the four symphonies (especially the "Rhenish"), and the concertos for cello and piano. Yet in later years, as mental illness began to appear, his compositions became uneven. And throughout his composing life, he could seem overwhelmed by admiration for his forebears. He labored in the shadow of Schubert's songs,

Schumann not only embodied the spirit of his age, he converted his existential anguish and romantic ardor to music.

Beethoven's symphonies, and Bach's and Chopin's works for keyboard. Ms. Chernaik is an ardent admirer of Schumann's music and asserts that each of his compositions bears his own stamp. It is possible for that to be true and also to say that Schumann's corpus lacks the shine of utter originality that characterizes the very greatest musical artists.

Yet no one can disagree that his voice was silenced prematurely. In 1854 a syphilitic infection from 25 years earlier led to a mental breakdown, attempted suicide and eventual commitment in an asylum, where Schumann slowly succumbed to general paralysis. He died in agony two years later, at age 46. And yet in his final months, the two great themes of his life brought comfort: Clara's undying love and affection, and the fellowship of other musicians, in this case, the young Johannes Brahms. (Brahms visited the ailing composer and comforted Clara, even falling in love with her, and later the two edited and presented Schumann's complete works.) Still, it was a terrible end to Schumann's story—and also terribly Romantic.

Mr. O'Donnell is a lawyer in the Chicago area. His writing has appeared in the New York Times, the Atlantic and the Nation.

Best-Selling Books | Week Ended Sept. 9

With data from NPD BookScan

Hardcover Nonfiction

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Girl, Wash Your Face Rachel Hollis/Thomas Nelson	1	1
21 Lessons for the 21st Century Yuval Noah Harari/Spiegel & Grau	2	New
The Russia Hoax Gregg Jarrett/Broadside Books	3	3
StrengthsFinder 2.0 Tom Rath/Gallup Press	4	4
Magnolia Table Joanna Gaines & Marah Stets/William Morrow & Co.	5	6

Nonfiction E-Books

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Sapiens Yuval Noah Harari/HarperCollins Publishers	1	-
Girl, Wash Your Face Rachel Hollis/Thomas Nelson, Inc.	2	1
Educated Tara Westover/Random House Publishing Group	3	2
Quiet Susan Cain/Crown/Archetype	4	-
21 Lessons for the 21st Century Yuval Noah Harari/Spiegel & Grau	5	New
Small Fry Lisa Brennan-Jobs/Grove/Atlantic, Inc.	6	New
In Order to Live Yeonmi Park/Penguin Publishing Group	7	-
The Reason I Jump Naoki Higashida/Random House Publishing Group	8	-
Wild Cheryl Strayed/Knopf Doubleday Publishing Group	9	-
Not in Front of the Corgis Brian Hoey/Biteback Publishing, Ltd.	10	-

Hardcover Fiction

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Dog Man: Lord of the Fleas Dav Pilkey/Graphix	1	1
Leverage in Death (Book 47) J.D. Robb/St. Martin's Press	2	New
In His Father's Footsteps Danielle Steel/Delacorte Press	3	New
The Hate U Give Angie Thomas/Balzer & Bray/HarperTeen	4	4
Texas Ranger James Patterson/Little, Brown and Company	5	2

Fiction E-Books

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Leverage in Death (Book 47) J.D. Robb/St. Martin's Press	1	New
Dark Sentinel Christine Feehan/Penguin Publishing Group	2	New
In His Father's Footsteps Danielle Steel/Random House Publishing Group	3	New
Crazy Rich Asians Kevin Kwan/Knopf Doubleday Publishing Group	4	2
Her Mother's Grave Lisa Regan/Bookouture	5	-
Field of Bones J. A. Jance/HarperCollins Publishers	6	New
Depth of Winter Craig Johnson/Penguin Publishing Group	7	New
China Rich Girlfriend Kevin Kwan/Anchor Books	8	4
Flirting with Forever Kendall Ryan/Kendall Ryan	10	New

Methodology

NPD BookScan gathers point-of-sale book data from more than 16,000 locations across the U.S., representing about 85% of the nation's book sales. Print-book data providers include all major booksellers (now inclusive of Walmart) and web retailers, and food stores. E-book data providers include all major e-book retailers. Free e-books and those sold for less than 99 cents are excluded. The fiction and nonfiction lists in all formats include adult, young adult, and juvenile titles; the business list includes only adult titles. The combined lists track sales by title across all print and e-book formats; audio books are excluded. Refer questions to Adam.Kirsch@wsj.com.

Hardcover Business

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
StrengthsFinder 2.0 Tom Rath/Gallup Press	1	1
Emotional Intelligence 2.0 Travis Bradberry & Jean Greaves/TalentSmart	2	3
Extreme Ownership Jocko Willink & Leif Babin/St. Martin's Press	3	5
Total Money Makeover Dave Ramsey/Thomas Nelson	4	7
Bad Blood John Carreyrou/Knopf Publishing Group	5	8
The Five Dysfunctions of a Team Patrick Lencioni/Jossey-Bass	6	4
Winners Take All Anand Giridharadas/Knopf Publishing Group	7	2
The Energy Bus Jon Gordon/Wiley	8	6
Principles: Life and Work Ray Dalio/Simon & Schuster	9	-
Creative Selection Ken Kocienda/St. Martin's Press	10	New

PLAY

NEWS QUIZ DANIEL AKST

1. Democratic Gov. Gina Raimondo turned back a primary challenge from the left—in which state?



2. Negotiators are working to resolve the fate of Reed Bank. Explain please.

3. The Fed is mulling the use of a new tool to avert future financial crises. What is it?

4. U.S. incomes rose and poverty fell for the third straight year in 2017. About how many Americans remain in poverty?

Answers are listed below the crossword solutions at right.

PAUL Morigi/GETTY IMAGES (RAIMONDO); NOAH BERGER/GETTY IMAGES (IPHONE)

From this week's Wall Street Journal

- C. 60 million
 D. 100 million
5. Singer Jimmy Buffett and billionaire William "Beau" Wrigley Jr. are getting behind a startup in what field?

- A. Music
 B. Chewing gum
 C. Money management
 D. Marijuana

6. Despite past assurances, cobalt for high-tech products continues to be mined in miserable conditions in Congo. What are the miners called?

- A. Creuseurs
 B. Cavadors
 C. Excavateurs
 D. Mineiros

7. Accused of sexual wrongdoing, Les Moonves quit as chief executive of CBS. The company also settled a battle with its controlling shareholder. Who's that?

- A. Comcast
 B. Shari Redstone
 C. National Amusements
 D. Viacom

8. Which country recently became the world's largest producer of crude oil?

- A. The United States
 B. Russia
 C. Nigeria
 D. Mexico

9. Apple introduced new iPhones, including the iPhone XS Max. How big is its screen?

- A. 4.5 inches
 B. 5.5 inches
 C. 6.5 inches
 D. Just shy of a meter.

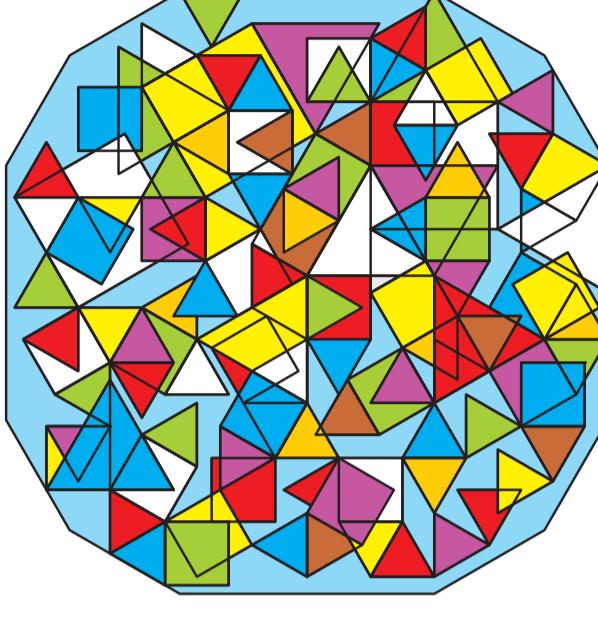
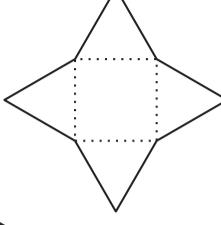


WSJ BRAIN GAMES

1. ★★★★☆

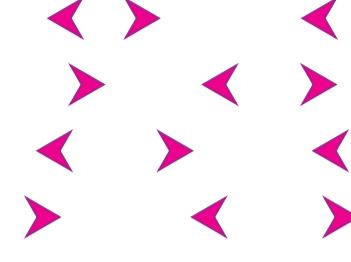
Within the big polygonal pattern below, can you find a four-pointed star similar to the one shown on the right? The dotted line within the sample star is shown to identify its exact proportions. Only the outline of the star has to be traced within the big pattern.

From Serhiy and Peter Grabarchuk (grabarchukpuzzles.com)



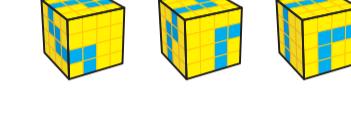
2. ★★★☆☆

Can you find (without any aids) two pairs of arrows, the respective tips of which indicate two exactly identical horizontal distances between them?



3. ★★★☆☆

Which cube is it possible to fold from the given pattern?



SOLUTIONS TO LAST WEEK'S PUZZLES

Downsizing

ACROSS 1.

TASERS (anag.)

5. TSUNAMI (hid.) 9. S + COOP 10. BEAUX ("bows" hom.) 11. ERUPT (hid. rev.) 13. P(A + L)ACE 14. MOUNTAIN (anag.) 16. SAID (2 def.) 17. OILCANS 21. THROATS (anag.)

22. P(I RATE)S 25. M + IS + TIER 26. TERI (anag.)

27. NO(V)EL 29. SCARCITY 30. O + RATE 31. ODDLY ("yodeled" anag. minus two E's) 32. L + EARN 33. HOUR ("our" hom.) 34. E + SCAPE ("space" anag.)

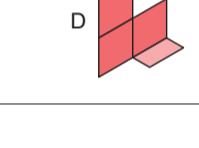
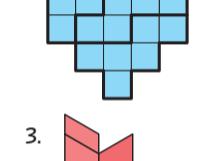
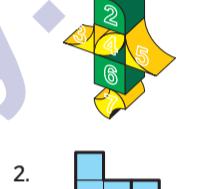
DOWN 1. SEISM (anag.) 2. SCULLER + Y 3. ROT + H 4. MA + RATHvON 5. ROLLS ("roles" hom.) 6. CAN + NONE 7. L(UT)ISTS 8. EXODUS (anag.) 12. SIN (first letters) 15. LURES (anag.) 18. AL + TOS (rev.) 19. MAR + INAR + A (rev.) 20. LIMEADE ("lie made" hom.) 22. PATH(O)S 23. HOME RUN (anag.) 24. TORN + A + DO 25. ME + TED 28. TOES (odd letters)

29. GONNA 30. SCRUM 31. KATE 32. TRAP 33. UPA 34. ABBEY 35. SULLIEN 36. ROMEOMUST 37. OVERTIME 38. AMEND 39. TIRED 40. SIRNOS 41. MASSE 42. FEES 43. TMS 44. NATO

Alphabet Soup

1. 1 + 7 < 2;

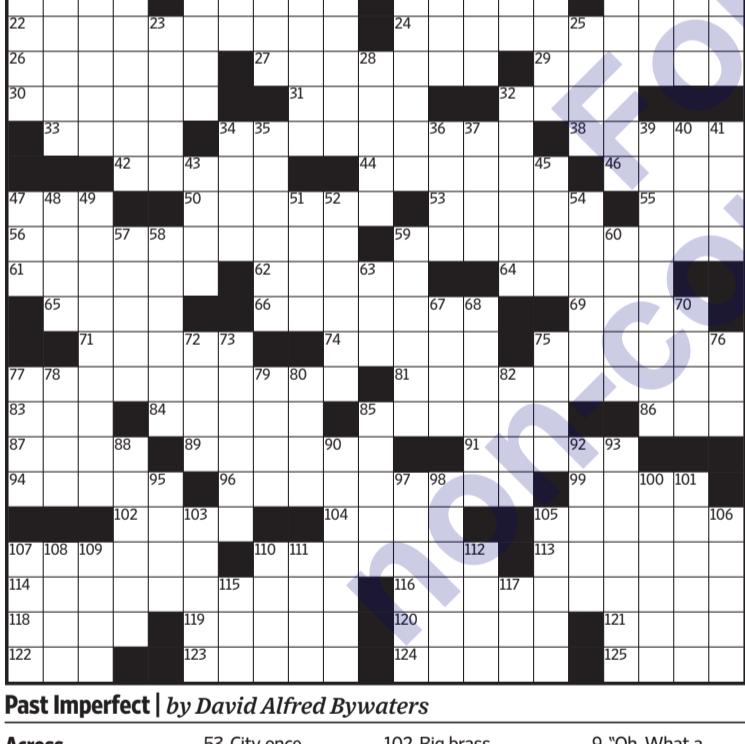
3 + 4 + 5 = 6;
Thus green blocks > yellow blocks.



For previous weeks' puzzles, and to discuss strategies with other solvers, go to WSJ.com/puzzle.

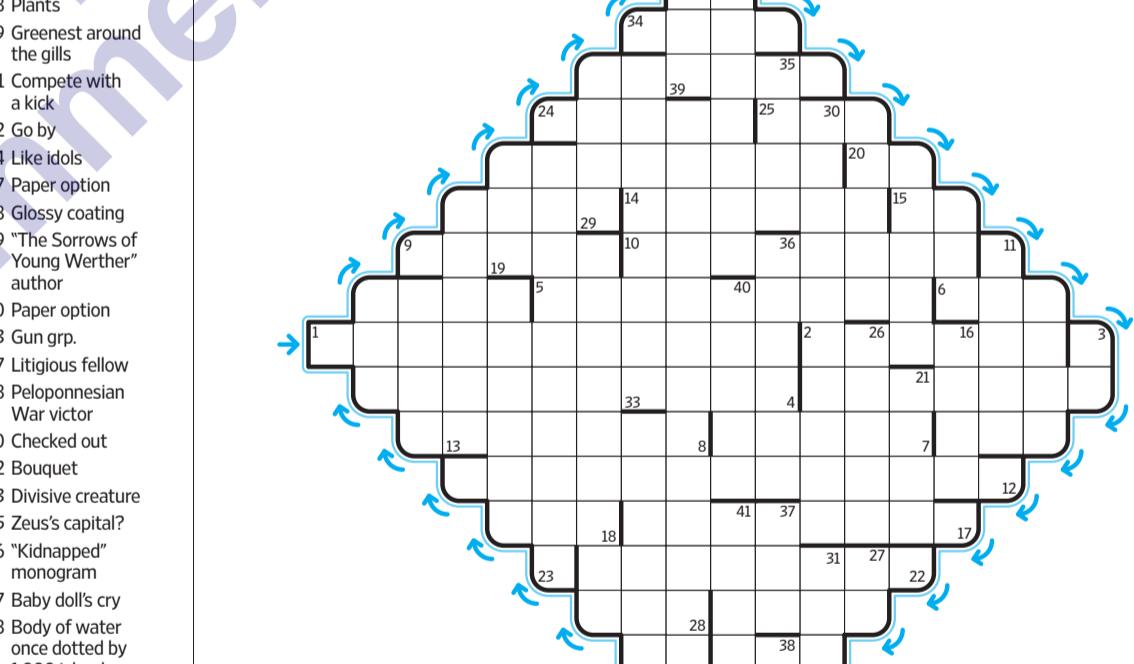
Answers to News Quiz: 1.D, 2.D, 3.B, 4.B, 5.D, 6.A, 7.C, 8.A, 9.C

