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What's News

World-Wide

The Biden administration is finalizing its targets for a barrage of economic sanctions against Russia if it attacks Ukraine—hitting major Russian banks, state companies and key exports, though the strategy faces obstacles that have hindered previous pressure campaigns. **A1**

◆ **The Pentagon warned** that Russia has amassed sufficient combat power to substantial swaths of territory in Ukraine, whose leaders warned the U.S. was overstating the Russian threat. **A5**

◆ **The CDC is looking** to reassert itself in the country's Covid-19 response amid criticism it has sown more confusion than it has offered answers. **A3**

◆ **The Jan. 6 panel issued** subpoenas to more than a dozen people in seven states who tried to submit false slates of electors as part of an effort to overturn the 2020 election in favor of Trump. **A4**

◆ **Alabama asked** the Supreme Court to reinstate the new congressional map its Republican-controlled legislature drew to reflect 2020 census data after a lower court blocked its use for discriminating against Black voters. **A4**

Business & Finance

◆ **Employers spent 4% more** on wages and benefits last year as workers received larger pay raises in a tight labor market, rebounding economy and period of accelerating inflation, an increase not seen since 2001. **A1**

◆ **Rising inflation** and the spread of the Omicron variant dented U.S. household spending in December. **A2**

◆ **Major U.S. stock indexes** rallied to finish one of their most tumultuous weeks in memory on a high note. The S&P 500, Nasdaq and Dow gained 2.4%, 3.1% and 1.7%, respectively. **A1**

◆ **Apple's latest record** holiday quarter came in part because of excitement for the iPhone 13 in China. **B1**

◆ **The U.S. Chamber of Commerce** is raising concerns about Biden's nominee to become the Federal Reserve's top banking regulator. **A2**

◆ **New York City** will require employers to list the minimum and maximum salaries on job postings starting this spring. **B1**

◆ **SoftBank said** Chief Operating Officer Marcelo Claure is leaving the company after a dispute over billions of dollars in pay. **B3**

◆ **Chevron had** its most profitable year since 2014, reporting net income of \$15.6 billion for 2021. **B3**

NOONAN

The Ukraine Crisis: Handle With Care **A13**

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Collapse of 50-Year-Old Bridge Rattles Pittsburgh



BREAKDOWN: President Biden stressed the need to invest in U.S. infrastructure on Friday as a planned visit to Pittsburgh coincided with the buckling of the span. Ten people were injured and a major roadway was disrupted. **A4**

U.S. Plots Economic Sanctions On Russia if It Attacks Ukraine

By IAN TALLEY AND BRETT FORREST

WASHINGTON—The Biden administration is finalizing its targets for a barrage of economic sanctions against Russia if it attacks Ukraine—hitting major Russian banks, state companies and key exports, though the strategy faces obstacles that have hindered previous pressure campaigns.

Administration officials

said the planned actions are unparalleled in recent decades against Russia, putting teeth into President Biden's threat to apply punishing financial and other sanctions in the event of a Russian assault.

While decisions aren't final, the officials said, potential targets include several of Russia's largest government-owned banks, such as VTB Bank, the banning of all trade in new issues of Russian sov-

ereign debt and the application of export controls across key sectors such as advanced microelectronics.

The sanctions plans come as the Pentagon warned that Russia has amassed sufficient combat power near Ukraine to take cities and swaths of territory, with any potential invasion likely to result in significant casualties.

Ukrainian leaders, for their part, called for calm and said

the U.S. was overstating the threat.

Past U.S. efforts to wage economic warfare have produced mixed results. Iran and North Korea have adjusted over time to broad economic embargoes over their nuclear-

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- ◆ Pentagon warns of Russia's military firepower..... A5
- ◆ Ukraine's growing sense of identity riles Moscow..... A5

Losing \$6.8 Billion Came Fast. Recouping It, Much Slower.

Hedge fund Melvin's bets last year against GameStop and other stocks backfired; losses this year have marred the recovery effort

By JULIET CHUNG

Gabe Plotkin wasn't sleeping. His bets against meme stocks such as GameStop Corp. were backfiring, and losses at his \$12.5 billion hedge fund were mounting. Strangers angry about his wagers were bombarding him with threatening messages and texts.

At the worst point in January 2021, Melvin Capital Management was losing more than \$1 billion a day as individual investors on online forums such as Reddit banded together to push up prices of stocks Melvin was betting against. "We were in a terrible position. Stared death in the face," Mr. Plotkin told employees in a Zoom meeting late

that month. "But we've made it through."

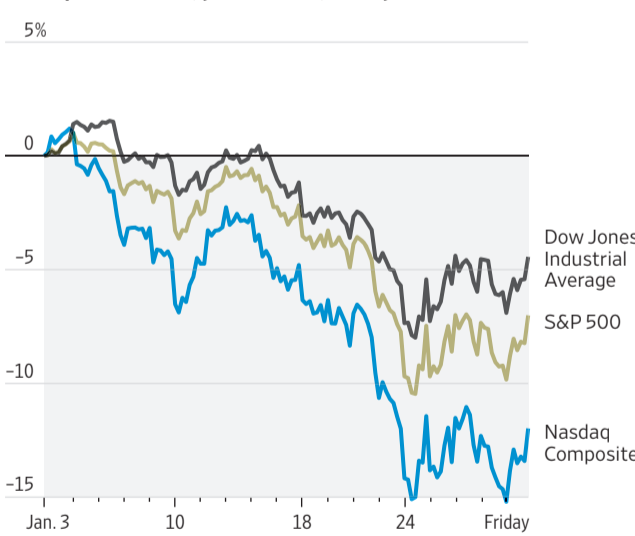
The damage, though, was severe. Melvin's loss that month was 54.5%, or roughly \$6.8 billion, one of the swiftest and steepest declines for a hedge fund since the financial crisis of 2008.

Now, the 43-year-old hedge-fund manager is attempting a feat that might prove more difficult than his earlier rapid rise to the top ranks of money managers. He is trying to make back all that money. As of the beginning of last February, Melvin had to post a 120% return to do so.

Melvin charges investors an annual management fee of 2%, and takes a cut of up to

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Index performance, year to date, hourly



Stocks Rally to End Three-Week Slump

By ALEXANDER OSIPOVICH AND JOE WALLACE

Major U.S. stock indexes rallied Friday to finish one of their most tumultuous weeks in memory on a high note, buoyed by strong earnings from Apple and other big companies.

The move—capped off with a late-afternoon rally—was good news for investors after a nerve-racking January set to wrap up Monday. The S&P 500 and Dow Jones Industrial Average snapped three-week losing streaks and the Nasdaq rose more than 3% on the day to finish a wild week flat.

At the same time, traders said they expect more volatility as corporate earnings continue to grab headlines and investors keep a close eye on factors such as interest rates and economic data.

Stocks have mostly declined in recent weeks as expecta-

tions mounted that the Federal Reserve would pivot from juicing economic growth to combating inflation. Fed Chairman Jerome Powell signaled Wednesday that the central bank would start a series of rate increases in March, ending a long period of rock-bottom interest rates.

"Cheap money is like a comfort blanket for investors and for markets," said Jane Foley, senior foreign-exchange strategist at Rabobank. "Almost inevitably, you start to withdraw some of that cheap money and you're going to have more volatility in the markets."

The S&P gained 105.34 points on Friday, or 2.4%, to close at 4431.85. The Dow rose 564.69 points, or 1.7%, to 34725.47, after a volatile day in which it swung between gains and losses, then surged in the last hour-and-a-half of

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Heavy Metal Bands Find Subtle Notes Selling Fancy Whiskey

Metallica, Motörhead, Slipknot take tasteful approach; 'honeysuckle and lily'

By TRIPP MICKLE

Cedar Ridge Distilling founder Jeff Quint is a former accountant and a blues fan from rural Swisher, Iowa, so he was initially dismissive when approached about teaming up with a metal band whose fans are known as "Maggots" and whose albums include "All Hope Is Gone."

"I don't think we want to do this, right?" he wrote to a colleague about the proposed

partnership with the band known as Slipknot, which Rolling Stone once named "the heaviest band on the planet."

Mr. Quint's staff helped educate him on two key factors: Metal fans are intensely loyal. And they increasingly like good whiskey.

The hottest trend among headbangers is branding their own high-end

booze. Metal bands including Metallica, Gwar and Motör-

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EXCHANGE



CHOPPY WATERS

How to keep perspective in a turbulent market.

B1

U.S. NEWS

Consumer Spending Fell Last Month

By HARRIET TORRY

Rising inflation and the spread of the Omicron variant dented household spending, a key engine of economic growth, last month.

Consumer outlays declined by 0.6% in December from the prior month, the first decrease since last winter, the Commerce Department said Friday.

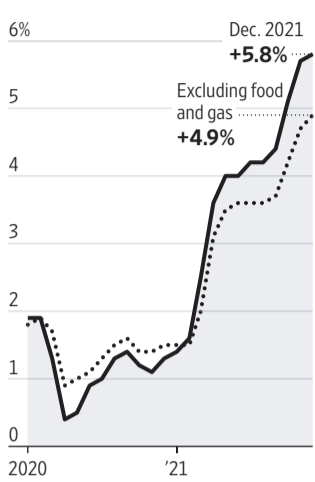
Meanwhile, prices continued to climb. The Commerce Department's personal-consumption-expenditures index measure of core inflation, which excludes volatile food and energy costs and is closely watched by the Federal Reserve, rose 4.9% from a year earlier. That marked the fastest year-over-year increase since September 1983.

"Certainly it is a weak hand-off from consumers going into the first quarter," said Kathy Bostjancic, an economist at Oxford Economics. The spread of the Omicron variant, higher prices and supply-chain issues prompted consumers to start their holiday shopping earlier this past year, she said, which also hurt spending in December.

The easing of consumer spending comes despite strength in other areas of the economy. The unemployment rate was a low 3.9% in December, and workers' wages grew, while U.S. gross domestic product increased at a strong 6.9% annual rate in the final quarter of 2021, as consumers

Consumers have cut back on their spending as prices continue to climb. The Fed's preferred inflation measure, the PCE, rose 5.8% in December.

Personal-consumption-expenditures index, change from year ago*



*Seasonally adjusted
Sources: Commerce Department via St. Louis Fed (PCE); Facteus (credit- and debit-card spending)

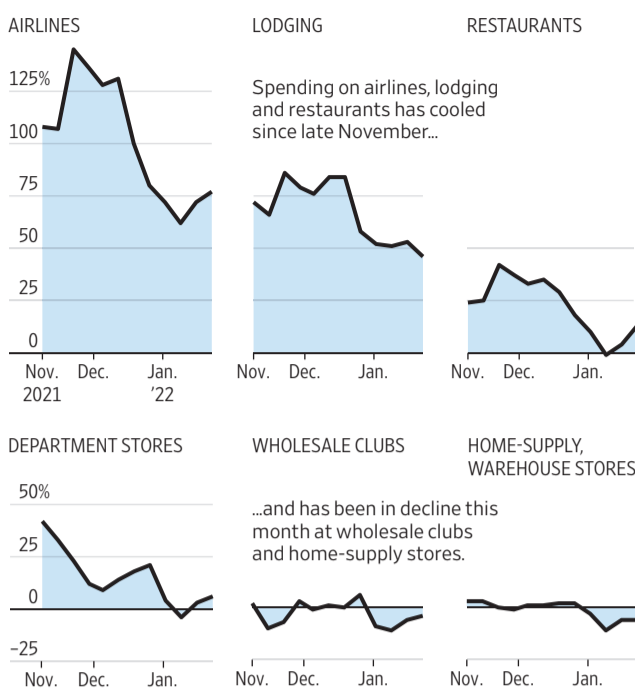
front-loaded holiday spending and businesses restocked shelves after months of pandemic-related disruptions.

Friday's report showed households' incomes rose 0.3% in December, but the increase didn't keep pace with rising inflation.

Overall inflation, as measured by the PCE index, rose 0.4% for the month and 5.8% from a year earlier.

Adjusted for inflation, after-tax personal income de-

Weekly U.S. credit- and debit-card spending, change from a year earlier



clined 0.2% from November. It has decreased for five straight months and in eight of the past nine months.

Services spending rose 0.5% in December, primarily due to increased spending on health-care as the Omicron variant spread. Goods spending fell 2.6% in December amid supply-chain bottlenecks and consumers starting their holiday shopping earlier.

There are broad signs that consumers pulled back in Jan-

uary. Spending at restaurants, airlines and on travel bookings has cooled since late November, according to card transaction data from research firm Facteus, and it has been in decline so far in January at home-supply stores and wholesale clubs.

Economists largely forecast growth will be weak in the first quarter of this year, but they predict consumer spending will rebound once the current Omicron wave of Covid-19

infections tapers off.

Still, strong growth and low joblessness are helping to drive inflation, and higher prices threaten to squeeze consumers and businesses in the months ahead, along with expected higher interest rates from the Federal Reserve.

Sydney Zimmermann, of Erie, Pa., is feeling the pinch from higher grocery costs, particularly for items such as fresh produce.

"It's disheartening to think that strawberries, avocado and bananas are increasing in price," she said, adding that she thinks healthy eating is especially important in a pandemic.

The 29-year-old has also noticed that prices have risen at local restaurants, and eateries that used to be closed only on Sundays now tend to be closed on Mondays and Tuesdays as well because of worker shortages, "so you have less options."

One bright spot for consumers is that supply-chain bottlenecks and product shortages caused by a rebound in demand after Covid-related shutdowns appear to be easing.

In the fourth quarter, inventory investment made up the lion's share of GDP growth, as businesses replenished shelves and supplies. That will mean more items on shelves for consumers to purchase this winter, which economists hope will help cool rising inflation.

Chamber Opposes Banking Pick at Fed

By ANDREW ACKERMAN

WASHINGTON—The U.S. Chamber of Commerce, one of Washington's largest business groups, is raising concerns about Sarah Bloom Raskin, President Biden's nominee to become the government's top banking supervisor, after her calls for regulators to speed up the transition from fossil fuels.

The business-lobbying group called on members of the Senate Banking Committee to question Ms. Raskin about her prior statements, which include calls to use financial regulation to address threats posed by climate change. Those positions have been cheered by progressive Democrats but criticized by Republicans.

"Some of Ms. Raskin's past actions and statements have raised concerns among the U.S. business community and merit the committee's scrutiny," said Thursday's letter, which asks if it is the Federal Reserve's role "to direct capital away from certain industries that are politically disfavored."

The letter, which also urged lawmakers to scrutinize Ms. Raskin's views on other issues such as bank-merger policy, is another sign that she could face a contentious confirmation process. Still, she is unlikely to encounter the kind of industry opposition that helped torpedo the nomination of Saule Omarova, an academic Mr. Biden tapped for a separate post overseeing national banks. That fight was led by community banks that have a more favorable view of Ms. Raskin from her former stints in government.

The letter comes a week before Ms. Raskin is scheduled to

Sarah Bloom Raskin has called for a rapid move from fossil-fuel investing.

testify before the Senate banking panel on Thursday along with two economists tapped for other Fed board seats: Lisa Cook, a professor of economics and international relations at Michigan State University, and Philip Jefferson, a professor and administrator at Davidson College in North Carolina.

If confirmed by the Senate, Ms. Raskin would become the central bank's vice chairwoman of supervision, the government's most influential overseer of the U.S. banking system. She previously served as a Fed governor and as a top Treasury Department official during the Obama administration. Before that, she served as Maryland's state commissioner of financial regulation. She is a law professor at Duke University and is married to Rep. Jamie Raskin (D., Md.).

White House spokesman Michael Gwin said Ms. Raskin would bring unprecedented experience to the job, and had won the support of economic experts across the political spectrum.

Ms. Raskin is "firmly opposed to the Federal Reserve allocating credit by sector or choking off sectors from access to credit," said a senior administration official. Ms. Raskin supports an existing policy framework on climate risks that the Fed is pursuing and will work in with Fed Chairman Jerome Powell and fellow colleagues at the Fed "to identify and mitigate risks facing our financial system," the official said.

The Fed last year built out two committees designed to monitor climate-related risks in the biggest banks and in the financial system as a whole. But Mr. Powell has been sensitive to potential political blowback, given the U.S. political divisions over how or whether to address climate change.

With a closely divided Senate, Mr. Biden needs either the support of all Democrats to confirm his nominees, or support from some Republicans to overcome holdouts from his own party.

Moderate Democrats on the Senate Banking panel who may hold the key to Ms. Raskin's nomination have yet to say whether they would support her.

Labor Costs Continue To Grow

Continued from Page One

the prior year. And household spending fell 0.6% last month, the Commerce Department said Friday, as consumers pulled back on shopping for goods during the last month of the holiday season.

Rising pay and benefits are putting more money in workers' pockets—average hourly wages rose 4.7% in December from a year earlier—but not enough to keep pace with rising prices. Inflation recently hit its fastest pace in nearly four decades amid supply and demand imbalances for both goods and labor related to the Covid-19 pandemic.

Economists caution that there are numerous factors contributing to high inflation during the pandemic, especially an overwhelmed supply chain.

"Inflation has fundamentally picked up, and I think it's fair to say that price gains are feeding back into wage gains as well," said Ben Herzon, executive director at IHS Markit. "There's a lot of pressure on the supply side on both commodities and labor."

Investors and Federal Reserve policy makers now consider the labor market to be at or near full employment, despite the fact that the economy has only recovered about 84% of the jobs it had before the pandemic. The labor force has shrunk, and with the unemployment rate now below 4%, the Fed is shifting gears from providing stimulus to the economy to fighting inflation while trying to maintain the labor-market recovery.

After signaling that the Fed would begin steadily raising interest rates in March, Chairman Jerome Powell said Wednesday that he believed that price increases have been primarily tied to the "dislocations caused by the pandemic." But he also said that without more workers returning to the labor market lead-

ing to faster growth, higher wages could push prices up.

"We are attentive to the risks that persistent real wage growth in excess of productivity could put upward pressure on inflation," Mr. Powell said.

Wages are rising quickly in disparate parts of the economy, from high-paying finance jobs to lower-paying restaurant and manufacturing positions.

Earlier this month, JPMorgan Chase & Co.'s stock fell on the news that the bank's expenses would rise 8% in 2022, a figure that includes labor costs and other expenses related to the bank's investments. "There's a little bit of labor inflation, and it's important for us to attract and retain the best talent and pay competitively according to performance," Chief Financial Officer Jeremy Barnum said.

McDonald's Corp. has raised menu prices to keep pace with rapidly growing costs, with wages up more than 10% at U.S. restaurants. McDonald's executives have estimated that U.S. menu prices increased about 6% last

year on an annual basis, because of increasing costs for labor, food, packaging and other materials. The fast-food company reported a 7.5% increase in U.S. same-store sales for its fourth quarter ended Dec. 31, with the chain attributing the growth to menu price increases and promotions.

"It appears that labor costs are actually accelerating at a much faster pace, and firms have already demonstrated that, in the aggregate, they have significant pricing power to pass those rising costs along to their customers," said Stephen Stanley, chief economist at Amherst Pierpont.

Employment costs are rising at uneven rates in different industries, depending on the demand for labor. During the summer, airplane manufacturers and their suppliers saw labor costs jump by 7% in the third quarter, and they rose a further 0.5% during the fourth quarter.

At Tool Gauge, a Tacoma, Wash.-based parts manufacturer primarily for Boeing Co. aircraft, the head count

Total compensation for all civilian workers, change from a year earlier



Source: Labor Department

dropped from around 220 employees before the pandemic to 84 at the low point. Now, with 95 employees, the company is trying to increase staff to address a backlog of work.

"If we had a magic wand, we'd immediately onboard at least another 15 workers," said Jim Lee, Tool Gauge's general manager.

They have turned to previously retired workers and started to allow part-time work, just to get more hands



General Motors employees help job applicants through the process during a job fair at their facility in Spring Hill, Tenn., in November.

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CORRECTIONS & AMPLIFICATIONS

The U.S. crude oil benchmark closed at \$86.61 on Thursday. A Business & Finance article on Friday about oil prices incorrectly said \$88.61.

Jonathan Yantis purchased a roughly 70-acre estate outside Denver in late 2021. A Mansion article on Friday about real-estate deals

by crypto investors incorrectly said a roughly 40-acre estate.

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—Harriet Torry contributed to this article.

U.S. NEWS

Mourners Gather for NYPD Officer Killed in the Line of Duty



WIDOW'S GRIEF: Dominique Rivera, the wife of fallen NYPD Officer Jason Rivera, holds a flag from his casket during his funeral at St. Patrick's Cathedral. The 22-year-old officer and his partner Officer Wilbert Mora were fatally shot responding to a family dispute in Harlem.

Embattled CDC Rethinks Response to the Pandemic

By FELICIA SCHWARTZ

The Centers for Disease Control and Prevention is looking to reassert itself in the country's Covid-19 response amid criticism it has sown more confusion than it has offered answers.

Among the first orders of business, according to the agency, is upgrading data collection that has hobbled decision making and clearing up messaging that has confused many.

Yet, the steps might not be enough to fix problems at the nation's premier public-health agency. And the CDC may not have much time, as a new variant could emerge.

"Moving fast and risk-taking in a setting of ambiguity is not CDC's strength," said Charity Dean, previously a California Department of Health official who resigned during the pandemic.

Meanwhile, the Biden administration and lawmakers have begun proposing deeper changes to the federal-health apparatus that could upend the CDC if they take effect.

At the outset of the pandemic, the CDC supported faulty Covid-19 tests that put the U.S. months behind in instituting a proper surveillance system. It was late to understand that the virus spreads via tiny air particles, not larger droplets, which meant the CDC was slow to recommend masks. Then last summer, before the Delta variant emerged, it suggested people stop wearing masks.

Now, the CDC is drawing fire for confusing recommendations on when to isolate and

test after contracting Omicron.

The confusion has further undermined faith in the nation's public-health system at a critical moment. Americans' confidence that the CDC is providing the public with trustworthy information on preventing and treating Covid-19 fell to 72% this month, down from 77% in November, according to a survey released Thursday by the Annenberg Public Policy Center of the University of Pennsylvania.

"When there is doubt, people don't trust the source of the advice anymore, and that has huge implications," said

Confusion has undermined faith in the nation's public-health system.

Leana Wen, an emergency physician and public-health professor at George Washington University in Washington, D.C.

Explaining complicated science to 330 million people is hard, said Ezekiel Emanuel, co-director of the Healthcare Transformation Institute at the University of Pennsylvania and a former member of the Biden administration's disbanded Covid advisory board. "It is also true that they have bungled a bunch of things."

Some CDC stumbles are understandable, people inside and outside the agency say.

The CDC has been forced to make decisions—and explain them—based on limited knowledge in a fast-moving pandemic.

"The messages, to the extent they've been confusing—it's because the scientists, they're learning more," President Biden said last week.

Both the Trump and Biden administrations have exerted influence over some CDC decisions, from when to reopen schools to whether to give broad access to boosters, while controlling much government messaging, say people familiar with the actions.

The White House said it left the decisions to federal-government health experts. The CDC declined to comment.

Critics also say the CDC hasn't had enough actionable information to respond in real time because its data-collection methods are outdated and it has operated like a slow-moving academic institution.

"Part of the messaging issue is not having adequate data," said Eric Topol, director of the Scripps Research Translational Institute in La Jolla, Calif., who said this stems in part from the Department of Health and Human Services' failure to mandate hospitals to collect more information. HHS oversees the CDC.

CDC Director Rochelle Walensky recently told The Wall Street Journal she would address gaps in national collection of public health data, and the Biden administration has invested more resources in that effort. To help improve

communications, she said she plans for her and agency experts to give more briefings.

Yet, she also asked for understanding of the challenges of quickly explaining to the general public nuanced and evolving matters normally reserved for scientific meetings. "Now, it's being discussed on the nightly news," she said.

The most recent confusion centers on how long people should isolate after testing positive for Covid-19.

On Dec. 27, the CDC cut the number of days that it recommends people isolate after being infected to five days from 10, and said people should wear a mask for the subsequent five days. But officials didn't recommend a test to see whether a person is still possibly infectious before leaving isolation.

After facing pushback, including from senior Biden administration officials, the CDC said on Jan. 4 that people can choose to take a test after five days to see if they are no longer positive to leave isolation but fell short of recommending it.

Dr. Walensky said the decision not to initially include testing as part of the new isolation guidelines was because the available Covid-19 tests weren't authorized for clearing people from isolation.

Robert Redfield, the CDC director under former President Donald Trump, dismissed such an explanation because the CDC has embraced testing in schools.

Channeling Spring



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U.S. NEWS

Alabama Asks High Court to Reinstate GOP Map

By JESS BRAVIN AND BRENT KENDALL

WASHINGTON—Alabama on Friday asked the Supreme Court to reinstate the new congressional map its Republican-controlled legislature drew to reflect 2020 census data after a lower court blocked its use for discriminating against Black voters.

The emergency appeal is a preview of what is expected to be another intense year of election litigation, especially with nationwide redistricting in light of the 2020 census. Many states also are considering changes to their voting rules based on their experiences conducting the 2020 election during the pandemic.

Last Monday, a special three-judge federal court in Birmingham, Ala., ordered the state to redraw its seven-district congressional map to add a second seat either with a majority Black population or at least configured to give Black voters the opportunity to elect a representative of their choice.

Black residents make up 27% of Alabama voters but the only district, the Seventh, where they hold a majority represents just 14% of the state's congressional delegation, the court observed.

"Voting in the challenged districts is intensely racially polarized (this is not genuinely in dispute)," the court's opinion said, and "Black voters have less opportunity than other Alabamians to elect candidates of their choice to Congress."

Earlier this month, a panel of judges in North Carolina upheld the state's new Republican-drawn voting maps, rejecting claims that they were illegally gerrymandered for partisan advantage. The panel said it had no authority to constrain the state legislature. The case is on appeal to the North Carolina Supreme Court.

A few days later in Ohio, that state's Supreme Court struck down the state's new congressional map, saying it unlawfully favored Republicans. In a divided ruling, the Ohio court's majority concluded the new map violated the state Constitution.

Alabama's Seventh Congressional District, which stretches from Black neighborhoods in Birmingham and Montgomery to the Mississippi border, has been represented by a Black Democrat since the 1990 election, currently Rep. Terri Sewell. The other six districts are held by white Republicans.



A 50-year-old Pittsburgh bridge collapsed Friday, injuring 10 people. The 450-foot-long span was graded as poor in inspections from 2011 through at least 2017.

Biden Stresses Infrastructure Needs

By KRIS MAHER AND CATHERINE LUCEY

PITTSBURGH—President Biden stressed the need to invest in infrastructure Friday after a planned visit to Pittsburgh coincided with the collapse of a 50-year-old bridge in the city, injuring 10 people and disrupting a major road.

"We saw today when a bridge is in disrepair it literally can threaten lives," Mr. Biden said. "We're going to rebuild that bridge, along with thousands of other bridges in Pennsylvania and across the country because it's in our interest."

Mr. Biden talked up the roughly \$1 trillion infrastructure law, passed on a bipartisan vote last year, calling it the "largest investment in our nation's bridges since Eisen-

hower put together the Interstate Highway System."

Several vehicles and a city bus that were on the bridge when it collapsed at about 6:30 a.m., landed at the bottom of a ravine in Frick Park among buckled concrete spans.

A local healthcare system said it received four people injured in the accident, and that they were in fair condition.

Rescuers rappelled 150 feet and formed a human chain to reach people on the fallen structure where one car was overturned, said Pittsburgh Fire Bureau Chief Darryl Jones.

"It's surreal to see a major artery just collapse into a ravine," said Rich Fitzgerald, the Allegheny County executive.

Mr. Fitzgerald noted that the bus, which was outbound from the city, had few passen-

gers at the time of the collapse, and that city schools were delayed because of the snow, which also reduced traffic.

Mr. Biden toured the site of the bridge collapse Friday afternoon with state and local officials, and spoke with first responders, inquiring about the rescue efforts.

The National Transportation Safety Board said it was sending a team to investigate the cause of the accident.

The bridge is part of a major route, located near Frick Park in the city's East End, connecting the neighborhoods of Squirrel Hill and Regent Square.

There was a gas leak in the area after the accident, prompting the temporary evacuations of nearby residents, the city's fire chief said. Officials said area gas lines were shut off.

The bridge's sudden collapse left some Pittsburgh residents shaken. Monica Layton said she has driven across the bridge twice a day for more than five years from her home in Wilkinsburg to her job as a human-resources specialist in Squirrel Hill.

On Friday, she said she learned about the accident on the news. "That was frightening and unnerving," she said. "I could have been on that bridge."

The nearly 450-foot-long rigid-frame bridge was built in the early 1970s. It was graded as poor in inspections from 2011 through at least 2017, according to National Bridge Inventory data.

Today, 10% of the roughly 25,000 state-owned bridges in Pennsylvania are rated poor, according to the Pennsylvania

Department of Transportation.

Kent Harries, a professor of structural engineering at the University of Pittsburgh, said he had been aware of the Pittsburgh bridge's condition, but he didn't believe there were any indications that it was in worse shape than many other bridges in the region.

"It had evidence of deterioration for years," said Mr. Harries, who teaches bridge design. "We have a very large proportion of our structures throughout the Northeast that would be rated poor."

The Biden administration says it will spend more than \$27 billion in the next five years to repair dilapidated bridges across the country. There are more than 45,000 bridges in poor condition nationwide, the National Bridge Inventory says.

Jan. 6 Panel Subpoenas Fake-Elector Backers

By LINDSAY WISE AND SADIE GURMAN

WASHINGTON—The House select committee investigating the Jan. 6, 2021, assault on the U.S. Capitol issued subpoenas Friday to more than a dozen people in seven states who tried to submit false slates of electors as part of an effort to overturn the 2020 election in favor of former President Donald Trump.

"We believe the individuals we have subpoenaed today have information about how these so-called alternate electors met and who was behind that scheme," said the committee's chairman, Rep. Bennie Thompson (D., Miss.).

The subpoenas went to the secretaries and chairpeople of each group of unofficial electors in Arizona, Georgia, Mich-

igan, New Mexico, Nevada, Pennsylvania and Wisconsin, according to the committee.

In letters that accompanied the subpoenas, Mr. Thompson said the individuals should produce documents and sit for depositions in February.

The effort to put forward alternate, pro-Trump electors came in the chaotic months following the November election, when Mr. Trump refused to concede and falsely claimed he lost to President Biden because of widespread fraud. Mr. Trump urged his supporters to march on the Capitol at a "Stop the Steal" rally at the Ellipse on Jan. 6. Some of his supporters stormed the building, interrupting the ratification of the Electoral College results.

State Republican parties and the Trump campaign



Rep. Bennie Thompson

helped organize many of the alternate Electoral College meetings. The pro-Trump electors cast symbolic ballots for the president in battleground states he lost, hoping Congress would accept their votes—and

not those cast by electors for Mr. Biden—on Jan. 6, 2021.

The Justice Department also is reviewing the false slates of electors, Deputy Attorney General Lisa Monaco told CNN this week, after lawmakers and state officials asked the agency to examine the role they played and the documents they submitted to the National Archives in December 2020.

Michigan Attorney General Dana Nessel said this month that she gave federal prosecutors details from her yearlong investigation into Republicans who signed documents falsely identifying themselves as Michigan's electors in December 2020. She said in a news conference that the state could still prosecute as many as 16 Republicans for submitting the certificates, but that the Justice Department

is better able to investigate any interstate connections.

Attorneys general in New Mexico and Wisconsin also urged the Justice Department to investigate.

The Jan. 6 committee was created by a House vote last year, largely along party lines, after Senate Republicans blocked the creation of an independent commission.

The panel is led by Mr. Thompson and Vice Chairwoman Liz Cheney (R., Wyo.), and is probing the storming of the Capitol by supporters of Mr. Trump. The riot temporarily halted the certification of Mr. Biden's Electoral College win and led to Mr. Trump's impeachment by the House for inciting insurrection. The Senate subsequently acquitted him.

U.S. WATCH

NEW YORK

On Trial, Avenatti Grills Stormy Daniels

Disgraced celebrity attorney Michael Avenatti sought to cast doubt on the testimony of his former client Stormy Daniels at his federal fraud trial Friday, grilling her over previous statements she made about speaking to the dead and living in a haunted house.

Mr. Avenatti, representing himself, asked Ms. Daniels, a former adult-film actress and the government's lead witness in the case, during cross-examination about her time living in a New Orleans house in 2019.

Ms. Daniels, whose given name is Stephanie Clifford, testified she started experiencing poltergeist phenomena in the home, seeing shadow figures and hearing unexplainable sounds and voices. She could also speak to the house and the dead, she said.

Mr. Avenatti, 50 years old, faces charges of wire fraud and aggravated identity theft.

Prosecutors allege the former celebrity lawyer stole nearly \$300,000 that Ms. Daniels was entitled to from a book deal. Mr. Avenatti has portrayed the case as a fee dispute and said Ms. Daniels was unreliable.

Earlier in the week, Mr. Avenatti dropped his lawyers and began representing himself, setting up the unusual confrontation with his former client.

—James Fanelli



STALKING THE WHITE HOUSE: A two-year-old Tabby cat named Willow has joined the first family at 1600 Pennsylvania Ave. She is named after first lady Jill Biden's hometown of Willow Grove, Pa.

COVID-19

Pill Shows Promise Against Omicron

Merck & Co. and partner Ridgeback Biotherapeutics LP said Friday that their Covid-19 pill molnupiravir was active against the Omicron variant in laboratory tests, an encouraging sign as the treatment's use grows globally.

Merck cited six preclinical studies performed by researchers outside the company.

The examples include research published this week in the New England Journal of Medicine that found molnupiravir among several Covid-19 antiviral drugs that "may show efficacy for treating patients

infected with the Omicron variant."

Molnupiravir, which was cleared for use in the U.S. in December, hasn't been studied in people infected with Omicron.

The U.S. continues to see a decline in the number of patients with Covid-19 in hospitals. The daily average of Covid-19 deaths recorded over the seven days to Thursday fell to 2,267 after hitting its highest level in nearly a year.

—Jared S. Hopkins

NORTHEAST

Region Battens Down for Nor'easter

The Northeast corridor went into shutdown mode, as a win-

ter storm threatened to dump as much as 20 inches of snow in places this weekend.

Thousands of flights and trains into affected areas were canceled. Authorities imposed travel restrictions along highways and urged drivers to stay home. Some stores were emptied of emergency supplies.

The nor'easter is forecast to pack a wallop well into Sunday, state and federal officials said. The winter storm will bring bone-chilling temperatures and wet, heavy snowfall that could affect power lines. Strong, gusting winds are expected to whip snow into near white-out conditions in some inland areas and bring coastal flooding along shorelines.

—Ginger Adams Otis

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WORLD NEWS

Ukraine's Identity Riles Moscow

Putin has long fought neighbor's effort to promote its own culture and language

By JAMES MARSON

KYIV, Ukraine—In December, the local edition of lifestyle magazine Elle announced a new fashion on its cover: It would publish only in Ukrainian, not Russian.

The switch in languages for a publication that is hardly a hotbed of nationalist ferment goes some way toward explaining why Russian President Vladimir Putin is forcing the issue of Ukraine now. Since Russia first invaded portions of the country in 2014, Ukraine has been severing cultural ties with its old imperial ruler and developing a keener sense of what it means to be Ukrainian. That undermines the argument Mr. Putin routinely cites as justification for his interventions here—that Ukrainians are essentially Russians.

In the subsequent eight years, Ukrainians have torn down hundreds of Lenin statues and changed the names of cities and streets connected with the country's Soviet past. The language of conversation in Kyiv, which a decade ago was usually Russian, is now more frequently Ukrainian. In 2019 the country won its own Orthodox Church after centuries in which believers were part of Moscow's flock.

Mr. Putin has fought back with pen and sword. Last year he wrote a 7,000-word essay describing Ukraine as an artificial creation of Soviet leaders made up largely of historically Russian lands. He has railed against the changes, suggesting they were driven by radical nationalists and part of a plot by foreign intelligence agencies to divide the two countries. Now he is massing more than 100,000 troops around Ukraine as a possible prelude to another invasion.