THE JOURNAL WEEKEND PUZZLES edited by MIKE SHENK



Past Imperfect | by David Alfred Bywaters

Across	53 City once nicknamed "Oil Capital of the World"	102 Big brass	9 "Oh, What a Beautiful ___" ("Oklahoma!" song)
1	Say bad words	104 Baja bull	10 "Melatonin producer
5	State known for its tea production	107 Invader of Italy in 452	10 Ready to pedal, perhaps
10	Org. with a New York adoption center	110 Wage a Civil War battle, perhaps	11 Pivot
15	Epiphany indicator	113 Veteran	12 Auditor's goal
18	About	114 Fruit served with the right wine?	13 Wolf Blitzer's employer
19	Cousin of Dora the Explorer	116 Result of a naval battle?	14 Person who deals with deals
20	Translating challenge	118 Foil alternative	15 Mimicked mockingly
21	Like a spiderweb	119 Pretense	16 Fling
22	Sunburned prophet?	120 Sound, e.g.	17 William of Orange's successor
24	Shorebird who's become a spy for the other side?	121 Destination for Turner fans	21 Arms in slings?
26	Sign up	122 Made a choice, perhaps	23 Justice Kagan
27	Prayer call source	123 Over	25 Unsmiling
29	Semolina strip	124 Largest city in Yorkshire	28 Flock responses
30	Autocrat's issuance	125 Expressions of Iberian enthusiasm	32 Bouquets
31	Valley in Ventura County	83 Is relative?	34 Like many signers
32	Amaze	84 Bath scrubber	35 Inclined
33	When contrasted with	85 Slender pet	36 Grist for pollsters
34	Hydroelectric project from hell?	86 Port Huron Statement org.	37 Surgeon/author Gawande
38	Verso's opposite	87 Assemble	39 Chief Buffalo Hump's people
42	Weighs down	89 Adjust, as traffic lights	40 Dance attire
44	Render orderly	91 Do school work	41 Iridescent gem
46	Stock option	94 Sanctuary sight	43 Cinephile's collection
47	Atty's add-on	96 Stark-naked stock dumper?	45 It takes light about one to travel one ft. in a vacuum
50	Some Ravel works	99 "Listen!"	17 Rip Torn's "Men in Black" role



Spell Weaving | by Mike Shenk

The answers to this puzzle's clues form a continuous thread that is interwoven like a tapestry. Enter one letter per space, beginning in the square at the left edge and proceeding to the right. When you reach an edge, make a right-angle turn in the direction of the arrow next to the grid. Each answer begins in the correspondingly numbered space and immediately follows the previous answer in the thread.	12 He defined "habit" as "A shackle for the free" (2 wds.)	25 Communist machinery of state bureaucracy
13 Royal heir, often	26 Old Greek gathering place	27 Moccasin, for example
14 Closer to the top of a Forbes list	28 Course for a drive (2 wds.)	29 Isn't yet ready (2 wds.)
15 Seller of Mörbylänga tables and Norrnäs chairs	30 Voyeur (2 wds.)	31 Discontinued Swedish autos
16 Give an impression of being	32 Looked upon with great pleasure, as a view (2 wds.)	33 Throws one's weight behind
17 Hallmark of a well-oiled organization	34 Bear in constellation names	35 Brewer's mix
18 "C'est Moi" singer in "Camelot"	36 Mournful songs	36 Mourning songs
19 Simpleton's lack (2 wds.)	37 Stir-frying pan	37 Covert message inclusions (3 wds.)
20 Baja buds	38 Pee Wee in Cooperstown	39 Fleeting state
21 Kathryn of "Law & Order: Criminal Intent"	40 Buy at Buy Buy Baby	41 Buy at Buy Buy Baby
22 Like many poetic near-rhymes		
23 Medieval weapons resembling ice axes (2 wds.)		
24 1980s attorney general Edwin		
► Get the solutions to this week's Journal Weekend Puzzles in next Saturday's Wall Street Journal. Solve crosswords and acrostics online, get pointers on solving cryptic puzzles and discuss all of the puzzles online at WSJ.com/Puzzles .		

REVIEW

ICONS

Two By Two

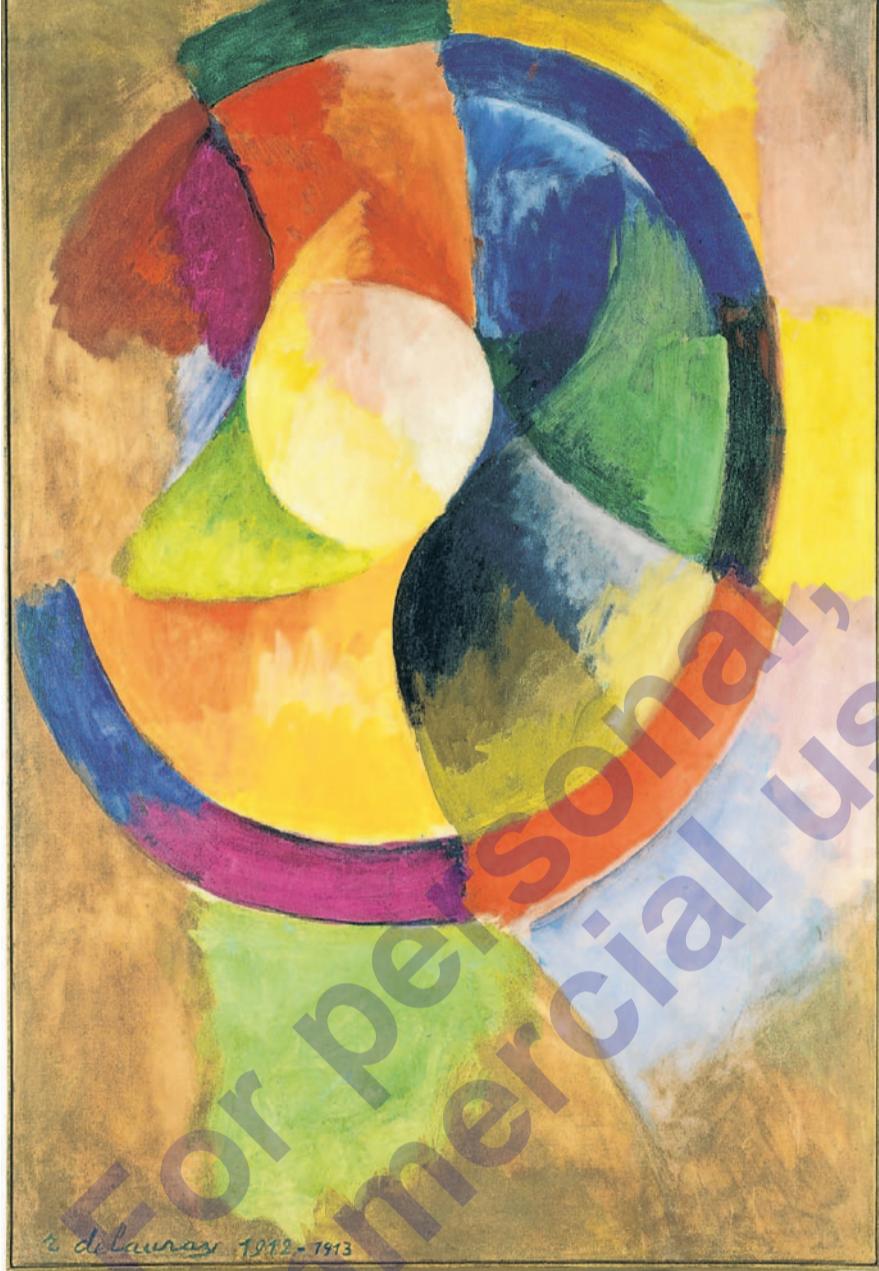
A London exhibition of work by famous artistic couples reveals the tensions of partnership

BY TOBIAS GREY

The pioneering modernists of the first half of the 20th century are most often hailed for their individual genius. A new exhibition shifts this perception by focusing instead on artistic couples. "Modern Couples: Art, Intimacy and the Avant Garde," which opens at the Barbican Art Gallery in London on Oct. 10, examines the output of 40 such couples whose lives became indelibly linked through love and art. The exhibition features some of the leading artists of the 20th century, including sculptors Auguste Rodin and Camille Claudel, painters Frida Kahlo and Diego Rivera, and photographers Man Ray and Lee Miller.

The exhibition "is really making an argument that developments in modern art often resulted from a creative dialogue which was very often within the couple," says Jane Alison, one of the show's four curators. These developments included modernist movements such as Tactilism, a genre of mixed-media installations, which was developed by the Italian couple Benedetta Cappa and Filippo Tommaso Marinetti; and Rayism, a style of abstract art, created by the Russian couple Natalia Goncharova and Mikhail Larionov.

"We wanted to show that desire has a centrality within the avant-garde and modernity," Ms. Alison says. "There is an undercurrent of sexuality infusing many of the art works which expresses this intimate access to the other." The theme of sexual desire is starkly apparent in the work of artists like Claudel, who mined Indian literature for her terra-cotta studies of "Sakountala," (1886) depicting a couple in a sinuous embrace. In his long-gestating installation "Étant donnés" (1946-1966), Marcel Duchamp made a cast of the body of his lover, the Brazilian sculptor Maria Martins, and the nude photographs Man Ray took of Miller pointed toward a new form of corporeal abstraction.



Above: Sonia Delaunay, 'Stroll' (1923). Left: Robert Delaunay, 'Circular Forms: Sun No. 2' (1912-13).

in a print shop, which had always been a male-dominated field."

Ms. Alison says that one of the aims of the exhibition is to "give due recognition to the women artists in the duos whose work has been unjustly marginalized." She points to the example of the Hungarian photographer László Moholy-Nagy's wife Lucia Moholy, who is largely unknown today. "She was the one who had trained to be a photographer, and it was in her darkroom that the couple experimented with the photograms which have shaped the way we view the Bauhaus today," Ms. Alison says. These pictures produced with photo-sensitive materials, but without a camera, expanded the Bauhaus's vision of photography as a way of imagining new worlds.

There are very few cases in the exhibition, however, where the female partner eventually outshines her male counterpart, as with Kahlo and Rivera. The Mexican couple, who painted each other for 25 years, were on an equal artistic footing for much of their lives, but Kahlo's posthumous reputation has grown to be far greater. More typical are artistic couples where the woman saw her career almost entirely eclipsed by her partner. This was certainly the case with Claudel, whose sanity floundered when she tried to break away from the influence of her lover and mentor Rodin.

The same thing happened to Dora Maar, whose confidence Ms. Alison says was shaken when her lover Pablo Picasso persuaded her to abandon photography, where her real talent lay, and take up painting, with inauspicious results. One of Maar's photographs in the exhibition, "Picasso en Mino-taure," captures her ambivalent feelings toward the Spanish artist's machismo by shooting him in a pair of tight swimming trunks holding aloft a bull's skull. "Modern Couples" makes clear that, for many women artists, being part of a creative pair involved obstacles men never had to face.

MASTERPIECE | 'MY ÁNTONIA' (1918), BY WILLA CATHER

Rooted in America's Heartland

BY ROBERT GARNETT

'I SIMPLY DON'T CARE a damn what happens in Nebraska,' ranted a New York critic, 'no matter who writes about it.'

Or so Willa Cather claimed. In the long leisure of the grave, the alleged scoffers may ponder how it is that a century after its September 1918 publication, Cather's "My Ántonia," its every page rooted in Nebraska, remains very much alive and in print—while he is neither.

Reading Virgil in college, the narrator of "My Ántonia" is struck by the lines "for I shall be the first, if I live, to bring the Muse into my country." For the Roman poet, "my country" was rural Lombardy; for Cather, transplanted to New York, it was the prairies, cottonwoods, bleak winters, cornfields and homesteaders of 1880s Nebraska. Her first novel, set in patrician Boston and Savoy-Hotel London, she acknowledged a mistake. Turning to "the people and the country that are my own," she made a second, truer beginning with "O Pioneers!"

"My Ántonia," published five years later, returns to the prairies. Its voice is that of middle-aged Jim Burden, recalling his Nebraska youth, especially the fascinating Bohemian girl Ántonia. The ward of prosperous grandparents, Jim becomes a town boy, goes off to university and Harvard Law, achieves big-city success, marries an heiress. Ántonia slogs on the farm to help her impoverished family, works as a hired girl in town, and later, se-

duced and deserted, returns to the farm. Years later, Jim revisits Nebraska to renew their friendship.

Early reviewers, Cather joked, thought "My Ántonia" would interest only the Nebraska State Historical Society. With "no love affair, no courtship, no marriage, no broken heart, no struggle for success," it lacks the usual staples. Nor did she care about plot. "I didn't arrange or rearrange," Jim describes his narrative. "I simply wrote down what of herself and myself and other people Ántonia's name recalls to me. I suppose it hasn't any form." Cather cheerfully agreed: "If you gave me a thousand dollars for every structural fault in 'My Ántonia' you'd make me very rich."

But "My Ántonia" doesn't lack passion—"real feeling," as Cather wrote, the "one thing you cannot fake or counterfeit." The early chapters trace a romance—not with Ántonia, but with the prairies' long sweep and rolling swells, vast as the sea, radiant with beauty, open and free as Eastern cities were cluttered and crowded. "The blond cornfields were red gold, the haystacks turned rosy and threw long shadows," Jim describes autumn sunsets in a passage rich in biblical allusion. "The whole prairie was like the bush that burned with fire and was not consumed....It was a sudden transfiguration, a lifting-up of day."

A demanding mistress, the prairie yields herself only to strong hearts. The sympathies of "My Ántonia" are populist, its humble nobil-

ity the homesteader, the housewife, the farmhand, the hired girl. "The farmer's wife who raises a large family and cooks for them and makes their clothes and keeps house...and thoroughly enjoys doing it all, and doing it well," Cather asserted, "contributes more to art than all the culture clubs."

A basic irony emerges. As ambitious Jim heads east, Ántonia is a disgraced, unmarried mother drudging on the farm for a churlish



brother. Two decades later, we find her well-married, matriarch of a flourishing farmstead, and mother of "ten or eleven" well-scrubbed children—pioneer Nebraska suffers no demographic crisis.

Jim's life, meanwhile, is as barren as hers is rich. Mis-married, childless, unloved, unloving, he cherishes a happier past. Revisiting the prairie, he wanders out to "where the land was so rough that it had never been ploughed up,

and the long red grass of early times still grew shaggy." There "I had the sense of coming home to myself."

Only fleetingly, though—there's still the chilly wife in New York. Before his marriage, Jim had (confusedly) declared his love for Ántonia: "I'd have liked to have you for a sweetheart, or a wife, or my mother or my sister—anything that a woman can be to a man." One wonders, then why not marry her? But loving the girl of memory, he lets the woman slip away.

Abandoning the prairie for Park Avenue, Jim embodies a large historical shift. Earlier, picnicking outside town one day, he and Ántonia observe across the fields a plow starkly silhouetted against the setting sun, "black against the molten red"—a dramatic image sanctifying the fruitful marriage of land and plow. But it suggests, too, the sunset of agrarian America, superseded by a new century's noise, machinery and macadam.

Cather was skeptical—"I prefer horses to automobiles," she informed an interviewer—but "My Ántonia" neither lectures nor moralizes. It pays tribute, rather, to her strong home affections. "I used to think bitterly," she recalled, that "I could somehow never write the kind of thing that would seem interesting or true to my own people, and they would never know how much I loved them...I do think my heart never got across the Missouri river."

Mr. Garnett is a professor of English at Gettysburg College.

letters that attest to the artistic complicity many of these couples enjoyed. Alexander Lavrentiev, a lecturer in design and photography in Moscow who contributed a biographical essay in the exhibition catalog, recalls reading a letter that his grandfather, the influential Russian painter and graphic designer Alexander Rodchenko, wrote to his artist wife Varvara Stepanova during World War II. "My grandfather had returned to Moscow from the Urals, where my grandmother had to stay on," says Mr. Lavrentiev. "He wrote that he couldn't work because he found it difficult to live without her and that she was his engine."

Mr. Lavrentiev likened his grandparents' relationship to that of the French abstract painter couple Sonia and Robert Delaunay, whose experiments in "color rhythms" were in constant dialogue with one another. "There was a trend of equality which had begun," he says. "My grandmother became a textile designer in the 1920s but only after fighting for her position



Bike Chic
A helmet inspired
by style icon
Steve McQueen
D16

OFF DUTY

THE WALL STREET JOURNAL.