"The clock is running against Putin," said Pavlo Klimkin, a former Ukrainian foreign minister. "The country is changing."

The cultural changes have been mirrored by political and economic shifts. Before 2014, polls showed a roughly even split in support among the population for joining the European Union or a Moscow-led economic bloc. In a November survey, however, 58% favored the EU, with 21% for Russia's group.

Ukraine's exports, once almost evenly led by trade to Russia and to EU members, now predominantly flow westward. In 2020, sales to Poland, Ukraine's smaller western neighbor, overtook exports to Russia.

It has been a long road for Ukraine, which struggled for centuries to assert its own identity under the rule of Russia and other empires. Several attempts at establishing a Ukrainian state were snuffed out, and Ukrainian culture was repressed. In Soviet times, promoting Ukrainian as a distinct identity was a dangerous



Kyiv residents celebrate Ukrainian Unity Day on Jan. 22, above. Archbishop Yevstratiy, a leader of Ukraine's independent Orthodox Church, near right; actress Rita Burkovska now prefers to speak Ukrainian.

undertaking that frequently ended in Siberian labor camps. After declaring independence in 1991, when the Soviet Union dissolved, Ukraine remained strongly under Russian influence, owing to economic, cultural and political ties. The Orange Revolution in 2004, where hundreds of thousands hit the streets to overturn the disputed election of a Russia-backed leader, was a turning point. Ukrainians showed that, unlike in Russia, street protests could effect change, even against the will of Moscow.

The new president, Viktor Yushchenko, his face scarred by an unsolved poisoning during the campaign, promoted recognition of the Holodomor, the starvation by famine of millions in Ukraine under Stalin. He threw open KGB archives to facilitate research. He sent weapons to a fellow pro-Western leader in Georgia who fought a brief war against Russia. Moscow pushed back, calling Mr. Yushchenko anti-Russian. He was voted out in 2010, dogged by an economic crisis and failure to fulfill pledges to uproot corruption. The winner of the election was Viktor Yanukovich, the very candidate the Orange Revolution had blocked in 2004. Mr. Yanukovich vacillated between Russia and the West, but he squeezed some of those who promoted an independent Ukrainian identity. He enacted a language law that gave Russian official status in some regions. Mr. Putin gave the Ukrainian lawmakers who penned the legislation a Russian state award.

At the same time, Moscow pressured Mr. Yanukovich to abandon plans for a trade-and-political pact with the EU by restricting trade and threaten-



ing more serious measures.

After dozens of protesters were gunned down in February 2014, Mr. Yanukovich fled to Russia, which seized Crimea and fomented a conflict in eastern Ukraine that has cost some 14,000 lives. That sparked an outpouring of patriotism. Volunteer fighters rushed to fight at the front, while others stashed food and clothes in cars to supply them. People painted bridges and fences in blue and yellow, the colors of the national flag. Many adopted a nationalist greeting: "Glory to Ukraine!" and the response: "Glory to the heroes!"

Horizons broadened after the EU allowed visa-free travel with Ukraine in 2017 and low-cost airlines expanded flights to European cities. Hundreds of thousands now study and work in Poland and other EU countries.

The foreign ministry led a campaign against Russian spellings of Ukrainian names, which led many foreign media and airports to switch to calling the Ukrainian capital Kyiv instead of Kiev.

Rita Burkovska, a 32-year-old actress who spoke Russian with her friends until 2014 now uses Ukrainian. She had studied in a Russian-language high school but remembered visits as a child to her grandparents' house in the countryside where she would be sur-



rounded by Ukrainian. She even thought in Russian, she says, but considered Ukrainian her mother tongue.

"There was an attitude that it was shameful to speak Ukrainian, that it was not cool," she said.

A law came into force in January 2021 obligating stores, cafes and other businesses to provide services in Ukrainian. This January, legislation ordered newspapers and magazines to print at least as many copies in Ukrainian as any other language.

Change has also swept places far from the swanky offices of Elle.

After 2014, villagers in dozens of parishes revolted against priests from the local arm of the Russian Orthodox Church, which has dominated Ukraine for centuries. The church, which claims Ukraine as part of its canonical territory, is closely aligned with the Kremlin. Critics said the church was promoting Russia's view of the conflict in Ukraine as a "fratricidal war" and not condemning Mr. Putin.

Ukrainians began switching to the Kyiv Patriarchate, a locally run church that supported the 2014 revolution and war effort. The church began displaying photos of the military dead on the walls of St. Michael's Cathedral in Kyiv, which now number thousands. In the western Ukrainian

village of Soloniv, locals jimmed the lock on their wooden church and held a vote to switch allegiance after the priest refused to pray for those killed in the war.

"People have grown up," said retiree Kateryna Polyova, a villager, in 2015. "People understood that no one should tell us what to do, but that we are masters in our own home."

The Kyiv Patriarchate wasn't recognized by the global Orthodox community, so its leaders and Ukraine's pro-Western President Petro Poroshenko campaigned for Kyiv to have its own church.

Mr. Putin opposed the move, and the Russian Orthodox Church lobbied against it. The Russian president stepped up efforts to emphasize religious and cultural ties with Ukraine, unveiling a statue close to the Kremlin to Vladimir the Great (or Volodymyr in Ukrainian), the Kyiv leader who adopted Christianity more than a millennium ago.

In 2019, the leader of global Orthodoxy in Istanbul, Ecumenical Patriarch Bartholomew, granted Ukraine its own church. "It's a slow process that broke the chains which united Ukrainian society with the Soviet and Russian imperial past," said Archbishop Yevstratiy, a leader of the independent church. "It's a slow process, but not reversible or stoppable."

U.S. Warns Of Russia's Military Firepower

The Pentagon warned that Russia has amassed sufficient combat power to take cities and substantial swaths of territory in Ukraine, whose leaders warned the U.S. was overstating the Russian threat.

By Vivian Salama, Drew Hinshaw and Gordon Lubold

"While we don't believe that [Russian] President [Vladimir] Putin has made a final decision to use these forces against Ukraine, he clearly now has that capability," Secretary of Defense Lloyd Austin told reporters Friday.

In the military's starkest public warning to date, Mr. Austin said the Russian leader had multiple options: "The seizure of cities and significant territories, but also coercive acts and provocative political acts like the recognition of breakaway territories."

Mr. Austin said there remained room for a diplomatic outcome. But Chairman of the Joint Chiefs of Staff Gen. Mark Milley, speaking alongside him, bluntly described the impact of a potential invasion, citing the size and makeup of the forces Mr. Putin has amassed on the Ukraine border.

"If that was unleashed on Ukraine, it would be significant, very significant, and result in significant amount of casualties," Gen. Milley said. "You can imagine what that might look like in dense urban areas, along roads and so on, so forth, it would be horrific, it would be terrible, and it's not necessary and we think a diplomatic outcome is the way to go here."

President Biden said Friday, "I'll be moving troops to Eastern Europe and the NATO countries in the near term."

An administration official said later Friday night that Mr. Biden was referring to the possible deployment of forces previously announced by the Pentagon. In his remarks earlier in the day, Mr. Austin reiterated the Pentagon's position that U.S. troops had been ordered to prepare for deployment but hadn't been activated.

The dire remarks from the top officials at the Pentagon were a departure from the earlier call by Ukrainian officials for calm. Ukrainian leaders asked European governments to keep their diplomats in place and have publicly and privately pushed the U.S. to dial back its public rhetoric that a renewed Russian incursion may be imminent.

"It will create panic in the market, panic in the financial sector," President Volodymyr Zelensky told reporters late Friday. "We need the unity of our people. People have to feel sure about their army, about their president. People should trust their government and special services."



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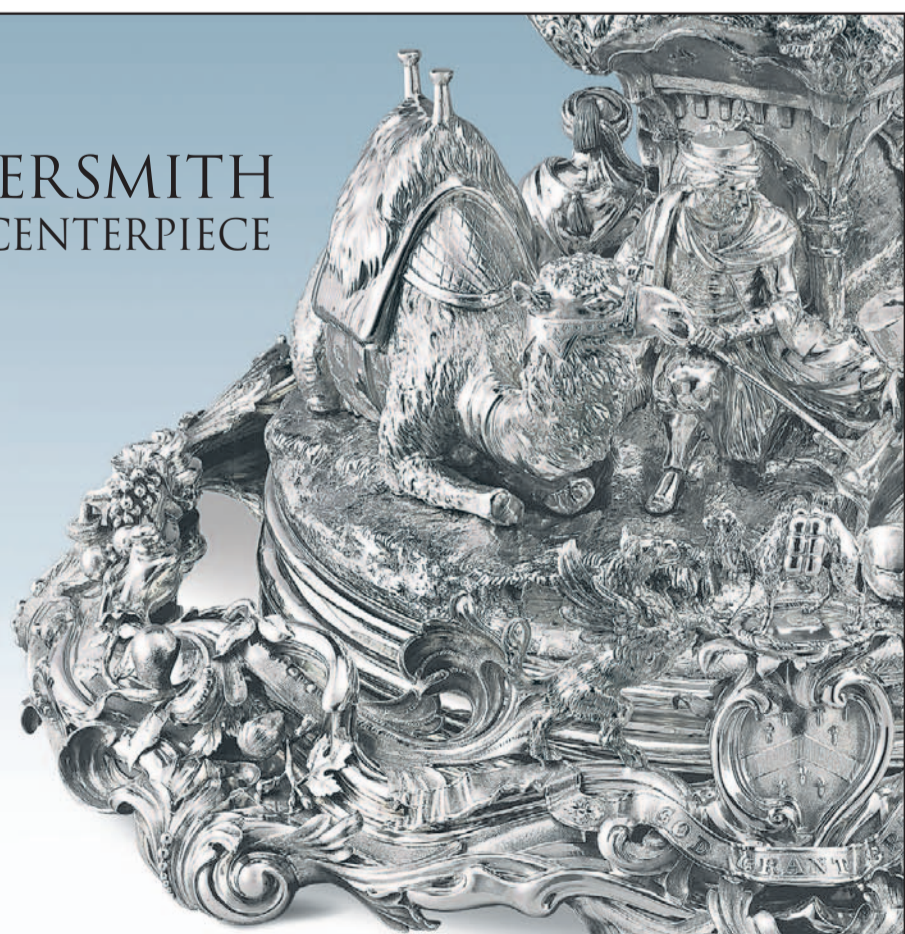
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WORLD NEWS

WORLD WATCH



Restaurant diners in Beijing going about their business as Chinese President Xi Jinping delivers his New Year's speech on Dec. 31.

IMF Calls China's Recovery Uneven

By LINGLING WEI

Imbalances in the Chinese economy have worsened and delayed China's transition to consumption-led growth, the International Monetary Fund said in an annual review on Friday, slashing its outlook for the country this year.

The IMF assessment reflects growing concern among some economists and officials that greater state intervention in the economy could be hindering China's long-held goal of "high-quality" growth—one driven by consumption rather than investment.

Beijing has pulled off an impressive economic recovery since early 2020, when authorities locked down much of the country to combat the Covid-19 pandemic. The economy grew 8.1% last year, a sharp improvement from 2.3% for all of 2020. But the rebound has relied heavily on state-sector investments and exports, while private spending has plunged. And in the final months of 2021, growth slowed markedly.

Authorities' strict pandemic restrictions have made consumers hesitant to spend. A cascade of policy measures over the past year—centered on reining in what President Xi Jinping views as capitalist excesses, including property speculation—have also damped the sentiment among

State intervention could be hindering the goal of 'high-quality' growth.

both private businesses and individuals.

Reflecting continued weakness in consumption, the IMF now expects China's gross domestic product to expand 4.8% this year, down from its previous projection of 5.7%. "Growth momentum has slowed considerably, with consumption lagging every other part of the GDP," said Helge Berger, the IMF's mission chief for China.

What's more, states the IMF review: "The investment-driven recovery has reversed earlier, hard-won progress in rebalancing, adding to the challenges of achieving sustainable high-quality growth over the medium term."

China's leadership is likely to set a growth target of about 5.5% for 2022, according to Chinese economists who consult with the government. While the figure might seem low for a country that has consistently boasted world-beating growth rates, it might still prove overly optimistic, given that economic expansion sharply decelerated to 4% in the final quarter of last year.

Some economists have questioned the rationale behind what they see as an ambitious growth target, as it inevitably would entail greater government spending on big-ticket projects, further pushing up high debt levels.

But there is political pressure to ensure strong growth ahead of a major Communist Party conclave late in the year, when Mr. Xi is expected to

claim a third term. Part of his belief that "the East is rising and the West is in decline" involves China's economy continuing to outperform that of the developed world, especially the U.S., said a government-affiliated Chinese economist.

To bolster sagging economic activities, Beijing has stepped up monetary and fiscal easing, cutting interest rates, prodding banks to lend and getting local governments to increase infrastructure-related spending.

The report shows that state-owned enterprises are, on average, only 80% as productive as private firms in the same sector. Yet, state companies are playing an increasingly important role in China's economy, with authorities turning to them to ensure supplies during the pandemic and implement Beijing's technological self-sufficiency drive.

The IMF has called on China to carry out long-awaited state-sector reforms and to make it easier for private firms to compete with state companies.

EUROZONE

Pace of Growth Lags Behind U.S., China

The eurozone economy slowed sharply at the end of last year, lagging behind the recovery in the larger U.S. and Chinese economies, as high energy prices, supply-chain bottlenecks and new social restrictions weighed on consumer spending and the region's large manufacturing sector.

Data from three of Europe's biggest economies published Friday show swaths of the region still lag below their pre-pandemic level of output, a level that the U.S. surpassed by the middle of last year. China's economy, the world's second-largest, briskly exceeded its pre-crisis level in 2020 but has recently slowed sharply amid a property-market slump.

Gross domestic product in the 19-nation eurozone likely grew at an annualized rate of 1.6% in the three months through December, down from 9.1% in the previous quarter, according to a Commerzbank estimate based on Friday's GDP data for Germany, France and Spain. In the U.S., economic growth accelerated to a 6.9% annual rate for the same period. China's GDP grew 4% in the fourth quarter compared with a year earlier, sharply lower than the first half of last year.

—Tom Fairless

KAZAKHSTAN

President Takes Over Leadership of Party

Kazakhstan's ruling party on Friday chose the country's president as its new leader in a move that further reduces the influence of former president Nursultan Nazarbayev, who dominated the country's politics for decades.

The election of President Kassym-Jomart Tokayev to lead the Nur-Otan party comes in the wake of violent demonstrations in January in which more than 220 people died and government buildings were set on fire.

Mr. Nazarbayev, who had led Kazakhstan since independence from the Soviet Union in 1991, resigned as president in 2019 but retained enormous influence as head of both Nur-Otan and the country's national security council.

—Associated Press

ARGENTINA

Deal Is Reached to Restructure Bailout

Argentine President Alberto Fernández said Friday that his government reached a deal with the International Monetary Fund to restructure a \$44 billion bailout that would help the South American country avert a debt default and currency meltdown after being locked out of global financial markets.

Mr. Fernández, a member of the nationalist Peronist movement, said the agreement would allow the cash-strapped nation to turn around an economy that has been mired in financial turmoil since 2018. The deal will require approval by Argentina's congress and the IMF's board.

"With this agreement, we can bring order to the present and build a future," Mr. Fernández said in a televised address. "We had a rope around our neck, a Damocles sword, and now we have a path that we can follow."

—Ryan Dube

BURKINA FASO

Junta Asks for Help Against Militants

Burkina Faso's military leader called on the world to back the country in its fight against Islamist militants. But by seizing power this week, the young junta chief could make it harder for the nation to secure continued military support from the West to smother the worsening conflict.

Political analysts said the confused picture in the West African country could instead open the door for Russia to expand its influence across the restive region.

Speaking in his first national address on Thursday, Lt. Col. Paul-Henri Damiba sought to justify Monday's putsch by blaming ousted President Roch Kabore for failing to arrest the advance of al Qaeda- and Islamic State-linked militants in the north of the country. Wearing a red beret and military fatigues, he vowed to restore the constitution when he considered the conditions right and pleaded for international support. "I call on the international community to support our country so it can exit this crisis as soon as possible," he said.

—Nicholas Bariyo

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U.S. Plots Russian Sanctions

Continued from Page One

weapons programs, though not without pain for their economies and people. After Russia invaded Ukraine in 2014, the Obama administration went after some energy technology exports, sovereign debt and some government-owned banks and firms, though the scope of those sanctions didn't exact deep damage.

Russia is better prepared now, with deeper foreign-currency reserves, less reliance on foreign debt, faster economic growth and rising prices for oil—the country's primary revenue source. Russia's role as a top exporter of oil and gas and its economic integration with Europe have previously deterred the U.S. from applying broad sanctions out of concern that they would upset global markets and European allies.

Off the table, for now, are sanctions on oil and natural-gas exports or disconnecting Russia from SWIFT, the basic infrastructure that facilitates financial transactions across the world, the U.S. officials said, but that could change.

Still, this time around, the officials said, the U.S. is doing away with the incremental approach that blunted the impact of the 2014 and other efforts—and instead is moving to prohibit a broader range of activities from the start.

"We and our allies have a full range of high-impact sanctions ready to go, both immediately after a Russian invasion and in waves to follow. Nothing is off the table," said National Security Council spokeswoman Emily Horne.

"We would start high and stay high, and maximize the pain to the Kremlin," one of the officials said.

European allies are also more in sync with the U.S. than in 2014, the officials said, given that Russian President Vladimir Putin's demands go beyond Ukraine this time to include a reworking of post-Cold War security arrange-



A Moscow office of VTB Bank, which could be targeted.

ments in Europe.

Europe understands "that if we're going to change Putin's calculus, we have to be ready together to impose massive consequences," the official said. The U.S. and European Union actions won't be identical but will "deliver a severe and immediate blow to Russia and over time make its economy even more brittle," the official said.

Russian Foreign Minister Sergei Lavrov said this week that the sanctions threats are part of the West's "militaristic

Past U.S. efforts to wage economic warcraft produced mixed results.

frenzy." Russia, he said, is "ready for any developments."

Other than VTB, other large government-owned or controlled banks under consideration for blacklisting are Gazprombank and Sberbank, said one of the officials. Sberbank, which accounts for 30% of net assets in Russia's financial system, may not get hit in the first round of sanctions, according to former officials.

VTB, Gazprombank and Sberbank didn't respond to requests for comment.

The possible blacklisting technically prohibits U.S. banks and other entities from doing business with the targeted banks, and the administration may grant exceptions. But the risk of violators being punished by the U.S. usually encourages foreign banks to comply.

"Banks in Paris and London aren't going to be doing what U.S. banks aren't doing," said Brian O'Toole, a former top Treasury sanctions official in the Obama administration and now a senior fellow at the Atlantic Council, a think tank.

Government-owned companies are also targets of similar sanctions, the U.S. officials said. Though the officials didn't specify which companies, some financial analysts said blacklisting firms like insurer Sogaz, which insures companies tied to the Kremlin, and Sovcomflot, a large energy-shippping company, would hurt the Kremlin and, longer term, the economy.

Sovcomflot's chief financial officer, Nikolay Kolesnikov, said his company has no indication it would be targeted. Given that half his firm's business is outside the country, a blacklisting would likely disrupt petroleum exports and hit global tanker rates, he said. Sogaz didn't respond to a request for comment.

Some former officials and critics of the Biden administration are skeptical that its approach will prove different from past efforts. Aside from a more robust Russian economy, they said, Mr. Putin is counting on Germany and other EU leaders to block measures that would have financial repercussions for Europe.

Previous sanctions haven't undermined Mr. Putin's domestic popularity enough to fundamentally alter his foreign policies, said some analysts. New sanctions, they said, may bolster Mr. Putin's position, affect Western-facing companies and drive Russia further toward China.

WORLD NEWS

Rising Hunger In Afghanistan Alarms Doctors

Children at serious risk as economy collapses after Taliban takeover and ensuing sanctions

By SAIED SHAH

MAIDAN SHAHR, Afghanistan—Palwasha didn't get enough time to pick the names for her twins.

Her son died immediately after birth. Her daughter, born premature and weighing 1½ pounds, was put into an incubator at the provincial hospital. Two days later, she was gone, too.

Palwasha's husband, Wali Muhammad, was burying their son when he got the call. The hospital wrapped the girl's body in a checked cloth for the parents to take away.

She was the latest victim of Afghanistan's economic collapse caused by the Taliban takeover in August and the punishing Western sanctions that followed.

The Wardak provincial hospital's director in Maidan Shahr, Muhammad Nadir Rahmani, said the hospital is seeing the birth weight of babies reduce alarmingly, as the bodies of malnourished mothers are unable to carry their children to full term. Babies born weighing under 1 kilogram, or about 2.2 pounds, have no better than a 30% chance of survival, he said.

Half of the population faces acute hunger, according to the United Nations, with one million children in danger of dying from malnutrition. The economy is set to contract by another 20% this year, following last year's plunge, the U.N. says.

Mr. Muhammad and his wife were struggling before the Taliban's Aug. 15 takeover, but a new level of deprivation has swallowed them in the

past few months. The little work Mr. Muhammad could previously find as a casual laborer, mostly moving goods for people in a wheelbarrow, dried up. Mr. Muhammad said that before the Taliban takeover, he could make \$8 to \$10 a week but now that has shrunk to \$3 or \$4. The couple has five living daughters.

Meanwhile, food prices have soared. Since June, the price of wheat flour jumped 53%, cooking oil is up by 39% and sugar by 36%, according to the U.N.'s World Food Program.

"We have always been poor, but things have gotten so bad I don't have words to describe it," said Palwasha, age 35.

The U.S. froze Afghanistan's central-bank assets and imposed financial sanctions, paralyzing the country's banking system, after the Taliban takeover. The salaries of civil servants, soldiers, health workers, teachers and other public employees, all met through foreign aid in the past, were no longer paid. Banks stopped people from withdrawing their savings. Afghans working abroad could no longer send money home. Iran and Pakistan, where Afghans have traditionally gone to seek work in hard times, closed their borders.

At Maidan Shahr hospital's malnutrition ward for toddlers, mothers all had the same grim story. Their husbands couldn't find work, so the family's diet shriveled. Mothers said they aren't eating enough to produce breast milk for babies, while slightly older children often get just bits of bread and tea.

There is a surge of emaciated children under 5 ending up in hospitals across the country, with complications such as acute watery diarrhea and pneumonia, doctors say.

Last month, the Taliban re-



Wali Muhammad at the graves of his newborn twins. Residents lug canisters to be filled with well water through a slum in Kabul.



gime's Prime Minister Mullah Hassan Akhund said in a speech that the Taliban had promised to expel the U.S.-led international coalition, establish an Islamic Emirate and bring security. He blamed hunger on the drought, which he said had come from God.

"Remember, the Emirate

had not promised you the provision of food. The Emirate has kept its promises. It is God who has promised his creatures the provision of food," Mr. Akhund said.

Zabiullah Mujahid, the Taliban's chief spokesman, said the new government was doing its best to address poverty.

He added that U.N. statistics that 95% of the population are struggling to feed themselves were an exaggeration. "The poverty in Afghanistan is due to 40 years of destructive wars," said Mr. Mujahid.

International aid has restarted, with over \$1 billion raised, mostly by Western na-

tions, for Afghanistan late last year. But, as the Taliban administration isn't recognized by any country the assistance is being distributed directly by humanitarian groups.

The World Food Program distributed food to eight million people in December, more than five times as many as it reached in August. WFP says that 23 million people have sunk to crisis or emergency levels of food shortage.

In western Kabul, Sahib Khan lives among some 1,400 families who inhabit a shanty settlement called Charahi Qambar. He recently took his daughter, Laila, 3, to a square in central Kabul to sell her to a passerby. He hoped to get \$200 to \$300 for her, saying that anyone with that sort of money would be able to look after her better than he could. He didn't find anyone able to pay.

"Who would want to sell their child? Poverty forces me. I need money to get through winter," said Mr. Khan, who has four other children. "We can't see any future."

—Zamir Saar
contributed to this article.

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FROM PAGE ONE

Stocks Rise To Break Slump

Continued from Page One trading.

The technology-heavy Nasdaq Composite jumped 417.79, or 3.1%, to 13770.57, erasing its losses for the week. The Dow and S&P ended the week with gains of 1.3% and 0.8%, respectively, while the Nasdaq was roughly flat.

Some upbeat big-name corporate earnings reports cheered investors. Shares of Apple, the world's largest publicly traded company by market capitalization, on Friday rallied \$11.11, or 7%, to \$170.33, a day after the iPhone maker posted record revenue and profit.

"Apple was the savior yesterday for the whole market," said Louis Ricci, head trader of Emler Advisors, an investment-management firm.

Still, major stock indexes are well off their highs.

The S&P 500 is down 7% so far in January.



Shares of Apple rose 7% Friday, a day after the iPhone maker posted record revenue and profit. A company store in Shanghai.

Government data released Friday showed the upward pressure on prices that has worried policy makers.

The Fed's preferred measure of inflation, the core personal-consumption expenditures price index, rose at 4.9% in December over the prior year.

A separate measure showed employers spent 4% more on wages and benefits over the past year—an increase not seen since 2001—as a tight la-

bor market encouraged workers to demand higher pay. Still, employment costs didn't rise as much in the fourth quarter as economists anticipated, easing concerns that the U.S. economy is heading for a "wage-price spiral." In such a scenario, salary hikes and price increases become mutually reinforcing, fueling inflation.

Going forward, investors can expect more volatility as the Fed grapples with infla-

tion, said Scott Clemons, chief investment strategist for Brown Brothers Harriman's private banking business.

"If the market concludes that the Fed is raising interest rates because they have fallen behind the curve on inflation and are scrambling to catch up, that is a rather disruptive narrative," Mr. Clemons said.

Meanwhile, new Commerce Department data showed consumer spending fell last month amid rising prices and

the fallout from the Omicron wave of Covid-19. Some data suggests that the highly contagious variant has peaked in densely populated parts of the U.S., while continuing to surge elsewhere.

Inflation concerns have filtered into this week's corporate earnings reports.

Mondelez International said late Thursday that it would likely raise prices further this year. Its shares fell \$1.05, or 1.6%, to \$66.42 on Friday after

the global food giant said its profitability was being squeezed by rising ingredient and transportation costs.

Corporate earnings have generally been solid. Almost a third of the companies on the S&P 500 have reported fourth-quarter results, and 78% of them have beaten analysts' estimates for earnings per share, according to FactSet.

In commodities markets, U.S. natural-gas futures shot up 8.3% to settle at \$4.64 per million British thermal units as a snowstorm threatened to hit the East Coast and forecasters said February would be colder than anticipated, driving up expected demand for the heating fuel.

Investors bought government bonds on Friday, pushing down yields. The yield on the 10-year Treasury note dropped to 1.779% from 1.807% on Thursday. Bond yields move in the opposite direction from prices.

European markets dropped, with the pan-continental Stoxx Europe 600 falling 1%.

Asian markets were mixed. Hong Kong's Hang Seng fell 1.1%, while the Shanghai Composite Index was down about 1%. Japan's Nikkei 225 rose 2.1%.

OBITUARIES

FRANK HASENFRATZ
1935 - 2022

Hungarian Refugee Created Auto-Parts Giant

By James R. Hagerty

Frank Hasenfratz, a Hungarian refugee, arrived in Quebec City, Canada, in 1957. An immigration official welcomed Mr. Hasenfratz and gave him 5 Canadian dollars of pocket money.

"The whole interview took five minutes," he recalled.

He slept on benches in train stations on some of his first nights in Canada. Soon, however, he was working as a machinist in a factory.

Within seven years, Mr. Hasenfratz had set up his own company, starting with a single lathe to form metal parts in his basement. That company is now a global maker of automotive parts known as Linamar Corp. Based in Guelph, Ontario, it employs 26,000 people world-wide and has manufacturing plants in Canada, the U.S., Mexico, China and Europe.

Mr. Hasenfratz died Jan. 8. He was 86 and had been under treatment for cancer. One of his daughters, Linda Hasenfratz, has served as chief executive since 2002 and succeeded him as executive chair after his death.

Mr. Hasenfratz often expressed a

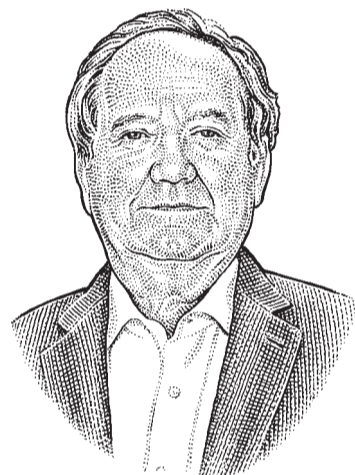
conviction that setbacks are only temporary. "When bad things happen to you, look for the sunshine," he said.

When he received an honorary doctorate at the University of Guelph in 2010, he gave this advice to students: "Be inquisitive. If you don't understand something, ask."

Born Jan. 18, 1935, Frank Joseph Hasenfratz was the second of five children in a German-speaking Hungarian family. He grew up in a farming village near Budapest. At age 9, he witnessed pillaging by Russian soldiers in pursuit of the German army, according to an authorized biography, "Driven to Succeed," by Rod McQueen and Susan M. Papp.

One soldier took his watch. Others smashed or stole nearly everything else of value in the family home.

In 1948, authorities forced his family to move to a flea-infested hovel with a dirt floor and no electricity or running water. Then came a bit of sunshine: A family friend arranged for Frank to attend a technical school. That led to an apprenticeship at a manufacturing company, where he learned



to operate machinery.

A born prankster, he sneaked newspaper photos of the Hungarian communist leader Mátyás Rákosi onto a pile of scraps used for toilet paper in the factory, according to the biography. When this mockery was discovered, Mr. Hasenfratz and others were arrested, interrogated and beaten. He refused to confess and was jailed for a month in the summer of 1951

before being released.

Drafted into the Hungarian army, he was assigned to a reconnaissance unit. During the Hungarian revolt of October 1956, his army unit joined the throngs demanding an end to Soviet occupation. After Soviet troops choked off the rebellion, Mr. Hasenfratz took a train to a border region, tramped through a forest and waded across a stream to reach Austria.

He worked as a translator in refugee camps in Austria and Italy and nearly committed himself to the French Foreign Legion before grabbing a chance to work his way to Canada on an ocean freighter. After arriving, he briefly had a job washing cars. Then he made his way to Guelph to meet an uncle who had immigrated to Canada.

His Hungarian factory experience qualified him for a job at a maker of freezers and aircraft parts. He met 16-year-old Margaret Ferter, also born in Hungary, after hearing her sing at a concert. Six years his junior, she resisted his advances for a year before consenting to date him on a regular basis. They married in 1960, when she was 19. In the early 1960s, he worked at

a maker of auto parts. Mr. Hasenfratz was appalled that around a fifth of the oil pumps the firm made for Ford Motor had to be scrapped as defective. Confident that he could do better on his own, he bought a lathe, installed it in his basement and began making oil pumps in 1964.

In the early days, he used a motor from the family washing machine to automate his lathe and his wife's stove for heat treatment of metals. In his first year, he made a profit. In 1966, he incorporated the company under the name of Linamar, combining letters from the names of his wife and two daughters, Linda and Nancy.

Linamar made parts for military equipment and diversified into producing combine harvesters. The company went public in 1986.

Mr. Hasenfratz's wife, Margaret Hasenfratz, died in 2008. He is survived by his two daughters and four grandchildren.

Mr. Hasenfratz cautioned entrepreneurs against letting early success go to their heads. "We get carried away and we think we're good at everything," he said, "and that isn't the case."

In Memoriam

For more information:
wsj.com/inmemoriam

Michael Duffy
January 21, 2022



DAVENPORT, IOWA - Michael Duffy, 71, of Davenport, IA died peacefully and surrounded by family at the minute of market close on January 21, 2022.

Michael Leo Duffy was born in Minneapolis, MN on March 17, 1950. Shortly thereafter, his family moved to Davenport where Mike began his work life by serving 6:30 AM Mass at Sacred Heart Cathedral.

Though as an adult Mike distinguished himself by his professional integrity, when just 11, Mike lied about his age to secure a job as a paperboy for the Quad-City Times. A few short years later, he joined Per Mar Security and Research Corp, the company founded by his parents, John and Eleanor (Duax) Duffy. After success at an entry level job (cleaning dog kennels), Mike progressed through other jobs during high school and college. These early work experiences influenced one of Mike's core values: Treat everyone with respect, especially those at the lowest rungs of your own corporate ladder.

Mike married Linda Brus on July 28, 1973, at St. Anthony's Catholic Church in Davenport. The union cemented a partnership that encompassed both family and business. Mike put family first, scheduling business commitments around family life. He enjoyed organizing family gatherings - serving as chef, activities director, and Life of the Party. Mike had a quick wit and an incredible (Irish) sense of humor that was known to many but most loved by his family.

Mike held various positions at Per Mar, rising to VP of Operations, Executive VP, COO, and eventually President and CEO. Under his leadership the company completed more than 80 acquisitions of life safety companies, eventually becoming the largest family-owned regional full-service security provider in the Midwest with more than 3,000 employees. Mike was a licensed Private Detective in seven states, held the level of U.S. Government Secret Clearance, and served on numerous boards and committees within the security industry. He was also a member of the Young Presidents' Organization - Top Gun Forum. In the community, Mike served St. Ambrose University Alumni Board, Handicapped Development Center Board, Scott County YMCA Board, the local US Bank Board, Davenport Chamber of Commerce, and Downtown Davenport Development Corp. among many others. He was a cofounder of Rejuvenate Davenport. Mike was recognized with numerous awards, including the Iowa Business Hall of Fame, the Quad Cities Area JA Hall of Fame, and the Security Industry Hall of Fame.

Mike was a lifelong learner, a voracious reader who consumed four newspapers a day and always had a book at hand. He was well known for thoughtfully sending many articles to his loved ones, business associates, and friends - often from the WSJ. He frequently chuckled at articles about the plight of white collar workers in the modern age. Throughout his life Mike supported conservative politics, pro-life causes, and Catholic education. He was an avid couponer and yet a generous tipper. He was well-grounded in his Catholic faith and frequently engaged in Corporal Works of Mercy, including his attendance at many funeral visitations and the practice of sending cards and memorials.

In addition to his wife Linda, Mike is survived by children: Brendon (Megan), Bridget Murphy (Kevin), Brianna Lane (Mark), Bradley (Alison), Brian (Alexandra), Bethany Ketz (Jon); 31 grandchildren; and siblings Dennis (Ann), and Patricia. Mike was preceded in death by his parents, a son, Ben, and a grandson, Louie.

Mike & Ben were both long-term thinkers who enjoyed watching the market. The 1st trading day after Mike's death provided one of the greatest intraday swings in stock market history. Mike & Ben must have been smirking at all the "excitement".

Melvin Schoenfeld
January 12, 2022

SYOSSET, N.Y. - Born in Brooklyn, NY on August 3rd, 1923, Melvin was the son of the late Philip and Ida (Goodman) Schoenfeld. A 1941 graduate of the Brooklyn Technical High School, Brooklyn, NY, he retired in 2012 from the company he founded in 1962, Production Packaging Equipment. Earlier, Melvin traveled the world while working on new technologies for RCA. A corporal in the Army, he served from 1943 until 1946 in World War II. His active service included operations with the Signal Corp., as well as liberating slave labor camps and experimental baby farms in Germany.

Melvin was an active member in several Jewish synagogues, including Temple Israel of Great Neck in New York, Congregation Shaarei Kodesh in Florida, and the Plainview Jewish Center in New York.

Melvin is survived by his wife, Bela, of Syosset, NY, his stepson, Ralph and his wife Melissa of Plainview, NY; stepdaughter, Jeanette and her husband Willi of Santiago, Chile; his nephew Philip and his wife Geri of Huntington, NY; his nieces, Harriet of New York, NY; Paula and her husband Robert of Dallas, TX; Linda and her husband Peter, of Boca Raton, FL; 8 grandchildren, and 3 great grandchildren. Services were held in private.

Donations in Melvin's name may be made to the Plainview Jewish Center, Plainview, NY, Temple Israel of Great Neck, Great Neck, NY, or Congregation Shaarei Kodesh, FL.