SATURDAY/SUNDAY, SEPTEMBER 15 - 16, 2018 | **D1**

FASHION | FOOD | DESIGN | TRAVEL | GEAR

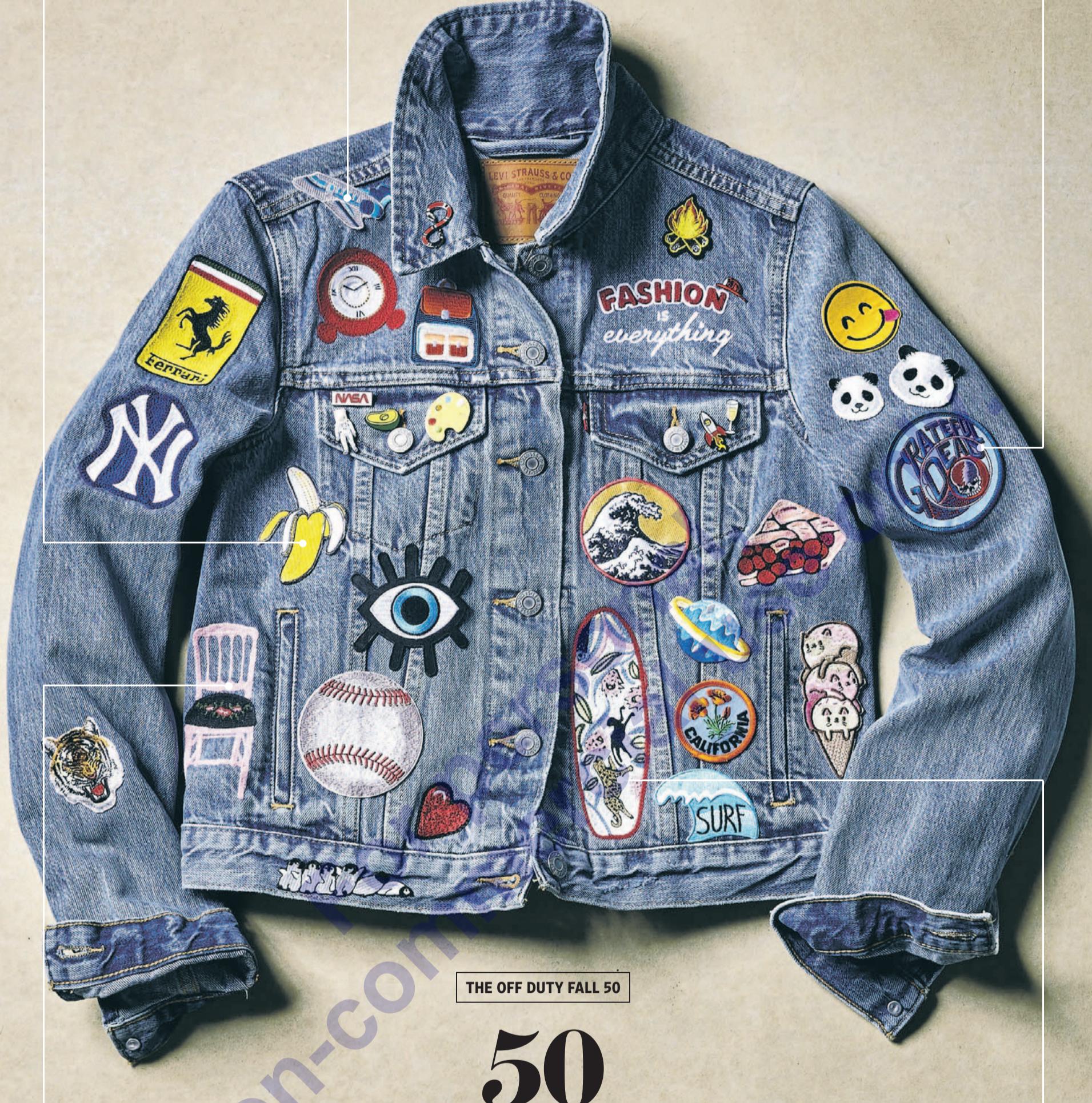
Net Gains
Tiffany tries its
hand at table-
tennis paddles
D15



Fashion Meets Cuisine
Chanel teams with
Alain Ducasse
to feed shoppers
in Tokyo
D11

Fashion Meets Tourism
Christian Dior
lets jet-setters
tour its founder's
home
D8

Fashion Meets Deadheads
Proenza Schouler
knits up a 'Grateful'
sweater
D6



THE OFF DUTY FALL 50

50 Elements Of Style

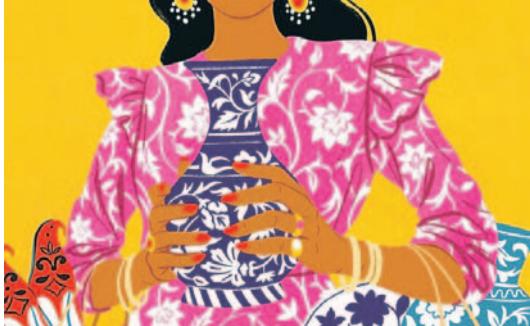
Fashion Meets Furniture
Gucci applies its
maximalist flair
to chairs
D14

Fashion Meets Surfing
Hermès equips
jocks to hang ten
swankily
D15

Fashion intersects with everything from food to travel to (as it turns out) ping pong—and vice versa. In this special issue, we celebrate the collaborations, cross-fertilizations and symbiotic associations that define the season

WIN THIS CUSTOM JACKET See page D11 for contest details. Levi's jacket with custom embroidery by Lot, Stock and Barrel. Select patches available at mokuyobi.com; select pins available at pintrill.com.

Inside



COUTURE EXCURSIONS
Behind-the-scenes tours of how clothing is
made in Paris, Madrid and more **D9**



DANCE FEVER
A yearning for escapism has renewed
interest in post-Watergate disco style **D3**



CHILL WELL
Dolce & Gabbana makes
fridges cool **D14**



AMERICA'S NEXT TOP MODEL-COOK
The cookbooks from fashion-plate
Chrissy Teigen don't get by on looks alone **D12**

1

STYLE & FASHION

Watch This Space

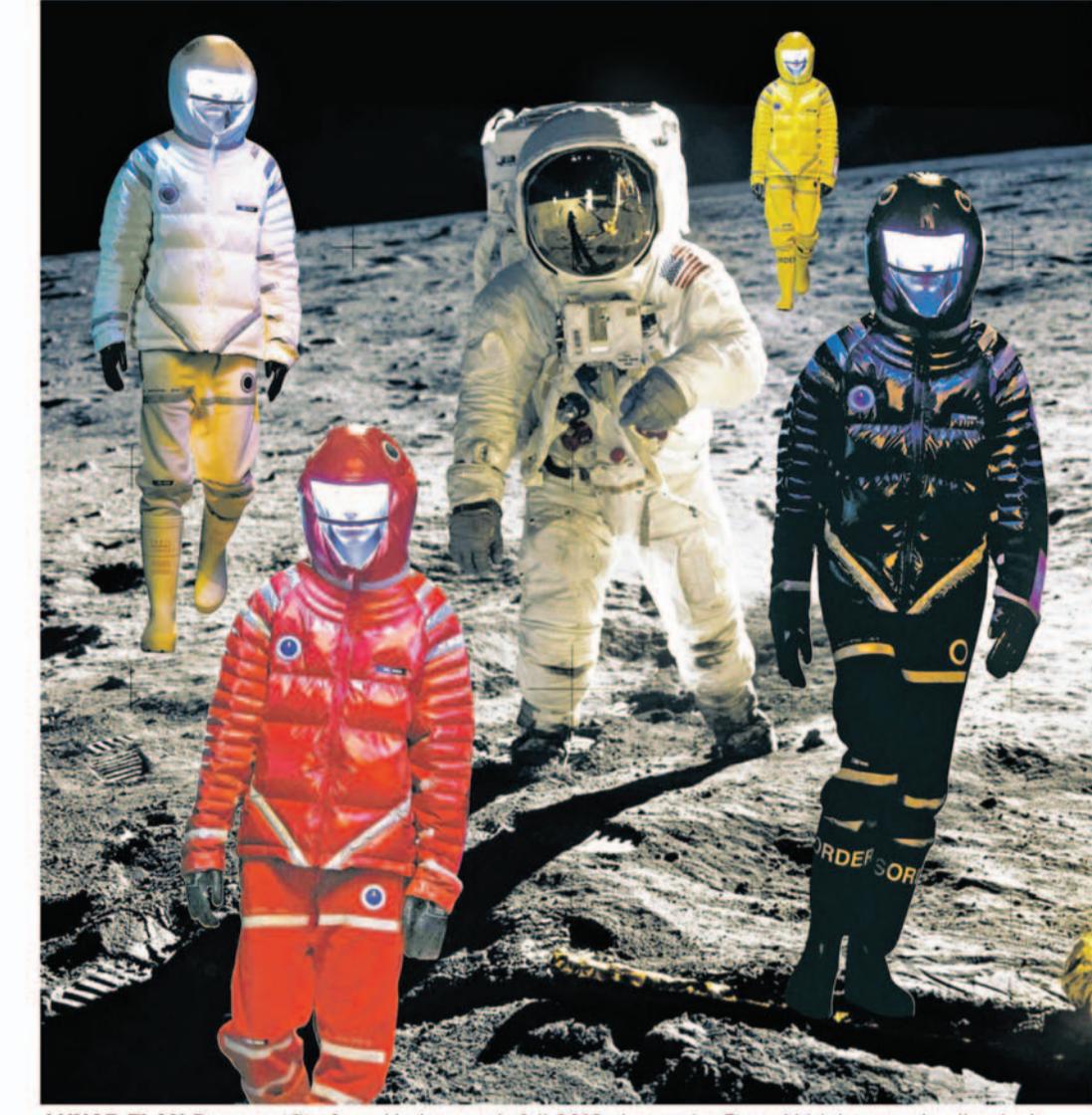
Astronauts and their tech-y silver gear are influencing some of the more out-there fall menswear looks

BY WILBERT L. COOPER

WHILE REAL-life Bond characters Elon Musk and Richard Branson are speeding toward the possibility of actual travel to the cosmos for civilians, menswear designers are embroiled in their own space race.

From New York fashion designer Heron Preston's fall collection celebrating NASA to Japanese brand Undercover's recent sampling of iconic images from "2001: A Space Odyssey," runways are looking more and more like launchpads.

The promise of space travel first resonated through fashion in the 1960s and '70s with designers like André Courrèges and Pierre Cardin serving up kooky Jetsons-style looks. But according to Patricia Mears, deputy director of the Museum at FIT and



LUNAR ELAN Down outfits from Undercover's fall 2018 show echo Buzz Aldrin's moon landing look

co-author of "Expedition: Fashion from the Extreme," what we're seeing now is more about time traveling. "There are so many seismic shifts going on in society today," said Ms. Mears. "One of the solutions is to look back in time. The other is to look forward."

Humberto Leon, co-creative director of Kenzo, sees one of those shifts in the "human rights that are being challenged day to day," which he said helped make "the idea of escaping to a new planet more alluring than ever before" when he was designing the fall collection. Kenzo's take on space falls in the

backward-looking camp, with its nostalgic spaceman graphics referencing the sci-fi films of Mr. Leon's youth, as well as the days when Neil Armstrong was walking on the moon.

Abdulwahed Abasi, co-designer of New York label Abasi Rosborough, grew up dreaming of the promise of space travel, too. But these days the former missile technician, who makes modern suiting and futurist sportswear, looks ahead at the consequences that can come with those advancements. "The advent of technology is a gift. It could create a utopia, it could create a dystopia," he said. Pieces from his brand's

fall collection include hoodies and T-shirts with an infrared graphic of an ominous rocket flying over a barren terrain.

Regardless of how you view space and the technology that will take us there, wearing clothes inspired by the final frontier is fairly straightforward. Stylist Dominick Barcelona recommends that you focus on one statement piece, like a top with rocket ship graphics or an astronaut-inspired quilted coat. "Work around that item, and tone down everything else," he said, "to let the piece speak for itself." If you overdo it, your style won't go to infinity, let alone beyond.

STAR SCORES // SPACE-INSPIRED PIECES FOR THE MOST COSMOPOLITAN COSMONAUT

Hoodie, \$325, kenzo.comHeron Preston Jacket, \$1,895, mrporter.comRaf Simons T-shirt, \$471, matchesfashion.com

Strap On a Dashboard

Bradley Price, president and owner of New York watch company Autodromo, only recently recalled that his mother drove a Ford Mustang in the '80s, a happy coincidence given the watchmaker's connection to the auto maker. Over the past year, Mr. Price and Ford have collaborated on watches which pull inspiration from the cars for their dial quirks and color schemes. Watch, \$695, autodromo.com



Respect Your Eco-Elders

In 1903, Teddy Roosevelt, who established the U.S. Forest Service, and John Muir, who co-founded the Sierra Club, trekked through Yosemite together. Pushing past pattern for pattern's sake, New York brand Best Made Co. has proclaimed this iconic eco-duo "the fathers of conservation," and popped their portraits and words of wisdom on a pleasantly retro scarf. Bandanna, \$28, bestmadeco.com



JOSHUA SCOTT FOR THE WALL STREET JOURNAL, STYLING BY ANNE CARDENAS (CLOTHING, ACCESSORIES); GETTY IMAGES (ALDRIN)



SIDNEY GARBÉR

EXCLUSIVELY
OURS

SAME DAY DELIVERY
AVAILABLE IN MANHATTAN AND SELECT ZIP CODES
IN THE GREATER METROPOLITAN AREA

BARNEYS
NEW YORK

THE FALL OFF DUTY 50 | STYLE & FASHION

4

Don't Stop 'Til You Get Enough

In times as fractious as the post-Watergate '70s, fashion is drawing inspiration from the flashy, escapist distraction of disco

By KATHARINE K. ZARRELLA

DISCO'S STILL NOT dead—at least not in fashion. While the days of dancing 'til dawn at Studio 54 are barely a memory, designers have gravitated to the era's glittering exuberance to tap the escapism it represents. This fall, sequins, sparkle and the languid, '70s silhouettes proffered by Halston are back in the spotlight. From high-shine minis at Saint Laurent to oversize paillettes at Paco Rabanne and unstrict draping at Carolina Herrera, brands are taking cues from nightlife's most hedonistic age.

"In difficult times, fashion is always outrageous," wrote surrealist designer Elsa Schiaparelli in her memoir. Had she lived to see disco's apex, which came just after her 1973 passing, she'd surely agree that its sartorial opulence proved her thesis. Disco can be seen as a reactionary fantasy born out of crisis, specifically the aftermath of the Vietnam War and Watergate scandal. It makes sense, then, that in today's turbulent sociopolitical climate, designers are embracing the period's megawatt glam.

"It's an escape tactic," said London designer Michael Halpern, who's been turning heads with sequin-drenched collections since debuting his line last year. "Putting on a sparkly frock or a shiny pair of trousers eases the pain a little bit." Mr. Halpern's more extravagant wares, like full-sequin dresses and jumpsuits, which range from \$2,100 to over \$4,000, are his best-sellers. Those searching for a more accessible indulgence can pick up a piece from his spangled Topshop mini-collection, set to hit in November.

Brandon Maxwell has looked to disco and its heroines, including Bianca Jagger, since launching his line in 2015. "That whole time was about going out and forgetting your troubles," he said. "It was about dressing up and glamour and losing yourself. And god, don't we need that right now?"

Indeed, but women also crave modernity, and there's a fine line between disco-tinged elegance and garish costume. To keep things current, Mr. Maxwell mixes casual pieces—a cropped sweater, for example—with glitzy elements like sequin trousers. Mr. Halpern suggests that the new disco flair needn't be relegated to nighttime. "I'm not asking someone to wear a sequin jumpsuit to work at 8:30 a.m., but I don't see why you can't wear a sequin T-shirt under a cool suit."

Though Susi Kenna, the Art Basel art fair's 34-year-old digital and social media manager, likes "a little drama" when she goes out at night in New York, she dismisses the notion that the trend has daytime practicality. After dark, she said, it gives her a chance to play out a fantasy, but "I would never wear something like that to work or brunch."

Mr. Maxwell countered that parties can become brunches: "I would imagine that, after going to Studio 54, women wore their clothes until the sun came up," he said, musing that they'd perhaps hit the diner in their disco duds. "That's just as glamorous—probably even more so."



BLACK MIRRORBALL Clockwise from top left: Knit Bodysuit, \$2,020, Trousers, \$4,600, Belt, \$2,435, Pumps, \$1,861, louisvuitton.com; Nikos Koulis Earrings, \$17,225, Bergdorf Goodman; 888-774-2424; Halpern Top, \$2,870, Trousers, \$2,705, matchesfashion.com; Earrings, \$1,995, Saint Laurent by Anthony Vaccarello, 212-980-2970; Dress, from \$20,155, Sandals, from \$1,595, Givenchy, 212-650-0180; Selim Mouzannar Bracelet, \$2,920, Bergdorf Goodman; 888-774-2424; Dress, \$3,990, Carolina Herrera, 212-249-6552; Sandals, \$750, sergirossi.com

-ANDY RYAN FOR THE WALL STREET JOURNAL, HAIR BY CHARLES MCNAIR, MAKEUP BY RAUL OTERO, MODEL: BELLA NEWMAN/MUSE, SET STYLING BY JARED LAWTON

An advertisement for Dolce & Gabbana. It features several models in various settings in Rome, including a woman in a yellow t-shirt with 'SANTA MODA' and a red skirt, a woman in a blue quilted jacket, and a man in a blue jacket. In the background, there are large stone statues and buildings. The Dolce & Gabbana logo and the hashtag #DGROMA are prominently displayed. The bottom right corner includes the text 'SHOP ONLINE AT DOLCEGABBANA.COM'.

THE FALL OFF DUTY 50 | STYLE & FASHION

5 Fight Fire With Fashion

One of fall's most curious trends is extreme work wear. Exhibit A: designer 'firefighting' gear. We asked an actual fireman to critique it

BY JACOB GALLAGHER

THEY'RE GONNA sell—they're definitely gonna sell," said Kevin Crowley. He does not work at a department store, he is not a fashion-trend forecaster and he has never been asked for his professional opinion on a piece of clothing. And yet Mr. Crowley, a volunteer firefighter in upstate New York for the past 17 years, is well-positioned to give an opinion on a particular Calvin Klein design. Bizarrely enough, the coats in question—standouts in the brand's fall 2018 collection by Belgian designer Raf Simons—



could easily be mistaken for firemen's jackets, complete with reflective stripes and clanging silver clasps. Though perhaps a bit biased, Mr. Crowley, 55, not only foresees a demand for the piece, he personally approved of its style: "I really did think it looked nice."

Firefighters find themselves playing a surprising role this fall, that of high-style muse. Aside from Mr. Simons, Japanese designer Junya Watanabe, New York's Heron Preston and British label Burberry have all made outerwear that evokes firefighting gear, with varying degrees of fidelity to the real thing. Mr. Watanabe's version boasts believable reflective strips but comes in dark neutral shades that would look more at home in a trendy Tokyo restaurant than a dank fire house.

According to Damien Paul, the head of menswear for British e-commerce site Matches Fashion, this trend is part of a long tradition of designers finding inspiration in work wear, from fisherman sweaters to coveralls. It's rooted in "the idea of clothing being for protection, so it feels very masculine," said Mr. Paul, adding that an "industrial" firefighter coat like Calvin Klein's is a particularly literal example. While a pair of Ralph Lauren chinos is loosely descended from a pair of military fatigues, this firefighter coat so closely resembles the real McCoy that even Mr. Crowley admitted that it would fool him on the streets.



NEW FLAME
Volunteer fireman Kevin Crowley tries on Calvin Klein's 'firefighter' jacket. Coat, \$2,950, *Calvin Klein 205W39NYC*, 212-292-9000; Inset: Mr. Crowley in his real professional gear

F. MARTIN RAMIN/THE WALL STREET JOURNAL, GROOMING BY BIRGITTE PHILIPPIES

Would it hold up for a fireman's work? Well, no. When grilled on how it diverged from department-issued gear, Mr. Crowley said that, for starters, the coat was a refreshing 20 pounds or so lighter. Without the thick, flame-retardant insulation that helps Mr. Crowley and his peers actually fight fires, Calvin Klein's Italian-made version earned higher marks on mobility.

He noted the relative authenticity of the clip buckles running down the front, which make it easier to put on in a hurry, whether you're running to an emergency situation or just to catch the 8:02 a.m. train. He guessed that the waxy texture of the coat meant that it was waterproof, just like his actual gear. "This will keep you dry," he said. But not as dry as the real thing:

The fabric's rough texture has a faux, pre-smoked look but it isn't in fact water-repellent.

So, would he ever think about buying the \$2,950 Calvin Klein coat for himself? Not on his salary (which also includes occasional acting and modeling fees, as well as a pension from ironworking). "I couldn't afford that. I would get a car. I would buy a car for my son."



Picture These Frames

6

Jacques Marie Mage in Los Angeles and Kirk Originals in London have recreated two of the best shades in cinematic history: Dennis Hopper's square frames from "Easy Rider" and Cary Grant's rounded specs from "North by Northwest," respectively. They're as sharp as a well-focused lens. From left: Taos Noir Sunglasses, \$555, jacquesmariage.com; Harvey Sunglasses, \$552, kirkoriginals.com



Play the Outerwear Field

More than 4,000 miles separate Yankee Stadium and Gucci's Milan headquarters. And yet the clothes at Gucci's fall '18 show in Italy were so littered with Yankee logos the venue could have passed for the B train on game day. The odd-couple partnership between Gucci and Major League Baseball (other pieces reference the Pittsburgh Pirates and the Los Angeles Angels) also includes licensed slippers and scarfs but our money is on this topcoat. That "NY" emblem is epic, however far you are from the Bronx. Coat, \$5,500, gucci.com



8 Screen Your Jeans

Although fashion is adept at absorbing influences from other disciplines, it also loves to reference itself. Brands like Ralph Lauren and Tommy Hilfiger are currently recycling designs from their past and riffing on their logos. Japanese label Kapital has taken the meta-fashion cycle even further by screen-printing the image of a pair of its pre-loved jeans on a T-shirt. It's one item of clothing paying homage to another. Kapital T-shirt, \$270, unionmadegoods.com



Brush Up On Your Geography

Rather than the banal mint toothpastes that clutter drugstores, try one of Lebon's more outside-of-the-tube flavors, like "Cap Ferrat Mood," inspired by the greenery of the French Riviera. For each of the line's nine tasty pastes, co-founders Stephanie and Richard le Bon drew upon their trips to global locales. Now you can scour your incisors and inject a little adventure into your morning routine. Lebon Toothpaste, \$21, davidpirrotta.com

—Lauren Ingram

ELIZABETH LOCKE
JEWELS



AVAILABLE AT NEIMAN MARCUS
PRECIOUS JEWELS SALONS 800-937-9146

(540) 837-3088 or www.elizabethlockejewels.com

Screen Your Jeans

Although fashion is adept at absorbing influences from other disciplines, it also loves to reference itself. Brands like Ralph Lauren and Tommy Hilfiger are currently recycling designs from their past and riffing on their logos. Japanese label Kapital has taken the meta-fashion cycle even further by screen-printing the image of a pair of its pre-loved jeans on a T-shirt. It's one item of clothing paying homage to another. Kapital T-shirt, \$270, unionmadegoods.com

HAGGAR CLOTHING CO.

ESTABLISHED 1926

PAID ADVERTISEMENT

DALLAS, TX

Haggar Clothing Co Partners With Pro Football Hall of Fame

Two things are certain each year at the Pro Football Hall of Fame Enshrinement Ceremony: football greatness is recognized and the iconic Gold Jacket, made by Official Jacket Provider Haggar Clothing Co., is bestowed.

This proud tradition began in 1978 when the Pro Football Hall of Fame commissioned Haggar to create custom suit jackets for its newest class of enshrinees.

"For decades, Haggar has been honored to individually construct

Gold Jacket Facts

- Debuted in 1978
- Custom made in one of two American Factories
- Each jacket is individually numbered.
- The fabric's color is a trade secret and closely guarded.

and tailor each Gold Jacket for Pro Football Hall of Famers, and we feel tremendous pride when we see our jackets on the sport's greatest legends," said Haggar CEO Michael Stitt. "To those who wear it, the Gold Jacket symbolizes years of hard work and dedication to mastering their craft, and we're honored to have Hall of Fame inductees in our 2018 class on their enshrinement."

Haggar's Hall of Fame jacket team worked with newly enshrined Hall of Famers Bobby Beathard, Robert Brazile, Brian Dawkins, Jerry Kramer, Ray Lewis, Randy Moss, Terrell Owens and Brian Urlacher beginning in February to customize their Gold jackets.

"Haggar has been a valued Pro Football Hall of Fame partner since our Official Jacket Provider in the past 40 years and we know how important those jackets are to each legend who wears them," said Hall of Fame President David Baker.

J.M. HAGGAR PREMIUM STRETCH SUIT

ON SALE-SEPT 13-25

\$129.99

SUIT JACKETS - \$220-\$90.00

SUIT PANTS - \$100-\$39.99

DRESS PANTS - \$80-\$34.99

**AVAILABLE IN
CLASSIC, STRAIGHT,
SLIM, BIG & TALL FITS**

KOHL'S

HAGGAR.COM

Haggar News

For seven consecutive quarters (Q2-2018), Haggar has produced both the **No. 1-selling dress pant style¹**, the Premium Comfort Dress Pant & E-CLO™ Dress Pant, and the **No. 1-selling casual pant style²** in America, the Premium No Iron Khaki.

"Innovation is the driving force behind our success. We continually elevate our designs through technologies that include state-of-the-art fabrics and comfort features that our customers have come to expect from Haggar," said Haggar Chief Executive Officer Michael Stitt.

Haggar is the **No. 1-selling golf pant brand** in its third-quarter rankings for 2017*. Haggar's Cool 18® Pro pant offers performance features such as moisture-wicking, UPF sun protection, shirt gripper technology, hidden comfort waistbands and lightweight, four-way stretch fabrics that make it ideal on and off the course.

In 2018, the brand will celebrate its inaugural REPREVE® Sustainability award.

130 million recycled plastic bottles in its Life Khaki, Premium Comfort Dress Pant and Premium Comfort Casual Pant.

"As we celebrate our 92nd anniversary, we like to stop and reflect on the positive impact we've had on the world. Our partnership with Unifi has made a significant difference," said Haggar President and Merchandise Director Anzovino.

In 2016, Haggar was honored to be invited to create a custom suit jacket for the **Basketball Hall of Fame** induction ceremony. The distinctive orange jacket was worn by all 12 inductees at the Massachusetts ceremony.

The 2018 class includes **Kidd, Steve Nasar, Allen, Tina, Cheeks, Charles, Dino Radja, Washington, and Welts.**

In 2010, Haggar was honored to receive the Hall of Fame's Academy of Honor award, coming the year after the **Hockey Hall of Fame** induction ceremony. All new Haggar suits are now offered at the Hall of Fame to their customers.

The 2018 class includes **Brodeur, Marian Gaborik, Yakuza, Bettman, and**

Haggar continues to be the Official Jacket Provider of the Hall of Fame. The moral support of the Hall of Fame creates a sense of pride and accomplishment to recognize the Hall of Fame's greatest contributors.

"While our focus is on the Hall of Fame, Haggar is also a Gold Jacket sponsor of the NFL. Gold Jackets symbolize the achievements of the NFL's greatest players, coaches and executives. Five kids exceeded my expectations," said Emmitt Smith, leading rusher in NFL history. "I have so much to give back to the game because he's the reason I became a Hall of Famer. I'm honored to join Haggar in supporting the Hall of Fame and great dads and fathers across the country."

"I dad by far the most common dad and the one I've ever known," said Joe Haggar III, who served as president of the company from 1991 to 2011. "He knew how to talk to people and how to understand what they really wanted or needed. He was a valuable tool in this business." With establishing the quality of his updated style, Haggar came the long road to establishing the reputation of the company. "He was all a man who cared about the people of all ages," says Joe Haggar III, who has worked for Haggar Clothing Co. since 1969. "He cared very much about the people he worked with, both the employees of the company and the customers served by the company. He got along with everyone, starting with the immigrants who left Lebanon with him on the cattle boat. To him, people were the means to creating a great company and he lived that commitment every day of his life."

The newest members of the Pro Football Hall of Fame are inductee Bobby Beathard, linebacker Robert Brazile, safety Brian Dawkins, guard Jerry Kramer, linebacker Ray Lewis, wide receiver Randy Moss, wide receiver Terrell Owens, and linebacker Brian Urlacher.

¹ NPD Group Retail Tracking (POS), Premium/Mid-Tier, Men's Dress Pant Category, Q2 2018

² NPD Group Retail Tracking (POS), Premium/Mid-Tier, Men's Casual Pant Category, Q2 2018

* Rankings based on the NPD Group's Retail Tracking Service/POS Sales Data, Unit Rank, Continental U.S. Department Store/National Chain Channel, Quarterly Data: Q1, Q2 and Q3 data from 2017; Q1, Q2, Q3 and Q4 data from 2016; and Q4 data from 2015

THE FALL OFF DUTY 50 | STYLE & FASHION



Cuddle Your Coat

It would be really weird if a grown woman carried a teddy bear around. But who, after a long day of adulting, hasn't wanted to snuggle up with something fuzzy? Enter Max Mara's teddy bear coat, modeled after one the Italian brand made in the 1980s using faux fur from a high-end toy supplier. "The world is a big, scary place," said Max Mara's creative director, Ian Griffiths. "I don't think any of us are big enough or old enough to face it without comfort." Post-adolescence, it's probably best that your source of solace is a chic coat and not a scruffy toy. Coat, \$3,590, [Max Mara](#), 212-879-6100



Pop On a Precious Ring Pop

The aptly named jeweler Kirsty Stone, a self-professed gem collector, launched her "Lollipop" line of one-of-a-kind cocktail rings to put those sparklers to good use. She sets dime-size precious bijoux into stones like onyx and jasper. "When I put them on, I immediately called them Ring Pops," she said, referencing the '80s party-favor staple. "They are just bright, colorful, candy-looking things. Almost like you could eat them." Please note: Salmon is a tastier source of minerals. Retrovau Quartz Ring, \$5,380, Turquoise Ring, \$17,900, Jasper Ring, \$5,175, [Barneys New York](#), 212-826-8900 —Rebecca Malinsky

VIONIC

STYLE MEETS INNOVATION

INSIDE EVERY SHOE

AVAILABLE AT SELECT DILLARD'S OR VISIT [VIONICSHOES.COM](#)

© 2018 VIONIC GROUP LLC

12 Look Pretty as a Picture

So frequently do fashion designers take aesthetic cues from fine art, boutiques practically double as galleries. We've hung some of this season's notable works

Clockwise from top left: Jacket inspired by Kenneth Noland's 'Highlights,' \$228, [torysport.com](#); Necklace inspired by Paul Klee's 'Sailing Boats,' \$9,000, [larkspurandhawk.com](#); Dress inspired by J.H. Lynch's 'Tina,' \$1,095, [Stella McCartney](#), 212-320-8350; Sweater inspired by David Hockney's 'A Bigger Grand Canyon,' \$850, [lorodstudio.com](#); Bag inspired by John Constable's 'Landscape with a River,' \$450, [Simone Rocha](#), 646-810-4785; Rosetta Getty Jacket inspired by Analia Saban's 'Bulge (Black)' #1, \$2,490, [bergdorffgoodman.com](#)

JOSHUA SCOTT FOR THE WALL STREET JOURNAL; STYLING BY ANNE CARDENAS; ILLUSTRATION BY ANGELA SOUTHERN

13 Bag Yourself A Retro Tote

My Most Regrettable Fashion Buy

"Almost anything I've purchased at a sample sale. I shop at sample sales with the ideology that I am saving money rather than spending it because of the extreme discounts. It's a blackout experience and I get home with all this stuff that I should not have bought and that I will never wear. For example, a long asymmetrical tweed coat that buttoned across my neck; I'm not an asymmetrical person."

In the department store's 1950s glory days, a seemingly dashed-off cursive logo was standard branding from Dayton's to B. Altman, whose script was recently resurrected for "The Marvelous Mrs. Maisel." This fall, Michael Kors has adorned leather totes with his name in the handwritten style, harking back to a time when lunch at the Walnut Room in Marshall Field's was the highlight of any day. Bag, \$1,750, [Michael Kors Collection](#), 212-452-4685 —R.M.