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DAVID COX
1924 - 2022

Statistician Won Global Acclaim

For five decades, David Cox was one of the few rock stars in the world of statistics.

Dr. Cox, who died Jan. 18 at the age of 97, made numerous contributions to the field but was best known for a 1972 paper providing ways to simplify and improve the analysis of data collected over time to measure such things as how different people respond to a medication.

These methods have become standard in medical research and have many other applications, including analy-

ses of how long a part or product will last, how long cable-television subscribers will stay loyal, or when a borrower will default.

Dr. Cox said he came up with one of the crucial ideas for his 1972 paper while in bed with the flu and a high temperature. As for the success of that paper, he described it as "somewhat of a fluke, an issue of timing, that it happens to get so much attention."

He won the Kettering Prize for work involving cancer treatment and was in-

cluded in early studies of HIV and AIDS.

In his mid-90s, Dr. Cox was still frequently quoted and engaged in statistical research. He was skeptical of the more extravagant claims made for big data. "The notion that you have a lot of data—so what?" he said in a recent video discussion led by Robert Tibshirani, a professor of statistics at Stanford University. "You've got to have some intelligent questions to ask about, have some purpose to it."

—James R. Hagerty

JOHN ARRILLAGA SR.
1937 - 2022

Developer Bet on Silicon Valley

John Arrillaga Sr., a geography major who graduated from Stanford University in 1960, spotted a spectacular opportunity nearby—in the farmlands surrounding his alma mater.

With a partner, Richard Peery, he began buying land and developing office buildings in the 1960s in an area near San Francisco that became known as Silicon Valley.

Their firm, Peery Arrillaga, eventually built commercial real estate totaling more than 20 million square feet as the valley boomed.

Forbes magazine last year estimated Mr. Arrillaga's net worth at \$2.5 billion.

Mr. Arrillaga, who died Jan. 24 at the age of 84, also was a major donor to Stanford, where his name adorns numerous facilities and where he oversaw construction of a football stadium in 2005-06. A stickler for details, he personally inspected mustard dispensers to make sure they worked properly, according to the San Jose Mercury News.

His daughter, Laura Arrillaga-Andressen, a lecturer in

business strategy at Stanford, is married to Marc Andressen, a software pioneer and venture capitalist.

He earned a scholarship at Stanford and was a starter on the basketball team for three years. While studying he worked as a gardener, dish washer and mail deliverer.

Stanford honored him in 2009 with the Degree of Uncommon Man, the university's highest honor. His donations included the funding of scholarships as well as buildings.

—James R. Hagerty

FROM PAGE ONE

Fund Tries To Recoup Big Losses

Continued from Page One

30% of all profits, among the highest incentive fees in the industry. That can be extremely lucrative in profitable years, but the economics tend to be punishing on the way down. Like most hedge funds, Melvin must first make back all of its losses before it can resume taking incentive fees from investors who suffered losses.

Many hedge funds dealing with such sizable losses close down rather than toil for years to reach the point at which they can start charging again. The departures of investors and employees that often follow can make a recovery even less likely.

In an effort to avoid becoming a target of individual investors again, Mr. Plotkin adjusted his tactics. Now, when Melvin bets against companies through strategies such as shorting their stocks, it does so in ways that mostly don't trigger requirements to disclose its positions. He has reduced the size of the fund's short wagers to minimize the likelihood of big losses.

He also has pared back the amount of leverage, or borrowed money, Melvin uses. That has lessened the magnitude of potential losses—but also diminished any gains, making it harder to swiftly make up lost ground.

By year-end, the fund was part way back. For the full year, Melvin was down 39.3%, but far below the average 11.9% gain for stock-picking hedge funds, according to industry-research firm HFR. The total return of the S&P 500, in comparison, was 28.7%.

Rocky start

This year has gotten off to a rocky start amid volatile markets. Hedge funds betting on fast-growing companies have suffered losses. Melvin lost about 17% in the first three weeks of the year, according to people familiar with the returns.

Mr. Plotkin has told friends he is trying to ignore the constantly updating tally in his head of how much he must make back, and focus simply on performing.

Before last year, Mr. Plotkin had compiled one of the best investing track records around. Between 2014, when he

founded Melvin with \$900 million in capital, and 2020, the fund returned an average of 30% annually, after fees.

As of 2020, Mr. Plotkin had more than \$1 billion invested in his fund. He has homes in Manhattan and the Hamptons, and a Miami Beach residence purchased for \$44 million. He owns a stake in the NBA's Charlotte Hornets.

Mr. Plotkin grew up in Portland, Maine, the son of a grocery-store executive and a part-time Hebrew school teacher. He worked at a series of jobs, including at a small hedge fund, before landing a position in 2006 as a portfolio manager at Steven Cohen's SAC Capital Advisors. He became a top moneymaker there, and was one of only a few SAC portfolio managers to make money in 2008 when credit markets seized up.

In 2013, SAC pleaded guilty to criminal insider-trading charges and agreed to pay \$1.2 billion in fines and stop managing outside money. Mr. Plotkin left SAC several months later, with his whole team. SAC invested when the new fund launched. By 2019, Point72 Asset Management—the new name for SAC—had more than \$1 billion invested with Melvin.

Mr. Plotkin bets on companies he believes will grow relative to market expectations, and he shorts those he believes are in decline, a fairly typical approach among hedge funds.

Other hedge-fund managers regard Melvin as especially good at shorting, which involves borrowing shares and selling them in hopes of buying them back later at a lower price and pocketing the difference. Melvin profited by shorting retailer J.C. Penney Co. and renewable-energy company SunEdison Inc., both of which filed for bankruptcy in recent years. In 2015, gains from Melvin's shorts made up two-thirds of the fund's 67% returns, before fees.

Mr. Plotkin started 2021 on a high note. The previous year, Melvin gained 52.5%, after fees. The firm celebrated by flying employees from New York in a private plane for a beach party in Miami Beach, where Mr. Plotkin and his family had moved during the pandemic. The plane was chartered for Covid safety reasons, said one person familiar with the firm.

Still, executives at Melvin noticed something disquieting in the fourth quarter of 2020. The stock prices of some companies it had bet against, including videogame retailer GameStop, were unexpectedly rising on bullish social-media chatter.

Melvin had been betting



Melvin Capital founder Gabe Plotkin, top. Melvin's wagers against videogame retailer GameStop and other stocks backfired, leaving the hedge fund down 54.5% last January.

against GameStop since 2014. It profited as the shift toward downloaded and streaming videogames caused the bricks-and-mortar retailer's stock to drop. The gaming industry had its best year in 2020, but GameStop lost \$215.3 million, following a larger loss the prior year.

Last year, between Jan. 1 and 22, Goldman Sachs Group Inc.'s basket of the most widely shorted stocks gained a total of 25%, compared with a total return of 2.4% for the S&P 500. The stocks Melvin was shorting were up even more, according to people familiar with the firm. By then, the firm had lost roughly 30%, astonishing for a top fund so early in the year.

On forums such as Twitter and Reddit's WallStreetBets, individual investors urged one another to inflict pain on Melvin by buying shares and bullish call options in companies it was believed to be shorting. From an average 87 mentions a day on Twitter and Reddit in the first seven days of that January, "Melvin" or "Gabe Plotkin" totaled an average of nearly 48,000 a day during the last seven, according to media-intelligence company Meltwater. Melvin hired a security firm to review hate mail sent to its office in Manhattan. Pranksters were sending pizza and GameStop gift certificates.

Ken Griffin's hedge fund Citadel, which itself had come close to the brink during the 2008 financial crisis, had prof-

ited previously by snapping up all or parts of the portfolios of hedge funds in distress. On Jan. 25, a senior investment executive there called Mr. Plotkin with an offer to invest.

Mr. Plotkin phoned Point72's Mr. Cohen for advice, according to people familiar with the matter. Mr. Plotkin believed the additional money could help him weather the volatility. Mr. Cohen said taking the money sounded like a good idea. By the end of the call, Mr. Cohen had offered to invest more, too.

Hours later, Citadel, its partners and Point72 invested a total of \$2.75 billion in exchange for a share of Melvin's revenues over the next three years. The investment allowed Melvin to reduce its leverage rather than sell out of its positions.

Brutal days

The next two days were so brutal for Melvin that people inside Citadel and Point72 wondered if the infusion would be enough. Stocks were moving in ways that defied logic. Between Jan. 1 and their highs during the month's final week, GameStop surged 1,745%; AMC Entertainment Holdings Inc., 839%, and headphone maker Koss Corp., 1,761%. On some days, AMC, a struggling movie-theater chain, replaced Apple Inc. as the most actively traded stock in the entire market.

More than 10 of the stocks Melvin was shorting rose more

than 100% in a 10-day stretch, Melvin later told clients.

Melvin also was losing money on previously profitable stakes in companies as other hedge funds experiencing losses were dumping their shares in those companies to reduce their risk.

Mr. Plotkin and his top deputies, including Chief Operating Officer David Kurd and partner Greyson Clymer, stayed up late into the nights plotting their strategy for survival.

They sold down stakes in some companies, exited the short bets they could and cut Melvin's leverage to the lowest level since its launch, while trying to preserve what they could of the portfolio. The firm was out of its GameStop short position by the market's close on Jan. 26.

Other prominent hedge funds had double-digit percentage losses in January, too, but Melvin's wounds were the deepest, according to industry executives.

Melvin executives told clients the rules of the game had changed overnight. In a call near the end of January, Mr. Plotkin told investors that Melvin's process was sound, just not geared for an aberrant, social-media-fueled tidal wave no one could foresee. He outlined changes Melvin would make to safeguard against another such episode.

Almost no clients pulled out their money over the course of

the year, people familiar with the firm said. Melvin took in billions of dollars more from new and existing clients, a show of faith in Mr. Plotkin that also provided a new source of management and performance fees.

Melvin gained 14% in February 2021, raising hopes among some investors for a quick recovery.

Little has come easy since. Hedge funds struggled last year as markets repeatedly shifted between favoring fast-growing companies and inexpensive stocks, and concerns about inflation and Covid triggered broad stock selloffs. The companies most widely held by hedge funds trailed the S&P 500 by 16 percentage points since February, that basket's worst performance on record, Goldman wrote to clients in mid-November.

Still, Melvin made money in six of the past seven months. Stocks Mr. Plotkin had bought or added to in 2020 and 2021—part of a "reopening" trade anticipating that pent-up demand would lift travel and entertainment providers—were paying off. The stock prices of live-entertainment company Live Nation Entertainment Inc. and theme-park operator SeaWorld Entertainment Inc. rose last year. Hotel operators were able to increase prices even as occupancy remained low.

He also wagered correctly that consumer demand for goods would stay strong in the face of government stimulus initiatives, lifting stocks such as Victoria's Secret & Co. and Bath & Body Works Inc. Bets on payments and software companies contributed to gains, too.

In December, Mr. Plotkin and his team concluded that Omicron was likely to be relatively mild and that they should maintain their wager on a broader economic recovery. Melvin held on to its positions in companies such as hotel company Hilton Worldwide Holdings Inc. and online travel agent Expedia Group, returning 3.7% that month.

From February through December, Melvin notched a 33.2% return, soundly beating most other such funds. But because losses that January shrank so sharply the pool of money it was investing, the gains during the rest of the year didn't bring the firm close to making up the earlier losses.

The dynamics that took a toll on stock-picking funds late last year have only intensified this year. The selloff in technology and growth companies, and the corresponding pullback from the stock market by other hedge funds suffering losses, have buffeted Melvin's portfolio.

Back in 2020, Mr. Plotkin spoke about resilience on "All That Glitters," a podcast hosted by his personal trainer. Referencing a big loss he suffered at SAC Capital in 2007, he recalled that his team, instead of panicking, went back to work and recouped the losses by year's end.

"One of the great things about, whether it's sports or the stock market, you're knocked down a lot," he said. "I mean, it's tough. You're going to go through some good times and some bad times. It's a very humbling game."



Ken Griffin's hedge fund Citadel reached out to Mr. Plotkin with an offer to invest as Melvin was taking losses last year.

Bands Hit Subtle Notes

Continued from Page One

head have in recent years released small-batch whiskeys targeted at hard-core fans. Some of it is surprisingly mild-mannered.

After meeting with Slipknot percussionist Shawn Crahan, known as "Clown" because he wears disturbing clown masks onstage, Mr. Quint and his team created a blend of 40% bourbon with 60% rye that would make for a spicy and peppery flavor profile. The resulting Slipknot No. 9 is described by one reviewer as "quite floral, with notes of honeysuckle and lily."

Mr. Crahan said he was glad the reviewer recognized "what we have taken the time to carefully curate."

Cedar Ridge and Slipknot sold 8,000 cases of the whiskey in five months and expanded distribution to Canada, Japan, Australia and Europe, Mr. Quint said.

Metallica says its \$40 bot-

tle of Blackened, a blend of North American whiskeys, is "sonically enhanced" and offers fans playlists with songs such as "Devil's Dance" and "Am I Savage?" that it says were used to flavor each batch it releases. Anthrax's \$155 bottle of Hillrock Estate XL is an autographed single-barrel selection aged in a Sherry cask.

The bands are thrashing their way into an increasingly crowded—some say oversaturated—field of celebrity-branded spirits, that now includes quarterback Peyton Manning (bourbon) and actors Nick Offerman (scotch) and George Clooney (tequila).

There's some prior history here. Motörhead bassist and frontman Lemmy Kilmister, considered the genre's godfather, drank about a bottle of Jack Daniel's a day, according to "Lemmy" documentary director Greg Olliver.

When guests visited Mr. Kilmister's home and offered a drink, the man behind songs such as "Love Me Like a Reptile" and "Born to Raise Hell" often handed them an entire bottle of Jack—as though it were a beer, Mr. Olliver said. He said the late Mr. Kilmister was seldom drunk but carried on life with "an even-keeled buzz."

Though Mr. Kilmister, a diabetic, gave up whiskey for vodka shortly before his death in 2015, because he told friends it was healthier, he would be supportive of his former band cranking up business with its own bourbon, said Mikkey Dee, Motörhead drummer. Launched last year with Proof Artisan Distillers of Fargo, N.D., Ace of Spades Straight Bourbon has what the distiller describes as "tastes of oak, caramelized brown sugar, tobacco and cocoa with a cinnamon finish."

Mr. Kilmister helped make whiskey the drink of choice among thrashers in the 1980s, when a handful of major brands dominated bourbon sales. Over the past decade, the number of distilleries in the U.S. has overflowed, rising from 260 to more than 2,000, as the artisan mind-set of microbreweries spilled into the world of spirits.

Facing plummeting record sales, and in need of new revenue streams, moshers elbowed in on the action.

Metalheads are among the most loyal fan bases in music. Streaming music service Spotify Technology SA has found they return more often for repeat listens of the same bands than fans of other genres.



Shawn Crahan, of the band Slipknot, is known as 'Clown.' The band teamed up with an Iowa distiller to develop a whiskey.

Plus, like Mr. Kilmister, they're huge whiskey drinkers, said Fred Minnick, host of the podcast "Bourbon Pursuit."

"Metal fans get a bad rap of being like Goth, or overly pierced people but they're just people," said Mr. Minnick. "They have discerning palates as much as the guy on Wall Street."

The prog-metal band Gwar, who claim to be ancient aliens abandoned on Antarctica, partnered on a rye with Catocin Creek Distillery in Purcellville, Va. The development was

led by drummer Brad Roberts who performs as Jizmak da Gusha and wears a mask on stage that resembles the mythological teeth-gnashing dog guarding hell, Cerberus. He said that he and the band's guitarist, who calls himself Balsac the Jaws 'o Death, went to the distillery once a week to sample whiskey before selecting one to bottle.

"We liked the first one they made but lied so we could go back and get more drunk," said Mr. da Gusha, whose

band's songs include "Fire in the Loins," "We Will Kill Everything," and "Biledriver."

The distillery marketed the result, called Ragnarök Rye, as having "an aggressive scent of tobacco, roasted grains and coffee beans."

Metallica, arguably the world's most popular metal band, crashed the whiskey party with its own offering four years ago. Master distiller Dave Pickerell suggested they mature the blended whiskey in brandy casks blasted with the band's earth-shattering music, a so-called black noise finishing process. He died in 2018.

Metallica bassist Robert Trujillo said he can't speak to the science but has seen speakers aimed at whiskey barrels that are "visibly shaking." "It has to be a process that's extracting more flavor to the finish," he said.

Though the band was once known as Alcoholica because of heavy drinking, Mr. Trujillo said that the rockers now drink less and wanted to create a whiskey to sip.

"The taste is more important than the quantity," the 57-year-old said. "If we're going to party, how are we going to do that? You got to do it responsibly. You got to listen to your body."

SPORTS

JASON GAY

A Cycling Super Bowl Rolls Into Razorback Country

Get your cowbell ready! The world championships of cyclocross arrive this weekend.

Look: I know there's a snazzy pair of NFL conference championships on Sunday, and a Super Bowl after that, and the Winter Olympics are somehow rumbling ahead. But I need to talk to you for a quick sec about another major event that's kicking off right now, this weekend, in Arkansas:

The World Cyclocross Championships.

What the heck in the what? you ask.

I know. It needs explaining. Let's do it.

First: cyclocross. It's like if road cycling and mountain biking had a baby, bathed it in mud, and taught it to bunny hop over stuff. Riders pedal over grass, dirt, sand, rocks, pavement and really anything you want to throw at them.

If they can't ride it, they have got to jump off, pick up their bike, sling it over a shoulder, and run. Usually, there's a giant staircase, just for fun.

Weird, right? Cyclocross embraces its weirdness. It's maybe the only sport on the planet in which athletes and fans pray for rain or snow, so the racecourse is a muddy mess. The throngs of leg-shaven and non-leg-shaven lunatics who come to watch it expect beer tents, Belgian waffles and plenty of cowbells to raise mayhem alongside the course.

"A backyard barbecue where a bike race broke out," says Brendan Quirk, the recently named CEO of USA Cycling. "It's pandemonium."

Now the biggest race of the 'cross calendar is headed to Quirk's home state and the city of Fayetteville. For a small sport in the U.S., it's a big deal.

"It definitely feels special," says Clara Honsinger, a 24-year-old racer from Ashland, Ore., who is the reigning U.S. champion and a top contender this weekend. "Home turf...I feel really excited."

Cyclocross worlds have happened in the U.S. only once before—in Louisville in 2013. Why Arkansas? Because the northwest corner of the state has been building a cycling fantasyland of paths for mountain bikers, gravel nuts, and road cyclists, as well as kids and adults who simply want to pedal casually from A to B.

Bikes are a life mission for Arkansans like Quirk, as well as Bentonville, Ark.'s Tom and Stuart Walton, brothers and cycling obsessives who are, yes, part of the Walton family of Walmart fame.

Tom Walton says the organizers thought "landing an event like this would set us up for what we want to become in the future: A place that holds world-class bike races across all disciplines."

Walton thinks Fayetteville is ready.

"I feel good about the amount of cowbells," Walton says.

The road to Saturday's elite women's final and Sunday's elite men's final hasn't always been smooth. The pandemic presented



Clara Honsinger, above, and Eli Iserbyt, left, are among the athletes set to compete in the World Cyclocross Championships in Fayetteville, Ark.

volatile obstacles for planning and travel.

Then, last spring, Arkansas passed laws limiting transgender rights and banning transgender youth from receiving "gender-affirming" healthcare—legislation which riled cyclists on social media as discriminatory and prompted chatter about boycotts. Tom Walton issued a statement on behalf of the Walton Family Foundation, which read in part: "We are alarmed by the string of policy

targeting LGBTQ people in Arkansas. This trend is harmful and sends the wrong message to those willing to invest in or visit our state."

"That's how I felt," Walton says now. "It was just a moment in time where it was worthwhile to speak up given my interest in cycling and my belief that communities, if they're not inclusive, and don't embrace diversity, are just going to crumble."

The ACLU sued, and in the sum-

mer, a federal judge put a temporary halt to the healthcare law. But the conversation has continued around the Fayetteville cycling scene, says Molly Cameron, a veteran racer and transgender athlete from Portland, Ore., who's made multiple trips to Arkansas doing outreach through her organization called RIDE: Riders Inspiring Diversity and Equality.

"People joke: 'Are you moving here?' And I'm like, no, but there's work," Cameron says. "It's important to have face time and be available."

Cameron will be on-site this weekend, watching the race and selling wristbands to benefit RIDE. As for how the pro riders will fare, Cameron says: "This course is about raw watts and power. I think this will come down to a test of athletic ability over luck and skill."

Recently, two of the best men's racers, Belgium's Wout van Aert and defending world champion Mathieu van der Poel of the Netherlands, opted out of the race—van der Poel with injury, van Aert to focus on his training for the upcoming road racing season.

But plenty of stars remain in

the field, among them Olympic men's mountain biking champion Tom Pidcock of Great Britain, and cyclocross world cup champ Eli Iserbyt of Belgium.

The women's field contains names like Honsinger, world cup champion Lucinda Brand, and the one and only Marianne Vos, the legendary Dutch multi-discipline rider who has seven cyclocross world titles to her name.

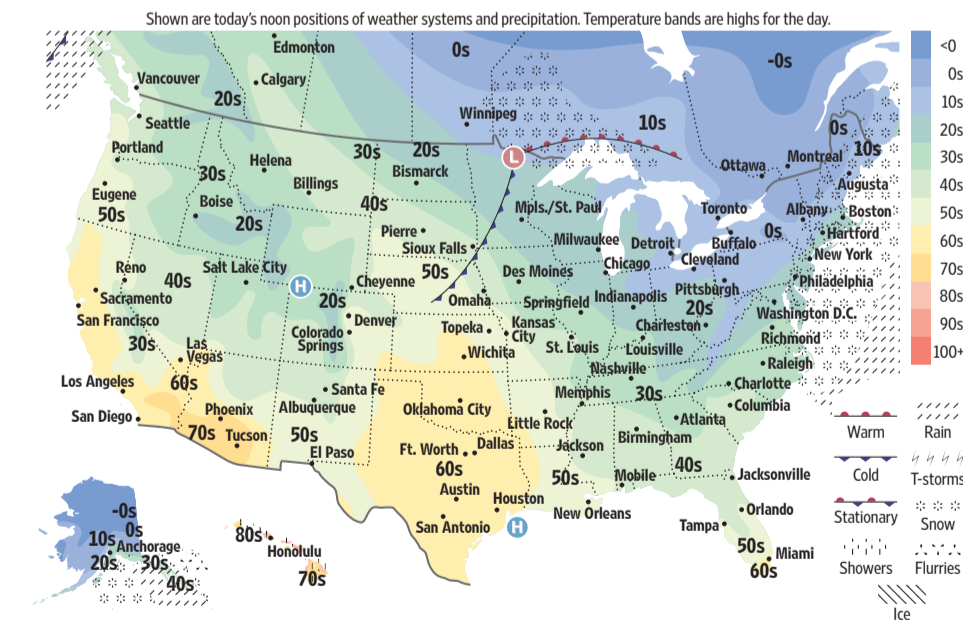
"Marianne's been doing this since she was 19," says Tim Johnson, the retired former U.S. champion who will be part of the coverage team on the GCN+ streaming service. "For her to go for eight world titles, with a legit chance, is huge."

As for Saturday and Sunday's weather...it's really the only mild bummer. High 50s. Sunny.

It's going to be an absolutely beautiful weekend in northwest Arkansas, which makes a cyclocross fan like Tom Walton chuckle.

"It'll be nice temps for socializing and watching the race, but I think all of us, deep down inside, wish that it was snowing and 32," he says.

Weather



U.S. Forecasts

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

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Anchorage	25	12	c	15	4	s
Atlanta	38	27	s	55	34	s
Austin	65	35	s	69	50	s
Baltimore	26	14	sn	32	21	pc
Boise	28	15	s	28	23	pc
Boston	22	12	sn	25	12	pc
Burlington	8	1	sf	16	6	pc
Charlotte	38	20	pc	48	30	pc
Chicago	21	16	s	29	17	pc
Cleveland	16	6	pc	28	15	sn
Dallas	67	40	s	69	47	s
Denver	53	25	s	52	30	s
Detroit	19	8	pc	27	14	c
Honolulu	80	67	s	79	66	s
Houston	63	41	s	68	53	s
Indianapolis	26	19	s	32	20	pc
Kansas City	53	27	s	47	31	s
Las Vegas	60	42	pc	64	40	s
Little Rock	53	35	s	62	33	s
Los Angeles	69	47	c	73	48	s
Miami	60	39	pc	61	43	s
Milwaukee	24	17	pc	30	19	c
Minneapolis	27	12	pc	23	16	pc
Nashville	35	26	s	52	27	s
New Orleans	50	36	s	63	43	s
New York City	22	13	sn	26	20	s
Oklahoma City	65	28	s	61	36	s

International

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Amsterdam	52	41	pc	45	39	pc
Athens	48	44	r	51	40	s
Baghdad	61	38	pc	63	39	s
Bangkok	95	76	s	94	77	s
Beijing	36	15	s	35	22	pc
Berlin	47	38	r	42	32	pc
Brussels	51	37	c	45	38	pc
Buenos Aires	80	69	s	83	66	s
Dubai	75	64	s	76	64	s
Dublin	52	36	c	48	39	r
Edinburgh	51	34	pc	44	36	r

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Frankfurt	48	38	c	44	34	pc
Geneva	44	33	c	46	32	c
Havana	68	53	pc	64	46	pc
Hong Kong	68	55	c	63	54	pc
Istanbul	43	35	c	43	37	c
Jakarta	89	76	t	89	76	t
Jerusalem	45	36	pc	47	36	s
Johannesburg	71	61	t	75	61	c
London	57	36	pc	46	42	pc
Madrid	61	29	s	60	30	s
Manila	90	79	s	89	78	s
Melbourne	73	65	pc	81	67	c
Mexico City	69	46	s	72	47	s
Milan	46	31	pc	50	34	s
Moscow	29	26	sn	29	28	sn
Mumbai	87	68	pc	86	68	pc
Paris	53	41	c	47	40	r
Rio de Janeiro	83	75	t	82	76	c
Riyadh	67	48	pc	70	55	s
Rome	56	37	s	55	45	pc
San Juan	85	71	s	87	71	s
Seoul	36	15	s	38	15	s
Shanghai	42	38	r	47	33	r
Singapore	90	76	c	89	77	c
Sydney	83	73	pc	81	72	pc
Taipei City	65	59	r	62	58	r
Tokyo	47	39	c	46	37	c
Toronto	14	5	s	24	13	pc
Vancouver	42	39	r	44	36	r
Warsaw	37	35	sn	40	29	sn
Zurich	43	38	c	46	31	pc

Two Coaches Get a Second Crack

BY ANDREW BEATON

FIVE YEARS AGO, two teams in the same division made the same decision. The Rams and 49ers placed their futures in the hands of young, offensive-minded, first-time head coaches. Both had last names that had been familiar in football for decades.

Los Angeles tapped Sean McVay. San Francisco picked Kyle Shanahan. The hirings jump-started a rivalry and years of success for both clubs, but they have never coached against each other with as much on the line as Sunday: a second chance at a Super Bowl for both of them.

One of them is guaranteed to coach in the final game of the NFL postseason because the other won't. The 49ers and Rams will play in this year's NFC Championship after both teams secured thrilling upsets, over the Green Bay Packers and Tampa Bay Buccaneers, in the divisional round. Yet they both still lack the same accomplishment: a Super Bowl win.

What's uncanny about the similarity in profile between these two coaches is how far back it extends. Both came from football families, got their professional starts under the same coach and even coached together.



Kyle Shanahan, right, owns a 7-3 record against Sean McVay.

McVay's grandfather, John McVay, was a coach of the New York Giants and longtime executive—coincidentally, for the 49ers. Shanahan's father, Mike Shanahan,

won back-to-back Super Bowls coaching the Denver Broncos. After Sean McVay and Kyle Shanahan got their first NFL gigs at different times under Jon Gruden in Tampa Bay, they were on Mike Shanahan's staff together in Washington.

They went on to establish reputations as offensive wizards. When Shanahan was the offensive coordinator for the Atlanta Falcons in 2016, the team had one of the most productive offensive seasons in NFL history. McVay lasted just three seasons as Washington's offensive coordinator, from 2014 to 2016, before he became a 30-year-old head coach. The Niners and the Rams hired them both within weeks of each other in 2017.

The Rams have had a winning record every season under McVay. There is one coach, though, against whom McVay has struggled. Shanahan owns a 7-3 record against McVay. That includes two wins from this season, including a thriller in the Week 18 when San Francisco stormed back from a 17-point deficit to win. That delivered the Niners their second playoff berth under Shanahan, who has experienced less consistent winning than his counterpart with just a 39-42 record in his five seasons. But Shanahan's last trip to the playoffs left him on the doorstep of a championship. That was after the 2019 season, when San Francisco held a 10-point lead midway through the fourth quarter of Super Bowl LIV. That's when Shanahan and the 49ers experienced something that has become familiar to football fans: Patrick Mahomes engineered a Kansas City Chiefs comeback to win the title.

OPINION

The Trump Boom Lifted Black Americans

By Jason L. Riley

Joe Biden began his presidency with a promise to advance equity, which means favoring some races and ethnicities over others to shrink outcome disparities. Like many of his fellow liberal Democrats, Mr. Biden is tethered to the belief that black upward mobility won't happen without coddling and special treatment from the government. Donald Trump's record complicates such claims.

One of the most underreported stories of the Trump presidency is the extent to which black economic fortunes improved. The mainstream media presented Mr. Trump daily as a bigot whose policies would harm the interests of racial and ethnic minorities. Meantime, black economic advancement occurred to an extent unseen not only under Barack Obama but going back several generations—until the pandemic shutdowns brought progress to a halt.

Before the pandemic, the economy grew in ways that mostly benefited low-income and middle-class households.

Over the first three years of Mr. Trump's presidency, blacks (and Hispanics) experienced record-low rates of unemployment and poverty, while wages for workers at the bottom of the income scale rose faster than they did for management. Whether that was the goal of the Trump administration or an unintended consequence is a debate I'll leave to others. But there is no doubting that the financial situation of millions of working-class black Americans improved significantly under Mr. Trump's policies.

Well into the Trump presidency, Mr. Obama continued to take credit for the strengthening economy. "By the time I left office, wages were rising, unemployment rate was falling, poverty was falling, and that's what I handed off to the next guy," he told an audience in the fall of 2018. "So, when you hear all this talk about economic miracles right now, remember who started it."

Throughout his presidential campaign, Mr. Biden likewise claimed credit for robust economic

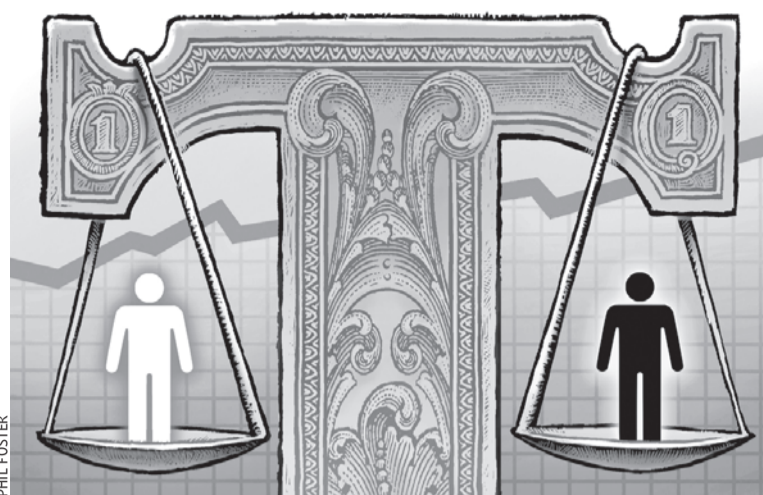
growth. "Trump inherited the longest economic expansion in history from the Obama-Biden administration," Mr. Biden told Bloomberg News in June 2020, then added that Mr. Trump had "turned his back on the middle class" by focusing on tax cuts for corporations and the wealthy.

Mr. Obama's and Mr. Biden's arguments are obviously self-serving. But does the evidence back them up? It's true that the unemployment rate fell 5.2 percentage points, from 9.9% to 4.7%, between the end of 2009 and the end of 2016. It's also true that, over the same period, real median household income (expressed in 2020 dollars) grew by some \$3,500, to \$63,683 from \$60,200. These trends continued between 2017 and 2019. Yet simply noting that unemployment already was falling, and incomes already rising, when Mr. Trump took office obscures the significance of what happened over the next three years. These trends not only continued but accelerated, and they did so contrary to widespread expectations at the time.

By the end of 2016, the consensus among officials at the Treasury, the Federal Reserve and the Congressional Budget Office was that the economy essentially had reached full employment and couldn't grow faster. During Mr. Obama's final year in office, 2016, economic growth slipped to 1.6% from 3.1% in 2015. The rate at which the economy was expanding declined by almost half over a single year.

Mr. Trump inherited a U.S. economy that was slowing down, and there was widespread concern about another recession. Lawrence Summers, who served as Treasury secretary under President Clinton and director of the National Economic Council under Mr. Obama, said that there was a 60% chance that the economy would dip into recession within a year. For 2017, 2018 and 2019, the Fed had projected that unemployment would hover between 4.4% and 4.9% and wouldn't fall below 4.1%, and that economic growth would remain between 1.7% and 2.2%.

Instead job growth accelerated, unemployment kept falling, and economic growth improved. In early 2017, the new president set about implementing what he had promised during the campaign: lower taxes and lighter regulation. He nominated Kevin Hassett, who had published research showing



PHIL FOSTER

how corporate taxes depress wages for manufacturing workers, to lead the Council of Economic Advisers. He urged Congress to reduce the tax rate on corporate profits, which at 35% was one of the highest in the developed world.

Along with the push for tax reform, the administration reduced regulations that it argued were weighing on economic growth. A Cato Institute analysis of regulatory activity in the first two years of the Obama and Trump administrations counted a total of 6,793 new rulemakings for Mr. Obama and 4,310, or 36% fewer, for Mr. Trump. More significantly, among major regulations that impose a cost of \$100 million or more on the private sector, the tally was 176 for Mr. Obama and only 90, just over half as many, for Mr. Trump.

Congress passed the Tax Cuts and Jobs Act in December 2017. The top corporate rate fell to 21% from 35%, and companies were given an opportunity to repatriate cash held overseas at a tax rate of 15.5%. Taxes on wages and investment also fell. It was the most significant tax-code reform in 30 years, and the dividends were almost immediate. By the end of January 2018, more than 260 businesses—including major employers such as Walmart, FedEx, and 3M—had announced wage and salary increases, bonuses, and 401(k) match increases going to at least three million workers because of the new law.

Gross domestic product, which had grown only 1.6% in 2016, climbed 2.2% in 2017 and 2.9% in 2018. As remarkable was the change in gross private domestic investment, which is a measure of how much money businesses

invest within their own country. It had declined by 1.3% in 2016, but grew by 4.8% in 2017 and 6% in 2018. Lower taxes and lighter regulations were intended to spur economic growth, and business responded accordingly.

Part of what made the Trump boom unique, however, is who benefited the most. The economy grew in ways that mostly benefited low-income and middle-class households, categories that cover a disproportionate number of blacks. In 2016 the percentage of blacks who hadn't completed high school was nearly double that of whites—15% vs. 8%—and the percentage of adults with a bachelor's degree was 35% for whites and only 21% for blacks.

These education gaps are reflected in work patterns. Blacks are overrepresented in the retail, healthcare and transportation industries, which provide tens of millions of working- and middle-class jobs. In 2019, 54% of black households earned less than \$50,000 a year, versus 33% of white households. At the other end of the income distribution, slightly more than half of all white households (50.7%) earned at least \$75,000, compared with less than a third (29.4%) of black households. What this means is that reductions in income inequality can translate into reductions in racial inequality, which is what the country experienced in the pre-pandemic Trump economy.