14 Dress Gratefully

Colby Mugrabi, founder, Minnie Muse

We are in the midst of a Grateful Deadissance, with reboot band Dead & Company concluding a sold-out tour, and tie-dye trending across the board. New York brand Proenza Schouler delivers a micro-collection of pieces electrified with the band's lightning-bolt logo. On handbags and knits, it's a hit of tasteful psychedelia that will stay in your closet long after the tour's over. Sweater, \$975, [Proenza Schouler](#), 212-420-7300

ADVENTURE & TRAVEL

Be a Tourist In Milan

Italy's fashion capital isn't all business. Pleasure-seekers are warming up to its many diversions that don't come with a label

BY ANDREW FERREN

THERE'S A HOT NEW destination—a cultural, culinary and style center—trending in northern Italy. It's called Milan and it's been hiding in plain sight for decades beneath its reputation as "Italy's industrial capital" with countless references to its factories belching gray smoke over gray buildings in gray weather. Though social media has paraded the city's charms during Milan Fashion Week (held each September and February) and the annual Salone di Mobile (where furniture and interior design trends are unveiled each April), the city's transition from gritty and gray to gorgeous and green has still surprised many.

In the past few years, Milan's urban planners have been implementing a vast new network of tree-shaded parks to link the piazzas and promenades of its historic center with the verdant hills and forests that surround it. And no building can out-green Bosco Verticale (Vertical Forest), architect Stefano Boeri's 2014 residential towers whose facades are covered with tiers of some 800 trees and 12,000 plants.

To further entice skeptical tourists, some of the old factories now museums and cultural centers, like the Prada Foundation art complex, designed by architect Rem Koolhaas and his firm OMA, and Mudec (Museum of Culture), by David Chipperfield. Located in a former granary, Armani Silos, which started welcoming visitors in 2015, houses 600 garments that provide a 40-year overview of Giorgio Armani's career.

While Milan remains the undisputed Italian capital of the fashion and design industries, visitors are coming here to do more than purchase its products. According to Andrea Grisdale, CEO of bespoke travel specialists IC Bellagio, book-

ings for Milan are up 30% over the last five years: "The city is no longer considered a one-night stop. Clients now want two or three nights in Milan because it's not just about a day of shopping or touring a few historical sites."

In light of the city's new broader appeal, local hostelry has upped its game considerably. The Bulgari Hotel and Mandarin Oriental, both with stellar restaurants that draw discerning Milanese diners, have joined the Four Seasons and Park Hyatt at the top of the market. A range of smaller hotels are thriving too.

Ditto for the culinary scene. One could spend a week dining around the fashionable Risorgimento neighborhood without getting bored. And steps away from the designer shopping near Via Montenapoleone, restaurants are buzzing. Among them: the new Paper Moon Giardino, where the garden is like a movie set with tables arrayed in view of what appears to be a picturesquely decaying classical temple.

"Milan is not so obviously beautiful as Venice or Florence because it's far more discreet and private so it can take a little longer to discover," said Filippo Curinga of L.D.I. Travel. "But for anyone remotely attuned to design and aesthetics, the city will quickly seduce."

He suggests starting at the Villa Necchi Campiglio, the sumptuous 1930s rationalist villa (now a house museum) that was the real star of the 2009 Tilda Swinton movie "I Am Love." Other "musts" include the Pinacoteca di Brera housing one of the world's finest collections of Renaissance paintings. "People battle crowds at the Vatican Museums in Rome to see similar artworks," said Mr. Curinga. "And here you sometimes have them all to yourself."

► For more details on visiting Milan, see wsj.com/travel.



FAIR AND SQUARE From top: The Rem Koolhaas-designed tower, completed earlier this year, at Milan's Prada Foundation art complex; the city's Mandarin Oriental hotel.

ANDREA WYNER FOR THE WALL STREET JOURNAL

Bonhams

AUCTIONEERS SINCE 1793



Fine Jewelry

New York | September 21, 2018

PREVIEW
September 16-20

INQUIRIES
Catherine Roehre
+1 212 461 6526
catherine.roehre@bonhams.com
bonhams.com/jewelry

A PAIR OF DIAMOND NECKLACES,
HARRY WINSTON
\$250,000-350,000
\$350,000-550,000

The Annual Sale Now-9/25

Visit a Knoll Home Design Shop

NEW YORK
1330 6th Avenue at 54th Street
212 343-4190

WEST HOLLYWOOD
314 North Robertson Boulevard
310 620-2680

Find a Knoll Retailer
knoll.com/location

Shop knoll.com



Knoll

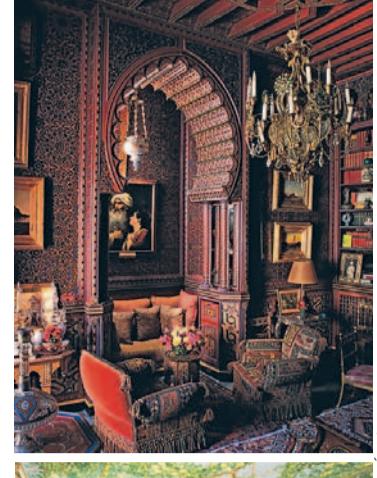
THE FALL OFF DUTY 50 | ADVENTURE & TRAVEL

SURREAL ESTATE
From left: Salvador and Gala Dali at Coco Chanel's La Pausa villa, circa 1938; a replica of La Pausa at the Dallas Museum of Art.

musee-dior-granville.com. The Château de la Colle Noire in the Grasse region, which Dior bought and restored in the last years of his life, will open to visitors for a few days in October. *lvmh.com/lesjournéesparticulières*

LA PAUSA

Coco Chanel used the apartment above her Paris boutique for entertaining and lived in a suite at the nearby Ritz hotel. Chanel's spiritual home, however, was La Pausa, the French Riviera villa she built in 1928. The building is not open to the public, but parts of the interior have been recreated in the Dallas Museum of Art, using many of the original furnishings. In contrast to Chanel's exuberantly mirrored and lacquered Paris digs, the villa had a stark, almost monastic look reminiscent of the cloistered convent orphanage where she was raised, complete with heavy doors, iron grids, vaulting and austere wooden furnishings. *dma.org*



HOME VANTAGE From top: Villa Oasis, the Villa Casa Casuarina and Musée Christian Dior.

16

Get Cozy With Coco

Where to ogle the private homes behind the biggest couture houses

BY KIMBERLY CHRISMAN CAMPBELL

BEHIND EVERY GREAT fashion house, there's a more modest house, intimate spaces where the hardest-working talents in the fashion world ate, bathed and unwound. Many of these abodes—either childhood homes where inspiration first struck or manses fabulously furnished during the height of suc-

cess—are open to the public, whether as museums, hotels or gardens. Here, four places, from Marrakech to Miami, well worth snooping around.

MUSEE CHRISTIAN DIOR

Granville, France
Christian Dior's cotton-candy-pink childhood home sits on a seaside cliff top in Normandy. "Our house at Granville, like all Anglo-Norman buildings at the end of the last cen-

tury, was perfectly hideous," he remembered in "Dior by Dior," his autobiography. "All the same I look back on it with tenderness as well as amazement. In a certain sense, my whole way of life was influenced by its architecture and environment." Opened to the public as Musée Christian Dior in 1997, the house currently welcomes visitors to the exhibition "Treasures of the Collection: 30 Years of Acquisitions," on display until January 6.

THE VILLA CASA CASUARINA

Miami, Florida

For the last five years of his life, Gianni Versace lived in this 19,000-square-foot South Beach mansion that dates from 1930; he was shot and killed on its doorstep in 1997. His over-the-top aesthetic lives on inside—and how. Mythological frescoes, statues and fountains festoon the house, now an intimate hotel. Versace's Medusa logo is as ubiquitous as Disneyland's Hidden Mickeys; the largest version, a mosaic patio beside the gold-tiled pool, was created in Versace's Italian hometown of Reggio Calabria, broken apart, then reassembled in Miami. *vmmiamibeach.com*

VILLA OASIS

Marrakech, Morocco

In 1980, Yves Saint Laurent bought and restored a botanical garden and the adjacent Villa Oasis in Marrakech (the former estate of French painter Jacques Majorelle). He lived there with his partner, Pierre Bergé, until his death in 2010. "Before Marrakech, everything was black,"

Saint Laurent once said. "This city taught me color, and I embraced its light, its insolent mixes and ardent inventions." Today, the Jardin Majorelle is Morocco's most popular tourist attraction, though it faces competition from the Musée Yves Saint Laurent, opened in 2017. Private tours of the villa can be booked through the Four Seasons Marrakech with a donation to the Foundation Jardin Majorelle. *fourseasons.com*



FRENCH DIP Namibia's Omaanda lodge, opened by French hotelier Arnaud Zannier.

Hoof It to Namibia

What to wear on a rhino walk in Namibia? "Sturdy hiking boots that stand up to the terrain," said Arnaud Zannier, owner of Omaanda, a new luxury lodge set in an immense reserve near the capital of Windhoek. The French hotelier knows footwear, having co-founded the N.D.C. Made by Hand shoe line earlier in his career. Suitably shod guests at Omaanda can trek with rhinoceros; ambling with elephants can also be arranged. Mr. Zannier—who was introduced to the area by Angelina Jolie, a guest at another of his resorts—plans to open a tented camp overlooking the Namibian desert next spring. *From about \$800 per person per night. zannierhotels.com*

—Donna Bulseco

18

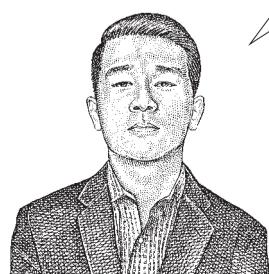


Dial Up a Room-Service Stylist

Problem: You've snagged last-minute theater tickets across the pond in London and have little time to pack before your flight. Solution: Check into a hotel equipped to help if you forget anything. Hotel Café Royal partners with MatchesFashion.com on "Fashion Now" boxes (evening-wear, work clothes or gym attire) for guests in need. Delivered within 90 minutes, they're also a quick fix for lost luggage woes. Free for Regent suite guests: A "private shopping" service with a Matches stylist, who brings options to you for try-ons. *hotelcaf royal.com* —D.B.

My Most Regrettable Fashion Buy

"If you've got big thighs like me, most types of underwear are the wrong underwear. I've tried them all. Briefs. Boxers. Banana hammocks. Tighty whities. The only thing that works is long briefs that go to your knees because they won't ride up. Anything else feels like someone is doing Brazilian jiu-jitsu on my balls."



Ronny Chieng, comedian and actor, currently appearing in the TV series 'Ronny Chieng: International Student.'



Cede to the Swedes

#Scandistyle is trending and, this fall, two of the best-known Swedish brands on this side of the Atlantic have meshed their talents in ways adventurous sorts will appreciate. Acne Studios, the hip fashion collective, has partnered with outdoor outfitter Fjällräven to offer a limited series of oversize puffers, hiking pants, sleeping bags and fleece-lined "field hats." Urban explorers can choose among satchels in various sizes and hues. A riff on Fjällräven's signature backpack—updated with pink leather straps and a bright "camouflage" pattern—ensures your travel companions won't lose you in a crowd. *Acne Studios Fjällräven backpack, \$230, acnestudios.com* —Rebecca Malinsky



WWW.TERIJON.COM

CLOCKWISE FROM LEFT: IMAGE RIGHTS OF SALVADOR DALÍ RESERVED, FUNDACIÓ GALÀ-SALVADOR DALÍ, FIGUERES, 2015; COURTESY OF DALLAS MUSEUM OF ART; NICOLAS MATHÉUS/FONDATION JARDIN MAJORELLE; RAPHAËL DAUTIGNY

JOSHUA SCOTT FOR THE WALL STREET JOURNAL, STYLING BY ANNE CARDENAS (BAG), ILLUSTRATION BY FEDERICA DEL PROPOSITO

THE FALL OFF DUTY 50 | ADVENTURE & TRAVEL

20

Shop Another Runway

The Peekaboo Gallery in Pasadena, Calif., isn't just exhibiting vintage flight-attendant uniforms (through Sept. 30). You can buy one of your own



FLY GIRLS From left: Jean Louis Stewardess Mod/Go-Go Dress, United Airlines, 1968-1970, \$1,245, 'Pucci II: Ports of Call Collection' by Emilio Pucci, Braniff International, 1966, \$2,695, Soviet/Russian Red Mandarin, Aeroflot Airlines, 2000s, \$475, and Stewardess Uniform, Continental Airlines, winter 1974-1978, \$725, peekabogallery.com

22

Scrutinize Your Souvenirs

Travelers hungry for fashion have a new route to pursue: Personalized shopping tours that are "less about buying and more about seeing how beautiful things are made," according to Victoria Dyer, whose company India Beat will book a behind-the-scenes visit to the Gem Palace jewelry studio in Jaipur or a hands-on block-printing workshop in Bagru (indiabeat.co.uk). Paris-based Secret Journeys escorts you into the salons of creators, such as master shoemaker Olivier Guyot of George & George (secretjourneys.travel/paris). And for those intrigued by Spain's bullfight culture but too squeamish to enter the ring, "Madrid by Appointment" provides an entree to the makers of matador attire, as well as a peek at purveyors of flamenco essentials, from ruffle-tailed gowns to clickety-clack castanets (madeforspainandportugal.com). —D.B.



Make a Difference with Us



Big Brothers Big Sisters

When you clean out your closets and donate your new or gently-used clothing to our partner, Big Brothers Big Sisters, we'll give you \$100 off* a new California Closets storage system!

Call today to arrange for your free design consultation.

CALIFORNIA CLOSETS®

914.592.1001 californiaclosets.com

MANHATTAN & BROOKLYN 26 Varick St. | 1625 York Ave. NASSAU & QUEENS 25 Northern Blvd., Greenvale - New showroom

WESTCHESTER 16 Saw Mill River Rd., Hawthorne

ROCKLAND & HUDSON VALLEY 83 S Main St., New City

*Maximum savings \$100. Cannot be combined with other offers. Initial consultations need to take place on or before October 31st, 2018.



A scene from 2015's 'The Dressmaker.'

Binge on Best-Dressed Travel Films

COUNTLESS MOVIES fuel wanderlust. Rarer are those where the clothes are just as vivid as the on-location shots. We asked Katie Riley, costume designer for "Bel Canto," the romantic thriller based on the Ann Patchett novel (opening this weekend), to choose four films that pair wardrobes with backdrops enticingly enough to make you buy new clothes, book a ticket or both.



Crazy Rich Asians

"All the chic craziness that is Singapore shows up in the sky's-the-limit clothing, from the Swarovski-studded wedding outfit to the blue chiffon Marchesa gown Rachel [Constance Wu] wears to the meet-the-mom party. Singapore is a city of malls, and the resort shown in the film has one with a Louis Vuitton island! Watching 'Crazy Rich Asians' makes you crave a wardrobe of bright hues, unconventional silhouettes and bold patterns."

The Dressmaker

"Set in the Australian outback, this 2015 film tracks a dressmaker [Kate Winslet] returning to her hometown and sartorially transforming the women there. The film coolly contrasts shapes

in nature with couture-like '50s silhouettes; a craggy tree inspires a gorgeous wiggle dress with a Fortuny-like pleated cape. It makes you want to try unexpected pieces and color, like wearing red jeans as a neutral instead of drab khakis."

Roman Holiday

"Anyone can get lost in Rome and blend in, as Audrey Hepburn did as this classic's princess, undercover in a white blouse and full skirt with a tiny scarf tied at her neck. The look still feels so modern, even though 'Roman Holiday' came out in 1953. All you need are crisp, clean classics."

Casino

"The 1995 movie is an oddball choice, but I love '70s glamour and Vegas is a place you can pull off sequins in the daytime. Everything Sharon Stone wears is to die for, and the movie shows a different time in casino culture, when people used to dress up when they traveled or went out at night. There's something magical about seeing that in a sparkling casino." —edited from an interview by D.B.

©2018 California Closets Company, Inc. All rights reserved. California Closets is a registered trademark of California Closets Company, Inc.

EATING & DRINKING

23

Dine Through the Decades

Historically, when one shopped for the latest fashions at a grand department store, the experience included a bite at the gracious in-house café or tea room. Here, four classic recipes that reflect the styles of their times.