Between 2017 and 2019, median household incomes grew by 15.4% among blacks and only 11.5% among whites. The investment bank Goldman Sachs released a paper in March 2019 that showed pay for those at the lower end of the

wage distribution rising at nearly double the rate of pay for those at the upper end. Average hourly earnings were growing at rates that hadn't been seen in almost a decade, but what "has set this rise apart is that it's the first time during the economic recovery that began in mid-2009 that the bottom half of earners are benefiting more than the top half—in fact, about twice as much," CNBC reported.

Citing a graph included in Goldman's analysis, CNBC added that the "trend began in 2018"—the first year that the corporate tax cuts were in effect—"and has continued into this year and could be signaling a stronger economy than many experts think."

Most other media outlets ignored the Goldman findings, but a Journal editorial cited Bureau of Labor Statistics figures and reported that during the first 11 quarters of the Trump presidency, wages for workers at the bottom rose more than twice as fast as during Mr. Obama's second term. Over the same period, less-educated workers, such as those with just a high-school diploma or only some college, saw their wages rise at triple the rate of during Mr. Obama's second term.

Giving Mr. Obama most of the credit for the better economic outcomes that occurred after he left office is a stretch. It's also somewhat disingenuous. Mr. Trump's critics are presenting a kind of heads-I-win-tails-you-lose analysis. They are eager to credit Mr. Obama for the economy's pre-Covid performance under Mr. Trump, but who believes they would have blamed Mr. Obama if things had gone sideways as they predicted?

The story of black economic advancement in the Trump years deserves wider notice. Liberals contend that wealth redistribution and racial preferences are the best way to facilitate upward mobility, yet the previous administration's focus on economic growth had a far more positive impact on the lives of millions of working-class Americans, a disproportionate number of whom were black. Racial inequality narrowed on Mr. Trump's watch, and much of the media were too busy agitating against him to take note or give credit where due.

Mr. Riley is a Journal columnist, a senior fellow at the Manhattan Institute, and author of the forthcoming "The Black Boom," from which this article is adapted.

California Refuses to Learn From Vermont's Single-Payer Failure



CROSS COUNTRY
By Chris Jacobs

In location, size and population, Vermont and California couldn't be more different. But eight years after Vermont's effort to enact a state single-payer healthcare system went over a cliff, California is galloping toward the

same precipice. Lawmakers in Sacramento should have learned from Montpelier's experience. Instead, they seem eager to repeat it.

Vermont Gov. Peter Shumlin campaigned on a promise to enact single payer but shelved his plans in 2014. The idea was "just not affordable," he said after getting a look at the cost to Vermont's economy. "We were pretty shocked at the tax rates we were going to have to charge." The single-payer bill pending in the California Legislature goes far beyond the proposals Vermont considered.

For starters, a single-payer system in California would require a greater coverage expansion than the

Vermont plan. According to Census Bureau data, Vermont had a 5% uninsured rate in 2014, when the state abandoned its single-payer push. The most recent Census data show a 7.7% uninsured rate in California. The bill would provide benefits to all residents "without regard to the individual's immigration status," a provision that would almost certainly attract even more undocumented immigrants to the Golden State.

The California bill would cover far more medical services than Vermont's single-payer proposal. While the draft Vermont plan proposed excluding adult dental and vision benefits along with long-term care the California bill includes them all. These additional benefits won't come cheap. The Urban Institute estimated that nationwide coverage of long-term care would cost \$3.6 trillion over 10 years. Since more than 10% of the nation's population lives in California, it's fair to assume that providing long-term-care expenses in the state would cost tens of billions a year.

California would also go beyond the Vermont plan by abolishing all

forms of medical cost-sharing. That means no deductibles or copayments. The California bill would even prohibit prior authorizations for treatment or the use of step therapy, trying one treatment before a more expensive option, to contain costs. Instead, the legislation would permit the state to create a drug formulary,

Sacramento's plan would be even more economically devastating than the one deemed impossible in 2014.

which the program's unelected board would likely use to restrict access to treatments to contain spending.

The combination of a higher uninsured rate, greater benefits and more-generous coverage means that California's single-payer bill would almost certainly cost more than the Vermont plan. That proposal suggested that paying for the new program would require significant payroll and income tax increases.

California's plan relies in part on a new 2.3% gross receipts tax, which would hit businesses struggling to eke out a profit especially hard, including those whose capital costs mean they have lower payroll expenses relative to their revenue—among them retailers, manufacturers and restaurants.

On the individual side, California would institute a "surcharge" for households with taxable income of more than roughly \$150,000. This is different from the Vermont plan, which proposed that every resident with income over the Medicaid eligibility line pay at least 2.5% of income in premiums, with no one paying more than the cost of an expensive family policy—\$27,500 a year. Instead, the California bill would allow lower-income households to consume all the "free" healthcare they want, in the belief that someone else—i.e., "the rich"—would pay for it.

But the California proposal ignores something important: The \$10,000 limitation on state and local income-tax deductions enacted in the Tax Cut and Jobs Act of 2017. By

prohibiting private employer coverage, and imposing a "surcharge" on affluent taxpayers to fund the single-payer system, the bill would effectively replace tax-free employee benefits with a government-run system funded by taxable payments, in the form of a "surcharge" that most residents couldn't deduct on their federal returns. It would be a double whammy, as Californians would both pay a new tax and lose an existing deduction.

The assumption that readily mobile Silicon Valley workers and entrepreneurs will tolerate both the loss of their private health benefits and a tax increase to pay for the privilege seems a questionable one. "Listen," Mr. Shumlin warned in 2019, "changing health-care systems is wonky work." Never try to "sell an idea to Americans that you can't achieve. That's the mistake I made." California lawmakers don't seem keen to heed that good advice.

Mr. Jacobs is founder and CEO of Juniper Research Group and author of the "The Case Against Single Payer."

Dump the Character Standard for Baseball's Hall of Fame

By Fay Vincent

Major League Baseball is untidy these days. The players union and the owners are in a labor imbroglio, with the owners having "locked out" the players, which imperils the scheduled opening of the season in April.

Meanwhile, the National Baseball Hall of Fame announced the election of Boston Red Sox slugger David Ortiz, but Barry Bonds and Roger Clemens failed to get the requisite 75% of the votes by the Baseball Writers' Association of America in the final year of their 10-year election eligibility.

I suspect those two steroid-tarnished stars will be elected later on by the Eras Committee process, which sportscaster Bob Costas termed the "court of appeal" after it elected several old-time stars whom voters had failed to elect, including Buck O'Neil, Jim Kaat, Gil Hodges, Tony Oliva and Minnie Miñoso, along with Bud

Fowler, widely considered the first black professional baseball player.

Doling out honors is never easy. For the Hall of Fame, the problem originates with its terms for election, which instruct voters to consider "integrity, sportsmanship [and] character" in addition to on-field performance. In the case of Messrs. Bonds and Clemens, their records have been damaged by allegations that they used performance-enhancing drugs before testing began in Major League Baseball in 2009. Mr. Ortiz never failed a test once the league began testing. The writers seem to have punished Messrs. Bonds and Clemens for steroid use, though neither tested positive or has admitted he used performance-enhancers, and both survived legal challenges.

The Hall of Fame is in a difficult spot because players have been elected despite suspicions of steroid use. Also, the character clause notwithstanding, Cap Anson remains in

the Hall of Fame and he played a large role in the racial segregation of professional baseball.

The two-stage election process using special committees permits the hall to elect admired old-timers. But for every Buck O'Neil, the widely be-

Barry Bonds and Roger Clemens aren't saints, but other inductees weren't either during their careers.

loved Negro League alumnus, there are several examples of good but not luminous players elected because they had a strong advocate on a veterans committee.

The Hall of Fame must acknowledge the differences between steroid use and gambling. The growth of sports betting is a threat to the

integrity of all sports. Gambling almost destroyed baseball in 1919, and it remains to be seen how professional sports can protect themselves from corruption. How, for example, can Major League Baseball keep players from telling their relatives when and when not to bet?

The use of steroids without a valid prescription is illegal under federal law, but betting on sports isn't. Players run criminal risks with steroids, while only league rules bar betting on baseball. After the Dowd report proved that Pete Rose bet on professional baseball games, then-Commissioner Bart Giamatti and I, his deputy, entered into an agreement with Mr. Rose banning him from baseball and making him ineligible for Hall of Fame induction. Meanwhile, players who may have violated federal law are still eligible.

More recently, baseball's refusal to discipline the Houston Astros players who participated in the corrupt hi-

jacking of the 2017 World Series further muddled the consequences of cheating.

To redeem and clarify its election process, the Hall of Fame should revise the election rules to eliminate the hopelessly vague character standard. In addition, the Eras Committee should be dropped to reinforce the writers' voting decisions.

The Hall of Fame's job is to look backward and honor past performance. Major League Baseball tries to protect the future of the sport by defending its integrity. By trying to inject nobility into its election standards, the Hall of Fame aimed to maintain the old-fashioned view that honors should accrue to the honorable. Messrs. Bonds and Clemens may not have been saints, but they were great players. Pretending anything else matters is hypocrisy.

Mr. Vincent was commissioner of baseball, 1989-92.

OPINION

REVIEW & OUTLOOK

Race, Gender and the Supreme Court

President Biden hasn't yet chosen his nominee to replace Stephen Breyer on the Supreme Court, but already any criticism is being ruled off-limits by the progressive auditors of political debate. Witness the assault on Ilya Shapiro, a legal commentator, for daring to challenge Mr. Biden's pledge to choose his nominee first and foremost on the basis of gender and race.

Mr. Biden pledged during the 2020 South Carolina primary campaign to select a black woman for the Court, as a way to win the support of influential Rep. James Clyburn. The gambit worked. Mr. Clyburn endorsed, Mr. Biden won in the Palmetto State, and he went on to defeat Donald Trump.

The President reiterated his black woman pledge this week, and he was criticized by many, including us, for putting identity politics above qualifications. Mr. Shapiro, a scholar at the Cato Institute, took to Twitter with his commentary on Wednesday.

"Objectively best pick for Biden is Sri Srinivasan, who is solid prog & v smart. Even has identity politics benefit of being first Asian (Indian) American," Mr. Shapiro wrote. Mr. Srinivasan is the Chief Judge of the D.C. Circuit Court of Appeals. "But alas doesn't fit into the latest intersectionality hierarchy so we'll get lesser black woman," Mr. Shapiro added.

Mr. Shapiro triggered the rage of the legal left, which is, as ever, playing the race card. "The carping over Biden's Supreme Court pledge is historically inaccurate and racially tinged," declared a headline over a Washington Post column by deputy editorial page editor Ruth Marcus.

"Racially tinged?" We guess that's what you write if you want to accuse someone of racism but know it would be a canard to say so. Mr. Shapiro was endorsing a minority candidate in his tweet, albeit an Asian who is a man. He has also apologized for his ugly choice of words. But the racial tinge was applied by Mr. Biden in his

criteria for his judicial selection. Is it taboo to comment on the use of a racial litmus test that a President has himself made explicit?

The hilarious part is that, after she lambastes Mr. Shapiro (and us), Ms. Marcus ends up agreeing with most of our point. "Would I be more comfortable if Biden hadn't been quite so explicit? Yes. Partly because it carries an aura of unfairness to announce that no one will be considered who does not meet an announced racial test," she writes.

So it's okay to use a racial test for judges as long as it's not explicit, but anyone other than Ruth Marcus who criticizes the explicit racial test is "racially tinged." What she's really saying is that conservatives are right in their criticism but only liberals can say so.

The ugly part of this is that Ms. Marcus and others have teed up Mr. Shapiro for potential cancellation by the Georgetown Center for the Constitution, where he is soon to be executive director. William Treanor, the dean of the Georgetown University Law Center, denounced Mr. Shapiro's tweets in a statement Thursday and was contemplating how else to respond as we went to press on Friday.

Mr. Shapiro has deleted the offending tweets and sent a letter to "Dean Treanor and Georgetown Community," apologizing for "recklessly framed tweets" that don't advance the mission of educating students, informing the public and engaging "in the battle of legal ideas." The dean should let Mr. Shapiro keep his new job.

* * *

The larger issue in all of this concerns the debate over whomever Mr. Biden chooses to join the select group of nine Justices. Mr. Biden and his allies can't say he's choosing a nominee explicitly on the basis of race and then try to intimidate critics by claiming any criticism of the nominee is racist—or "racially tinged." The Court and the public deserve a robust debate about the nominee, whether black, white, Asian, man, woman, whatever.

The Chinese foreign ministry responded Thursday that the EU's complaint is "groundless and inconsistent" and warned Brussels to be "wary" of Lithuania, as if the tiny Baltic nation is the trade menace. Beijing claims its beef with Vilnius is political and not economic, but the Chinese Communist Party uses trade as a political weapon. It is also punishing Australia for daring to call for an independent probe into the origins of Covid-19.

Going to the WTO has symbolic value, but it isn't known for speedily resolving disputes. The EU and China can begin "consultations" that could drag on for months. If those fail, the case would go to a WTO panel subject to appeal. The whole process could take years, and meanwhile Lithuania suffers.

The only language China understands here is comparable economic force. If Beijing won't stop punishing Lithuania, EU trade retaliation will send a stronger message than a legal filing at the WTO. Killing the EU-China investment deal, agreed to in principle more than a year ago but still not ratified, would get Beijing's attention.

If the EU can't stand up for its single market to defend its weakest members, then what good is it?

SFCNY's IRS 990 form showed only \$794,159 in assets and funds at the end of 2020. Where did the other \$31 million come from?

Ms. Sohn declined the Senate's request for a copy of the settlement, and now we know why. Bloomberg Law reported this week that the settlement was signed Oct. 27—one day after President Biden nominated her. Locast only agreed to pay \$700,000. We've independently reviewed a copy of the settlement, which has Ms. Sohn's signature. In other words, on the day after she was nominated to her powerful regulatory position, broadcasters agreed to a settlement that cut the liability of her nonprofit by 98%. Interesting timing.

Why didn't Ms. Sohn correct Mr. Wicker about the "\$32 million settlement"? Even if there was nothing improper about the settlement agreement, her lack of candor is a problem. The settlement also creates the appearance of a conflict given her pending power over broadcasters, which she must pledge to avoid in an FCC ethics agreement.

Sen. Wicker has requested another hearing to probe the issue. Yet Democrats know her nomination becomes less likely the more time passes, and Commerce Chair Maria Cantwell is teeing up a committee vote on Ms. Sohn next Wednesday.

Ms. Sohn on Thursday tried to assuage concerns about her business conflicts by agreeing to recuse herself from retransmission consent or television broadcast copyright issues for the first three years of her term. These subjects consume a large share of the FCC's regulatory bandwidth, which means the agency could be deadlocked for good or ill on many issues.

Her recusal doesn't excuse dishonesty. If she prevaricated about the Locast settlement, how can Senators believe her promise to regulate without bias?

Criticism of Biden's forthcoming black woman nominee isn't 'racially tinged.'

LETTERS TO THE EDITOR

Facing Up to 'Mass Worklessness' in America

Regarding Mene Ukeberuwa's Weekend Interview with Nicholas Eberstadt (Jan. 22): What a fool I've been, following the unemployment rate as a barometer of the available workforce. I had no idea labor-force participation was only 61.9%, way down from the 1960s. I've boasted that Europe would never threaten the U.S. because Americans value work and its rewards far more. Now I learn the Europeans have passed us.

I retired at 78 and didn't feel I was ready. I can't imagine younger adults leaving the workforce. Life is short and travel is nice, but it's no substitute for personal drive, achievement and contributing to society as well as one's own mental health and sense of worth.

BARRY DESANTIS
Malvern, Pa.

Mr. Ukeberuwa encourages us to fret about "mass worklessness," with record numbers of people choosing to stay home rather than take jobs. Mr. Eberstadt says people are retiring "prematurely" and many, Mr. Ukeberuwa writes, lead "bleak, idle lives" and "probably would have been happier working." He says we need to "stigmatize idleness."

I would frame the matter differently: For people to agree to perform hired labor, they must be offered an attractive contract. If "managers everywhere are still waiting by their

phones," it is because they have not internalized Economics 101. They evidently do not realize that if you want something in a market, you must pay the going rate. If people are choosing not to work, preferring leisure, they would not "probably have been happier working." If that were true, they would work.

To get them to alter their rational, self-interested calculus, employers must offer more attractive working arrangements: higher pay, more generous benefits, pleasant conditions and even unions. Workers' labor is not something employers are entitled to out of generosity. If you want people to make different choices in a market, you must figure out their price and pay it.

NATHAN J. ROBINSON
Editor in chief, *Current Affairs*
New Orleans

Mr. Eberstadt thinks not "all of the smoke has cleared yet" on the causes of millions fewer Americans seeking work. Hint: The pungent plumes of newly legalized recreational marijuana are inflating the ranks of the slacker culture. Elegant drug emporiums and their delivery vans conveniently distribute high-powered cannabis so that those too busy to work don't even have to hit pause on their streaming devices.

BILL VOLZ
Bloomfield, Mich.

Which Jews Face Hatred and How to Respond?

Regarding Mark Oppenheimer's "The Growing Risk for Jews Who Show Their Jewishness" (Review, Jan. 22): While observant Jews may make easier targets for anti-Semites, it is misguided to believe that Jews can evade anti-Jewish bias by concealing their Jewish identities. This is the wishful thinking of assimilationists who find little of value in their Judaism. They have been unpleasantly surprised throughout history to be made aware of their Jewishness by anti-Semites who view them differently than they view themselves.

It behooves Mr. Oppenheimer to take a deeper look to understand why competing ideologies and cultures striving for dominance have come and gone throughout history, while Torah Judaism hasn't merely survived for thousands of years, but, without seeking to impose its beliefs on others, has profoundly influenced other cultures and is thriving today.

MICHAEL SCHNEIDER
Monsey, N.Y.

I take exception to the statement that "Jews who go to synagogue are terrified of anti-Semitism right now." Not all Jews live in blue states that have limited Second Amendment rights. Nor do we all frequent non-Orthodox synagogues that are by and large liberal and opposed to the carrying of firearms. My Orthodox synagogue has a security team manned by shul members who have been trained by a former Army Ranger, a current police department SWAT officer and a former Israeli Shin Bet agent. I regularly undergo firearms practice. At the range, prior to squeezing the trigger, I think of my grandparents who were gassed in Treblinka, and I vow "never again." You may count me among the Jews who are not terrified.

RICHARD H. ROLNICK
Houston

Mr. Oppenheimer's essay describes Jewish Community Centers as "struggling," when the reality couldn't be more different. Before the pandemic, the more than 170 JCCs across the U.S. and Canada welcomed more than 1.5 million people each week, over one million of them Jews. That non-Jews also join is not a sign of dependence. It indicates a wide recognition of the strength of JCC programs and the warm welcome provided to all.

Missing Donald Trump Yet?

Several recent Peggy Noonan columns, including "Biden's Woes Seem Like Old Times" (Declarations, Jan. 22), have pointed out the failures of President Biden. Previously, Ms. Noonan had ridiculed President Trump for his behavior. Did political correctness lead her to policy error?

While we prefer dignity in the White House, it is more important to have secure borders, a nonnuclear Iran, a docile Russia, low inflation and energy independence—all destroyed in a year by negating Trump policy, and still without dignity in the White House. Our president publicly called a reporter a "son of a b—." Mr. Biden is as rude as any president, and without the success to compensate.

KURT ERICKSON
Chicago

Letters intended for publication should be emailed to wsj.letters@wsj.com. Please include your city, state and telephone number. All letters are subject to editing, and unpublished letters cannot be acknowledged.

The America Mr. Oppenheimer describes, in which Jews have achieved largely unfettered access to nearly every opportunity, ignores rising levels of division and strife. One in 4 U.S. Jews report experiencing anti-Semitism in the past year, often beyond the walls of Jewish communal settings. Far from avoiding such places, Jews seek them out in growing numbers, confident they will be safe, owing to a considered commitment to security. Instances of anti-Semitism are on the rise, but to suggest such acts befall only, or even disproportionately, on the Jewishly observant is wrong.

DORON KRAKOW
JCC Association of North America
New York

Mr. Oppenheimer's essay brings us to the age-old "blame the victim" thinking.

DOROTHEA DORENZ
Berkeley, Calif.

As a 63-year-old, non-strictly observant American Jew, I don't recall a time when I sensed as much anti-Semitism in the U.S. as now. The Charlottesville thugs chanting "Jews shall not replace us" and the fact that any expression of support for Israel on many college campuses will lead to ostracism, "cancellation" or worse are only two examples of a scourge that affects us all and me personally.

PROF. JOEL E. FISHMAN
University of Miami School of Medicine
Miami

It is appalling that going to synagogue services now requires security precautions. Mr. Oppenheimer refers to those who attend as "having decided that praying with fellow Jews is worth the risk of dying with them." That sounds too much like surrender. They should expect to be protected, not consigned to martyrdom.

ALAN M. SCHWARTZ
Teaneck, N.J.

Not Exactly the Merit System

I was interested to see the job posting from the executive branch ("A College Couldn't Get Away With Biden's High-Court Criteria" by Jonathan Turley, op-ed, Jan. 27): "Seeking applicants for court position. Jews, Asians, Native Americans, Hispanics, whites, Arabs and men of any type or description are not welcome. Proof of legal/judicial skills helpful but not mandatory. Send color photo and chromosome test to Joe Biden, 1600 Pennsylvania Ave."

CROCKER BENNETT
Hinesburg, Vt.

Pepper ... And Salt

THE WALL STREET JOURNAL



"We're finding that as the universe expands cubicles are reproducing at an alarming rate."

OPINION

The Ukraine Crisis: Handle With Care



DECLARATIONS
By Peggy Noonan

I don't know what's coming in Ukraine or what the U.S. should do beyond think first of its national interests. The trick is defining those interests for this moment and with these players. We have to get it right and the stakes feel high, but there seems a paucity of new thinking. I find myself impatient with confidently expressed declarations that we have no interest in a faraway border dispute, that Russia and Ukraine have a long and complicated history, and in any case the story of man is a tale of organized brutality, so get a grip. That's not . . . right. A major land war in Europe? The first since World War II? We have no interest in what might be the beginning of a new era of brute-force violations of sovereignty? One involving our allies, with which we have treaties?

Today's arguments sound rote and thoughtless. For an example, look to George H.W. Bush in 1991.

The arguments on the other side sound careless, rote: *Get tough, push back, ship weapons, show Putin who's boss.* That sounds like politicians saying what they've said for 70 years, and at this point not out of conviction but because they have no new moves, barely a memory of new moves.

None of our political leaders are thinking seriously, or at least thinking aloud in a serious way.

It is hard not to be skeptical of sanctions as a deterrent to Russia. Aren't we sort of sanctioned out? Does Vladimir Putin really fear them? Hasn't he already factored them in? And wary of other responses: U.S. troops on heightened

alert, the North Atlantic Treaty Organization reinforcing Eastern Europe with ships and fighter jets. Doesn't this carry the potential of a spark that turns into a fire? This is the moment a writer would add "especially in the nuclear age." I'd say especially in this later and I fear less rigorous part of the nuclear age. Forty-five-year-old field commanders are 76 years removed from Hiroshima and have likely never read John Hersey. They don't carry a natural and fully absorbed horror about a launch caused by confusion, miscalculation, miscommunication. I sort of explain life to myself by assuming everyone's drunk. That could literally be true of any given Russian general marching through the steppes.

So let me say at least one constructive thing: that we don't worry enough about nuclear weapons. We have lost our preoccupation with them. For leaders who remembered World War II, it was always front of mind. Now, less so. Which is funny because such weapons are in more hands now than ever before. The world we live in, including the military one, seems more distracted than in the past, less rigorous and professional.

We're used to being lucky. Luck is a bad thing to get used to.

If I read Mr. Putin right, he wants the fruits of war without the war, in line with the leaders of the Soviet system whose end he still mourns. A difference is those leaders were impressed by us and factored that into their calculations. Mr. Putin isn't. A lot of people aren't impressed by us anymore. The long-term answer to that is not to beat our breasts and shout "USA!" but to become more impressive in terms of our economic strength, political leaders and character as a people. But we are in the short term.

Which gives rise to the question: Shouldn't the United Nations be in-



President George H.W. Bush speaks in Ukraine, Aug. 1, 1991.

involved? "Major land war," "violation of state sovereignty"—isn't this what the Security Council is for? As I write I hear echoes of Adlai Stevenson in the Cuban missile crisis. Stevenson asked the Soviet ambassador to the council, Valerian Zorin, if Moscow had missiles in Cuba: "Don't wait for the translation, yes or no?" Then his staff produced huge photos of the missiles, which convinced the world who was right and who was wrong.

If Mr. Putin is going to invade a sovereign nation, shouldn't he at least be embarrassed and exposed in the eyes of the world? Shamed? Nikita Khrushchev was. The whole Soviet system was.

I want to close with something I've been thinking about. American presidents in crises always fear being called weak. They fear this more than they fear being called unwise. But recent years have given me a greater appreciation for a moment when a president in crisis didn't fear it, or didn't let his fear govern his actions, and it involves Ukraine.

It was August 1991. The Soviet Union was in its astounding day-by-

day fall. George H.W. Bush had just met in summit with Mikhail Gorbachev and then went on to Kyiv, where he spoke to a session of what was still then the Supreme Soviet of Ukraine.

It was a great moment in the history of freedom. A totalitarian empire was falling; the Warsaw Pact nations had already broken free. Bush had some human sympathy for those like Mr. Gorbachev, who were seeing the system they'd known all their lives crash down around them. He had affection and respect for those reaching for democracy. But he had a deep and overriding concern: There were thousands of strategic nuclear warheads long ago placed by Moscow in Ukraine, Kazakhstan and Belarus, and more than 20,000 smaller tactical nuclear weapons. They had to be dealt with. So it was not only a joyous moment; it was a delicate, dangerous one.

In his speech, Bush said Ukraine was debating "the fundamental questions of liberty, self-rule, and free enterprise" and Americans followed this with "excitement and hope." Become democratic, Bush

said, and we will help and assist you. But don't tear yourself apart with long-repressed internal resentments, or external ones. "President Gorbachev has achieved astonishing things, and his policies of *glasnost* and *perestroika* and democratization point towards the goals of freedom, democracy and economic liberty." Bush urged Ukraine to appreciate what Russia was trying to do. Between the lines he was saying: History is already overcharged; don't bust the circuit-breakers, don't further destabilize what is already unstable. Don't let "suicidal nationalism based upon ethnic hatred" take hold. He was also signaling to Mr. Gorbachev: We'll do everything we can to keep your dissolution as peaceful as possible. Unspoken, he was saying: We'll help you with the missiles.

It was a thoughtful speech, sophisticated and inherently balanced save for one too-hot phrase—"suicidal nationalism."

It got a standing ovation. Then the dread pundits descended, chief among them New York Times bigfoot William Safire, who thought Bush missed the revolutionary moment. Bush sounded unexcited about freedom, even "anti-liberty," Safire wrote in November 1991, calling it the "chicken Kiev" speech.

With that memorable phrase Safire did real damage to Bush, making him look . . . weak. Fussily prudent. Less than a year later, Bush lost his bid for re-election. People found him not of the moment, out of touch.

I thought my friend Safire right then. Now I think we were mostly wrong. The Soviet republics did break off and forge their own paths, and with Western help the nukes were deactivated and sent back to Russia, where they were dismantled. It was one of the great and still not sufficiently heralded moments of the Cold War, and it was done by a political class that was serious, and even took a chance on speaking seriously.

If You Got the Child Tax Credit in 2021, You May Pay in 2022

By Leslie Lenkowsky

Millions of American families learned from the Internal Revenue Service this month that they may owe additional taxes for 2021. The reason was they'd received advance payments of the child tax credit last year that may have been too high. These families will now have to submit an additional form with their 2021 income-tax returns and pay whatever they owe (or claim whatever they still have coming). It's a good lesson in the limitations of the IRS—it isn't well-positioned to make welfare payments.

The temporary expansion led to overpayments, and many families will soon face surprise tax bills.

Although many families were caught by surprise, the potential for discrepancies in the payouts was never a secret. Lawmakers acknowledged it when they increased the credit's value and authorized advance payments as part of last year's American Rescue Plan. Knowing that not all the payments would line up fully with their criteria, Congress created a "safe harbor" so that two-parent families with less than \$60,000 in income (and lower amounts for other types of households) wouldn't be held liable for any miscalculations. For the many households not protected by this measure, the time for a reckoning has come. Both they and the IRS will have their hands full.

This sort of overpayment was a problem before the child tax credit's expansion last year, but is a bigger one now. Previously, the credit allowed most families to reduce the amount of tax they owed by \$2,000

for each dependent child under 17. For low-income families, the credit was also refundable. They could get a portion of it—up to \$1,400 a child—back in cash if their tax liability was lower than their credit and they had at least \$2,500 in earned income. First, however, they had to submit a year-end tax return to report their income and certify that their children qualified. No advance payments were made. Checks went out once a year, when all the information had been submitted.

The Biden administration's version increased the credit to \$3,600 for dependent children under 6 and \$3,000 for those between 6 and 17. The credit was fully refundable for two-parent families with incomes up to \$150,000 (\$75,000 for single parents and \$112,500 for heads of household), and no minimum level of earnings was required. (Above those income thresholds, the credit returned to the previous \$2,000 a child.) Moreover, half of any payments due for 2021 were to be paid monthly, starting in July—well before reliable information was available on how many children a family had at what ages, the parents' filing status, or the household's finances.

As a result, the IRS had to use income, withholding and family composition from 2020 tax returns (or, if not yet filed, 2019) to figure out what to pay. Households that didn't submit tax returns in those years could complete a form that asked for Social Security numbers and other information but nothing about income.

It isn't difficult to see what went wrong. The economic collapse of 2020 sharply reduced the earnings of millions of Americans, but the recovering economy of 2021 increased them. As a result, the IRS's tax credit calculations, using 2020 tax returns, may have been considerably off the mark. In addition to changes in income, couples marry and divorce, changing tax-filing status and

child-custody in ways that affect the amount of their child tax credits. Children are born and grow up, potentially altering how much the credit is worth or eliminating it entirely. Year-end tax returns can reflect these kinds of changes, which is why the previous (and simpler) version of the credit only made annual payments.

The IRS has clearly struggled to administer the child tax credit. Last May, an audit by the agency's inspector general revealed that 12% of all payments in the 2020 fiscal year were calculated improperly, costing taxpayers \$4.5 billion.



BUSINESS WORLD
By Holman W. Jenkins, Jr.

alist-positivist view of the universe, changing the composition of the atmosphere must be having some impact on climate. The satire-ready element is our sociological and psychological flailing because we can't actually say how big this effect will be and what cost is worth paying to avoid it.

We're stuck relying on comparisons of today's meticulously estimated global temperature to a baseline estimated from things like tree rings 100 years ago. Only last year, after 40 years, did official climate

The Netflix movie's director ruins a hilarious film to preach about climate change.

science start reining in its computer forecasts with real-world temperature records (predictably finding less chance of extreme warming). Though it took a concerted effort of mockery plus peer-reviewed argumentation, it also stopped using an emissions forecast that has humans increasing their coal burning to implausible levels in the next century. These efforts may be sincere but they aren't a basis for confidently spending \$105 trillion (*pace* McKinsey) over the next 30 years for uncertain benefits.

Not only is it impossible to find the climate change satire in Mr. McKay's movie that he claims is there. Alas, there's no market for parodying the aspects most in need of parody. Millions of us have grown too comfortable pronouncing ourselves passionate about a problem we don't bother to understand. Our politicians have stopped asking whether policies have advanced in the name of climate change (e.g., electric cars) would actually have an effect on climate change. A

To anybody schooled in a materi-

alist-positivist view of the universe, changing the composition of the atmosphere must be having some impact on climate. The satire-ready element is our sociological and psychological flailing because we can't actually say how big this effect will be and what cost is worth paying to avoid it.

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Don't Listen to 'Don't Look Up'

I experienced none of the ambivalence that reviewers did with the hit Netflix comedy and cultural phenomenon "Don't Look Up," about a comet coming to destroy the Earth and the failure of the media, the public and politicians to deal with it.

The characterizations, the gags, the one-liners were a hoot. I can't remember anything on streaming that bored me less in recent years.

Because so many heard the movie was a metaphor for global warming, though, they had to put on their Greta Thunberg faces, which apparently foreclosed any possibility of enjoyment. For this, blame director Adam McKay, who has gone around loudly preaching that the movie is funny, see, because it's a parody of climate denialism. "It's just very strange to be living during the active collapse of the livable atmosphere and to turn on the TV and see an ad for Taco Bell's new burrito," he told NPR.

Uh huh. The first big problem here is that the climate puzzle is not remotely similar to the challenge posed by an impending comet impact. The difference is the difference between deciding whether to duck when a bullet is speeding toward your head and deciding whether to embark on a long, costly war with uncertain benefits.

A satirical movie needs to understand the subject it's satirizing. Take "Dr. Strangelove," a film to which "Don't Look Up" would love to be compared. While full of silliness of every kind, its central joke would have done Rand Corp. proud: A secret Russian "doomsday device" can't deter anything if it's secret.

payments last year, as they find out how much they owe. Those who have already spent what they received last year may be hard-pressed to pay it back. That is, if the IRS gets around to billing them. Apart from the problems identified by its inspector general, the agency has already announced delays in processing this year's tax returns. Reckoning with adjustments in the child tax credit can't be making their work any quicker.

Mr. Lenkowsky is a professor emeritus of public affairs and philanthropy at Indiana University.

Don't Listen to 'Don't Look Up'

certain kind of Harvard left-winger won't countenance any proposal that doesn't also fight capitalism, racism and patriarchy. A cadre of scientists make a profession of believing whatever the media needs them to believe. They are easily recognized because they employ the modifier "existential" for a climate problem that doesn't actually threaten human existence.

In this sense, "Don't Look Up" fails not on its own terms, but on the terms its director foists on it, because no movie would be brave enough to take on the shibboleths that have subsumed the climate debate.

"Don't Look Up" is very funny, in a Strangelovian way, about contemporary political and social media culture. Mark Rylance is priceless as a TED-talk parody of an internet billionaire, whose algorithms can tell the U.S. president, played by Meryl Streep, that she will be eaten "by a brontaroc" though "we don't know what that means." Cate Blanchett as a Fox News-like beauty brilliantly occupies the no man's land between common sense and cynicism. She deserves an Oscar.

It's Mr. McKay who makes a mistake no artist would make, indeed that would cause most to regurgitate, shouting from every hilltop what his art "means."

This comes across as you might expect: Mr. McKay trying to strong-arm approval of his movie out of "serious" commentators. It points to a sickness of our time: excessive conformity, as if all insecurities can be banished by loudly declaring one's fealty to the dogma du jour.

The real allegory isn't on the screen, it's the director undermining his movie with his own relentless virtue signalling. Fortunately, the film's availability on Netflix is its saving grace. Nobody has to pay \$15 to give it a try, so hopefully audiences won't be deterred by Mr. McKay's blabbermouth act.

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Chinese Sales Fuel Apple's Big Haul

By TIM HIGGINS AND YANG JIE

Apple Inc.'s latest record holiday quarter came in part because of excitement for the iPhone 13 in China, where homegrown Huawei Technologies Co. has seen a decline in its market share following U.S. sanctions.

Greater China revenue rose 21% to a record \$25.8 billion during the quarter ended in December, the Cupertino, Calif., tech giant said. That outpaced its overall revenue growth of 11% to \$124 billion, its slowest year-over-year rise in more than a year.

"The products are resonating," Tim Cook, chief executive, said in an interview.

It is a change of fortunes for Apple and Mr. Cook who in January 2019 took the rare action of slashing the company's quarterly revenue forecast because of a downturn in iPhone sales in China.

At the time, the company had been facing competition from Huawei's offerings that were seen as increasingly sophisticated while less expensive. Apple's position was made worse by an abrupt slowdown in the country's economy largely attributed at the time to trade tensions with the U.S.

Signs of Apple's improved China performance had been emerging
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Job Postings In NYC Must Disclose Pay

By CHIP CUTTER

New York City will require employers to list the minimum and maximum salaries on job postings starting this spring, a mandate that is already drawing opposition from business groups.