BY ELEANORE PARK

Mrs. Hering's Famous Pot Pie*The Walnut Room, Marshall Field's, Chicago, 1890s***Total Time:** 30 minutes**Serves:** 4

Preheat oven to 450 degrees. Cut circles from **1 sheet frozen puff pastry dough, thawed**, to fit the tops of four 10- to 12-ounce ovenproof ramekins. Cut 2-3 slashes in each circle and set aside. // In a large saucepan, melt **3 tablespoons butter** over medium-high heat. Whisk in **1/4 cup all-purpose flour** until there are no lumps, and cook 1 minute more. Add **2 cups chicken broth**, whisking constantly until smooth. Bring to a boil and cook, whisking occasionally, until thickened, about 4 minutes. Add **1/2 teaspoon kosher salt** and **freshly ground black pepper to taste**. Stir in **3 cups cooked, shredded chicken breast, 1/2 cup small frozen peas, thawed, and 1/2 cup diced carrots**. Divide mixture among baking dishes. Top each with a pastry round, tucking edges into ramekin. Beat **1 large egg** with a **splash of water**. Lightly brush pastry tops with egg wash. Place baking dishes on a baking sheet and transfer to oven. Bake until pastry is golden and filling begins to bubble, about 25 minutes. Serve hot.

—Adapted from "Marshall Field's Cookbook: Classic Recipes and Fresh Takes From the Field's Culinary Council" by Steve Siegleman



Mrs. Hering's Famous Pot Pie



Bullock's Coconut Cream Pie



Helen Corbett's Chicken Salad



Nordstrom Tomato Basil Soup

work surface. Add a little **flour** to work surface, rolling pin and/or dough if dough sticks or becomes difficult to roll. (If dough becomes too soft, transfer to a parchment-lined baking sheet and freeze until dough becomes manageable, about 10 minutes). // Roll dough onto rolling pin, then unroll into a 9-inch pie pan, centering the round. Gently press dough into bottom of pan and against sides, making sure there are no air pockets. Press dough against upper edge of pan so it extends about $\frac{1}{2}$ inch beyond rim, and trim any excess with kitchen shears. Fold overhang

under and use a fork to make symmetrical indentations all around rim of crust. Chill crust until cool and firm, about 15 minutes. // Preheat oven to 325 degrees. Remove crust from refrigerator. Prick bottom of dough with a fork about 10 times, evenly spaced. Place pie pan on a baking sheet and bake until lightly golden, about 30 minutes. Let cool completely on a cooling rack. (Leave oven on.) // Make the filling: Combine **1 cup evaporated milk, 1 cup heavy cream and 1/2 cup sugar** in a medium saucepan and bring to a boil. Meanwhile, in a medium bowl, whisk together **6**

large egg yolks, 1 tablespoon plus 1 teaspoon cornstarch, 1 tablespoon softened unsalted butter, 1/4 teaspoon vanilla, 1/4 teaspoon coconut extract or almond extract and 3 tablespoons cream of coconut, such as Coco Lopez brand. Whisking constantly, gradually stream hot cream mixture into egg mixture. Return mixture to saucepan and cook over low heat, stirring constantly, until custard thickens and coats back of a wooden spoon, 10-15 minutes. // Pour custard into baked pie shell. Bake until custard is set and lightly golden on top, about 35 minutes. Let cool

completely on a cooling rack. (Leave oven on.) // Make the toppings: Spread **1/2 cup sweetened shredded coconut** on a baking sheet and toast in oven, stirring twice, until golden, about 6 minutes. Let cool completely. // Use an electric mixer fitted with whisk attachment to whip **3 cups heavy cream with 1/4 cup plus 2 tablespoons sugar** until very stiff peaks form. // Finish the pie: Scoop whipped cream onto center of pie. Use an offset spatula to smooth whipped cream into a dome shape. Cover with toasted coconut. Pie is best enjoyed the day it is made. Store

in a cake box or under a cake dome in the refrigerator.

—Adapted from "Sweet" by Valerie Gordon

Helen Corbett's Chicken Salad*The Zodiac Room, Neiman Marcus, Dallas, 1950s***Total time:** 15 minutes**Makes:** 3 cups

Remove skin and pull meat from bones of **1 small rotisserie chicken**. Cut meat into $\frac{1}{2}$ -inch cubes. In a large bowl, combine chicken, **3/4 cup mayonnaise, 1 cup thinly sliced celery, 1/2 cup toasted sliced almonds and 1 teaspoon kosher salt**. In a separate medium bowl, whisk **1/2 cup heavy whipping cream** until thickened and soft peaks begin to hold, about 1½ minutes. Gently fold cream into chicken mixture along with **1 cup halved purple grapes and 2 tablespoons chopped parsley** until well combined. Season with more **salt** and **freshly ground black pepper** to taste. Serve on **lettuce**.

—Adapted from "The Best From Helen Corbett's Kitchens," ed. Patty Vineyard MacDonald

Nordstrom Tomato Basil Soup*Nordstrom Cafe, Seattle, 1980s***Total Time:** 2 hours **Makes:** 12 cups

In a 6- to 8-quart pot, heat **1/2 cup extra-virgin olive oil** over medium heat. Add **1 pound carrots, peeled and diced, and 1 pound onions, peeled and diced**. Season with **kosher salt**. Cook, stirring occasionally, until vegetables are tender, 10-12 minutes. Add **3 (28-ounce) cans whole tomatoes, crushed roughly by hand**, and cover with **2 cups chicken stock**. Add **1 tablespoon dried basil**. Cook, stirring occasionally, until soup thickens, about 1½ hours more, monitoring heat to maintain a gentle simmer. // Turn off heat. Taking care with the hot liquid, use an immersion blender or transfer soup to a blender, working in batches if necessary, to blend until smooth. Return soup to saucepan. Stir in **1 cup heavy whipping cream**, then season with a **pinch of cayenne pepper and salt and black pepper** to taste. Cut **1 cup basil leaves** into chiffonade. To serve, ladle warm soup into bowls and top with cut basil. Soup will keep up to 1 week in an airtight container in the refrigerator or up to 6 months in the freezer.

—Adapted from "Nordstrom Friends and Family Cookbook" by Michael Northern

Pop a Cork, Strike a Pose



Champagne never goes out of fashion (as WSJ's wine columnist argues on page D11). And a tall, slender Champagne flute can confer as much glamour on an ensemble as any satin clutch or jeweled stiletto. With the stem pinched casually between your fingertips, your posture and poise will skew a notch more seductive, whatever the glassware's pedigree. The crystal Trumpet flute from Tiffany & Co., a design dating to the roaring '20s, conjures the heady heyday of jazz. Its hollow stem mocks caution, while its musical horn shape all but orders you onto the dance floor. \$50 for a set of 2, tiffany.com —Aleksandra Crapanzano

24

Outfit Your Table in High Style

Home cooks around the world have come to rely on the fresh, vibrant recipes of London-based chef and cookbook author Yotam Ottolenghi. Now they can further brighten their tables with the line of linens used at his new restaurant Rovi. Designed by artist Ivo Bisignano and produced by artisans in Bergamo, Italy, using a technique called negative printing, the napkins, tea towels and tablecloths in shades of red, indigo, saffron and green all sport a handpainted O motif—more subtly than, say, Chanel wares are scattered with Cs. The organic-linen fabric is soft, sturdy and machine-washable as well as gorgeous. From \$26, ottolenghi.co.uk



F. MARTIN RAMER/THE WALL STREET JOURNAL (FLUTES); JOSHUA SCOTT FOR THE WALL STREET JOURNAL, STYLING BY ANNE CARDENAS (LINENS)

THE FALL OFF DUTY 50 | EATING & DRINKING

26



ON WINE / LETTIE TEAGUE

Find a Wine That's More Than a Passing Fad

A FRIEND AND I recently had a debate over whether rosé is a fashionable or a popular wine. My friend contended that rosé is both, while I argued it's only the latter.

Popular wines, often the product of clever marketing campaigns, usually appeal to enthusiastic neophytes, not seasoned oenophiles. Fashionable wines, by contrast, attain their status over years, even

decades, and are favored by amateurs and pros alike. By fashionable I mean wines that are perennial favorites, not a grape or region tied to a particular moment.

Another popular pink wine, White Zinfandel, long stood in the way of rosé's popularity. For decades after the White Zin years of the 1980s, wine buyers presumed all pink wine was sweet. That only changed

a few years ago, when dry rosé began to be relentlessly hyped. Now Drew Barrymore, John Legend and Jon Bon Jovi all have brands of their own.

Some wines achieve popularity with an eye-catching label. The leaping wallaby of Yellow Tail Shiraz raised the profile of an entire country's wines in the early 2000s—cheap copycat "critter" brands as well as pricey

small-production Aussie Shirazes. But when the popularity of Yellow Tail faded, the market for Australian wines in general dried up as well.

A fashionable wine doesn't rise and fall thanks to a cute label. Champagne has been fashionable virtually since its creation centuries ago; quality houses like Louis Roederer, Bollinger and Krug likely always will be.

Some might peg Pinot Noir's popularity to the (excruciating) 2004 movie "Sideways," but I'd counter that Pinot has been fashionable since well before that—in its native Burgundy as well as in California and Oregon, where long-time producers have been joined in recent years by winemakers from Burgundy. Time has only burnished the reputations of Oregon Pinot pioneers St. Innocent, Brick House and Domaine Drouhin, while newer wineries such as Lingua Franca, Nicolas-Jay and LaChini Vineyards make use of Burgundian talent.

Another fashionable wine, Brunello di Montalcino, was long made by only one winery, Biondi Santi, but now other notable Montalcino producers such as Sassetto Livio, Poggio Antico, Siro Pacenti and Altesino make this all-Sangiovese varietal. A decade ago some producers were caught blending in other grapes, but this infraction didn't have a lasting effect on sales. Perhaps a fashionable wine can bear a frisson of scandal?

My fourth fashionable wine, Sancerre, might surprise wine snobs. Like an Hermès Birkin bag, this Sauvignon Blanc is regularly knocked off, by winemakers all over the world. But few equal the Loire Valley original, which can range from powerful and rich to thrillingly mineral in style.

Napa Valley Cabernet has alienated some wine drinkers, but only when overblown in price and style. Napa Cabs from established producers like Corison, Philip Togni and Chappellet remain in fashion, perhaps because fashion is the last thing on their makers' minds. When I called Cyril Chappellet to talk fashionable wines, he was surprised. "We're kind of staid," he said. "We make the wine as well as we can and hope we are fashionable enough to keep going."

OENOFILE / FIVE FASHIONABLE BOTTLES



Louis Roederer Brut Premier Champagne \$40 A well-made, rich and textured non-vintage Champagne from the house that produces the fabled luxury cuvée Cristal.



2013 Altesino Brunello di Montalcino \$47 This wine from the highly regarded Altesino estate and much-heralded 2013 vintage is elegant and well-structured.



2017 Domaine Baully-Reverdy Sancerre Chavignol \$22 From some of the best soil in Sancerre, this is a crisp and lively wine with a lovely citrus note and a mineral edge.



2014 St. Innocent Shea Vineyard Pinot Noir Willamette Valley \$55 From a terrific vintage, vineyard and winemaker, this Pinot is bold, ripe and densely layered.



2015 Chappellet Signature Cabernet Sauvignon \$60 One of Napa Valley's most sought-after vineyard sites produces fruit for this lush, powerful wine.



At Gucci Osteria da Massimo Bottura in Florence, the food is as hot as the fashions.

Do Lunch à la Mode

These cafés housed in designer boutiques extend the brand from hanger to plate.

ARKET CAFÉ

224 Regent St., London; arket.com

The Vibe Clean-cut with an environmental conscience, like the clothing from this H&M spin-off

Signature Dish Rye bread sandwich, filled with seasonal ingredients like pan-fried mushrooms and goat cheese

BEIGE ALAIN DUCASSE TOKYO AT CHANEL GINZA

Chanel Ginza Building 10F, 3-5-3 Ginza, Chuo-ku, Tokyo; beige-tokyo.com

The Vibe Monochromatic luxury meets stellar people-

watching
Signature Dish Kuruma ebi shrimp with squash, fig and toasted walnuts

THE BROKEN ARM

12 Rue Perrée, Paris; the-broken-arm.com

The Vibe Bright, airy, bobo
Signature Dish The menu changes daily at this boutique-cum-café, but the apple cake is a current favorite.

THE CAFÉ AT MANSUR GAVRIEL

8475 Melrose Pl., Los Angeles; mansurgavriel.com

The Vibe Pink and plants, So-Cal-style
Signature Dish Romanesco pasta with olive oil, chile and garlic

GUCCI OSTERIA DA MASSIMO BOTTURA

Piazza della Signoria, 10, Florence; gucci.com

The Vibe Trattoria with global reach, plus Bottura's chef cred
Signature Dish Parmiggiano-Reggiano tortellini

—Priya Krishna



Milk-fed lamb with petit pois at Beige Alain Ducasse Tokyo at Chanel Ginza.

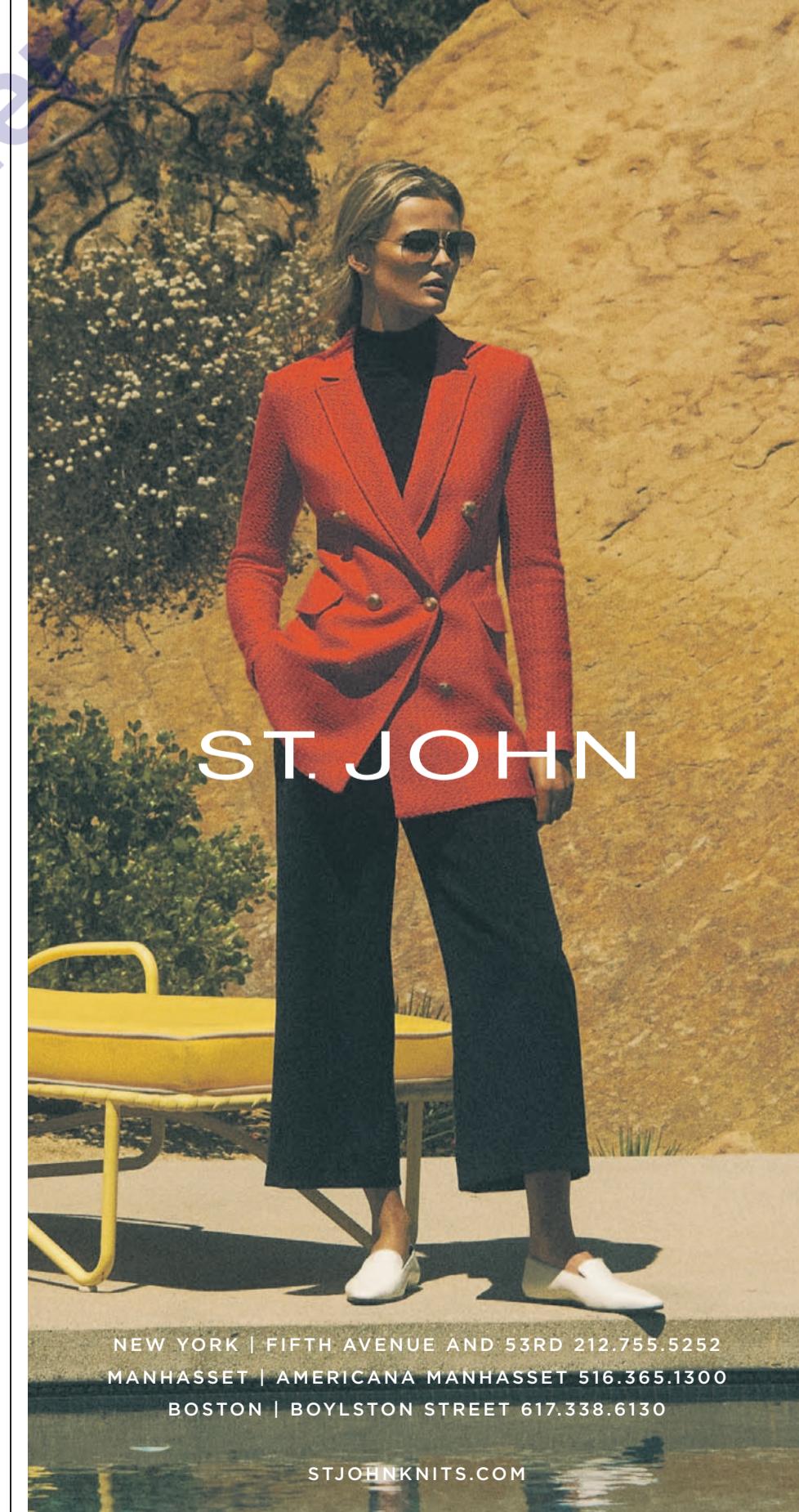
My Most Regrettable Fashion Buy

Chef Michael Solomonov, author of "Israeli Soul: Easy, Essential, Delicious" (Oct. 16, Houghton Mifflin Harcourt)

"Three years ago I bought moon boots and promptly returned them. They were ridiculous, Star Wars-themed, and hardcore-channelled C-3PO. I thought they were cool because I could wear them over my skinny jeans. Everyone told me to send them back."

Win Our Cover Jacket!

The customized Levi's jacket on the cover of this issue of Off Duty could be yours. NO PURCHASE NECESSARY. Open to legal residents of the 50 United States (or D.C.), 18 and over. Void where prohibited. Ends 9/21/18. For Official Rules visit <https://on.wsj.com/2Ng0rYs>. Sponsor: Dow Jones & Company, 1211 6th Ave., New York, NY, 10036.



NEW YORK | FIFTH AVENUE AND 53RD 212.755.5252

MANHASSET | AMERICANA MANHASSET 516.365.1300

BOSTON | BOYLSTON STREET 617.338.6130

STJOHNKNITS.COM

28

THE FALL OFF DUTY 50 | EATING & DRINKING

Adopt This Model's Diet

It's not all celery sticks and cigarettes. A new cookbook from swimsuit-issue star Chrissy Teigen serves up accessible indulgence

BY ADINA STEIMAN

FOR MODEL, TV personality, social-media juggernaut and cookbook author Chrissy Teigen, recipe inspiration arises in the unlikeliest places. Take the One-Pot Seafood Stew With Skillet Flatbread featured in her second cookbook, "Cravings: Hungry for More" (Sept. 18, Clarkson Potter). She got the idea for the dish on an UGG fashion shoot among the glaciers of Iceland. It was one of those all-too-luxurious photo sessions, ending with a "bearded hunk of a man-chef" cooking hand-foraged shellfish over volcanic rocks. But even that self-described "unrelatable" anecdote doesn't detract from Ms. Teigen's approachability. By the end of the recipe's introduction, with its description of the broth as "a delicious tomato Jacuzzi," you're not alienated by Ms. Teigen's aspirational life—you're drawn into it.

Twenty years ago, eating like a model meant submitting to non-stop calorie restriction or signing up for a specialized diet (à la the raw-food cookbooks that '80s supermodel Carol Alt wrote, and I, full disclosure, helped edit). But as fashion has become more casual—hello, athleisure—cookbooks from the genetically gifted have come down to Earth. Like the recent recipe collections from British former model Sophie Dahl (granddaughter of author Roald), Ms. Teigen's books are filled with food you actually want to cook.

For Ms. Teigen, approachable doesn't just mean shamelessly indulgent calorie bombs like Jalapeño Parmesan-Crusted Grilled Cheese or Crispy Coconut Chicken Tenders. Many of the recipes in her latest book are, by her own description, a bit less food-coma-inducing than those in her first, the best-selling "Cravings: Recipes for All the Food You Want to Eat" (though she still devotes an entire chapter to potatoes).

In both Ms. Teigen's books, all the recipes share one quality: meme-ability. Dishes that generate likes on Instagram tend to be re-

latable riffs on or clever mashups of dishes people already love. Her Linguine with Scallops and Casino Breadcrumbs, for example, brings the bacon-powered appeal and name recognition of clams casino to a creamy bowlful of seared scallops and pasta. And Shake & Bake Chicken With Hot Honey combines an extra-crunchy DIY version of a supermarket standby with a homemade take on a hipster condiment that has conquered fancy-food-store shelves.

Writing the second "Cravings" while pregnant with her second child, Ms. Teigen came up with recipes a little less fussy than those in the first. You won't be asked to make DIY Dorito dust for her intensely munchable Cool Ranch Taco Salad, and she offers store-bought Catalina dressing and packets of taco seasoning as shortcuts, to boot.

Along with her co-author, Adeena Sussman, Ms. Teigen never misses an opportunity to goose a dish with added flavor. Maple syrup heated up with butter and red-pepper flakes "becomes a spicy-sweet Thai condiment weapon" to serve over waffles. A truly brilliant microwave method for crisp-fried shallots and a savory shallot oil finds its way into everything from grilled eggplant to rice pilaf.

As irresistible as these recipes are, the beating heart of this book, like the first one, is the "Thai Mom" chapter of recipes from her mother, Vilailuck Teigen (who goes by the handle @pepperthai2 on her own Instagram feed). And as convincing as the junior Ms. Teigen is in cajoling Middle America to make spicy Thai fish cakes and "mindnumbingly awesome" Tom Yum Noodles, her most effusive praise is reserved for Pepper's Garlicky Bacon Scramble, a decidedly non-photogenic but super-flavorful dish of her mother's design that she ate so often during her pregnancy, she claims her daughter is "basically made of these greasy, garlicky eggs." A glamorous model hawking the most humble (and satisfying) breakfast you can imagine? That high-low combo will always be in fashion.



MEAL MAVEN The author strikes a pose with her Shake & Bake Chicken With Hot Honey.

Shake & Bake Chicken With Hot Honey

Total Time: 45 minutes
Serves: 4-6

Marinate the chicken: In a small bowl, whisk together **1/2 cup olive oil**, **1/4 cup red wine vinegar**, **2 cloves garlic, minced**, **1 teaspoon onion powder**, **1 teaspoon sugar**, **1 teaspoon dried basil**, **1/2 teaspoon dried thyme**, **1/2 teaspoon kosher salt**, **1/4 teaspoon freshly ground black pepper** and **1/4 teaspoon cayenne pepper**. Transfer to a large resealable plastic bag. Add

3 1/2 pounds bone-in, skin-on chicken pieces

and toss to coat. Marinate in refrigerator at least 30 minutes and up to 4 hours. //

Make the hot honey: In a small saucepan, bring **1 tablespoon red pepper flakes** and **1 cup honey** to a low simmer over low heat and cook 5 minutes. Remove from heat and let cool. //

Make the bread-crumbs: In a large resealable bag, combine **1 1/2 cups plain dried bread-crumbs or fine cornflake crumbs**, **1/2 cup all-purpose flour**, **1 teaspoon paprika**, **1 teaspoon sugar**, **1 teaspoon kosher salt**, **1/4 teaspoon freshly ground black pepper** and a dash of cayenne pepper. //

Working with one piece at a time, remove chicken from marinade, shake off any excess, place in bag of crumbs and shake, pressing on bag lightly to ensure that coating sticks to chicken. Lightly **oil** a large (10-by-15-inch) glass or metal baking dish. Arrange chicken, skin-side down, in dish. Bake 25 minutes, then flip chicken and bake until top is golden and crispy, 20-25 minutes more. Serve with hot honey.

—Adapted from "Cravings: Hungry for More" by Chrissy Teigen and Adeena Sussman (Clarkson Potter)

AUBREY PICK, PUBLISHED BY CLARKSON POTTER/PUBLISHERS, AN IMPRINT OF PENGUIN RANDOM HOUSE LLC.



29

Imbibe Elegantly

Fashion photographer Terence Donovan captured the glamour of 1960s Swinging London with striking acuity. In Mayfair's Brown's Hotel, the Donovan Bar, a tribute to the legendary lensman, recently got a stylish spiff-up from designer Inge Moore and a revamped cocktail menu from star barman Salvatore Calabrese. Housing the world's largest private collection of Donovan's photographs, the chic redoubt offers a fitting finale to a day's shopping in the neighborhood's boutiques.

Mangia Bene, Vive Bene

Picture the architectural equivalent of Sophia Loren cooking eggplant Parmesan in a couture gown, and you're pretty close to envisioning the Fendi Cucine line of kitchen designs. A collaboration between fashion house Fendi and Italian kitchen brand SCIC, the collection includes both a copper-bronze and marble Ginger model (pictured, right) and a steely gray Kurkum ensemble. The overall effect is over-the-top luxury, and for the label-conscious, the Fendi logo features prominently throughout. scicspa.com/fendi-cucine



30



Style Your Salad

For those more apt to don an apron than a statement necklace, these swirled-resin servers from Sydney jewelry studio Dinosaur Designs make the ideal entertaining accessory. "We think of our housewares as jewelry for the home," said designers Louise Olsen and Stephen Ormandy. Handcrafted in a variety of colors, the functional and fabulous utensils bring new meaning to "dressing for dinner." Classic Stone Servers, \$125, modaoperandi.com

—Eleanore Park

31

JOSHUA SCOTT FOR THE WALL STREET JOURNAL, STYLING BY ANNE CARDEN (SERVING)

DESIGN & DECORATING

32

Behold How Fashion Parallels Décor

Kimberly Chrisman-Campbell traces the cross-pollination of clothing and interior design, a decades-old synergy

1850s to 1900

"The Victorian Era was the upholstery era," said Kevin Jones, curator of the Fashion Institute of Design and Merchandising Museum. The taste for patterns, tassels, tufts and trims—enthusiastically applied using the modern sewing machine, patented in 1846—made it hard to tell where the dress ended and the divan began.

**1920s and 1930s**

Fashion and furnishings incorporated basic geometric shapes and Space Age materials like PVC, molded fiberglass and Mylar. France's André Courrèges's miniskirts, go-go boots and futuristic suits (right) appeared anything but alien in cosmic interiors like the Bubble Palace, on the French Riviera (far right), or sitting in Danish designer Arne Jacobsen's Egg Chair. Both still look out of this world.

**1940s and 1950s**

Cars, clothes and cocktail bars took on the clean lines and sporty silhouettes of Art Deco. The corset went the way of Prohibition thanks to Coco Chanel's raised hemlines and dropped waists (far left). Geometric patterns (left) à la the Chrysler Building helped define the Machine Age. Metallic finishes and gleaming plastics expressed the style known in its time as "moderne."

Early 20th Century

Art Nouveau—a long-simmering backlash to the Industrial Revolution—brought us organic shapes inspired by nature: stained-glass Tiffany lamps and swirling appliquéd trim on dresses (far right). The 1900 Exposition Universelle in Paris showcased the style in architecture and interiors as well as in Parisian high fashion. The fair "brought couture to a massive public audience," said Mr. Jones.

**1960s**

Fashion and furnishings incorporated basic geometric shapes and Space Age materials like PVC, molded fiberglass and Mylar. France's André Courrèges's miniskirts, go-go boots and futuristic suits (right) appeared anything but alien in cosmic interiors like the Bubble Palace, on the French Riviera (far right), or sitting in Danish designer Arne Jacobsen's Egg Chair. Both still look out of this world.

**2000s**

As architects carved living spaces out of abandoned factories and warehouses, interiors celebrated the underbelly: visible pipes, ducts, fixtures and lightbulbs (far right), warmed up by wood and exposed brick. Meanwhile, America's Rick Owens produced urban, colorless, brooding fashion (right) frequently crafted from distressed materials, a style dubbed "glamour grunge."

**1980s**

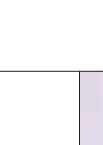
Chintz was chic, as seen in romantic, ruffled dresses as well as overstuffed sofas and tufted poufs. Layered florals and lace trimmings added a vintage vibe to voluminous window treatments and prairie-like dresses by Laura Ashley (far left) and Jessica McClintock. Rachel Ashwell began building her Shabby Chic empire using flea-market furniture and linen slipcovers (left).

1970s

Interior designers created "warm, exotic environments" in the Age of Aquarius, said "Hippie Chic" author Lauren Whitley. Fringe, macramé, patchwork and tapestry proliferated. Yves Saint Laurent moved to Morocco and discovered color. His work (far right) and Thea Porter's caftans and maxi dresses found counterparts in layered rooms like Gloria Vanderbilt's quilted and collaged boudoir (right).

**2010s**

"I bought a very beautiful Vera Wang ball gown in the late '90s, a pistachio strapless with a train, layers of organza, and a lace bodice. It was perfect for a coming-out cotillion, but I was in my 40s. I've never worn it."

**My Most Regrettable Fashion Buy**

"I bought a very beautiful Vera Wang ball gown in the late '90s, a pistachio strapless with a train, layers of organza, and a lace bodice. It was perfect for a coming-out cotillion, but I was in my 40s. I've never worn it."

Carolyne Roehm, author of 'Design & Style: A Constant Thread' (Rizzoli)

JOSHUA SCOTT FOR THE WALL STREET JOURNAL (MUG, QUILTS)

33

Go Crazy for Quilts

Vintage patchwork quilts from around the U.S. accessorized models in Calvin Klein's spring fashion show. Now they anchor the brand's home collection, revamped by Americana-mad creative director Raf Simons, a Belgian. Similar one-of-a-kind quilts, from \$1,050 calvinklein.com —Rebecca Malinsky

**Spec It Out**

Potter Jonathan Adler pays homage to taste makers and their famous spectacles in his Eye-Con (get it?) series. Here interior designer and elder fashionista Iris Apfel adorns a 16-ounce stoneware mug. "Iris Apfel is the grand dame of eccentric glamour and a great muse for me," said Mr. Adler. Depicted on the flip-side: late American art collector Peggy Guggenheim. Iris Guggenheim Mug, \$32, jonathanadler.com —E.P.



35

Get a Weave

Bottega Veneta's crosshatch weave, hand-produced in leather for much of the Italian fashion house's accessories and home goods, is reinterpreted in the OVM Table Lamp, created by jewelry designer Osanna Visconti di Modrone. Lost-wax casting yields a brushed-bronze base so distinctive, no logo need be applied. 24 inches high, \$33,000, Bottega Veneta 212-371-5511 —Sheila Kim

OTTO ARCHIVE (1990S, 2000S, 2010S INTERIORS); RACHEL ASHWELL SHABBY CHIC COUTURE (1990S INTERIOR); GETTY IMAGES (16)

THE FALL OFF DUTY 50 | DESIGN & DECORATING



ROGER DAVIES (ROOM); GETTY IMAGES (MODELS)

Live the Way You Dress

Overwhelmed by décor possibilities? Let the clothes in your closet help you zero in on the interior-design aesthetic you'd love to be in

BY KATHRYN O'SHEA-EVANS

NAILING DOWN your interior-design style can prove challenging. You might be vaguely drawn to the grace of a Regency chaise, the cleanness of 1940s metal hairpin legs, the worldliness of pattern-on-pattern—all at the same time.

When homeowners can't specify their aesthetic preferences, strategic interior designers survey the client's wardrobe for breadcrumb clues. "Quite often I'll say, 'Listen, what color do you look good in?'" said Los Angeles designer Martyn

Lawrence Bullard. "What makes you feel great when you wear it?"

Clothes can reveal nearly as much as diaries. Richmond, Va., designer Suellen Gregory took cues from her client's predilection for the borderline-psychedelic prints of Etro and Lilly Pulitzer clothing before she installed China Seas wallpaper in Paradise Background, a chinoiserie-like pattern in egg-yolk yellow. When faced with decorating a house on Shelter Island, N.Y., where interiors range from quaint Victorian to white-and-glass modern, New York designer Susan Petrie opted to go the traditional beachy route with blue, white and

beige cottons for a client habitually swathed in nautical stripes.

Decorators sometimes invoke the clothes clients are wearing when lobbying for a look. Mr. Bullard, in an effort to convince a reluctant client to go beyond "meh" white-linen curtains, turned to the Dolce & Gabbana top she had on, specifically its border of interlocking navy-blue circles. "Look at that beautiful edge on your vest," he said. "Wouldn't it change the look?" They ultimately copied the pattern, blew it up and embroidered it on the drapes. Mr. Bullard is not above throwing a shirt over a chair to help a vision-challenged client anticipate an upholstery change.

New York designer Amanda Salles takes care not to interpret sartorial clues too literally. "If a client's wearing sweatpants every time I see her, it doesn't translate to 'Oh, she wants a flannel sofa,'" Ms. Salles said. It indicates that she feels most productive and happy when she and her family are comfortable. "So I'm not going to get them a sofa with a tufted seat

and back, no matter how much she loves it on a page. I would say 'You have three kids. Those tufts will be filled up with Cheerios in a week!'"