Under a new city law that takes effect May 15, companies will need to disclose the expected salary range that an employer "in good faith" believes it would pay for each advertised job, promotion or transfer opportunity.

Nearly every employer hiring in the city would be covered by the law; only those with fewer than four employees or staffing firms hiring for temporary workers are excluded. Companies that don't comply could be fined or face other civil penalties.

The measure, aimed at addressing gender-pay gaps and providing more transparency on pay, is the latest step in a broadening of pay-disclosure requirements that are also being implemented in states like Rhode Island and Connecticut. It comes amid a continuing labor shortage in the U.S. and could give employees even more leverage when many already have an improved position in job options and negotiations.

In response to a similar law in Colorado that went into effect last year, employers from Johnson & Johnson
Please turn to page B2

Be the Calm in the Market Storm

Turbulent times can cause investors to make decisions they'll later regret. Here's how to stay afloat in these choppy waters without sinking your future.

By JASON ZWEIG

THE INTELLIGENT INVESTOR

How much worse can it get? For more than a year it seemed as if the stock market could only go up, buoyed by a river of money that gushed from the government. In the past week, that illusion has been shattered.

Growing certainty that the Federal Reserve intends to raise interest rates, most likely as early as March, sent investors scurrying. On Monday, the Dow Jones Industrial Average moved 1,000 points in a single day—twice. It sank more than 3%, then roared back up to close with a gain. Stocks gyrated the rest of the week,

and by Thursday the S&P 500 was down more than 9% for the month. The Nasdaq-100 index was off more than 14%. Both recovered strongly Friday.

But what happens next isn't the right question to ask.

In a speech in 1963, the great investment analyst Benjamin Graham said: "In

my nearly 50 years of experience in Wall Street I've found that I know less and less about what the stock market is going to do, but I know more and more about what investors ought to do."

You ought to do two things. First, put the market's recent fluctuations in long-term perspective. Then, recognize that what kind of an investor you are matters more than which investments you own.

There's nothing abnormal about the way stocks have been heaving up and down the past few weeks. It's the calm of last year, when stocks rose almost 28% but fluctuated with about half their usual intensity.
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INSIDE

The Little Guys

How four investors swept up in meme-stock mania last year have fared since **B4**

The Big Guys

A major winner of the revolt against Wall Street's elite was...Wall Street's elite **B5**

The Best and Worst Of the U.S. Airlines

As travel recovered in 2021, some carriers struggled more than others to get off the ground

By ALLISON POHLE

The good news: Flying is more like it used to be. The bad news: Flying is more like it used to be. Leisure travel came roaring back in 2021. So did cancellations, delays and other flight problems. Airlines began to resemble their pre-pandemic selves, even if they still flew less overall than they did in 2019.

In The Wall Street Journal's 14th annual ranking of nine U.S. airlines by operational performance, Delta Air Lines Inc. reclaimed the top spot.

JetBlue Airways Corp. finished last. The previous year, 2020, was the most disruptive year for air travel in decades. Last year, recovery began, but flight cancellations still dominated headlines. Some carriers experienced summer meltdowns, leaving passengers stranded for days on end. Others struggled over the holidays, when staff members tested positive for Covid-19 as the Omicron variant spread.

Delta took the top spot in five of seven categories, notably its cancellation record.
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Delta took the top spot in five of seven categories measured in the Journal's ranking.

DAVID MCNEW/GETTY IMAGES

THE SCORE

THE BUSINESS WEEK IN 7 STOCKS

PELOTON INTERACTIVE INC.

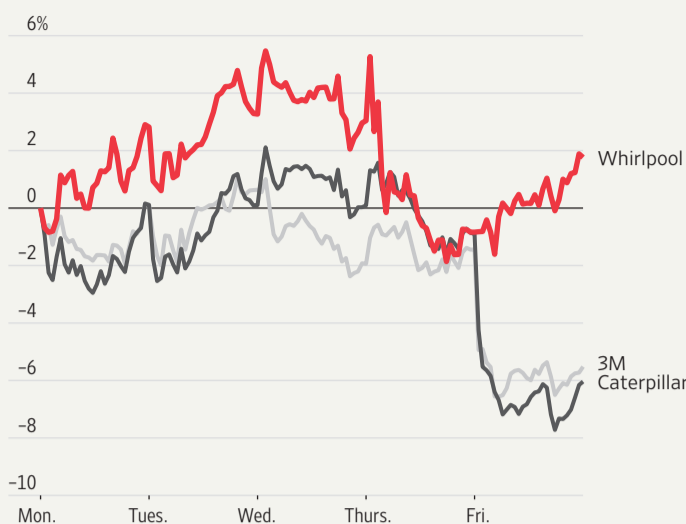
▲ Peloton faces an uphill climb. Activist investor Blackwells Capital LLC is pushing Peloton's board to fire its chief executive and pursue a sale, after shares of the stationary-bike maker plummeted more than 80% from its high. Blackwells said in a letter it made public Monday that it believes Peloton could be an attractive acquisition target for larger technology or fitness-oriented companies. Peloton has also been unfavorably featured recently in television shows, in which main characters had heart attacks during or after Peloton workouts. Peloton shares **gained 9.8% Monday.**

JOHNSON & JOHNSON

▲ Vaccines helped ease J&J's pandemic pains. Johnson & Johnson finished 2021 with its strongest quarter to date for Covid-19 vaccine sales, contributing to year-over-year revenue growth across all operations. But some parts of J&J felt the effects of the pandemic. The surge in Omicron cases, coupled with hospital staffing shortages, put off procedures that use J&J devices such as artificial joints. Supply constraints also hit J&J's consumer-health business due to challenges securing some raw materials that limited availability of certain items. J&J shares **closed up 2.9% Tuesday.**

PERFORMANCE OF MANUFACTURING STOCKS

Source: FactSet



WHIRLPOOL CORP.

▼ Good luck finding a new fridge. Order backlogs are growing at appliance maker Whirlpool, and it's not the only one. Construction equipment maker Caterpillar Inc. faces the same issue due to supply-chain holdups and Covid-fueled staffing problems. But at 3M Co., which struggled to meet demand early in the pandemic for high-quality face masks, supplies have improved after a production boost. Whirlpool shares **lost 3.8% Thursday.**

KROGER CO.

▼ Kroger employees bagged a new contract. More than 8,000 unionized workers at Kroger's King Soopers grocery stores ratified a new three-year pact that gives them better healthcare and pension benefits along with higher wages, with some employees receiving increases of more than \$5 per hour. The supermarket chain employees are among several groups of workers that pushed for higher wages, expanded benefits and better work environments in recent months, using their leverage as labor shortages challenged industries. Kroger shares **lost 5.5% Tuesday.**

MATTEL INC.

▲ Elsa from "Frozen" and Barbie are back under the same roof. The Wall Street Journal reported Mattel won the license to produce toys based on Walt Disney's princess lineup and from the "Frozen" franchise. The deal reunites the characters with their previous home after Mattel lost the license to its toy rival Hasbro Inc. in 2016. The setback precipitated a period of four chief executive officers at Mattel and compounding challenges as they tried to fill the \$440 million hole from losing the business. Mattel will start selling new Disney toys in 2023. Mattel shares **rose 4.3% Wednesday.**

MCDONALD'S CORP.

▼ Inflation may take a bigger bite of McDonald's this year. The burger giant said Thursday it expects to pay more for food, paper and other supplies in 2022. Rising costs aren't likely to wipe out its recent gains in profitability, but executives said they will require the chain to balance menu-price increases with offering value to customers. McDonald's also raised wages last year by more than 10%. The company said price increases and promotions of items like its fried chicken sandwiches and McRib special helped boost U.S. sales. McDonald's shares **slipped 0.4% Thursday.**

SOUTHWEST AIRLINES CO.

▼ Southwest sees blue skies ahead in its fight against Omicron. The carrier posted a fourth-quarter profit of \$68 million, swinging from a loss of \$908 million a year earlier, fueled by strong demand for travel over the holidays. Southwest said the Omicron variant, a cause of numerous woes for the airline industry, will likely derail its expectation for a profitable start to 2022, but Southwest said bookings have started to recover, and it expects to shake off Omicron's impact and stop losing money in March. Southwest shares **fell 2% Thursday.**

—Francesca Fontana

KEYWORDS | CHRISTOPHER MIMS

The FTC's New Argument for Bringing Tech Giants Back to Earth

The agency's chief is taking a novel approach to the concept of market power



For years, activists, lawmakers, lobbying groups, think tanks and most Americans have agreed something should be done about giant tech companies' power. With minor exceptions, no one has figured out how to do it.

Now, U.S. competition regulators at the Federal Trade Commission are getting creative. They're zeroing in on an issue that has been less prominent in the past: how Big Tech dominance harms not consumers, but the businesses that sell goods and services on those tech platforms.

Since mid-1980s Reagan-era reforms of antitrust law, the test for whether a company is a monopolist has been whether its dominance harms consumers—usually through higher prices or shoddy goods. It has been hard to make that charge stick against companies that offer many of their services free, like Google and Meta Platforms (née Facebook), or at (usually) competitive prices, like Amazon; or that take a cut of what seems to be a big, competitive market, like Apple does with apps.

The FTC, under its Biden-appointed chairwoman, Lina Khan, has been shifting the terms of the argument, focusing less on harm to consumers or even rivals, and more on how the bigness of Big Tech harms companies that are, in essence, its partners.

To understand, we have to look at an unusual word the FTC has used of late: "monopsony." If a monopoly is a market with one dominant seller, a monopsony is its inverse, a market where one buyer is pre-eminent. Monopolists can gouge consumers. A monopsonist has the same power over sellers.

Big tech's platforms—the things that have made them so much money—effectively make them market-controlling middlemen, and the FTC is saying that the tech giants are abusing their positions as, in effect, the ultimate proxy buyers for all users of their platforms.

By this logic, Apple's App Store is the dominant place that app sellers must go to sell their software and services, because globally, it rakes in twice the revenue of its next-biggest competitor, Google's Play store. Amazon wields its power over companies that want to sell goods online. Google and Facebook lord theirs over the publishers selling ad space.

For those suspicious of Big Tech's power, it might seem like the FTC's small band of legal X-wings have found the thermal exhaust port in Big Tech's collective Death Star. The companies frame the situation differently, and see the FTC as the tyrannical Empire imposing its will over a world where they have provided unprecedented opportunities for app developers and other whole new categories of business.

Both Meta and Amazon have tried to have Ms. Khan recused

from potential cases involving them, because of her history of writing about why she believes they are monopolists.

Ms. Khan and the FTC, which declined to comment for this column, have laid out their position at length.

But the ills typically associated with weak competition—such as higher consumer prices and inferior

third-party sellers that depend on its platform to reach customers. Amazon controls the fees they must pay to list their goods on this vital platform, the rates they pay for advertising and, for many, shipping and fulfillment costs—not to mention where their goods appear on its site.

Amazon has said previously that regulators' focus on its alleged anti-competitive behavior, and proposed

Facebook has previously said that it must continually battle world-class competitors in every aspect of its business, and that its customers easily can, and sometimes do, choose to move to another product or service.

Some legal scholars are very skeptical of the FTC's new tactics. "The fact that the agencies are revising the guidelines based on an order from the White House makes this all seem political," says Daniel Crane, an antitrust expert and law professor at the University of Michigan, referring to a July 2021 executive order on competition. "That increases the likelihood for skepticism in the courts."

The FTC clearly wants to go beyond the previous attempts to curtail Big Tech's power, which have mostly been limited to occasional fines representing small fractions of these companies' annual revenues or skirmishes with states over minor fiefs of their empires.



consumer choices—are difficult to prove in today's tech sector. Regulators might argue that such harms are inevitable with companies accumulating so much market power, but how can they demonstrate that the damage from not intervening now is more than hypothetical?

That's where monopsony enters the discussion. This focus is one of the newest ways the FTC is attempting to establish harms to competition from big tech companies, says Krista Brown, a senior analyst at the American Economic Liberties Project, a liberal think tank with which Ms. Khan has collaborated in the past. Marketplaces where companies are both a referee and a player, setting the terms of how the market works and also participating directly by selling their own goods and services, are of special concern, she adds.

Take, for example, Amazon's e-commerce marketplace. Its share of all online retail in the U.S. grew to more than 40% in 2021, more than five times that of its closest competitor, Walmart.

Its clout is even larger among the

remedies, could amount to "misguided interventions in the free market [which] would kill off independent retailers and punish consumers by forcing small businesses out of popular online stores, raising prices, and reducing consumer choice and convenience."

Meta and Google, which together account for more than half of the

The White House's involvement 'makes this all seem political,' says one antitrust expert.

U.S. digital advertising market, are arguably in a similar role, but with advertising and consumer data in place of digital and physical goods.

The FTC is suing Facebook, claiming it's a monopolist in the market for social networks. The suit claims that based on years of legal precedent, the company's acquisitions of rivals like Instagram and WhatsApp have been anticompetitive.

While the FTC may have identified a primary harm of these companies, the two credible remedies it has identified—withholding approval for future acquisitions by Big Tech, and forcing the giants to divest themselves of previous acquisitions—may not be sufficient to rein in the power it says these companies already hold.

Laws that might give the FTC other powers are being drafted in Congress, but it isn't clear if, or when, they will come to a vote by the entire chamber, much less be passed by a Congress riven by partisanship.

Even if the FTC continues to make new regulations, the agency has one problem that it can't solve without help from Congress: It doesn't have enough people to do all the things it aspires to.

"The agency is strapped, and it's very resource-intensive to bring suits," says Ms. Brown of AELP. "I think they're just getting their ducks in a row before bringing out a broader plan that will go after larger anticompetitive practices across the tech industry."

Job Postings In NYC Will Disclose Pay

Continued from page B1
to commercial real-estate giant CBRE Group Inc. specified in postings that remote jobs were closed to people living in the state, allowing the companies to sidestep disclosure requirements.

Employment specialists say New York's law may be more significant because of the size of the city's economy and the number of major U.S. companies operating there. Banks such as Goldman Sachs Group Inc. have hundreds of open jobs in the city, as do hedge funds, law firms, media companies and giants such as Alphabet Inc.'s Google and Estee Lauder Cos.

Besides giving job seekers a better understanding of what a role could pay, the rule would enable existing employees to compare their pay with the stated ranges in open roles while giving companies insight into the pay practices of rivals.

"It is a big deal," said Ian Carleton Schaefer, chairman of the New York employment and labor practice at the law firm Loeb & Loeb. "Companies are going to have to very quickly get very comfortable with how they've been making pay determinations along equity lines."

The new law has surprised some employers, say legal and business experts. The New York City Council passed the legislation in December, and it was enacted in January after Mayor Eric Adams declined an opportunity to veto it. It amends the city's administrative code to make it an "unlawful discriminatory practice" to not include pay ranges in job postings.

Business groups like the Partnership for New York City, whose members include companies such as JPMorgan Chase & Co. and International Business Machines Corp., oppose the law, even as they say they support efforts to promote greater pay transparency and gender equity.

Kathryn Wylde, chief executive of the Partnership for New York City, said the measure adds to the perception that New York is unfriendly to business. Many employers worry that the salary disclosures will be burdensome and time-consuming to implement, she said, since not all companies have pay bands for each job category.

"It's just the wrong solution," Ms. Wylde said. "It should never have been allowed to go through."

Her group plans to push for the city to delay implementation of the law. A spokesperson for the mayor didn't respond to requests to comment on the measure's timing.

New York City in 2017 banned private employers from pressing job seekers to disclose their salary history, and states such as California, Washington and Colorado have enacted similar pay-equity laws in recent years.

The New York City Commission on Human Rights, which enforces human-rights laws, said it plans to initially help businesses and employees understand the city's new salary provision.

BUSINESS & FINANCE NEWS

SoftBank COO to Leave After Pay Flap

BY KOSAKU NARIOKA
AND LIZ HOFFMAN

SoftBank Group Corp. said Chief Operating Officer Marcelo Claire, who helped clean up problems at the firm's investments including WeWork Inc. and Sprint Corp., is leaving the company after a dispute over billions of dollars in pay.

Mr. Claire's departure, announced by the company, comes after he sought as much as \$2 billion in compensation that he believed he was promised by SoftBank's chief executive, Masayoshi Son, according to people familiar with the matter.

He will walk away with his investment in a Latin American fund SoftBank raised that was overseen by Mr. Claire, a stake currently valued at about \$300 million that could grow over time if the bets pay

off, one of the people said. He will also receive severance of between \$30 million and \$50 million, this person added.

Mr. Claire is the latest lieutenant of Mr. Son to leave SoftBank, which runs the technology-focused Vision Fund and owns stakes in some of the world's biggest startups in addition to its Japanese telecom business.

Full terms of the settlement couldn't be learned. Mr. Claire also has personal investments in many companies that SoftBank itself or the Vision Fund has backed. The New York Times previously reported the pay dispute.

SoftBank shares have fallen by more than half since their peak last year, hurt by Alibaba Group Holding Ltd.'s troubles with Chinese regulators and, more recently, a selloff in tech stocks spurred by the prospect



Marcelo Claire

of interest-rate increases in the U.S. However, news of Mr. Claire's departure following reports of tensions between him and Mr. Son lifted the stock price slightly.

In Tokyo trading Friday, SoftBank shares closed 2.2%

higher at 4,795 yen. That is 55% below the peak reached in March 2021. SoftBank owned nearly a quarter of Alibaba as of its most recent filing and it has been hurt by the sharp fall in the Chinese e-commerce company's share price.

Other SoftBank executives who have left include Chief Strategy Officer Katsunori Sago, who resigned in March 2021. Meanwhile, longtime Son colleague Ronald Fisher left the company's board in June.

SoftBank didn't give a reason for Mr. Claire's departure. Mr. Son issued a brief statement thanking Mr. Claire for his contributions and wishing him "continued success in his future endeavors." Mr. Claire described Mr. Son as a "mentor and friend during my tenure."

Tokai Tokyo Research Institute analyst Masahiko Ishino said the unexplained parting

of ways would likely revive investor concerns about succession plans for Mr. Son, who is 64 years old and founded SoftBank four decades ago.

Mr. Ishino said it was clear "who is going to be responsible for the nuclear football when the U.S. president can no longer function. If the same happens to SoftBank, we have no idea who will be in charge."

A SoftBank representative, asked for comment, referred to Mr. Son's remarks at a shareholder meeting in June 2021. At the time, he said he was always thinking about succession and looking to groom candidates inside and outside the company.

Mr. Son also suggested at the meeting that he could stay in charge until he was 70 or 80 years old.

—Megumi Fujikawa contributed to this article.

Chevron's Earnings Roar Back From Loss

BY CHRISTOPHER M. MATTHEWS

Chevron Corp. had its most profitable year since 2014, reporting Friday that it earned \$15.6 billion in net income in 2021, as commodity prices surged on the back of a global economic recovery.

The U.S. oil giant's annual earnings were a dramatic turnaround from 2020, when Chevron lost \$5.5 billion after the global pandemic routed demand for oil and gas. It reported a fourth-quarter profit of \$5.1 billion Friday, up from a \$665 million loss during the same period last year. Chevron also said it generated \$21.1 billion in free cash flow in 2021, its most ever.

Chevron's stock price reached its highest level ever Thursday, closing at more than \$135 a share, as investors reacted to Chevron's announcement that it would raise its quarterly dividend by 6%. But the shares fell 3.5% Friday following the fourth-quarter earnings, which were lower than analysts had expected.

Surging commodity prices have left investors wondering whether oil-and-gas companies will follow their historical impulse to increase drilling in pursuit of higher profits. Chevron is the first of the largest Western oil companies to report earnings, and analysts will look for tea leaves from Chevron's management about whether the price signal has changed its calculus.

Chevron Chief Executive Mike Wirth said demand for gasoline is above pre-pandemic levels and that he expects further recovery in fossil markets in 2022. Despite that, he said Chevron will stick to disciplined spending.

"I don't think we're going to be tempted by the price of the day," Mr. Wirth said on a call with analysts Friday.

Following years of dismal returns from oil-and-gas companies, investors have pressured producers to moderate growth and return more cash to shareholders. Chevron and peers have responded by changing how they allocate cash, leading to a jump in their share prices and declines in the cost of capital, according to Rob Thummel, a senior portfolio manager at Toronto-based Ecofin.

While that is good for investors in the company, there are mounting concerns that there isn't enough investment in new fossil-fuel supply to meet growing demand.

"Producers and management teams will continue to deliver on what the market is asking them, which is to return capital to shareholders, ultimately making it harder to keep up with global demand for oil and gas," said Mr. Thummel.

U.S. oil prices reached their highest levels since 2014 in January and were trading at around \$87 per barrel Thursday. More analysts are predicting that oil prices will top \$100 per barrel in 2022, as global economies continue to recover.

Chevron has said it is sticking to a relatively modest budget and will return increasing amounts of cash to shareholders. The dividend increase marked the 35th consecutive year it has raised the payout. Chevron has also said it would buy back as much as \$5 billion of its stock after buying back \$1.4 billion in 2021.

The company said it set a record for oil and gas output in 2021, producing 3.1 million barrels a day, a modest rise from the prior year's levels.

◆ Heard on the Street: Chevron still has plenty of gas: B12

Tesla Flouts Norm by Offering Few Models

BY REBECCA ELLIOTT

Elon Musk is betting that he can turn Tesla Inc. into one of the world's largest car makers while selling just a handful of models, challenging a long-held auto-industry belief that it takes a diverse stable of updated models to attract buyers.

It is another example of Mr. Musk's defiance of industry orthodoxy, at a time when electric-vehicle competition has never been fiercer.

Tesla, which is aiming to increase vehicle deliveries by an average of 50% a year, doesn't plan to bring any new models to market in 2022, Mr. Musk said this week. The company has punted production of its long-awaited Cybertruck pickup to 2023, he said, and isn't working on the \$25,000 car he previously teased.

Such delays could make it difficult for Tesla to maintain its rapid pace of growth, Bernstein analyst Toni Sacconaghi said, questioning whether demand for the Model 3 and Model Y would be sufficient by 2024 for the company to meet its growth targets.

If Tesla were to increase vehicle deliveries by its 50%-a-year target, it likely would need to deliver more than three million vehicles in 2024. Its Model 3 sedan and Model Y compact sport-utility vehicle made up 97% of Tesla's roughly 936,000 deliveries last year.

"There's really no precedent for a single-model car to sell 1.5 million units per year, let alone two of them from the same company," Mr. Sacconaghi said.

Toyota Motor Corp.'s Corolla was the most popular vehicle in the world in 2020, with sales of more than 1.1 million vehicles, according to a Bernstein analysis.

Mr. Musk dismissed such concerns, telling analysts that Tesla's advanced driver-assis-



The EV maker has punted production of its long-awaited Cybertruck pickup to 2023. A Cybertruck on display in New York City last year.

tance technology would make its vehicles more useful and, therefore, valuable.

"It's apparent from the questions that the gravity of Full Self-Driving is not fully appreciated," he said. "If the cost of our cars did not change at all, we would still sell as many as we could possibly make." Full Self-Driving is a suite of advanced driver-assistance features that Tesla sells for \$12,000. It doesn't yet make vehicles autonomous.

Tesla's production delays were met with skepticism on Wall Street, where the stock plunged more than 11% on Thursday, the day after Tesla reported a record annual profit of \$5.5 billion for 2021. The stock rose 2.1% Friday.

Tesla's focus on ramping up production of existing models is likely to help the company pad its bottom line this year, but delaying the release of new models could eventually leave it more vulnerable to competition, analysts said. Car companies typically aim for 10% to 15% of their models in any given year to have recently undergone a significant update, Barclays analyst Brian Johnson said.

Mr. Musk has kept buyers waiting for new models before. The company's Model X sport-utility vehicle, for example, was initially slated for production in late 2013. Roughly two years later, Tesla had delivered only a handful of the SUVs.

This time around, buyers have a bevy of alternative electric vehicles to choose from. General Motors Co. has said it is aiming to introduce 30 new electric vehicles globally by 2025. This year alone, auto makers are expected to launch more than two dozen battery-powered vehicles in the U.S., according to Bank of America. Among them is an electric version of Ford Motor Co.'s F-150 pickup truck. Rivian Automotive Inc., which went public in November, was the first to market in the lucrative pickup truck segment, launching its R1T last year.

"Every day Tesla waits, there's going to be a new entry," said Tyson Jominy, who leads research firm J.D.

Power's data and analytics practice.

Ford's experience roughly a century ago could offer a warning to Tesla, said Mr. Johnson, the Barclays analyst, in a recent note to investors. Ford controlled roughly 60% of the U.S. auto market in 1921 thanks to the success of the Model T, he wrote. Ford focused on the Model T in the years to come, but as it did so, rivals including General Motors released a wider range of cars that whittled away at Ford's market share, which by 1927 had fallen to 16%.

Tesla didn't respond to a request to comment.

◆ Heard on the Street: EV batteries rely on China..... B12

Auto Maker's Karaoke Mic Sells Out in China

BY YANG JIE

Chinese consumers gave an ovation to Tesla Inc. for its new karaoke microphones designed for singing in cars.

The Austin, Texas, company ran out of the TeslaMic less than an hour after it started offering the wireless product Friday for \$188 a pair on its official Chinese website.

The microphones work with a Tesla software update released Friday in China that includes karaoke tracks and videos in the style of those shown in karaoke booths.

The full system with video is designed to be used by people sitting in a Tesla when it isn't moving, substituting for a karaoke booth as they relax after a day of travel or take a break at

the side of the road.

Tesla is facing tough competition in the karaoke-crazed country from other EV makers, several of which beat Tesla to the market with similar combinations of software and hardware for in-car karaoke.

Singing karaoke is one of China's most popular pastimes among the songful and tone-deaf alike. Before the pandemic, solo karaoke booths were sprouting up in Chinese malls, libraries and airports, until the coronavirus put a damper on activities in public places.

About 500 million people used online karaoke services in China last year, according to research firm iiMedia Research Group.

The TeslaMic "provides you

with a mobile private karaoke room, allowing you to wander the sea of music and sing to your heart's content," reads a description on the company's website.

A notice on the website says customers who missed their

The full system with video is designed to be used by people in a stationary Tesla.

chance to buy a TeslaMic on Friday will probably have to wait until the end of February.

A video on Tesla's official social media account shows a

young couple, each holding a TeslaMic, singing a Chinese ballad called "Little Happiness" inside a car parked at a campsite.

Though a pioneer in EVs, Tesla is playing catch-up in karaoke.

Chinese EV makers such as Warren Buffett-backed BYD Co. and Xpeng Inc. have been heavily advertising their karaoke setups, including software to simulate the experience of singing in a karaoke bar and devices such as microphones and headphones.

"I was quite jealous that BYD owners get to sing karaoke in their cars," said Jiang Xin, 49, who owns a Tesla Model Y.

Mr. Jiang's friend, Kevin Xu, 42, owns a BYD and enjoys singing inside the car with the

doors closed and the windows rolled up. "It's quite a way to alleviate boredom during a trip," said Mr. Xu. "And you're not going to be heard at all."

This isn't the first time Tesla tried karaoke. It included a feature called Caraoke in software for global users a few years ago that plays songs and displays song lyrics on the control panel. However, that offering didn't include karaoke-style videos or Tesla-branded hardware such as microphones.

Tesla's promotional video shows that its software comes from a Beijing-based karaoke service supplier, Thunderstone Technology Ltd., which supplies music videos. Thunderstone's system is already found in several homegrown EV brands in China.

Shopify Denies Allegations in Textbook Pirating Lawsuit

BY VIPAL MONGA

Shopify Inc. denied that it is liable for alleged copyright and trademark infringement by online sellers using its platform, responding to a lawsuit filed by textbook publishers.

A group of five educational publishers, including Pearson Education Inc. and McGraw Hill LLC, sued Shopify in De-

cember. Their suit claims the e-commerce company is liable for the unauthorized school textbooks, test packs and solutions manuals sold by websites using Shopify's services.

Shopify sells technology that enables people to put up websites, accept online payments, and ship and track orders to customers.

The e-commerce company

said Friday in its rejoinder to the lawsuit that it complies with existing copyright laws passed by Congress, which generally shield internet infrastructure companies from being sued for copyright violations committed by users.

The publishers may not like the laws, Shopify said, but the court is the wrong venue to compel changes to existing

rules.

"This lawsuit is an attempt to do through this Court what Plaintiffs could not achieve in the legislative sphere," said Shopify in its response, filed in the U.S. District Court for the Eastern District of Virginia.

The company also denied the allegation that it hasn't done enough to stop the illegal

sale of textbooks from websites that use Shopify's online tools. "Shopify has swiftly responded to Plaintiffs' notices of infringement, taken down vast quantities of allegedly infringing materials, and terminated repeat bad actors," said the company.

Shopify said it responded to more than 5,000 takedown requests sent by the textbook

publishers, involving more than 1,750 merchants and more than 50,000 web addresses. Shopify said more than 90% of those web addresses have been taken down.

Though Shopify is based in Canada, the publishers are suing the company in Virginia because the company has servers located in Ashburn, Va.

EXCHANGE

How to Ride Out the Stock Market Storm

Continued from page B1
 sity, that was abnormal.

Two factors had kept stocks rising smoothly until this month: government policy and investment automation.

The Federal Reserve's low-interest-rate stance, and trillions of dollars of stimulus spending, inundated the markets with cheap money. That drove stocks up.

And, whenever declines get steep, financial advisers and retirement funds send in automatic buy orders that mechanically purchase stocks as they fall below a target level. That has kept stocks from falling too far.

Such smoothness can breed complacency.

"We go through these long regimes of normal to low volatility," says Joanne Hill, head of research and strategy at CBOE Vest Financial, an investment-advisory firm in McLean, Va. "And then you have these spurts of market storms that come through."

In what's sometimes called "risk compensation," you would likely drive faster down the hairpin turns of a mountain road if it has sturdy guardrails than you would if nothing stood between you and those deep ravines. The sense that the environment is safer can make you comfortable taking greater risks.

By last year, the buyers of biotechnology, electric-vehicle and other "green-energy" stocks, cryptocurrencies and other hot assets had concluded their future growth would be so great it was almost impossible to overpay for them.

With so many of these stocks selling at hundreds of times their expected earnings, or not yet having any profits, the prospect of an end to the Federal Reserve's easy-money policy hit hard this month. Yet this was far from the first

time stocks have taken a beating in recent years. The S&P 500 has closed down at least 1% for the day 448 times since the beginning of 2008, according to Dow Jones Market Data. In 2020, stocks incurred daily losses of at least 1% 45 times; on five of those occasions, stocks dropped 5% or more.

Chances are, you barely remember those declines. Investors are exceptionally adept at retroactively revising their memories. No one likes to admit fear or to feel foolish or incompetent, so we polish our own pasts; what was terrifying then becomes not so bad now.

That's why it's so important to understand who you are as an investor.

Falling markets set up a battle between your present self and your future self.

In 2022, your present self may be suffering anxiety and stress as you watch gains dissipate. Will you lose even more in the days and weeks to come as stocks keep lurching up and down?

"Our distant future selves feel like different people from who we are now," says Hal Hershfield, a behavioral scientist at the University of California, Los Angeles, who studies how time affects people's decisions. "It can become especially difficult to keep those distant selves in mind when there's so many emotions in the present—in the form of temptation or fear."

Investors should care about levels of wealth: how much money they have. Instead, they care about changes in wealth: how much they've just made or lost.

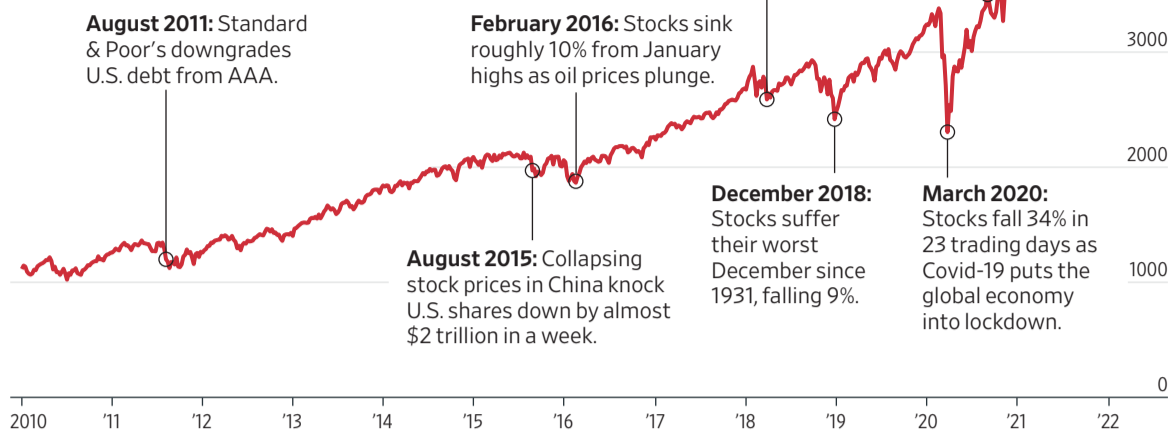
How happy you would be about having \$1 million today depends largely on whether you had (say) \$100,000 or \$1.9 million last week. If you just made \$900,000, having \$1 million is thrilling. If you just lost \$900,000, having the same \$1 million will turn your stomach. That's only natural.

Evolution built us this way. Changes, rather than states of wealth, were what mattered to our hunter-gatherer ancestors. Even a slight shrinkage in their store of food would have spurred the clan into action. No wonder bad events and outcomes and possibilities loom larger than good ones.

Now imagine your future self is looking back at you from 2032 or 2042 or 2052. Would you remember the fear you felt in January 2022? (If you don't believe me, see if you can describe or even recall a

Choppy Waters

The S&P 500's long rise might have felt steady to some investors until recently, but it has dropped many times along the way.



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single investment decision you made in January 2012. I'll wait.)

When you buy or sell stocks based on short-term market turmoil, the person you are trading with is your future self. Remember: In every trade, there has to be a winner and a loser. So who is getting the better deal?

If you have decades more investing ahead of you, then your future self is likely to be annoyed—or could even be materially impaired—by rash moves made now.

If you're retired or about to retire, your future self may be glad you scaled back risk if stocks later decline. The same is true if you're the kind of person who cut back on stocks in early 2020 or in 2008-09.

When you convey money from your present self to your future self, "it's a road several hundred miles long, full of potholes and icy patches and mountain passes," says investor and financial historian William Bernstein of Efficient Frontier Advisors in Eastford, Conn. "You can easily skid off the road unless you drive very slowly and carefully."

He adds, "It's better to be too

conservative and end up with a few dollars less than to overestimate your tolerance for risk and end up panicking and selling at the bottom."

Bearing your future self in mind also means you have to embrace uncertainty.

By historical standards, stocks are far from cheap at 40 times their long-term average earnings, adjusted for inflation, according to data from Yale University economist Robert Shiller. That's among the highest in more than 140 years.

But stocks have been significantly overvalued, by the same measure, for most of the past 30 years. Had you abandoned stocks in 1992 and stayed out ever since, you would have missed out on a bonanza; stocks went on to grow at an average of roughly 11% annually over those three decades.

One reason stocks tend to have high returns over the long run is to compensate investors for the ever-present risk of losing at least half their money in the short run.

The prerequisite for being a long-term investor is knowing whether you can accept that uncertainty.

Where Four Meme-Stock Investors Are Now

We checked in with some of the amateurs riding last year's wave to see where they—and their portfolios—stand amid a new bout of market turbulence

Some regret their exuberance. Others value the lessons they learned. Still others are convinced big profits lie ahead.

We checked in with some of the investors who went all in on so-called meme stocks during the pandemic to see how they are adjusting as the market deals with a new round of turbulence.

One thing's for sure: 2022's volatile stock market isn't the same rising tide that pulled in millions of amateur investors over the past two years.

In it for the long haul

Joanna Burns is playing the long game.

The Ventura County, Calif., resident became interested in investing last January when Reddit's WallStreetBets forum shot to prominence. She made her bet on AMC Entertainment Holdings Inc.

Now Ms. Burns is holding her stock, believing the shares are undervalued and will rocket higher when the price begins to rise and short sellers—those betting against the AMC stock—buy shares to cut their losses. She said she is sitting on a profit after initially buying shares at about \$13 and adding to that position at higher and lower prices. AMC shares closed Friday at \$15.06.

If the shares do rise as she expects, Ms. Burns would like to use profits to pay off student loans and buy a home.

But she sees her shareholding in AMC as more than an investment: To her, it's part of a David-versus-Goliath battle between powerful financial institutions and everyday retail investors.

"It's really capitalizing on this opportunity to gain financial freedom as well as to finally win in a rigged game," she said.

Meanwhile, she is earning her living in the gig economy—writing, copy-editing, making videos for a CBD company, giving tarot readings—after finding that the corporate world wasn't the best fit.

"With Covid, it allowed a lot of introspection," she said. "I've decided to just step out of I guess what you would call a rat race."

—Karen Langley

Done with the meme scene

Sam Daftarian has called it quits on trading meme stocks.

"The whole meme-stock saga—it's not a sustainable way of trading," Mr. Daftarian said.

Last year, he relished trading and scored some profits riding the viral stock sensations. Mr. Daftarian, 45, even pondered making a

thousands of dollars into the shares starting in June. The price tumbled after, and he says he sold out of the investment with a steep loss.

"That was the one that made me realize, 'Hey, all your gains on GME and AMC were probably just luck,'" Mr. Daftarian said, using the tickers for GameStop Corp.

of meme stocks. He's also dabbled in cryptocurrencies, but recently cashed out of a position in dogecoin.

"If I've learned anything, it's that buying and holding is the smartest thing to do," Mr. Daftarian said.

—Gunjan Banerji

Still a believer

Thushira Kumarage has never been to a GameStop retail location. He lives in Edinburgh, Scotland—where the closest store is located across the Irish Sea, hundreds of miles away.

But Mr. Kumarage has still become a devoted GameStop investor. Last year, the 21-year-old student studying math, statistics and actuarial science started scooping up shares based on a tip from a WhatsApp trading group. He man-

He's had a strong stomach as the stock has zigzagged. His gains have fluctuated by tens of thousands of dollars, and he's currently sitting on a modest profit. He doesn't plan on selling.

"I think that investing for a short squeeze is different from seeing the long-term potential of this company," he said. He puts himself in the latter camp.

Mr. Kumarage said he remains optimistic about GameStop Chairman Ryan Cohen's vision and was encouraged last year when former Amazon.com Inc. executives Matt Furlong and Mike Recupero joined as chief executive and chief financial officer, respectively.

"Why would they jump ship from a successful company to a company that is supposedly dying and supposedly going out of business?" he asked.

—Caitlin McCabe



Clockwise from upper left: Sam Daftarian, Joanna Burns, Thushira Kumarage, and Robert Misener were all trading actively in 2021.

DAVID VINTNER FOR THE WALL STREET JOURNAL (4)

full-time job out of it.

Since then, he's decided it isn't for him. One turning point? When he got burned on an investment in the e-commerce company Context-Logic Inc. After hearing about the stock from his cousin, he poured

and AMC Entertainment. "They weren't based in fundamentals and research. It was based on emotions and sentiment."

He says he wishes he hadn't sold out of tech behemoths like Tesla Inc. and Apple Inc. in favor

aged to buy in January 2021 just before shares soared as high as \$483. And he kept scooping up more throughout the spring. He currently holds 180 shares—an amount he hasn't added to or subtracted from since May.

"It's kind of a faith thing. I just trust that based on his experience with Chewy...that he and his team are doing the right thing to take the company where they want to go," Mr. Misener said.

—Caitlin McCabe

EXCHANGE



HEARD ON THE STREET | SPENCER JAKAB

Who Really Got Rich From the GameStop Revolution?

During a revolt against Wall Street, some pros still figured out a way to win



When Reddit became the rowdy center of the investing universe last January, its co-founder Alexis Ohanian called the frenzy a “revolution” and a “chance for Joe and Jane America, the retail buyers of stock, to flex back and push back.” Maybe one day, he mused, the members of Reddit’s WallStreetBets forum could do more than just ambush hedge funds—they could outperform those highly paid investors.

The rookies who transformed videogame retailer GameStop into the hottest stock on the planet thought they had a twofer: sticking it to Wall Street while making a bundle themselves. But the revolutionaries didn’t do a good job on either count. The share price hovering over Mr. Ohanian’s shoulder during his Jan. 28, 2021, CNBC interview would be almost as high as it got. GameStop’s value tumbled by nearly 90% over a week even as a bunch of already-rich people on Wall Street and in corporate boardrooms got even richer. A spokeswoman said Mr. Ohanian was not available to comment.

Some hedge funds earned millions by mimicking the bet made by the Reddit renegades. Companies that executed trades, such as Citadel Securities and Robinhood Markets Inc., booked huge profits from the flurry of activity. Even many company insiders sold their shares.

The GameStop surge was often portrayed as a triumph of amateurs over professionals, fueled by social media. Tips posted on Reddit’s WallStreetBets forum were quickly amplified over TikTok, Twitter and messaging platform Discord, allowing hordes of individual traders around the world to act in concert and even drive markets. They circulated memes showing images of their favorite companies superimposed on the surface of the moon, representing how high they wanted the stock to climb. They said they wanted to defy the hedge funds that bet against these stocks.

Some of those small-time investors did make money as WallStreetBets ballooned from fewer than 2 million members at the start of January 2021 to more than 11 million. One was Keith Gill, aka “Roaring Kitty,” who became a hero to Reddit users while personally earning tens of millions of dollars. And some on Wall Street fared poorly. Gabe Plotkin’s hedge fund Melvin Capital lost a whopping \$6.8 billion in January 2021, The Wall Street Journal reported, and some other funds suffered heavy losses too.

When the smoke cleared, though, the popular image of tables being turned on America’s financiers wasn’t entirely accurate. Individual investors who bought GameStop this time a year ago and never sold are sitting on hefty losses.

Right place, right time

The meme stocks were struggling operations before their turn in the spotlight. But when their share and

option prices reached silly levels many longtime professional investors piled in.

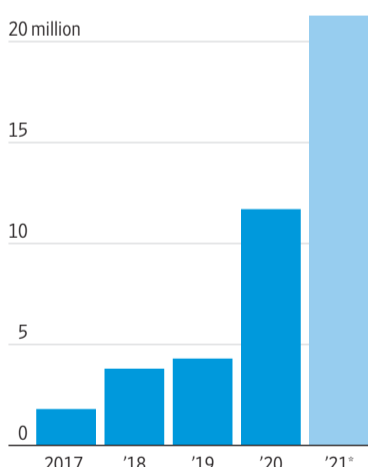
One veteran who said he made millions on GameStop was Bill Gross, the retired “bond king” and former star manager at California money management giant Pacific Investment Management Co. As the GameStop frenzy was reaching a fever pitch, the billionaire said his “heart has been with Main Street for many years.” He also warned investors betting on volatility options that they were “fish at the poker table” and “not part of an educated investment mob.”

Mr. Gross personally sold stock options when the Reddit investors were buying them. It wasn’t a sure bet. Mr. Gross said in a Wall Street

shareholder with a nearly 13% stake, sold nearly every share it owned in January 2021, according to public filings. The Fidelity Low-Priced Stock Fund and the Fidelity Series Intrinsic Opportunities Fund, which generally favor dowdy but solid companies that fast-money retail investors ignore, had been the two big holders of GameStop shares at the giant investment firm.

One winner from the meme-stock squeeze, Jason Mudrick, seemed like the sort of Wall Street figure the Reddit revolutionaries would love to hate: smart, good looking and rich. A decade earlier, he was ranked No. 6 in Business Insider’s “Sexiest Hedge Fund Managers” poll.

Robinhood monthly active users



Journal podcast last year he was down \$10 million at one point before emerging with a \$10 million gain as GameStop’s shares nosedived.

“It felt good,” he said. “It was an experience. It’s like the first time you drove your car, or the first time you went down the ski slope.” He declined additional comment through a spokesman.

Others were in the right place at the right time. John Broderick, an activist investor who runs Permit Capital, acquired a big stake in GameStop. When the price spiked, Mr. Broderick reaped a bonanza.

“It’s sort of like after the Super Bowl when they ask someone how it feels and they say it doesn’t feel real,” Mr. Broderick told the Journal in February 2021. “I guess I can go to Disney World.”

New York hedge fund Senvest Management also got interested in GameStop in early 2020 and bought 5% of the company’s shares during September and October, the Journal recently reported. Its managers had been on the losing side of short squeezes in the past. They didn’t hesitate to cash in when this one hit, according to the Journal’s reporting, reaping a profit of \$700 million.

Even sleepy mutual-fund firms seized the opportunity. Mutual-fund giant Fidelity Investments, which had been GameStop’s largest

The distressed-company specialist provided expensive cash to AMC that could be converted to shares. When the stock surged, he banked a huge gain, extinguishing the debt. Yet he also bet against the meme stocks when he thought they had gone too far, selling call options, as Mr. Gross had, for an additional profit.

Four months later, when AMC’s shares rose again, Mr. Mudrick returned for an encore that wasn’t as popular with the Reddit crowd. AMC sold him \$230 million in newly issued shares that he almost immediately sold at a higher price as retail investors pushed the stock to its highest level in years, the Journal reported. He attracted their ire by being quoted saying that he sold because the stock was overvalued.

He didn’t always win, either. In June Mr. Mudrick’s flagship fund lost about 10% in just a few days as a jump in AMC’s stock price unexpectedly triggered changes in the value of derivatives the fund held as part of a complex trading strategy, the Journal reported.

In the middle

Firms that stood in the middle of all this buying and selling benefited while taking less risk than some other winners. One trading app, Robinhood, laid the foundation for a craze that nearly overwhelmed it by attracting millions of mostly young people drawn by no-commission trading and lottery-like stock giveaways.

It almost worked too well; Robinhood briefly halted purchases of several meme stocks and had to quickly raise more than \$1 billion in January 2021 to help meet rising demands for cash stemming from all the frenzied trading. But it survived and made almost twice as much revenue that quarter as it had in all of 2019. The broker went public months later, making co-founders Vlad Tenev and Baiju Bhatt multibillionaires.

“We’re proud to have made investing more affordable for a new generation, paving the way for our commission-free model to be adopted industrywide,” said a Robinhood spokeswoman. “Gifting people stock for sharing Robinhood with their friends isn’t just a reward, it helps first-time investors see themselves as owners. We reject the idea that it’s ‘investing’ if you’re wealthy, but ‘gambling’ if you aren’t.”

Share price performance



Sources: the company (Robinhood); FactSet (performance)

But he briefly became something of a hero with the WallStreetBets investors when his \$3 billion hedge fund supported giant movie-theater chain AMC Entertainment Holdings Inc., another meme stock.



Reddit hero Keith Gill, or ‘Roaring Kitty,’ also did well during the frenzy.

Some beneficiaries of GameStop mania were, from left to right, Bill Gross, Ken Griffin, Jason Mudrick and Robinhood founders Vlad Tenev and Baiju Bhatt.

Robinhood, in turn, created opportunities for other financial giants such as Citadel Securities, the electronic-trading firm largely owned by hedge-fund billionaire Ken Griffin. Citadel Securities executes many of the orders submitted by small investors through Robinhood—as well as other online brokerages such as TD Ameritrade. It pays Robinhood for the right to execute Robinhood customer orders, and Mr. Griffin’s massive computers fill them in nanoseconds by making many small, calculated bets that can add up to billions in profits.

Mr. Griffin, in testimony before a U.S. House committee last February, said he played no role in the controversial decision by Robinhood to curb trading in GameStop at the height of the stock’s rally. And why would he have? On Jan. 27, at the height of the GameStop rally in 2021, Citadel Securities executed 7.4 billion shares of trades for retail investors. That was more than the average daily volume of the entire U.S. stock market in 2019, Mr. Griffin said.

Some of the biggest banks on Wall Street were also part of the frenzy. Morgan Stanley, the broker for “Roaring Kitty” and millions of other smaller investors after buying E*Trade in 2020, doubled its net profit in the first quarter of 2021 to \$4.1 billion.

“More clients, more engagement, more activity, more cash,” Chief Financial Officer Jonathan Pruzan said at a virtual conference in February 2021. The number of trades made by E*Trade clients, he added, was “off the charts.” The company declined additional comment.

Morgan Stanley rival Goldman Sachs Group Inc. rode the same wave. It earned \$6.8 billion during the period for its highest return on equity in 12 years.

“I’d say the first quarter was an extraordinary quarter,” Goldman Chief Executive Officer David Solomon said at the time. Goldman couldn’t be reached for additional comment.

Inside out

A year later certain GameStop insiders are gone, and some shared in the same meme-stock bounty.

GameStop’s senior executives who left the company in the months following the stock surge reaped exit packages worth \$290 million at the time, the Journal reported. That is more than the entire company had been worth before it was noticed by WallStreetBets.

Reddit, the company that was the staging ground for the revolt of amateur traders, also did well. It went from a private valuation of \$3 billion in 2019 to \$10 billion last summer after WallStreetBets helped to raise its profile. It has filed for an initial public offering.

Reddit co-founder and CEO Steve Huffman told the Journal that he would like to see retail investors, normally shut out of juicy deals, participate in the IPO.

Wall Street is still expected to be involved. The offering is being lead-managed by Goldman Sachs and Morgan Stanley.

Adapted from “The Revolution That Wasn’t: GameStop, Reddit, and the Fleeing of Small Investors” by The Wall Street Journal’s Spencer Jakab, to be published on Feb. 1 by Portfolio.

EXCHANGE

The Airlines That Got Off The Ground

Continued from page B1
 lation rate. To calculate that ranking, the Journal counts flights canceled within seven days of departure, just as the U.S. Department of Transportation does. If a flight is canceled before that, it is considered a schedule change.

Delta canceled 0.6% of its scheduled departures last year, including regional partners, according to aviation-data platform masFlight. The airline canceled 0.7% of its flights in 2019. The average among all the airlines evaluated, including Delta, was about 1.8%. Delta says it gave priority to running a reliable schedule it could handle over the course of the year, rather than growing too big and risking operational issues.

The airline also fared better than its competitors when it came to delays 45 minutes and longer. While 4.9% of completed Delta flights fell into this extreme-delay category, the overall average was 7.9%.

Delta's overall on-time rate was 87.9%, using masFlight's criterion of flights that arrived within 14 minutes of schedule. Erik Snell, Delta's senior vice president for the operations and customer center, says the carrier considers 14 minutes late to be late, and has changed its focus to ensuring as many flights as possible land precisely on schedule.

The airline didn't bump a single passenger involuntarily during the 12 months that ended in September. Mr. Snell says eliminating these situations has been a priority.

Among all the airlines evaluated, Delta had the highest rate of passengers voluntarily changing their plans during the 12-month period, according to Transportation Department data. A spokesman said this is a win for the customers who volunteer, as they get added value toward future travel.

JetBlue ranked last overall, down from seventh in 2020, in part due to its delays and below-average performance in on-time arrivals. Of JetBlue's approximately 262,800 completed flights, 14.3% were delayed 45 minutes or longer, according to masFlight data. Its on-time arrival percentage was 69.9%, second-worst in that category, behind Allegiant Travel Co.

A JetBlue spokesman said in an email that the airline increased staffing, facilities and equipment to near pre-pandemic levels faster than other airlines. He pointed to construction projects that complicated the airline's operations at airports where JetBlue has expanded service, like Los Angeles International, LaGuardia and Newark Liberty International.

The Northeast experienced bad summer weather, where the airline has a large footprint. Over the holidays, JetBlue says it experienced a

Flight Patterns: A Ranking the Big U.S. Airlines in 2021, From Best to Worst

AIRLINES	OVERALL RANK	ON-TIME ARRIVALS	CANCELED FLIGHTS	EXTREME DELAYS	2-HOUR TARMAC DELAYS	MISHANDLED BAGGAGE	INVOLUNTARY BUMPING	COMPLAINTS
DELTA	1	1	1	1	3	4	1	1
ALASKA	2	2	3	2	2	8	5	3
SOUTHWEST	3	7	6	5	1	3	8	2
UNITED	4	4	6	4	7	6	3	6
ALLEGIAN	5	9	9	8	4	1	1	5
AMERICAN	6	3	5	3	8	9	7	4
FRONTIER	6	6	2	7	6	2	9	7
SPIRIT	8	5	8	6	5	5	6	9
JETBLUE	9	8	4	9	9	7	4	8

Sources: Anuvu (on-time, canceled flights, extreme delays, including regional affiliate and international flights); Transportation Department (tarmac delays, mishandled baggage, complaints, 12 months ended Dec.; bumping, 12 months ended Sept.)

high level of Omicron sick calls, especially in the Northeast, where more than 75% of crew members are based.

The airline did rank fourth in completion, canceling 1.7% of its flights last year. "We do everything we can to avoid canceling flights and getting customers to where they need to go," the spokesman said in the email.

JetBlue says that as of the holidays, it has had its highest staffing levels since Covid-19 began and is continuing to hire at a record pace

to prepare for this summer. It also dropped to eighth from fifth in involuntary bumping. It blamed the need to change aircraft more than usual in 2021.

The airline canceled roughly 1,900 flights during an October weekend due to severe weather, air-traffic control issues and staffing problems. It ranked sixth in canceled flights, tying with United. Southwest says it responded by hiring more than 5,000 people by the end of the year. It had the lowest rate of two-hour tarmac delays.

United finished fourth overall

place, in a tie with Frontier Group Holdings Inc. American made improvements in the percentage of on-time arrivals compared with other airlines and had a lower rate of extreme delays than other airlines. After a difficult June, the airline improved in the following months, Chief Operating Officer David Seymour says.

During a weekend three weeks after the one in which Southwest experienced a raft of cancellations, American canceled more than 1,900 flights due to bad weather and staffing problems.

Mr. Seymour says American emphasized streamlining its hiring process to get staff in place to stick to its schedule, pointing to the airline's performance over the holidays as a bright spot. American canceled approximately 1.2% of flights in December, according to data provided by Cirium, an aviation-data company. Even Delta canceled about 2.5% in December because of winter weather and Omicron infections among employees.

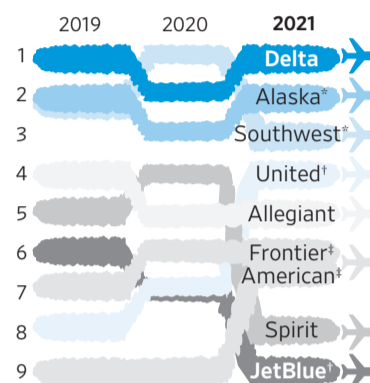
Other airlines implemented ambitious flight schedules, and faced cancellations and extreme delays over the summer. Allegiant Air, a low-cost carrier based in Las Vegas that ranked fifth overall, finished last in on-time arrivals and canceled flights. It canceled 3.3% of flights, and its overall on-time rate was 68.1%.

Allegiant says it was affected by severe weather over the summer, particularly in Florida, where about half of its flights operate. A spokeswoman said in an email that it was also affected by Transportation Security Administration staff shortages at small airports over the summer, and staffing challenges with ground-service contractors, including station agents, ground handlers and fuelers. The airline also faced staffing challenges during the holidays that led to cancellations. Allegiant did manage not to involuntarily bump a single passenger.

The airlines surveyed received about half as many complaints in

How Airlines Stack Up

The overall performances of the largest U.S. airlines on the WSJ scorecard, from 2019 to 2021.



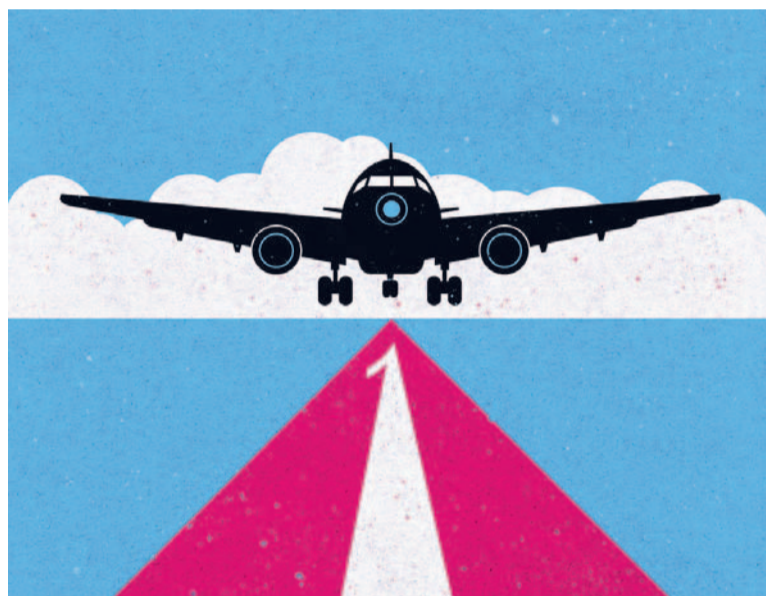
*Tied in 2019 †Tied in 2020 ‡Tied in 2021
 Sources: Anuvu; Transportation Department

2021 as they did in 2020, a banner year for such gripes, but still more than double the number from 2019. Spirit Airlines fielded the highest rate of complaints of any airline analyzed, and declined to comment.

One area that prevented Delta from making a clean sweep was its performance on baggage, in which the airline ranked fourth. Mr. Snell says the airline uses wireless baggage tracking that lets customers know where their luggage is, and will continue to invest in better tools.

American lost the most bags, with a rate of about 7.5 bags mishandled per 1,000, according to DOT data. Mr. Seymour says about 35% of American bags are transferred at its hub at Dallas Fort-Worth International Airport. The airline operates out of all five terminals, with none of the baggage systems connected, Mr. Seymour says. The airline has brought in a new managing director who is working with airport teams and IT to upgrade software and improve baggage handling across all airports.

—Harry Carr contributed to this article.



PERSONAL BOARD OF DIRECTORS

The trusted advisers of top business leaders

Mary Dillon

Executive Chair, Ulta Beauty Inc.



During Mary Dillon's eight-year run as chief executive of Ulta Beauty Inc., its market capitalization nearly tripled to more than \$18 billion. Its number of stores doubled. And the beauty-products retailer significantly enlarged its array of luxury brands.

Her childhood was far from luxurious, however. Her parents—a steelworker and a homemaker—raised Ms. Dillon and five siblings in a Chicago bungalow with a single bathroom for much of her early life. She partly paid for her degree from the University of Illinois in Chicago by waitressing at a burger joint, cleaning apartments and tutoring.

She chose a business major because "I knew I needed to get a job right out of school," she says. "I didn't even know what an executive was."

Quaker Oats Co. soon picked Ms. Dillon for its brand-management training program. She got her first executive role at Quaker by age 27. PepsiCo Inc. acquired her employer in 2001, and Ms. Dillon eventually advanced to running Pepsi's Quaker Foods division.

She next led global marketing for McDonald's Corp.

In 2010, Ms. Dillon made a radical industry shift, accepting the CEO job at U.S. Cellular Corp. She jumped to Ulta Beauty in 2013. Ms. Dillon, now 60, remains its executive chair.

Here are four of her trusted advisers. —Joann S. Lublin



Andy McKenna
 Chairman emeritus of McDonald's Corp.

Mr. McKenna has known Ms. Dillon since her 2005 arrival at McDonald's, where he then chaired the board. He told Ms. Dillon she should keep her style uncomplicated because "it's what sets you apart." Her honest, straightforward approach "left no doubt about what she said and meant," Mr. McKenna recalls. His comments persuaded Ms. Dillon to deliver an informative but fun speech before thousands of franchisees at a McDonald's 2008 convention. She even refused to use the company-provided speech coach, Ms. Dillon says: "I did it my own way."



Sol Trujillo
 Chairman of Trujillo Group LLC

The two met during a Pepsi leadership-development program in 2002. She was a marketing vice president, and he was a Pepsi board member. Mr. Trujillo, a telecom-industry veteran, later encouraged Ms. Dillon to become CEO of U.S. Cellular. "I watched her first transform the wireless company" and next, Ulta Beauty, he says. Mr. Trujillo, who chairs the non-profit Latino Donor Collaborative, also broadened her understanding about the power of Latino consumers in the U.S. "She has taken the [advice] to heart, which has led to market-leading growth for Ulta," he says.



Anne Mulcahy
 Former chairwoman and CEO of Xerox Corp.

The longtime Xerox leader—and Target Corp. director—coached Ms. Dillon about effectively expressing her views during board meetings once Ms. Dillon landed her first corporate directorship at Target in 2007. When Ms. Dillon stepped down as Ulta Beauty CEO, Ms. Mulcahy proposed that she be very picky about her future pursuits. This idea "definitely came from my own learning and mistakes" following her 2009 retirement from Xerox's helm, Ms. Mulcahy says. While being selective, Ms. Dillon recently joined the board of startup Daily Harvest, a subscription food service.



Tracee Ellis Ross
 Actress, producer and CEO of Pattern Beauty

The executives bonded during 2018 talks where Ms. Ross selected Ulta as the first retail partner for Pattern Beauty. Founded by the Black actress, Pattern Beauty offers haircare products to people with curly, coily and tight textured hair. Ms. Dillon chose her as Ulta Beauty's first diversity and inclusion adviser. "Tracee brings a unique perspective" in driving greater internal accountability for essential diversity initiatives, she says. Ms. Ross says she counseled Ms. Dillon that increasing diversity often requires "looking at the spaces where inequity is baked in...and hard to see."

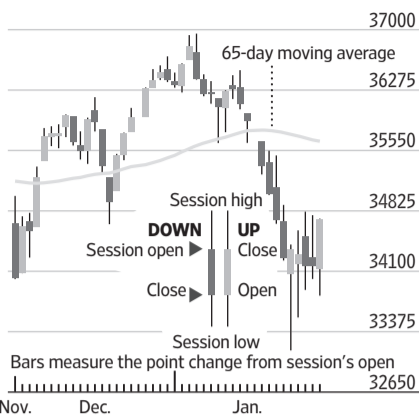
MARKETS DIGEST

Dow Jones Industrial Average

34725.47
▲ 564.69
or 1.65%
All-time high
36799.65, 01/04/22

Last Year ago
Trailing P/E ratio 20.13 29.60
P/E estimate * 18.41 20.05
Dividend yield 1.99 2.01

Current divisor
0.15172752595384

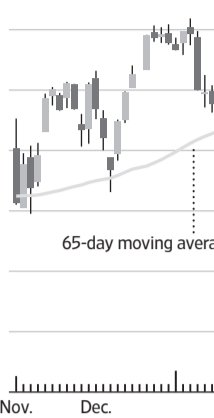


Weekly P/E data based on as-reported earnings from Birinyi Associates Inc. † Based on Nasdaq-100 Index

S&P 500 Index

4431.85
▲ 105.34
or 2.43%
All-time high
4796.56, 01/03/22

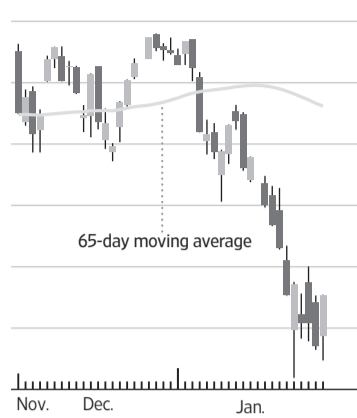
Last Year ago
Trailing P/E ratio * 25.96 40.93
P/E estimate * 19.72 22.15
Dividend yield * 1.40 1.58



Nasdaq Composite Index

13770.57
▲ 417.79
or 3.13%
All-time high:
16057.44, 11/19/21

Last Year ago
Trailing P/E ratio ** 33.75 38.75
P/E estimate ** 23.89 29.89
Dividend yield ** 0.70 0.74



Track the Markets: Winners and Losers

A look at how selected global stock indexes, bond ETFs, currencies and commodities performed around the world for the week.

Stock index	Currency, vs. U.S. dollar	Commodity, traded in U.S.*	Exchange-traded fund
Nymex natural gas			22.66%
S&P 500 Energy		5.01	
Nymex RBOB gasoline		4.09	
Soybeans		3.94	
Nymex ULSD		3.50	
Corn		3.20	
BOVESPA Index		2.72	
S&P 500 Information Tech		2.26	
Lean hogs		2.00	
Nymex crude		1.97	
Bloomberg Commodity Index		1.70	
WSJ Dollar Index		1.45	
Dow Jones Industrial Average		1.34	
S&P 500 Financials		1.32	
Wheat		0.80	
S&P 500		0.77	
S&P 500 Health Care		0.72	
S&P/TSX Comp		0.58	
S&P 500 Telecom Svcs		0.55	
iSh TIPS Bond		0.17	
Nasdaq-100		0.11	
Nasdaq Composite		0.01	
iShJPMUSEmgBd		-0.17	
S&P 500 Real Estate		-0.21	
iSh 1-3 Treasury		-0.21	
iSh 7-10 Treasury		-0.28	
VangdTotIntIBd		-0.29	
Chinese yuan		-0.35	
Indonesian rupiah		-0.35	
iSh 20+ Treasury		-0.35	
FTSE 100		-0.37	
VangdTotalBd		-0.40	
S&P 500 Consumer Staples		-0.43	
S&P MidCap 400		-0.62	
Russian ruble		-0.77	
Norwegian krone		-0.80	
S&P SmallCap 600		-0.81	
Indian rupee		-0.84	
iShIBoxx\$HYCp		-0.89	
S&P 500 Materials		-0.93	
iShIBoxx\$InvGrdCp		-0.93	
iShNatIMuniBd		-0.93	
S&P 500 Consumer Discr		-0.96	
Russell 2000		-0.98	
IBEX 35		-0.98	
UK pound		-1.07	
Dow Jones Transportation Average		-1.30	
Japanese yen		-1.34	
S&P 500 Utilities		-1.36	
South Korean won		-1.41	
CAC-40		-1.45	
S&P 500 Industrials		-1.47	
Canada dollar		-1.51	
Mexico peso		-1.60	
Euro area euro		-1.74	
S&P/BMV IPC		-1.82	
DAX		-1.83	
FTSE MIB		-1.83	
STOXX Europe 600		-1.87	
Swiss franc		-2.08	
Euro STOXX		-2.27	
S&P gold		-2.56	
S&P/ASX 200		-2.62	
Australian dollar		-2.66	
NIKKEI 225		-2.92	
S&P BSE Sensex		-3.11	
South African rand		-3.17	
Shanghai Composite		-4.57	
Comex copper		-4.76	
Hang Seng		-5.67	
KOSPI Composite		-6.03	
Comex silver		-8.28	

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	1,063,217,865	14,902,843
Adv. volume*	794,969,350	10,073,377
Decl. volume*	261,303,994	4,520,513
Issues traded	3,535	281
Advances	2,265	149
Declines	1,130	123
Unchanged	140	9
New highs	10	...
New lows	542	39
Closing Arms ¹	0.80	0.57
Block trades*	4,352	134

	Nasdaq	NYSE Arca
Total volume*	4,940,316,040	393,516,176
Adv. volume*	3,966,492,037	297,863,854
Decl. volume*	934,263,520	94,891,961
Issues traded	5,058	1,704
Advances	3,161	1,346
Declines	1,643	342
Unchanged	254	16
New highs	20	25
New lows	1,152	362
Closing Arms ¹	0.45	1.51
Block trades*	22,904	1,251

* Primary market NYSE, NYSE American NYSE Arca only.
(TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD	% chg 3-yr. ann.
Dow Jones										
Industrial Average	34731.77	33807.51	34725.47	564.69	1.65	36799.65	29982.62	15.8	-4.4	12.3
Transportation Avg	15050.73	14567.00	15048.62	238.69	1.61	17039.38	12087.99	24.5	-8.7	14.9
Utility Average	941.55	921.70	941.03	10.78	1.16	980.78	795.61	10.4	-4.1	10.1
Total Stock Market	44705.40	43266.29	44699.51	1061.96	2.43	48929.18	39056.49	14.4	-8.1	17.9
Barron's 400	994.57	966.61	994.56	17.11	1.75	1127.20	866.20	14.8	-10.1	14.3
Nasdaq Stock Market										
Nasdaq Composite	13771.91	13236.56	13770.57	417.79	3.13	16057.44	12609.16	5.4	-12.0	24.8
Nasdaq-100	14457.78	13880.48	14454.61	451.50	3.22	16573.34	12299.08	11.8	-11.4	29.2
S&P										
500 Index	4432.72	4292.46	4431.85	105.34	2.43	4796.56	3714.24	19.3	-7.0	18.8
MidCap 400	2578.44	2497.66	2578.31	48.49	1.92	2910.70	2340.12	10.2	-9.3	12.4
SmallCap 600	1271.86	1231.92	1271.86	19.37	1.55	1466.02	1188.71	7.0	-9.3	11.5

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD	% chg 3-yr. ann.
Other Indexes										
Russell 2000	1968.51	1901.36	1968.51	37.22	1.93	2442.74	1931.29	-5.1	-12.3	10.1
NYSE Composite	16400.01	15998.69	16397.86	245.74	1.52	17353.76	14397.20	13.9	-4.5	10.8
Value Line	617.81	599.77	617.81	9.95	1.64	696.40	579.55	6.6	-8.1	6.3
NYSE Arca Biotech	4951.65	4749.07	4950.63	159.79	3.34	6319.77	4790.85	-17.3	-10.3	1.2
NYSE Arca Pharma	797.06	780.73	796.99	11.04	1.40	828.58	667.24	14.0	-3.7	13.0
KBW Bank	134.45	130.70	134.42	1.37	1.03	147.56	97.78	37.5	1.7	11.1
PHLX [§] Gold/Silver	121.14	119.01	121.09	-1.05	-0.86	166.01	117.06	-12.6	-8.6	19.1
PHLX [§] Oil Service	66.17	63.51	65.14	0.45	0.69	69.77	46.77	39.3	23.6	-11.9
PHLX [§] Semiconductor	3304.17	3147.48	3303.39	59.40	1.83	4039.51	2762.75	14.4	-16.3	38.1
Cboe Volatility	32.82	27.28	27.66	-2.83	-9.28	33.09	15.01	-16.4	60.6	13.6

§ Nasdaq PHLX Sources: FactSet; Dow Jones Market Data

International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
World	MSCI ACWI	705.12	10.37	1.49	-6.6
	MSCI ACWI ex-USA	327.60	-0.18	-0.05	-4.9
	MSCI World	3005.63	50.29	1.70	-7.0
	MSCI Emerging Markets	1191.14	-0.92	-0.08	-3.3
Americas	MSCI AC Americas	1693.51	39.28	2.37	-7.3
Canada	S&P/TSX Comp	20741.75	197.64	0.96	-2.3
Latin Amer.	MSCI EM Latin America	2239.90	-16.17	-0.72	5.2
Brazil	BOVESPA	111910.10	-701.55	-0.62	6.8
Chile	S&P IPSA	2956.14	-12.93	-0.44	5.3
Mexico	S&P/BMV IPC	50661.86	195.84	0.39	-4.9
EMEA	STOXX Europe 600	465.55	-4.78	-1.02	-4.6
Eurozone	Euro STOXX	456.17	-4.64	-1.01	-4.7
Belgium	Bel-20	4047.55	-57.90	-1.41	-6.1
Denmark	OMX Copenhagen 20	1632.96	-23.17	-1.40	-12.4
France	CAC 40	6965.88	-57.92	-0.82	-2.6
Germany	DAX	15318.95	-205.32	-1.32	-3.6
Israel	Tel Aviv	1917.22	...	Closed	-3.1
Italy	FTSE MIB	26565.41	-317.06	-1.18	-2.9
Netherlands	AEX	744.26	-9.53	-1.26	-6.7
Russia	RTS Index	1407.04	7.40	0.53	-11.8
South Africa	FTSE/JSE All-Share	73454.96	-49.08	-0.07	-0.3
Spain	IBEX 35	8609.80	-96.20	-1.10	-1.2
Sweden	OMX Stockholm	919.90	-3.75	-0.41	-11.3
Switzerland	Swiss Market	12104.44	-72.46	-0.60	-6.0
Turkey	BIST 100	1983.18	-14.51	-0.73	6.8
U.K.	FTSE 100	7466.07	-88.24	-1.17	1.1
U.K.	FTSE 250	21643.30	-211.27	-0.97	-7.8
Asia-Pacific	MSCI AC Asia Pacific	182.82	1.29	0.71	-5.3
Australia	S&P/ASX 200	6988.10	149.82	2.19	-6.1
China	Shanghai Composite	3361.44	-32.81	-0.97	-7.6
Hong Kong	Hang Seng	23550.08	-256.92	-1.08	0.7
India	S&P BSE Sensex	57200.23	-76.71	-0.13	-1.8
Japan	NIKKEI 225	26717.34	547.04	2.09	-7.2
Singapore	Straits Times	3246.33	-13.70	-0.42	3.9
South Korea	KOSPI	2663.34	48.85	1.87	-10.6
Taiwan	TAIEX	17674.40	...	Closed	-3.0
Thailand	SET	1639.51	5.34	0.33	-1.1

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	52-Week Low	% chg
KnightScope	KSCP	16.29	10.38	175.63	16.29	5.91	...
Yoshitsu ADR	TKLF	3.40	0.85	33.33	43.00	2.50	...
Mawson Infrastructure	MIGI	4.63	0.90	24.13	17.25	2.00	105.7
Dave	DAVE	11.39	2.18	23.67	13.86	4.62	...
Provention Bio	PRVB	4.16	0.76	22.35	15.98	3.40	-69.8
Regencell Bioscience	RGC	29.90	5.33	21.69	59.00	6.00	...
Rallybio Holdings	RLYB	12.02	2.13	21.54	25.78	8.06	...
Clearfield	CLFD	58.28	9.63	19.79	86.71	27.67	86.1
FGI Industries	FGI	3.77	0.61	19.30	5.53	3.00	...
Park City Group	PCYG	6.30	0.98	18.42	7.91	4.80	4.3
Insulet	PODD	230.59	35.79	18.37	324.81	193.70	-13.7
TG Therapeutics	TGTX	9.73	1.46	17.65	56.50	8.05	-79.8
Everspin Technologies	MRAM	9.35	1.37	17.17	14.36	4.70	75.1
Affirm Holdings	AFRM	59.7					

MARKET DATA

Futures Contracts

Table of Metal & Petroleum Futures, Copper-High (CMX), Gold (CMX), Palladium (NYM), Platinum (NYM), Silver (CMX), Crude Oil, Light Sweet (NYM), NY Harbor Wulsd (NYM), Gasoline, Natural Gas (NYM), Corn (CBT), Soybean, Soybean Meal, Soybean Oil, Rough Rice, Wheat, Wheat KCS, Cattle-Live, Cattle-Live (CME), Hogs-Lean, Lumber, Milk, Cocoa, Coffee, Sugar-World, Sugar-Domestic.