Bradley Bayou, former creative director of American fashion brand Halston and now an interior designer in Los Angeles, recently worked with a male client whose natty wardrobe leaned toward tailored, earth-toned pieces by Tom Ford and John Varvatos. And yet his penthouse in Manhattan's Chelsea neighborhood appeared marooned in the '80s and '90s, with lots of Italian furniture à la "Scarface." "It was kind of shocking to me, that you'd dress like that but surround yourself with things that don't relate to what you look like," said Mr. Bayou, who spent a year pulling together materials such as charcoal grass cloth, mohair drapes and silk rugs. He selected soft fabrics that upholstered well enough "to make even the most particular tailor happy." Indeed, when the client entered the transformed flat for the first time, he said, "This is how I should live."



CUES IN THE CLOSET For an apartment in Manhattan (top), interior designer Bradley Bayou took direction from his client's wardrobe, which included John Varvatos pieces like those above.



Add a View to Your Chill

The collections of Milanese fashion designers Dolce & Gabbana ooze glorified Italian motifs: Medici-worthy gold appliqués, florals fit for majolica pottery. For a new collaboration with SMEG, the pair tapped Sicilian artists to hand-paint 100 retro-styled refrigerators in the manner of donkey-drawn Sicilian carts. Scenes from the island's folklore and history cover every surface, even the top. Crowned this model: a map of Sicily. Dolce & Gabbana x SMEG Taratata Refrigerator, \$50,000, neimanmarcus.com —Catherine Dash

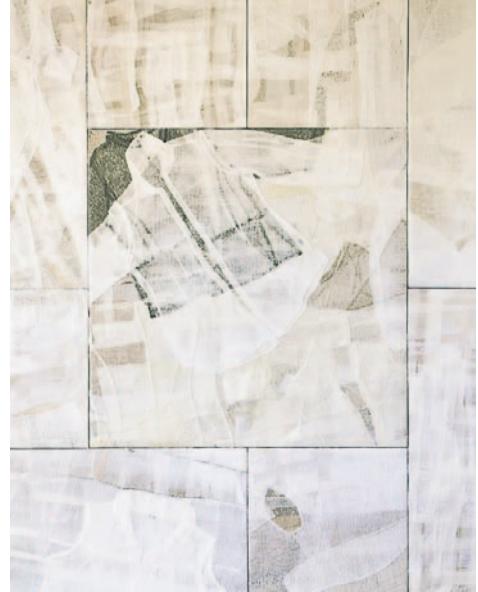
Give Buds a Wardrobe

American womenswear brand SUNO's 2008 inaugural collection, notable for repurposing Kenyan fabrics into loose silhouettes, connected with millennials. Shuttered in 2016, SUNO returns via Anthropologie with home décor that has the same Africa-inspired pattern punch. "I had long promised to make dresses and pillows but made only dresses," said co-founder Max Osterweis. "There are finally pillows...and sheets and blankets and sofas and napkins and bowls and notebooks." SUNO Vases, from \$18, anthropologie.com —C.D.



38

JOSHUA SCOTT FOR THE WALL STREET JOURNAL (VASES)



Trim the Waste Line

Decorating interiors with rubbish may sound unpleasantly hoarder-like, but home goods from designer Eileen Fisher's lifestyle brand DesignWork are entirely composed of pre-owned Eileen Fisher garb. New this month: modular panels to decorate your walls that range from a field of fabric strips to ghostly compositions of garments (spot the shirt in the example, pictured left). In various sized panels starting at 2 feet by 2 feet, from \$100 a square foot, eileenfisherdesignwork.com —Sheila Kim

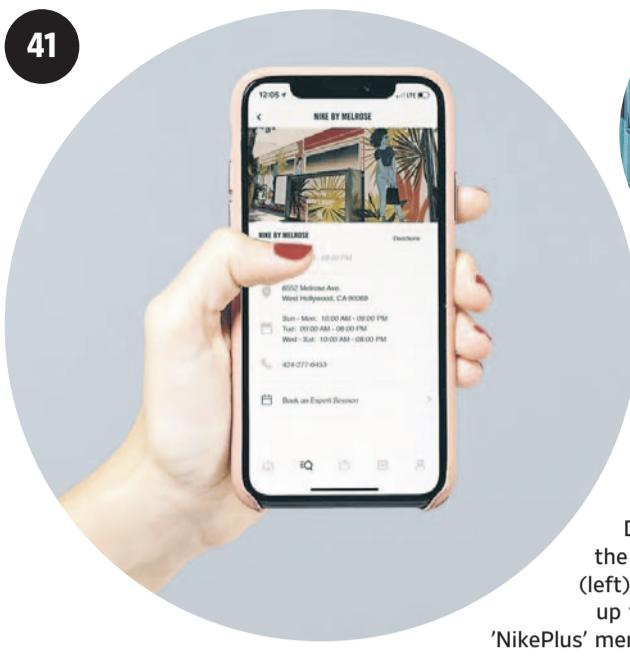


Roost Uneasy

If Red Riding Hood and the Wolf collaborated on a chair, it might look like this pink-lacquered seat from Gucci. Its cushion is embroidered with a toothy brute—a critter that first appeared in the label's Resort 2018 collection. Wood Chair with Wolf, \$2,600, gucci.com —C.D.

GEAR & GADGETS

41



Download the Nike app (left) and sign up for a free 'NikePlus' membership.



Through the app, members can order curbside service (left) or have shoes waiting in one of the store's 'digital lockers' (below).



WELCOME NIKEPLUS MEMBERS WE GOT YOU!



MEMBERS UNLOCK MORE WITH THE NIKE APP



F. MARTIN RAMIN/THE WALL STREET JOURNAL (PHONE), NIKE, INC. (STORE)

Scan QR codes to score exclusive gear (above), or use the app to book time with experts in the Trial Zone (right).

Tap Your Way Through an Actual Shop

High-tech dressing rooms. Apps to choose clothes in advance. Introducing the digitally enhanced shopping trip

BY REBECCA DOLAN

MILLENNIALS KILLED the mall, we're told, and all shopping carts have gone digital. But bricks-and-mortar stores aren't extinct just yet. Online transactions still make up less than 10% of American retail sales quarterly, according to the U.S. Census Bureau, and fashion brands large and small are crafting high-tech retail experiences that give internet marketplaces a run for their money, anticipating the demands of iPhone-wielding shopaholics.

"We're going through a period that would

only be paralleled by the industrial revolution," said Robin Lewis, author of "The New Rules of Retail," a study of trendy in-store innovations. "We're going to see an explosion of new tech ideas and new technologies that bring great experiences."

The popular sustainable women's brand Reformation began rolling out its digitally enhanced stores in New York, Los Angeles and Dallas in 2017 after founder Yael Aflalo noticed how the staff at her Soho New York store couldn't adequately serve the crowds of shoppers. "I thought, why not leverage technology to create a high-end experience that's also high volume."

Much like an Apple Store, Reformation's latest locations are showroom-style—you can see and feel the racked merchandise, but anything you actually buy is brought up from inventory. Customers swipe and poke wall-mounted screens to select which pieces they'd like to try on and then get a time estimate for a changing room on the display (which also dispenses cheeky quips). Longer

waits at peak hours can be dismaying, but once you're inside a room, the experience is luxe. Shoppers choose between "Golden," "Cool," and especially flattering "Sexy Time" lighting settings, and can plug in a phone to thrust their hips to their own beats as they try on looks in a mirror. New styles and sizes can be ordered right to the room using a provided iPad.

Nordstrom's new Manhattan Men's Store made a similar bet, integrating in-store tech to bolster a full-service operation, which can include a shave, shoe polish or custom fitting. Even before you arrive, you can use the Nordstrom app to select what you'd like to try on, so a dressing room can be made up in advance. The app can even track your location so chosen merchandise is hung and waiting as you step out of an Uber. For those loath to leave the car, curbside service can be arranged via the app and online orders can be picked up in store 24 hours a day.

Assuming you do go inside, the Nordstrom fitting rooms are a five-star experi-

ence. Along with multiple lighting sets (with varying degrees of flattery), customers can order coffees, wine or cocktails to sip while they test drive Dior sneakers. Mr. Lewis said that physical stores increasingly need these experiential boosters. Customers "will leave the internet to come to your store if you have a reason for them to come," he said.

In Los Angeles, the new Nike by Melrose store has outsize vending machines, dubbed "digital lockers," which customers can access by scanning QR codes sent to their smartphones when they buy items through the app. Flash yours and a shoebox pops out—no pesky humans required. Elsewhere in the store, codes on every product let customers scan and search for variations in styles and colors; you can also use the app to set up a one-on-one with a Nike Expert.

E-commerce's disruption of malls is impossible to deny, but sometimes shopping in stores is the only way to guarantee quality before you buy. The question: Will these technologies help you make the most of the trip?

Wake Up to The Latest Trends

The Verdura Maltese-cross cuffs, designed for Chanel in the 1930s, might set you back a year of mortgage payments, but in the corner of the famed Fifth Avenue jewelry studio is a display of surprisingly affordable alarm clocks. These enamel tickers make a grand statement and even grander noise: "It's truly annoying," said CEO Ward Landigan. Still, he once gifted one of the petite clocks to Princess Margaret, justifying its status as a gift for the lady with everything. \$325, Verdura, 212-758-3388
—Rebecca Malinsky



Swing Your Bling

Ping pong players, often equal parts "nerd" and "athlete," are rarely considered fashionistas. Tiffany & Co. flouts this notion with paddles from its Everyday Objects Collection. While mundane paddles can seem slapped together, Tiffany crafted theirs with American walnut handles, pebbled leather faces (its iconic blue adorns one side) and a signature sterling plaque. Even if you're too uncoordinated to do the sport much credit, you'll be doing your part to upgrade its style game. \$700 for set, tiffany.com —Eleanore Park

Charge Chicly

If you've swaddled your smartphone in smooth leather or an elegant print case, it already doubles as a fashion accessory. Don't ruin the aesthetic with convenience-store charging cables. Instead, consider these stylish offerings from Native Union. With braided exteriors that help ensure the cable won't fray, they come in two versions. From left: Loop this one around a bag handle; bundle this longer cord neatly; both include polished leather details from Berluti.

From about \$86, matchesfashion.com —Steven Melendez



Impress the Waves

As a part of its 2018 "Let's Play" collection, Paris fashion house Hermès continued its high-end, high-design heritage with this impish, maple-veneered surfboard. Instead of predictably sporty graphics, the board is printed with a scene by the art collective Ardmore in which a leopard appears to hungrily eye a monkey, neither anywhere near the ocean. The board comes complete with its own scented wax developed by Christine Nagel, the brand's fragrance director. \$7,700, Hermès, 1-800-441-4488 —Rae Witte

43

42

44

45

* * *

THE FALL OFF DUTY 50 | GEAR & GADGETS



RUMBLE SEAT / DAN NEIL

Avoid a Glaring Ferrari Faux Pas

I WAS WALKING into a cafe in Monterey, Calif., a few weeks ago when I saw a man walking out, wearing a red-brimmed cap carrying the Ferrari emblem: the *Cavallino Rampante* on the yellow shield. He waited, alone, while the valet brought him his silver Fer-

rari 812 Superfast.

This seemed to violate an unspoken, yet-in-the-moment obvious, fashion rule: You can rock the Ferrari hat or you can rock the car, but you can't rock both at the same time. That, my friend, is a social bro pas.

Nothing against hats. And nothing against Ferrari, the Italian racing and sports car legend, whose only crimes after 71 years in business are building fabulous cars, winning Formula One championships and printing money in all the world's great currencies. Along the

way, Maranello's emblem has become one of the world's most powerful commercial marks and a luxury-lifestyle...wait for it...icon.

But the car and the hat, matchy-matchy? No. Hell no. That's obnoxious. Maybe at a Ferrari Club meeting with all the other prats in hats. Otherwise just have "Ask me about my Ferrari" tattooed on your tongue and get on with it.

Ferrari-brimmed ballers will want to know: What about the other guy, who drives a Honda Accord and dresses like one of Ferrari's pit crew? That's OK, because he is a *tifosi*, a fan of the Formula One team. Ferrari only builds

about 9,000 cars a year but the race team claims more than a billion fans globally. They are permitted to wear awful branded sports-wear as a gesture of their love.

By the way, if hats aren't your thing, the company store offers a full line of Ferrari-labeled jackets, sunglasses, watches, handbags, luggage and team (*Scuderia*) shirts. These and other items are available at Ferrari stores in airports, and the gift shop at Ferrari World amusement park in Abu Dhabi.

Should you ever acquire an actual Ferrari, you must donate your merch to the Salvation Army of Monaco or something.

I'm sure it's all top-quality merch. The important point is that swag is for fans, people who don't actually own Ferraris. It's aspirational, in other words. Should you ever acquire the actual car you should donate all of it to the Salvation Army of Monaco or something.

From deep in my reporter's notebook: In August 1993 I interviewed Luca di Montezemolo, then chairman and CEO of Ferrari and Enzo Ferrari's protégé. This was just a few years after the old man's death in 1988 and there was still a holy reverence for all things Enzo. Mr. Montezemolo swore he would never sully the good name of Ferrari merely to move merch. Pfft.

You can't fully deconstruct the Ferrari hat without considering the semiotics of the message-bearing baseball cap *a priori*. In the era of MAGA, the forehead has become a site of sociocultural contestation. So if you think the guy in the Tesla hat is virtue-signalling, what is the fund-bro in the Ferrari hat doing, vice-signalling? You betcha. The Ferrari hat is like an "I HEART Mammon" bumper sticker.

Hats are the windows to the soul. Be mindful of what the Ferrari hat says about yours.



Wear One Big Earring

Who needs a diamond stud when you can accessorize your ears with Master & Dynamic's MW60 headphones, a pair that stylishly extends the young audio company's already formidable reputation. Hand-wrapped in leather from Italian fashion brand Ermengildo Zegna, with its signature *pelle tessuta* detailing, they out-shine the competition. Constructed from forged aluminum, the headphones are eminently sturdy, comfortable and light—well under a pound—and can be used wired, or wireless via Bluetooth with boosted aptX connectivity that far outstrips similarly priced headphones. Kendrick Lamar would sound stellar emerging from these cans, but they won't mind if you listen to shabbier artists, too. \$650, zegna.us —Jeff Slate

Fall in Glove Again

Some baseballs lead a rough life of getting whacked and smacked. These softies are better suited for a toss in the boardroom—when not displayed with other collectibles beyond the reach of bats. Hand-cut and sewn with waxed linen thread by Shinola, maker of fashionable luxury goods, they exude Americana. Available in four colors, the balls have a vintage look that elevates them from victims of abuse to conversation pieces. \$40, shinola.com —Aaron Stern



JOSHUA SCOTT FOR THE WALL STREET JOURNAL STYLING BY ANNE CARDENAS



Head Off Frumpiness

Nobody knows handsome headgear like Bell, which produced the first fully enclosed motorcycle helmet 50 years ago. Its latest is the Bullitt Carbon, named for style icon Steve McQueen's character in his petrol-pumping 1968 epic (yes, we know he drove a Mustang in the film). This take on Bell's original design is fitted with modern safety features, a carbon composite shell and leather details worthy of the "King of Cool." \$600, bell-helmets.com —Charles Thorp



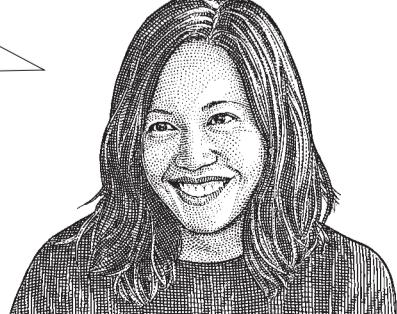
50

Track This One Down

Fashion designers Dao-Yi Chow and Maxwell Osborne of Public School helped popularize the current mania for luxe "athleisure," infusing their urban streetwear with a sporty panache that reflected downtown cool. Their decision to team with Fitbit, of fitness tracker fame, was a no-brainer. To the basic tracker, they've added a braided nylon-roping bracelet, cinched with gunmetal-finish hardware. If you're going to look like a data-obsessed nerd, at least do so nattily. \$175, fitbit.com —Max Berlinger

"I regret when I've worn something I knew wasn't my style just because everyone else was wearing it. Years ago, I went to a formal event in these absolutely beautiful four-inch Yves Saint Laurent silver heels even though I knew I'd be uncomfortable—I can't stand in four-inch heels! Halfway through the night, I took them off and had a great time."

My Most Regrettable Fashion Buy



Tracy Sun, co-founder of digital marketplace app Poshmark