Table of Interest Rate Futures, Ultra Treasury Bonds (CBT), Treasury Bonds (CBT), Treasury Notes (CBT), 2 Yr. Treasury Notes (CBT), 30 Day Federal Funds (CBT), 10 Yr. Del. Int. Rate Swaps (CBT), Eurodollar (CME), Japanese Yen (CME).

Table of Index Futures, Mini DJ Industrial Average (CBT), Mini S&P 500 (CME), Mini S&P Midcap 400 (CME), Mini Nasdaq 100 (CME), Mini Russell 2000 (CME), Mini Russell 1000 (CME), U.S. Dollar Index (ICE-US).

Table of Currency Futures, Japanese Yen (CME), Eurodollar (CME), Japanese Yen (CME).

Exchange-Traded Portfolios

WSJ.com/ETFResearch

Largest 100 exchange-traded funds, latest session

Table of Exchange-Traded Portfolios (ETFs) with columns for Symbol, Price, Chg, YTD, and various fund names like ARKK, DXY, XLE, etc.

Bonds

wsj.com/market-data/bonds/benchmarks

Global Government Bonds: Mapping Yields

Yields and spreads over or under U.S. Treasuries on benchmark two-year and 10-year government bonds in selected other countries; arrows indicate whether the yield rose (▲) or fell (▼) in the latest session

Table of Global Government Bonds with columns for Country, Maturity, Yield, and Spread.

Borrowing Benchmarks

WSJ.com/bonds

Money Rates

Key annual interest rates paid to borrow or lend money in U.S. and international markets.

Table of Money Rates including Inflation, U.S. consumer price index, International rates, Prime rates, and Policy Rates.

Corporate Debt

Prices of firms' bonds reflect factors including investors' economic, sectoral and company-specific expectations

Investment-grade spreads that tightened the most...

Table of Corporate Debt with columns for Issuer, Symbol, Coupon, Yield, Maturity, and Spread.

Dividend Changes

Dividend announcements from January 28.

Table of Dividend Changes with columns for Company, Symbol, Yld, Amount, Frq, Payable/Record.

High-yield issues with the biggest price increases...

Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-run Treasury; 100 basis points=one percentage pt.

Table of High-yield issues with columns for Issuer, Symbol, Coupon, Yield, Maturity, and Spread.

New Highs and Lows

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.

Table of New Highs and Lows with columns for Stock, Sym, Hi/Lo, Chg, 52-Wk %.

ETF

Table of ETFs with columns for Symbol, Price, Chg, YTD.

Table of ETFs with columns for Symbol, Price, Chg, YTD.

ETF

Table of ETFs with columns for Symbol, Price, Chg, YTD.

Table of ETFs with columns for Symbol, Price, Chg, YTD.

ETF

Table of ETFs with columns for Symbol, Price, Chg, YTD.

Table of ETFs with columns for Symbol, Price, Chg, YTD.

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 ISE.

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 from its previous closing price was \$2 or higher.

Footnotes:
+New 52-week high.
-New 52-week low.
dd-Indicates loss in the most recent four quarters.
FD-First day of trading.

H-Does not meet continued listing standards.
IF-Late filing.
dd-Indicates loss in the most recent four quarters.
q-Temporary exemption from Nasdaq requirements.
T-NYSE bankruptcy.

V-Trading halted on primary market.
VJ-In bankruptcy or receivership or being reorganized under the Bankruptcy Code, or securities assumed by such companies.

Stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from 4 p.m. the previous day.

Friday, January 28, 2022

Table with columns: YTD %Chg, 52-Week %Chg, Hi, Lo, Stock, Yld, PE, Dividend Yield, Net Chg. Lists various stocks like AECOM, AES, Affix, Aflac, AIG, etc.

Friday, January 28, 2022

Table with columns: YTD %Chg, 52-Week %Chg, Hi, Lo, Stock, Yld, PE, Dividend Yield, Net Chg. Lists various stocks like ABB, ABBV, ABBW, ABBN, etc.

Friday, January 28, 2022

Table with columns: YTD %Chg, 52-Week %Chg, Hi, Lo, Stock, Yld, PE, Dividend Yield, Net Chg. Lists various stocks like ABB, ABBV, ABBW, ABBN, etc.

Friday, January 28, 2022

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Friday, January 28, 2022

Table with columns: YTD %Chg, 52-Week %Chg, Hi, Lo, Stock, Yld, PE, Dividend Yield, Net Chg. Lists various stocks like ABB, ABBV, ABBW, ABBN, etc.

Mutual Funds

Data provided by LIPPER L

Top 250 mutual-funds listings as of Nasdaq-published share classes by net assets.

e-Ex-Dividend, f-Previous day's quotation, g-Footnotes x and s apply. F-Footnotes x and s apply. F-Footnotes x and s apply.

12b-1-R redemption charge may apply, a-Stock split or dividend, f-Footnote x and s apply, v-Footnote x and s apply.

NA-Not available due to incomplete price, performance or cost data. NE-Not released by Lipper; data under review. NN-Fund not tracked. NS-Fund did not exist at period.

Friday, January 28, 2022

Table with columns: Fund, NAV, %YTD, %52-Week, Net YTD, Net 52-Week. Lists funds like TotRetBdl, EdgewoodGrnst, Fidelity, etc.

Friday, January 28, 2022

Table with columns: Fund, NAV, %YTD, %52-Week, Net YTD, Net 52-Week. Lists funds like ContraK, GlnCo, GroC, etc.

Friday, January 28, 2022

Table with columns: Fund, NAV, %YTD, %52-Week, Net YTD, Net 52-Week. Lists funds like IntEq, AllAsset, TITR, etc.

Friday, January 28, 2022

Table with columns: Fund, NAV, %YTD, %52-Week, Net YTD, Net 52-Week. Lists funds like AllAsset, TITR, PIMCO, etc.

Friday, January 28, 2022

Table with columns: Fund, NAV, %YTD, %52-Week, Net YTD, Net 52-Week. Lists funds like AllAsset, TITR, PIMCO, etc.

BUSINESS & FINANCE

Citi Fined for Misconduct in Hong Kong

By QUENTIN WEBB
Hong Kong's financial-markets regulator fined a unit of Citigroup Inc. and warned it would pursue action against some former staffers, after finding that some of the U.S. bank's stock traders misled investors over more than a decade.

failures "exposed a culture that encouraged chasing revenue at the expense of basic standards of honesty." He added that as the bank tried to increase its market share and grow its business, "deceptive practices were deployed at the expense of clients' best interest and to the detriment of market integrity."

positions using its own capital. The SFC said the Citigroup unit sent out mislabeled "indications of interest" to drum up business by suggesting it had potential takers for the other side of a trade, but its facilitation desk would ultimately often step in instead.

It blamed some former senior managers at the bank for supervisory failures, and said it would start disciplinary proceedings in due course. No individuals were named by the regulator on Friday.

Buyer Found for Taiwan Business
Citigroup Inc. agreed to sell its consumer-banking business in Taiwan to Singapore-based DBS Group Holdings Ltd., the latest in a series of divestitures as it shrinks its international retail footprint to focus more on serving businesses and affluent clients.

Citigroup last year laid out plans to exit consumer banking in 13 markets, including 10 in Asia, as well as Bahrain, Poland and Russia. It is concentrating its consumer-banking and wealth-management businesses in Hong Kong, Singapore, London and Dubai.

Italy's UniCredit Ends Talks to Take Over Russian Lender

By GIOVANNI LEGORANO
ROME—Italy's UniCredit SpA has pulled out of talks to take over Russian lender PJSC Bank Otkritie Financial Corp., one of the first instances where tensions over Ukraine have run into corporate deal making.

Earlier in January, the Italian bank launched a due-diligence process as part of a possible takeover of Otkritie, a bank that was bailed out by the Russian central bank in 2017. "Given the geopolitical environment, we decided to withdraw from the data room," UniCredit

Chief Executive Andrea Orcel said Friday. The collapse of the talks highlights the challenges that companies, especially in Europe, are facing amid the escalating tensions between the West and Russia over Ukraine.

nesses are attempting to balance their business interests in Russia with increasing pressure from their home governments to isolate Moscow. This week, Italian business leaders, including Mr. Orcel, held a videoconference with Russian President Vladimir Pu-

tin on how to foster business ties between the two countries. Eni SpA, a big Italian oil company, pulled out of the long-planned meeting at Rome's behalf. Western sanctions against Russia triggered by the country's 2014 annexation of Crimea have pushed many Euro-

pean companies to shrink their Russian operations. But many big companies continue to have close ties to Russia. Mr. Orcel, whose bank already owns the largest foreign lender in Russia, said that UniCredit remains committed to doing business in the country.

New Highs and Lows

Table with columns for Stock, 52-Wk % High/Low, and 52-Wk % Low/High. Lists various stocks and their performance metrics.

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BUSINESS & MARKETS

Steel Market Cools as Supplies Expand

By BOB TITA

The red-hot steel market is cooling.

Prices for steel have fallen from last year's record levels as expanding supplies exceed demand for the first time in more than a year, according to

steel-industry analysts and company executives.

Steel production in the U.S. rose by 19% last year from 2020, as surging demand followed Covid-19-related shutdowns of mills and depleted the country's steel supply.

Though prices remain high, executives say the drop is a relief for manufacturers and construction firms after months of panic buying and low inventories made U.S. steel the most expensive in the world last year. For U.S. steelmakers, though, sliding prices pose a risk with new steel plants under construction, potentially adding millions of tons of annual steel production over the next two years.

Since late September, when the spot-market price for hot-rolled sheet steel reached a record \$1,960 a ton, prices have fallen by more than one-third, according to S&P Global Platts. The decline has accelerated since the start of December, falling by \$480 to a recent \$1,270 a ton, a level last seen in March 2021.

"There's no longer a hunger to restock steel," said Jim Barnett, chief executive of Grand Steel Products Inc., a Michigan-based distributor that supplies steel to the automotive, appliance, construction and furniture industries. "That's had a direct and immediate impact on pricing."

Steel has been a major source of cost inflation for manufacturers during the past 18 months. Mr. Barnett and others in the industry said



U.S. Steel is doubling the steelmaking capacity of its Big River Steel operation in Arkansas.

they expect prices to continue to fall this year as new mills commence production and more imported steel arrives to fortify inventories.

Lower prices will likely take months to flow through supply chains, since many manufacturers purchase steel through fixed-price contracts, while other costs like semiconductors, transportation and labor remain high.

Bill Adler, president of Cleveland-based Stripmatic Products Inc., said steel is his company's largest expense, accounting for as much as 70% of the cost of the metal tubing his company makes for the automotive and truck industries. Before the pandemic, he said, steel accounted for about 50% of the tubes' cost.

"Seeing prices come down is a huge help to us," Mr. Adler

said. Stripmatic has started to offer bids on jobs based on lower steel prices, he said, after losing work last year to foreign-based competitors that could offer price quotes with less expensive steel.

As prices for steel soared last year, imported steel reasserted itself in the U.S. market after being held in check by tariffs in recent years. Lower prices for imported steel—even with tariffs and transportation costs—are attracting some manufacturers to the import market after years of staying away.

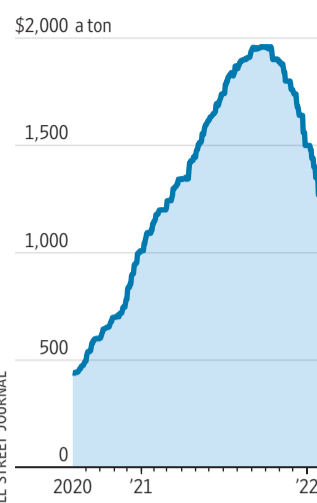
"We've gotten a little bit of foreign steel. We're dipping our toe in the water," said Stuart Speyer, president of Tennsco Corp., a Tennessee-based manufacturer of steel shelves, lockers and file cabinets.

Imports in 2021 from January through November rose 46% from 2020, according to the American Iron and Steel Institute trade group and the U.S. Census Bureau. The Biden administration's quota arrangement negotiated last year with the European Union will allow more than 3 million tons of steel a year to enter the U.S. without a tariff beginning this year.

As much as 10 million tons of additional production capacity for flat-rolled steel are expected to enter service in the U.S. by the end of 2024.

Nucor Corp., the largest producer of steel in the U.S., is building new mills in Kentucky and West Virginia. U.S. Steel Corp. is doubling the steel-making capacity of its Big River Steel operation in Arkansas. Analysts said the lat-

Hot-rolled coiled steel spot price



Source: S&P Global Platts

est building spree will test steel executives' resolve to avoid a market glut by keeping production aligned with demand.

Nucor said Thursday it plans to slowly start newly completed production capacity for more sheet steel at its Gallatin County, Ky., plant over the next couple months.

"We're going to be disciplined," Nucor Chief Executive Leon Topalian said. "We're not going to flood the market just because we want to produce the steel out of Gallatin."

Steel Dynamics Inc. CEO Mark Millett said he considers higher steel inventories, rising imports and falling prices as temporary, seasonal market conditions that will soon resolve themselves.

"We don't see any change in the underlying consumption of steel, nor do we see it happening over the months or quarters ahead," Mr. Millett told analysts this week. January, he said, has been one of Steel Dynamics' best months ever in terms of orders for flat-rolled steel.

The Indiana-based company expects to begin producing steel next month at a new mill in Texas that is projected to ship 2 million tons of sheet steel this year. Steelmakers brought about 8 million tons of flat-rolled steel capacity into the U.S. market in the past two years that were largely offset by closing or idling older, higher-cost mills in early 2020. Those moves were criticized by some steel customers who endured long waits for steel this summer.

Steel companies' continued pursuit of more new mills is undergirded by strong demand for steel during the pandemic, driven by increased spending on goods ranging from refrigerators and pickup trucks to building materials. Industry analysts and steel-company executives said production of consumer goods could accelerate further this year with more semiconductor chips, which held down auto production last year.

Even with steel prices falling, U.S. Steel's fourth-quarter net income topped \$1 billion, compared with \$49 million a year earlier, the company said Thursday. Nucor said its quarterly profit soared to \$2.25 billion from \$399 million in the 2020 period, despite a 6% decline in sheet-steel shipments.

Some expect steel prices to stabilize this year, settling at permanently higher levels than in the decade that preceded the Covid-19 outbreak and account for higher demand and rising costs for raw materials such as scrap steel.

"American manufacturers underbuilt and underproduced for years. That may be turning around," said Jeremy Flack, CEO of Flack Global Metals, a Chicago-based steel distributor. "The price of steel is going to be higher for everything."

China's Property Crisis Hits ESG Investors

By FRANCES YOON

Before the Chinese property sector ran into trouble, developers had rushed to issue green bonds, making them among the most prolific corporate issuers in this fast-growing corner of global finance.

But the selloff in China's property-bond market in recent months, and a string of defaults, have hammered prices for many of these dollar-denominated green or sustainable bonds, which finance environmentally friendly or social projects.

Creditors have suffered hefty losses. Several of the securities now trade at less than 30 cents on the dollar, indicating deep skepticism among investors that they will get back anything close to the original value.

China's developers are dealing with a difficult mix of government curbs on borrowing, falling home sales and weak sentiment among home buyers and investors.

The rapid growth of environmental debt markets opened a new funding channel for an industry that was already highly leveraged.

"Many investors have been too quick to focus on the open-ended notion of green benefits" rather than focusing on the borrower's overall creditworthiness, said Jeff Klingelhofer, co-head of investments at Thornburg Investment Management.

"Because green bonds remain relatively scarce and attract large inflows, issuers are often able to tap the market in more turbulent times and at yields that are more attractive," he said.

Green-bond sales by Chinese property companies grew at an even faster pace than a surging global market. Chinese property companies issued \$9.6 billion of green dollar bonds in 2021, up from \$2.5 billion the previous year, Dealogic data shows. Over the same period, total global sales of these bonds by nonfinancial corporations rose to \$64 billion from \$29 billion.

For a while, the boom appeared to work in everyone's favor. The bonds helped put a greener gloss on an industry that gobbles up land and raw materials such as concrete, steel and glass.

Issuers said the money

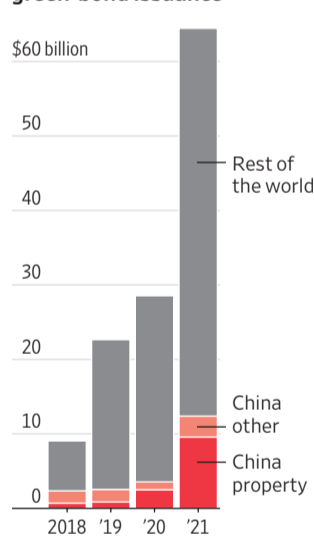
would help fund projects such as making buildings more energy-efficient, cutting emissions and introducing recycling facilities.

Meanwhile, investors in Asia welcomed the deals, saying the extra volume was helping to grow a market that lagged behind its equivalents in Europe and the U.S., and which had previously been largely based around green bonds from Chinese banks.

Demand was often sizable: Sinic Holdings Group Co., which held risky single-B credit ratings, sold its first green bond in January 2021. Investors placed more than \$2 billion of orders for the \$250 million one-year note, helping Sinic cut the coupon on the bond to a lower-than-planned 9.125%.

An investor who bought green bonds sold by Chinese property developers Cifi Holdings (Group) Co. and Zhenro Properties Group Ltd. said he bought them because he was familiar with the companies and their business practices, rather than because of goals set in green-bond frameworks. He added that the sector would benefit from better

Global corporate green-bond issuance*



*Dollar-denominated bonds

Source: Dealogic

transparency.

However, the picture has changed rapidly in the past few months, as China's property companies have come under increasing financial stress. Several issuers of bonds tied to environmental, sustainable and governance (ESG) are among those that have defaulted on their dollar debt, including

Shenzhen-based Kaisa Group Holdings Ltd., which in December failed to repay \$400 million of 6.5% sustainable bonds issued a year earlier.

Kaisa, one of the biggest offshore borrowers among China's real-estate companies after China Evergrande Group, has hired financial advisers to help restructure its entire \$11.8 billion of dollar bonds. Some of Kaisa's smaller peers that have issued ESG bonds, such as Sinic and Modern Land (China) Co., have also defaulted.

Others, such as Yuzhou Group Holdings Co. and Yango Group Co., have tried to ease their financial difficulties by negotiating so-called distressed debt exchanges with holders of some of their dollar bonds. That process, seen by ratings companies as akin to a form of default, has helped push down the prices of their other international debts, including their green bonds.

Just over a year ago, the junk-rated Yuzhou was able to sell \$562 million of green bonds due 2027, offering investors a relatively slender 6.35% coupon. Those bonds were recently bid at 19 cents on the dollar, according to Tradeweb.

Elliott to Sell Stake In Asian Bank

By JING YANG

One of the longest-running shareholder activism battles in Asia is coming to an end.

Bank of East Asia Ltd., a Hong Kong-based lender, said Friday it intends to pay up to the equivalent of about \$373 million to purchase all the shares held by U.S. activist hedge fund Elliott Management Corp.

Elliott has been retreating from Hong Kong, and had no representatives licensed by Hong Kong's Securities and Futures Commission since the end of last year. The firm declined to comment on the transaction and its presence in the Asian financial hub.

The deal, if completed, would conclude years of twists and turns between the two sides. It also follows a long slide in the bank's stock price.

Elliott, founded by American billionaire Paul Singer, began acquiring shares in the bank in 2010, and first called it to be put up for sale in 2016.

Since then, relations between Bank of East Asia and Elliott have been tense, with the bank resisting a sale but moving to shed some assets. Bank of East Asia, which was incorporated in 1918, is the last major family-backed lender in Hong Kong, after many smaller rivals were snapped up by buyers such as mainland Chinese firms over the years.

In March 2020, the two sides reached a truce, and Bank of East Asia agreed to conduct a strategic review to help assess whether it could sell assets or otherwise improve its business. The review eventually led to the Hong Kong bank agreeing to sell its insurance business in 2021 to AIA Group Ltd. in a \$650 million deal.

On Friday, Bank of East Asia said it plans to use its own cash to buy back a 8.43% stake held by Elliott, which is currently the bank's fourth-largest shareholder. The transaction needs approval from holders, excluding Elliott, of at least three-quarters of the bank's independent shares voted, according to a stock exchange filing.

Chinese Sales Fuel Apple Haul

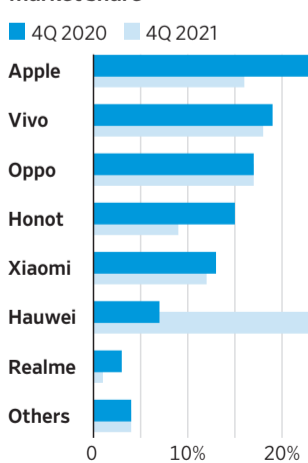
Continued from page B1

since the iPhone 12 with 5G cellular connectivity made its debut in late 2020. They picked up pace when the iPhone 13 lineup was introduced in September. During the iPhone 13's debut in China, it rose to first place in the market that initial week, according to Counterpoint Research.

Strong sales in the final three months of 2021 continued, allowing the company to capture the top position in the country, with 23% of the market compared with 16% a year earlier.

Meanwhile, Huawei, once Apple's biggest rival in China for the premium smartphone market, fell to 7% of the market from 23%. U.S. sanctions have curbed Huawei's ability to buy chips and use American

China smartphone market share



Source: Counterpoint Research

software, such as Alphabet Inc.'s Android operating system, reducing its supply of phones and prompting users to ditch the brand.

Apple was last No. 1 in China during the final three months of 2015, with its iPhone 6 model lineup, which included the first large-screen version of the phone, according to Counterpoint. The iPhone 6 was introduced in late 2014.

Similarly, research firm Canals figures Apple took the No. 1 spot in the final three months of 2021 with unit shipments rising 40% from a year earlier to 21.5 million smartphones in China. That growth outpaced the overall China market that gained 3% during the period while rising just 1% to 333 million units in 2021 compared with 2020. The market was still down more than 10% from 2019's pre-Covid-19 era shipments.

The pricing of the iPhone 13 lineup, which included better processors and cameras than the iPhone 12, was greeted with surprise in China when it was announced. Consumers flooded social media with positive comments about how the company had kept the price in line with the iPhone 12 models despite rising costs that had driven up prices for other consumer goods.

The iPhone benefited from a lack of high-end competition among Android offerings in the market, Counterpoint analyst Ethan Qi said. "There's less competition from the Android camp for smartphones above \$800 and part of previ-

ous Huawei smartphone users had switched to iPhone," he said.

All of that benefited Apple. The company on Thursday said the October-through-December period saw overall profit rise 20% to a record \$34.6 billion. Apple sales in its home market of the Americas rose 11% to \$51.5 billion, remaining its largest region by sales.

Analyst Dan Ives of Wedbush has called China growth "the fuel in the engine" for Apple.

The company doesn't break out specific product lines by geographic region. Yet Mr. Cook said the China growth is more than just iPhone, saying the improvements are across its product lines and that Mac computers and wearables had record results.

"So we're expanding the number of customers that we can talk to and sell to, and so I couldn't be more bullish," Mr. Cook said.

The success of the iPhone 13 in made more remarkable by the fact that the lineup is so similar in design to the iPhone 12 series. The

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

The Real Brake on The EV Revolution

The supply chain for electric-vehicle batteries is uncomfortably dependent on China—for now, at least

Electric vehicles won't get a "100% Made in U.S.A." stamp for a good while yet.

U.S. auto makers are pouring billions of dollars into domestic EV factories and lithium-ion battery plants to supply them. **General Motors** this week announced \$6.6 billion of EV investments into two Michigan plants, including \$1.3 billion from its South Korean battery partner, **LG Energy Solution**. **Ford** announced similar projects in Tennessee and Kentucky last September alongside LG's archrival, **SK Innovation**.

Move further upstream in the U.S. EV supply chain, though, and the torrent of capital turns into a trickle. Unless that changes, the headlong pursuit of EVs in Detroit and California alike risks replacing the American driver's dependence on Middle Eastern oil with an equally problematic reliance on Chinese battery materials.

Some projects are under way, often led by partnerships or supply deals with car makers. Relative

to the scale of investment downstream, though, they seem small.

GM last month announced a joint venture with Posco Chemical, another South Korean company, to open a cathode materials plant in the U.S. in 2024. The cathode is the most valuable component of a battery cell, accounting for about 40% of its cost. The car maker said the factory would employ hundreds of people.

At the start of the supply chain, a clutch of miners are developing U.S. prospects for battery materials such as lithium and nickel. Toronto-listed Talon Metals, which owns the Tamarack nickel project in Minnesota alongside iron-ore giant Rio Tinto, last week said it would sell stock worth at least 33.9 million Canadian dollars, or roughly \$27 million, to further its plans, exploiting a strong share price after Tesla committed to purchase at least 75,000 metric tons of Tamarack nickel over six years.

Yet it is the obscure intermediate links in the supply chain that



Even as U.S. auto makers expand electric-vehicle production, China may keep dominating key parts of the industry.

require the most attention. This is where China really dominates the battery industry today.

Chinese lithium miners Ganfeng Lithium and Tianqi Lithium do more work turning the metal they extract into useful chemical compounds than their big U.S. peer, Albemarle. Ganfeng even makes EV batteries itself. In their emphasis on vertical integration, the Chinese players are in some ways clean-energy takes on the likes of Exxon Mobil and Royal Dutch Shell—"integrated oil companies" that pump, refine and market their resources.

As for nickel, there is so little processing in the U.S. that the only domestic production site today, the Eagle Mine in Michigan owned by Lundin Mining, sends its output to Canada for processing. From there it might head to the processing hub of Finland or elsewhere before reaching global markets. In the context of batteries, that usually means China.

Until this kind of situation changes, America's new battery plants will have to source materials chiefly from China, handing

geopolitical leverage to Beijing as the EV industry expands. The need to avoid this outcome is a rare point of bipartisan consensus in Washington. The infrastructure bill President Biden signed into law in November included \$6 billion of funding for the production and recycling of batteries and their raw materials, with priority for companies owned and operated in the U.S.

Recycling might seem a low priority given how few EVs are on the road, but recycling startups are in fact among the more promising American battery-materials suppliers. Redwood Materials, the five-year-old brainchild of Tesla's longtime chief technology officer, JB Straubel, and its smaller rival Li-Cycle collect waste battery materials, break them down and then reprocess them for sale back into the supply chain. Redwood also plans to turn its recycled materials into cathodes.

The recall of GM's Bolt model last year was a boon for Li-Cycle, which has a partnership with the car maker. Such problems aside, the recyclers will rely much more

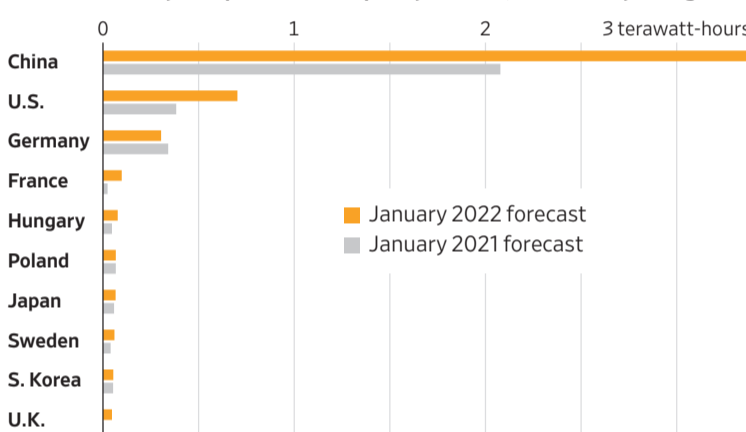
on manufacturing scrap than end-of-life EVs for source matter over the coming decade. As much as 40% of raw materials can be lost as battery factories ramp up while trying to meet demanding automotive quality requirements. Even mature plants typically scrap 5% to 10% of their supplies.

A private funding round valued Redwood at \$3.7 billion last summer, and it got a further \$50 million from Ford in September. The sector needs much more investment, but its economics remain unproven. Competing with a much better-established Chinese industry isn't an obvious proposition for investors, even with subsidies thrown in.

That leaves U.S. car makers tentatively leading even the upstream supply-chain push, in alliance with the Energy Department. The future of EVs is often assumed to depend on solving consumer problems such as slow charging infrastructure and range anxiety. Instead, they could be slowed down more by the conundrum of building the foundations of a battery industry.

—Stephen Wilmot

Forecast battery-cell production capacity in 2030, now and a year ago



Source: Benchmark Mineral Intelligence



Qualtrics and SAP executives ring the closing bell in 2018. SAP has since spun out Qualtrics, but retains a big stake.

After a Selloff, Qualtrics Adds Up

A rough ride since its IPO has turned the company into a relative bargain

Qualtrics's first year on the public market has been a rough one. But it has made the cloud software company into a relative rarity—an affordable, high-growth name.

The Utah-based company, which provides subscription-based software to businesses looking to evaluate their customers' experiences, went public a year ago Friday. That was a couple of years later than its original plan; German software giant SAP bought Qualtrics for \$8 billion in cash just days ahead of its first proposed listing in November 2018. But Qualtrics was doing well enough—especially relative to SAP's much larger but still largely traditional enterprise software business—that SAP decided to spin the newest member of its family back out.

SAP remains a majority owner of Qualtrics, which has led some investors to assign a conglomerate discount to the shares. The stock has been a lackluster performer more or less since its listing, even before a massive selloff hit the entire cloud sector in November, driven by a market rotation out of high-valued and riskier sectors. Ahead of its fourth-quarter results

late Wednesday, Qualtrics shares closed 19% below their initial public offering price and 47% down in the last three months. That is worse than most of its peers have fared recently; the BVP Nasdaq Emerging Cloud Index has shed nearly 35% over the same span.

That seems excessive in light of Qualtrics's solid financial performance. Strong demand for the

Qualtrics's stock decline seems excessive in light of its solid financial performance.

company's experience-management software has allowed Qualtrics to beat Wall Street's revenue targets every quarter since listing, with the largest beat coming in the latest period. Fourth-quarter revenue jumped 48% year over year to \$316 million, with growth accelerating from the 41% rise reported for the third quarter. The company's annual revenue also just crossed the \$1 billion mark for the first time, and it projected 31% revenue growth for 2022—besting analysts'

projections for 28% growth for the year.

But even with the stock's 6% jump Thursday following the results, Qualtrics is still trading at just over 10 times forward sales. Only one other company on the BVP Index generating more than \$1 billion in annual revenue and projected to exceed 30% growth this year trades at a lower multiple.

That should appeal to investors looking to take advantage of the sector's recent reset. Qualtrics was highlighted in a report by Goldman Sachs last month as one of a handful of cloud software companies "with balanced growth and margin profiles at a reasonable price" in the midst of the selloff. And following the latest results, Brian Schwartz of Oppenheimer wrote that the stock is "pricing in a fairly muted future outcome." Brian Peterson of Raymond James predicted Thursday that Qualtrics "will remain on a 30% growth trajectory for the foreseeable future."

In a sector where cheap valuations typically underscore major problems, anomalies like Qualtrics are worth checking out.

—Dan Gallagher

Chevron Still Has Plenty of Gas in Its Tank

With its strong balance sheet, the company will have flexibility to woo investors this year

Chevron was off to a great start in 2022, but investors suddenly see its barrel as only half full.

The company started the year off with a bang, with its shares touching a record high on Thursday after it announced a 6% hike to its dividend, which is more generous than the 4% analysts had expected. Rival **Exxon Mobil** kept its payout unchanged on the same day but is expected to raise it later.

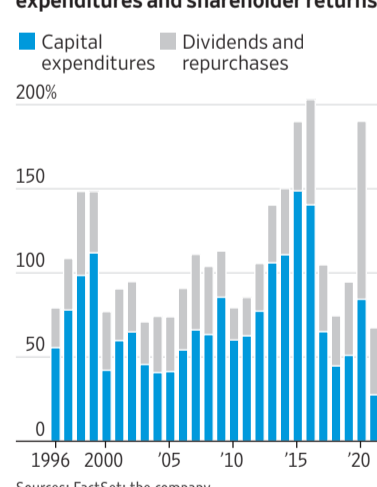
But Chevron's shares dropped sharply after full-year results were unveiled Friday morning. Despite reporting its best year of earnings since 2014, when oil prices were \$100 a barrel on average, Chevron's numbers weren't quite strong enough to sustain the excitement.

The company announced Friday that it generated \$29.2 billion worth of cash flow from operations in 2021, almost three times what it did in the bruising year that was 2020. It was nevertheless about \$2 billion short of what analysts polled by Visible Alpha had expected. Chevron typically maximizes cash generation during good years: In 2018, when oil prices were—on an annual basis—similar to 2021, the company generated more than \$30 billion of cash flow from operations.

Most of the disappointment seems to have had rather boring administrative roots, not fundamental causes. On an earnings call on Friday, Chevron executives chalked the lower-than-expected cash flow to slow federal tax refunds and some international contracts where additional taxes kick in when oil and liquefied-natural-gas prices surge. Additionally, those higher LNG prices in the fourth quarter were something of a mixed bag: Chevron didn't quite get to benefit from all the price upside because more customers opted to take delivery through contracts, making fewer cargoes available for spot sales.

Chevron should be a reliable cash gusher the rest of the year as

Share of Chevron's cash flow from operations spent on capital expenditures and shareholder returns



Sources: FactSet; the company

long as oil prices hold up to expectations; some on Wall Street are calling for them to reach \$100 a barrel by the summer. But bullish oil forecasts can't always be trusted, so what will really set companies apart this year is their ability to return cash to shareholders, no matter what the oil price. In 2021, Chevron reinvested roughly 28% of its operating cash flow back into its business, devoting another 40% to dividends and buybacks. That is quite the switch from historical norms, when it almost always overspent on capital expenditures compared with shareholder returns. Based on Friday's guidance, the company is slated to return more than 42% of operating cash flow to shareholders this year and could do even better since it has the strongest balance sheet among peers.

Despite trading near historic highs, Chevron's shares remain cheap. Its enterprise value as a multiple of earnings before interest, taxes, depreciation and amortization is about 6% below that of rival Exxon. That gives it plenty of fuel for the road ahead.

—Jinjo Lee



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ILLUSTRATION BY MICHAEL GLENWOOD; ALAMY (BOOKS)

m.glenwood

‘No Regrets.’ It’s an alluring motto, a handy recipe for success and satisfaction. Reject the pain of looking backward, revel in the pleasure of dreaming forward, and the good life will ensue.

Little wonder that this simple maxim transcends political and cultural divides. The Rev. Dr. Norman Vincent Peale—Christian, conservative, mentor to Republican presidents—urged his followers to drop the very word “regret” from their vocabularies. Justice Ruth Bader Ginsberg—Jewish, liberal, appointee of Democratic presidents—concurred. “Waste no time on...regret,” she counseled in her 2016 book, “My Own Words.” Jazz legend Ella Fitzgerald recorded a song called “No Regrets” in 1968—as did country star Emmylou Harris in 1989 and rapper Eminem in 2020. Some people endorse this world view so deeply that they tattoo the two-word credo on their bodies.

Yet for all its intuitive appeal, the “No Regrets” approach is an unsustainable blueprint for living. At a time like ours—when teenagers are battling unprecedented mental-health challenges, adults are gripped by doubt over their financial future, and the cloud of an enduring pandemic casts uncertainty over all of our decisions—it is especially counterproductive.

For the last three years, I have examined several decades of research on the science of regret. At the same time, I have collected and analyzed more than 16,000 individual descriptions of regret from people in 105 countries who responded to my online sur-

‘No Regrets’ Is No Way To Live

It’s tempting never to look back, but we’re hard-wired to focus on our mistakes. Rather than deny them, we can lift ourselves up by seeing them in a new light.

By Daniel H. Pink

vey invitation. One of them was Abby Henderson, a 30-year-old Arizonan, who wrote: “I regret not taking advantage of spending time with my grandparents as a child. I resented their presence in my home and their desire to connect with me, and now I’d do anything to get that time back.” Rather than shut out this regret or be hobbled by it, she altered her approach to her aging mother and father and began recording and compiling stories from their lives. “I don’t want to feel the way when my parents die that I felt about my grandparents of ‘What did I miss?’”

The conclusion from both the science and the survey is clear: Regret is not dangerous or abnormal. It is healthy and universal, an integral part of being human. Equally important, regret is valuable. It clarifies. It instructs. Done right, it needn’t drag us down; it can lift us up.

Granted, regret feels awful. It is the stomach-churning sensation that the present would be better and the future brighter if only you hadn’t chosen so poorly, decided so wrongly or acted so stupidly in the past. Regret hurts; it makes sense that we’d try to shut it out.

But if regret is hard to take, it’s even harder to avoid. In 1984, Susan Shimanoff *Please turn to page C2*

This essay is adapted from Mr. Pink’s latest book, “The Power of Regret: How Looking Backward Moves Us Forward,” which will be published by Riverhead Books on Feb. 1.

Inside

TECHNOLOGY

Thanks to smartphones and social media, today’s students go off to college without leaving parents and friends behind. **C5**



Rust Belt Revival

High-tech investment by Intel and others is giving a boost to cities of the industrial heartland. **C3**

JASON GAY

Ah, the joys of the very, very early morning club. It begins at 4 a.m. It does have some drawbacks. **C6**



HONG KONG

China’s effort to destroy a pro-democracy newspaper points to its wider aims. **C4**



REVIEW

The Key Steps to Benefiting from Regret

Continued from page C1

of San Francisco State University recorded the everyday conversations of a collection of undergraduates and married couples and tabulated the emotions that people expressed. Regret was the most common negative emotion—and the second most common emotion of any kind, after love. In a 2011 analysis of the attitudes and experiences of more than 300 Americans, Mike Morrison of the University of Western Ontario and Neal Roesse of Northwestern University found that regrets were present in every domain of life, leading them to conclude that regret “constitutes an essential component of the human experience.”

Developmental psychologists have identified the ability to feel regret as a crucial stage in our cognitive maturation. Multiple researchers have shown that 5-year-olds barely understand the concept, but by age 7 to 8 young brains begin to acquire the strength and dexterity to perform the mental trapeze act that regret demands, and by adolescence it is usually fully formed. As the Dutch scholars Marcel Zeelenberg and Rik Pieters explain in a 2007 paper on the emotion’s regulatory purpose, “People’s cognitive machinery is preprogrammed for regret.”

A true inability to feel regret, on the other hand, is associated with lesions on a part of the brain called the orbitofrontal cortex. The same deficit is common among people with neurodegenerative diseases like Huntington’s and Parkinson’s and mental illness like schizophrenia.

So we cannot tattoo over our regrets. (In my survey, I even heard from someone who regretted his “No Regrets” tattoo and was removing it.) We’re hard-wired to experience them. And the reason for their ubiquity is their utility. Regret doesn’t just make us human; it can also make us better.

The research shows that by acknowledging past regrets we can avert future ones. In a 2008 study in the *Journal of Experimental Social Psychology*, Keith Markman of Ohio University and his collaborators discovered that prompting participants to ponder their regrets after a problem-solving exercise enhanced their persistence, strategic thinking and performance on subsequent exercises. A 2021 Bentley University study published in the *International Journal of Organization Theory and Behavior*

Consider compiling a ‘failure resume’—an inventory of your flops, flubs and foul-ups—that can help you avoid those blunders again.

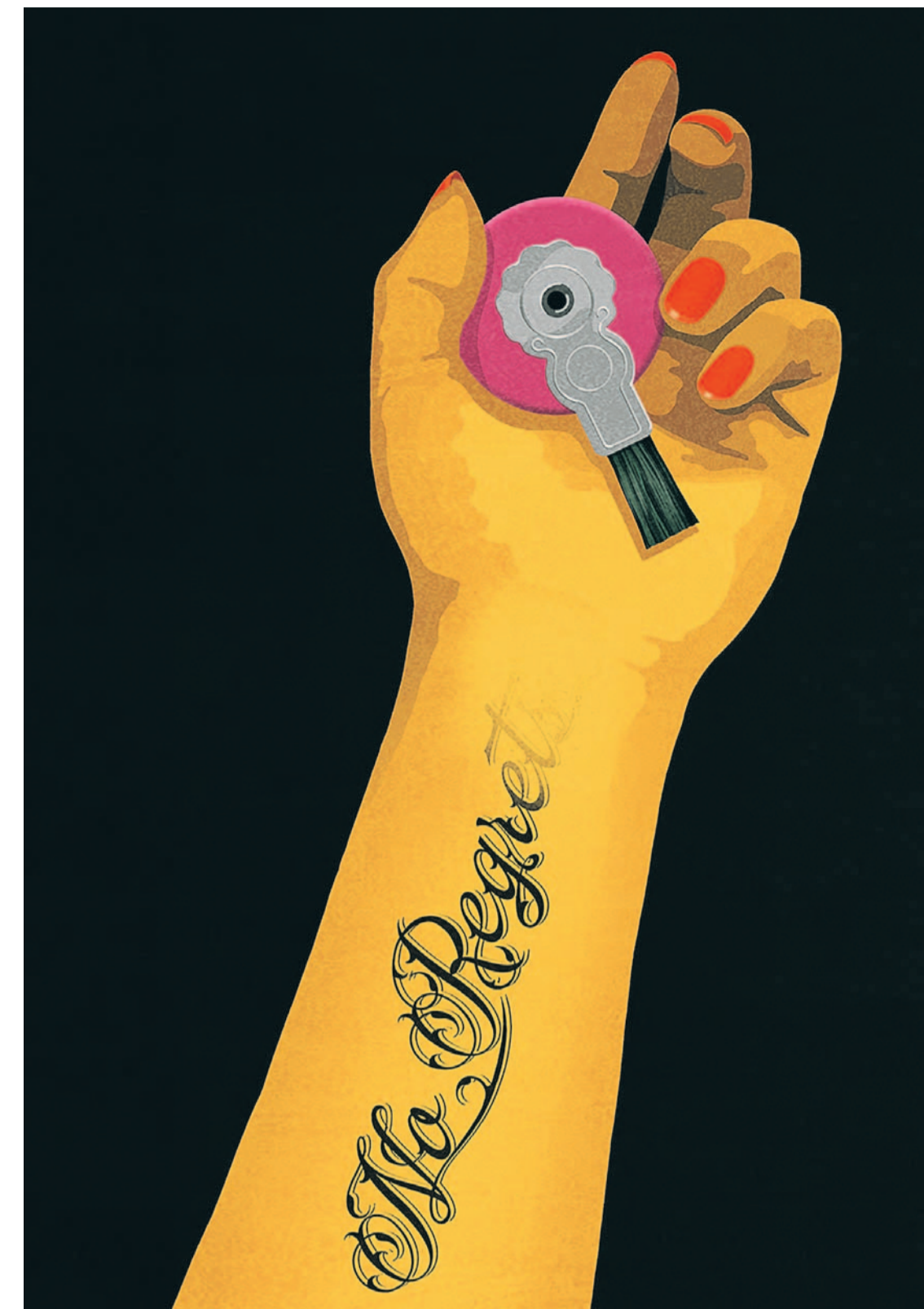
showed that encouraging corporate executives to reflect on their regrets, rather than elide them, gave them greater “clarity of thought regarding their current business challenges.”

But these benefits are not guaranteed. To make our regrets work for us, we must respond systematically—neither dodging our negative feelings nor ruminating over them. I’ve discovered that the best form of reckoning involves three steps, progressing from reflecting inward to pushing ahead.

1. REFRAME YOUR REGRET.

It can be tempting to either soothe the wound of regret with self-esteem (“You’re awesome anyway!”) or bash ourselves with self-criticism (“You’re a worthless idiot!”). A better approach is “self-compassion,” a goey name that rests on a solid foundation of research.

Pioneered by University of Texas psychologist Kristin Neff, the idea of self-compassion begins by replacing facile denial or harsh judgment with basic kindness, similar to the support we’d offer a friend. Self-compassion doesn’t ignore our screw-ups. Instead, as Dr. Neff and two colleagues explained in a pair of papers published in the *Journal of Personality Research* in 2007, self-compassion emphasizes that “being imperfect, making mistakes, and encountering life difficulties is



part of the shared human experience.” Subsequent research has supported that view. A 2019 meta-analysis of more than 94 peer-reviewed studies, published in *Health Psychology Review*, concluded that “self-compassion can promote better physical health.”

The effectiveness of self-compassion is especially evident with regret. In 2016, social psychologists Jia Wei Zhang, now at the University of Memphis, and Serena Chen of the University of California, Berkeley, asked several hundred participants to list their biggest regret. They directed some participants to write letters designed to validate their positive qualities and boost their self-esteem, and others to demonstrate understanding and show self-compassion.

Dr. Wei and Dr. Chen found that people who addressed their regret with self-compassion were more likely to change their behavior. “Self-compassion appears to orient people to embrace their regret,” and this willingness steered them around complacency and toward improvement, the researchers concluded.

To face a regret, then, consider questions such as: Is your regret something that other people might have endured, or are you the only person to have experienced it? Does it deserve kindness or contempt? Does the regret represent an unpleasant moment in your life, or does it fully define your life? Answering these questions will help to normalize and neutralize the regret.

2. DISCLOSE YOUR EXPERIENCE.

When I launched what I called the World Regret Survey, thousands of people responded by describing cheating on spouses, missing funerals, losing touch with friends and more, and I followed up by interviewing hundreds of them. “I regret not saving money diligently ever since I started working,” wrote Jason Drent, 43, who heads employee

relations for a large apparel chain in Tennessee. “It’s nearly crushing every day to think about how hard I’ve worked over the last 25 years or so, but financially I have nothing to show for it.”

The responses underscore the second step in the regret-reckoning process: disclosure. By divulging regrets, we reduce some of their burden, which can clear the way for making sense of them. Mr. Drent, for his part, found that laying bare his regret helped him begin to get his finances in order and to counsel younger associates at his company. “I’m very transparent about being 43 and not having any money. I only wish more 43-year-olds had been more honest with me [when I was younger],” he said.

In a pair of experiments published in the *Journal of Personality and Social Psychology* in 2006, Sonja Lyubomirsky of the University

of California, Riverside, and two colleagues found that writing about negative experiences or talking into a tape recorder about them for 15 minutes a day substantially increased people’s overall satisfaction and improved their well-being—in ways that merely thinking about those experiences did not.

The reason: Using language, whether written or spoken, forces us to organize and integrate our thoughts. Describing regrets to others converts those abstract, stomach-churning feelings into concrete, less fearsome words. Instead of those unpleasant emotions fluttering around uncontrollably, language helps us to capture them in our net, pin them down and begin analyzing them.

One misgiving many of us have about revealing our previous failures is that others will think poorly of us. But that is much less likely than we realize, behavioral scientists have been demonstrating for nearly 30 years. As Nancy Collins of the University of California, Santa Barbara, and Lynn Carol Miller of the University of Southern California concluded in a major review of the literature for *Psychological Bulletin*, “people who engage in intimate disclosures tend to be liked more than people who disclose at lower levels.”

Still, if you’re squeamish about what others think of you, you needn’t disclose your regret to anybody but yourself. The work of social psychologist James Pennebaker of the University of Texas since the 1990s has shown that merely writing about emotional difficulties, even for your own consumption, can be powerful in helping to make sense of events. “Translating important psychological events into words is uniquely human,” Dr. Pennebaker wrote in the journal *Psychological Science* 25 years ago. “The disclosure phenomenon appears to generalize across settings, most individual differences, and many Western cultures, and is independent of social feedback.”

So tell someone else about one of your regrets or just write about it privately. Perhaps even compile what Stanford University’s Tina Seelig calls a “failure resume”—a thorough inventory of your professional flops, flubs and foul-ups—that can help you avoid those blunders again. “The act of documenting your errors allows you to move on much more quickly, as opposed to dwelling on them, and results in a

lower likelihood that you will repeat the same mistake,” Dr. Seelig says.

3. EXTRACT A LESSON.

The best strategy is not to plunge into your regret like a scuba diver but to zoom out from it like an oceanographer, a practice known as “self-distancing.” You may have noticed that you’re often better at solving other people’s problems than your own. Because you’re less enmeshed in others’ details than they are, you’re able to see the full picture in ways they cannot.

Ethan Kross of the University of Michigan and Igor Grossmann of the University of Waterloo in Canada have shown that when people step back and assess their own situation in the way that they would evaluate other people’s situations, they close this perceptual gap and more easily find solutions for themselves.

In a study published last year, Dr. Grossmann and several colleagues showed that getting people simply to discuss their challenges using third-person pronouns, rather than first-person pronouns, sharpened the way they reasoned through difficulties. Likewise, Dr. Kross and his University of Michigan colleagues Ariana Orvell and Susan Gelman

Imagine your best friend is dealing with your same regret. What would you advise doing next? Now follow your own advice.

have conducted experiments showing that when we deploy the “universal you” in describing our negative experiences—using “you” to mean people in general—we’re better able to pull meaning and guidance from them.

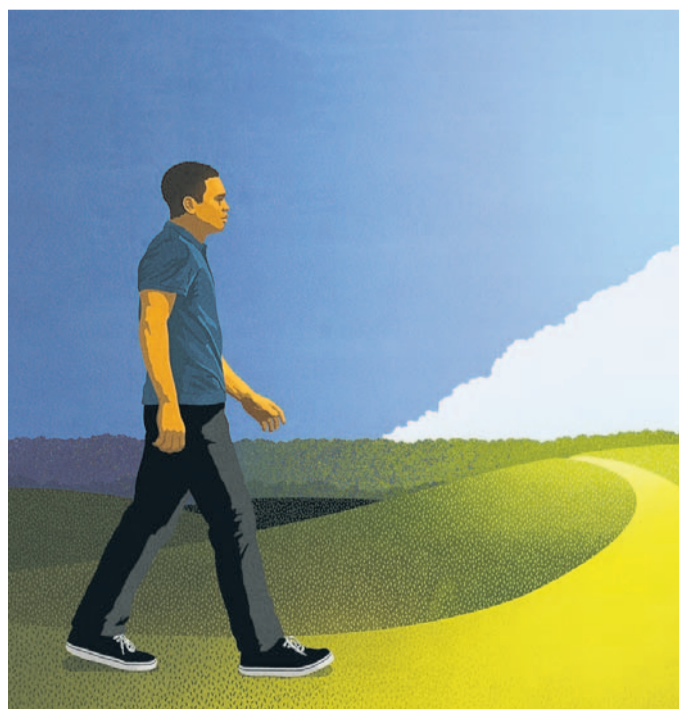
Distancing through time can also help us find lessons in regret. A 2015 study in the *Journal of Personality and Social Psychology* found that mentally visiting yourself in the future—and then examining distressing emotions retrospectively—can make a current problem seem smaller and provide clues on how to surmount it.

Amy Knobler, a 49-year-old Californian, used such a technique to contend with her submission to the World Regret Survey: “I deeply regret not reaching out to a childhood friend while she was fighting cancer. When I finally called her home, I learned she had passed away earlier that morning.” A few years later, Knobler learned that another childhood friend had been diagnosed with a similar disease. “I kept revisiting my previous experience,” she said, which offered guidance. She called this friend frequently. She visited her. They exchanged texts and emails. That friend also passed away. But this time Ms. Knobler maintained the connection. “It didn’t make it easier. But I don’t have regrets.”

So for the final step, move forward. Imagine your best friend is dealing with your same regret. What lesson does it teach? What would you advise doing next? Now follow your own advice. Or imagine that you are a neutral expert—say, a doctor of regret sciences—analyzing your regret in a clean, pristine examination room. What is your diagnosis? What is your prescription? Now write an email to yourself—using your first name and the pronoun “you”—outlining the lessons learned and the next steps to take. Or imagine it is 10 years from now and you’re gazing back with pride on how you learned and changed from this regret. What did you do?

Looking backward can move all of us forward, if we respond correctly. That demands thinking clearly about this indispensable emotion. In 1967, in an essay for the *New York Review of Books*, James Baldwin demonstrated that clarity when he wrote: “Though we would like to live without regrets, and sometimes proudly insist that we have none, this is not really possible, if only because we are mortal.”

More than a half-century later, as we start to emerge from a period that has forced many of us to face our own mortality, we are learning that regret can offer one of the clearest paths to a life well-lived.



REVIEW



Left, Ohio Gov. Mike DeWine speaks at the announcement of Intel's investment in a major computer-chip factory in the state, Jan. 21. Below, a rendering of plans for the new facility.

By RICHARD FLORIDA AND DAVID J. ADAMS

Goodbye to the Days Of the 'Rust Belt'

After years of unsung efforts to revive the fortunes of America's industrial heartland, Intel's new chip factory in Ohio is a sign of rebirth.

This past week Intel announced that it will build its new, \$20 billion state-of-the-art chip plant near Columbus, Ohio. The company says that the location could eventually expand into a \$100 billion complex with as many as eight fabrication facilities. As Intel CEO Pat Gelsinger put it, "We helped to establish the Silicon Valley, now we're going to do the Silicon Heartland."

The plan points to a broader shift away from the country's predominantly bicoastal tech economy, anchored in the San Francisco Bay area and along the Amtrak Acela corridor between Boston and Washington, D.C. It is distinct from the pandemic-induced shifts of people with transportable high-tech and service jobs to places with more affordable housing and outdoor space—such as Sunbelt cities and rural "zoom towns" like Jackson Hole, Wyo., Bozeman, Mont., and the Hudson Valley north of New York City.

The Intel investment is one of many signs that, after years of unsung effort, the revival of America's industrial heartland is finally under way. The broad region spans upstate New York, western Pennsylvania, Ohio, Michigan, Indiana, Illinois, Wisconsin and Minnesota and also includes older southern industrial cities such as St. Louis, Birmingham and Memphis. Once the center of U.S. steel production and other heavy industry, the region's economic decline and sweeping deindustrialization—brought about by globalization, off-shoring, automation and a lack of investment in its aging factories—earned it the unfortunate moniker of the "Rust Belt" in the 1970s and 1980s.

There are several good reasons for the heartland's burgeoning turnaround. Some are related to the pandemic, while others stem from deeper economic and historical factors.

Among the former is the global supply-chain crisis, which has spurred companies to begin re-establishing their advanced manufacturing capabilities in domestic locales. While Elon Musk's new Tesla plant in Austin garners big media attention, leading auto makers have been investing in advanced auto factories throughout the heartland region, making it a center for the production of next-generation electric vehicles. General Motors announced it will spend \$7 billion on electric-vehicle plants in Michigan: \$4 billion to transform an existing factory in Orion, \$2.5 billion on a joint venture to produce electric vehicle batteries near Lansing, and \$500 million to upgrade two other Lansing plants. Ford plans to spend even more, \$11.4 billion, on three major electric-vehicle and battery facilities in Kentucky and Tennessee. Rolls-Royce is spending \$600 million to overhaul its Indianapolis plant, the largest investment that the company has ever made in the U.S.

Other advantages position the heartland to attract even more investment. The region has a plethora of the large industrial sites of at least 1,000 acres, well-served by highway, rail and air, that today's advanced

manufacturing complexes require. It has a hardworking, reliable workforce with long experience in manufacturing and technical work on farms. And its communities have made significant investments in vocational and community-college programs to provide young workers with the technical skills for advanced manufacturing.

Programs like the Cincinnati Talent Acceleration Program, a partner-

searchers and supply-chain managers.

Older industrial cities like Chicago and Philadelphia have been quietly pulling in venture capital investment—\$7 billion and \$8 billion, respectively, in 2021—in numbers bigger than the more-visible rising tech hubs of Miami (\$4 billion) and Austin (\$4.9 billion). Meanwhile, of 60 finalists for the Biden administration's \$1 billion "Build Back Better Regional Challenge," funded by last year's pandemic stimulus package, 11 are in the Midwest. The varied projects include ones in Pittsburgh to develop robotics and artificial intelligence, Detroit for advanced mobility, Cleveland for smart manufacturing, St. Louis for advanced biosciences and geospatial technology, and Chicago for clean and green tech. Those cities now compete for 20 to 30 awards of between \$25 million and \$100 million.

The region is one of the very few areas of the country where middle-class families can afford to buy a home, while pandemic-induced shifts are causing housing prices to surge in Sunbelt competitors such as Austin, Nashville and Phoenix. Miami was recently named the second least affordable housing market in the country,



ship between the University of Cincinnati and Microsoft with funding from the Ohio Department of Higher Education, are helping existing workers to develop skills for tech-driven manufacturing jobs. Leading Midwest research universities such as Carnegie Mellon, Michigan, Ohio State, Purdue and Indiana can provide reliable pipelines of engineers, operations re-



WORD ON THE STREET
BEN ZIMMER

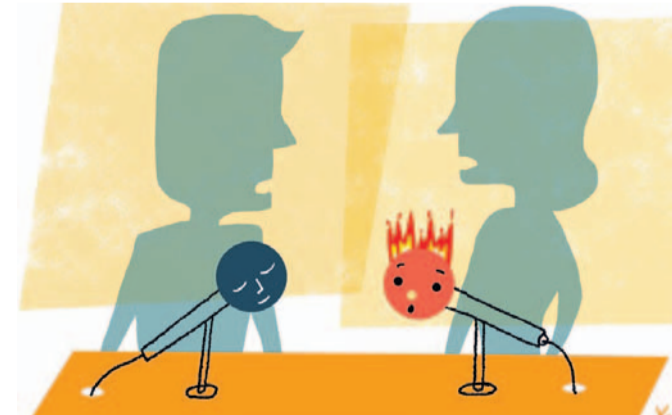
An Unwitting Link to a Listening Public

AT A WHITE HOUSE event on Monday, President Biden called the Fox News correspondent Peter Doocy a "stupid son of a bitch" in response to a question about whether inflation would be a political liability leading up to the mid-term elections. News outlets

[Hot Mic]

including CNN, NBC News, ABC News and USA Today reported that the president had been caught cursing on a "hot mic."

Some might quibble with the characterization, since



"hot mic moments" typically occur when a person is unaware that a microphone is on. A more canonical example would be a slip-up in 2010, when Mr. Biden, then vice president, was heard telling President Barack Obama that the passage of the Affordable Care Act was "a big f—ing deal."

When did microphones first get "hot"? The term goes back to the early days of radio broadcasting, at a time when currents running through electrical equipment could generate real heat. The same phenomenon led the electric chair, an instrument of capital punishment, to be colloquially dubbed the "hot seat" or the "hot chair" as early as 1924.

When "hot" was first applied to the microphone, the implication was merely that the current was flowing, not that a person could be electrocuted by it. "Microphone" was shortened to "mike" as early as 1910, originally in the form "handmike."

Beginning in 1930, newspapers and magazines around the country shared selections of radio jargon, complete with definitions. In February of that year, the Binghamton Press of Binghamton, N.Y., reported, "Today's definition of broadcasting studio terms: Hot (or live) mike—A microphone in operation or in readiness to pick up a sound."

That April, the trade journal Broadcast Advertising ex-

plained, "Broadcasting has its own language, a few words of which are quoted here from the glossary that is running serially in the 'Voice of Columbia.'" The first item given is "Hot mike"—A microphone in operation." And in February 1931, the Daily News of Bangor, Maine, credited this definition to Irving Reis, an engineer at the Columbia Broadcasting System: "Hot Mike—Microphone with current applied," adding, "A 'dead mike' is one that is shut off."

With the rise of commercial television broadcasting in the 1940s, the "hot mike" expression made the jump to the new medium. A 1945 book called "Television: The Eyes of Tomorrow" included both "hot camera" and "hot mike" in its glossary, with the explanation, "A term meaning the apparatus is energized."

By the early 1960s, the "mic" spelling began to emerge as an alternate form of "mike," likely influenced by the way that "microphone" was abbreviated as "MIC" on recording equipment. "Hot mic" made an appearance by the end of the decade, in the

July 1969 issue of db, a magazine for sound engineers. A writer commenting on performers lip-syncing on television observed, "Whether or not they actually sing at this time is irrelevant, since there is not a hot mic around to investigate the issue."

As the term is now defined by Oxford Dictionaries, a "hot mic" or "hot mike" is "a microphone that is turned on, in particular one that amplifies or broadcasts a spoken remark that is intended to be private." That accidental amplification has been the bane of politicians, especially when a bit of obscenity slips through—such as when George W. Bush on the campaign trail in 2000 was caught telling his running mate, Dick Cheney, that New York Times reporter Adam Clymer was "a major league asshole."

Such gaffes have occurred with enough frequency in recent years that political reporters enjoy maintaining lists of top "hot mic moments." Mr. Biden often appears on such lists, though his handlers might consider that distinction not so hot.

REVIEW

China's Ambitions and the Fate of a Hong Kong Daily

EVERYDAY PHYSICS

HELEN CZERSKI

The Surprising Crystals Hiding In Honey

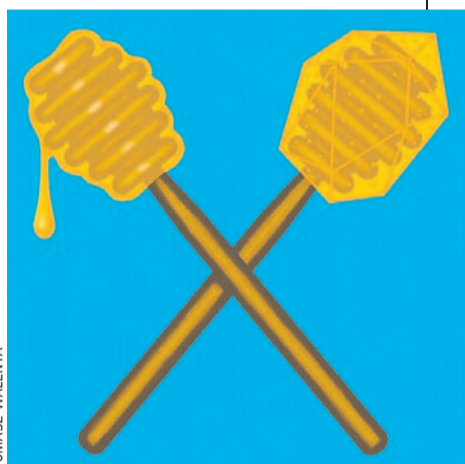
HONEY IS ONE of the great delights of the natural world: an ingenious food storage system for bees and an occasional treat for bears, humans and any other animals with a sweet tooth and a resistance to bee stings. Honey is normally a liquid at room temperature, and any child or advertising campaign will emphasize that feature—honey is runny. But when a recipe required me to retrieve a jar from the back of my cupboard this week, I found that the honey had crystallized and was mostly solid. It wasn't old or spoiled, just solid. Did that matter?

The honey we eat starts off as nectar made by flowering plants as a sugary treat to attract bees for pollination. The exact composition depends on which plants the nectar came from, but the type of sugar in it is almost all sucrose, a compound made by pairing one glucose molecule and one fructose molecule.

The bees need to store some of their sugary bounty in the hive, so they process it to make it more suitable for storage. They remove water from it by an elaborate mechanism and split the sucrose into its component parts, ending up with a mixture of around 38% fructose, 32% glucose and 17% water, depending on the source of the nectar, with other molecules making up the rest. At that ratio, there's too little water in it for microbes to grow but enough that it's viscous and easily sealed into honeycomb compartments.

So where do the crystals come from? In a typical honey, so much glucose is dissolved in the solution that it becomes supersaturated, spurring glucose molecules to separate from the liquid and form crystals given the slightest chance. (The fructose is easier to keep in dissolved form.) Each crystal just needs a starting point, such as a grain of pollen or a speck of beeswax. Though commercial honey is filtered to remove these tiny intruders, if left for long enough some of the glucose molecules will find something, even air bubbles, to act as a foundation.

Types of honey with higher ratios of glucose are more likely to form crystals. The temperature also matters: Be-



low 39 degrees Fahrenheit, the glucose molecules have relatively little energy and can't move around easily; at 77 degrees and above, it becomes easier for the molecules to remain in solution. But crystals can form between those temperatures, most easily around in the middle at roughly 60 degrees (so don't store your honey in the garage). At first the crystals tend to sink, leaving you with honey that's solid at the bottom of the jar and liquid at the top.

After many months, crystallization may continue and spread through the jar, or enough glucose may have solidified into crystals to form a balance in the rest of the honey. Meanwhile, the rest of the honey now has a higher proportion of water: Each dissolved glucose molecule is surrounded by a cluster of five water molecules, but when it becomes part of a crystal it gives up four of its molecular groupies, leaving more water free. If that process carries on and if the honey is also left uncapped and exposed to air so it can absorb even more water, the liquid honey may become dilute enough for specialized yeasts in the honey to start to grow and cause spoilage. That's exactly what the bees worked to avoid.

Fortunately, there's an easy way to get rid of the crystals and restore balance: Immerse the jar in hot water (around 120 degrees) for a few minutes, and the solid glucose crystals will redissolve, taking the honey back to its original state.

So I spooned some crystallized honey into my cooking without worrying—it's safe and tastes the same—and warmed up the rest to re-liquify it. I don't mind the crystals. They're a reminder of the molecular secrets that honey is hiding inside itself.



Beijing's campaign to destroy a fiercely pro-democracy newspaper suggests the playbook that it will use against other open societies.

Jimmy Lai is led away from his residence by law enforcement, Hong Kong, Aug. 10, 2020.

BY MARK L. CLIFFORD

On my 64th birthday last August, at an age when people commonly step back and slow down, I began a new career as a human rights activist. As president of the Committee for Freedom in Hong Kong, I'm fighting for the release of political prisoners in a city that was until recently one of the freest in the world. I never imagined this for myself. But then, what has happened in Hong Kong was once unimaginable, too.

For three decades as a journalist, author and head of the Hong Kong-based Asia Business Council, I was a proponent of engagement with China. My work rested on the belief that more open trade and a shared desire for economic prosperity would bind China and the world more closely together. I'd lived in and reported from South Korea during its democratic transition in the late 1980s and envisioned something similar for China's future.

I wasn't under any illusion that the Chinese Communist Party was teeming with incipient democrats. But I did think that hundreds of millions of newly middle-class Chinese would want political choice to go along with consumer choice. What better place to start experimenting with openness than in Hong Kong? Handed over by Britain to the People's Republic of China in 1997, the city had a strong tradition of freedom—and Britain and China had signed an international treaty promising that this tradition would be upheld.

When China entered the World Trade Organization at the end of 2001, I co-authored a book with the organization's incoming director-general, Supachai Panitchpakdi, predicting that membership would catalyze a new round of growth for China. How right we were about the economic growth—more right than even the most optimistic China bulls could imagine. How wrong we were to imagine that political openness would follow.

The shattering moment came for me at the end of February 2020. One morning, at 8 a.m., I got in a taxi outside my apartment in Hong Kong. I was on my way to meet media entrepreneur and pro-democracy campaigner Jimmy Lai, a man I had known for three decades. Then I noticed that he had sent me an e-mail: "I'm being arrested," he wrote, explaining that, understandably, he couldn't meet me for breakfast.

Pro-democracy supporters rally in Hong Kong on Jan. 1, 2020.

Mr. Lai, the founder of a fiercely pro-democracy newspaper called Apple Daily, would be arrested again and again that year—next in April, as part of a round-up of longtime democracy activists. When Mr. Lai was arrested once more in August, police alerted news photographers, who captured the spectacle of a handcuffed Mr. Lai brought from his house to company headquarters, where two hundred armed police stood by as he was perp-marched through the Apple Daily newsroom. This time he was not alone: Cheung Kim-hung, the CEO of the newspaper's parent company, Next Digital, was also arrested, as was chief operating officer Royston Chow.

Hong Kongers reacted by bidding up the company's share price and buying copies of the Apple Daily, which sold 500,000 copies the day after the arrests, more

than five times normal. Mr. Lai, Mr. Cheung and Mr. Chow were charged with violating the vague and sweeping National Security Law that the CCP had recently imposed on Hong Kong. They were released on bail, but the message was unsettling, to say the least. Free speech, freedom of the press and rule of law were all supposed to be guaranteed under the Basic Law, the mini-Constitution that China itself had promulgated for Hong Kong. How could this have happened?

My stake was personal. I had joined Next Digital in 2018 as an independent, non-executive director. On an emergency board of directors' call immediately after the August arrests, it emerged that I was the only director still in Hong Kong and not in police custody.

Beijing's bullyboy tactics were starting to hit uncomfortably close to home.

When I joined the Next Digital board, my goal was to improve the company's financial performance and help nurture a vibrant media sector in Hong Kong. Conventional wisdom held that Hong Kongers wouldn't pay for content. But the Chinese government had long encouraged advertisers to boycott the newspaper, and we had no choice but to ask our readers for support. It worked. We went to a pay model in September 2019, and within a year we had nearly 600,000 paying subscribers, approaching 10% of the Hong Kong population.

Our success enraged the authorities in Beijing and Hong Kong. In May 2021, Mr. Lai's shares in the company were frozen—without a court order—and the government even tried to seize

some accounts he held in Singapore. The following month, June 2021, more than 500 armed police marched into the Apple Daily newsroom and took away Mr. Cheung again and editor-in-chief Ryan Law. The authorities went on to round up other journalists as well.

This time was even more serious than the last. Seven Apple staff remain in prison. Most are being held without bail—effectively presumed guilty before trial. They face national security law charges that can carry sentences of life imprisonment. The provisions of the Basic Law have apparently been suspended.

The remaining journalists at Apple Daily were committed to their work and would have soldiered on. But Hong Kong's then-secretary for security, John Lee,

declared that he had "reason to believe" that our activities in some unspecified way violated the National Security Law, and he froze the company's bank accounts.

Unable to pay salaries, we had to fire some 800 employees, and the remaining skeleton staff quit in fear. Unable to pay our phone and electricity bills, the remaining directors resigned in early September. We did not have the power to liquidate the company, but we recommended that the government take this step, selling the company's assets and distributing the proceeds to those to whom we owed money. The government has followed our advice, and the company is being wound up.

Despite imprisoning the Apple Seven and freezing Next Digital's bank accounts, the government is out to prove that the company collapsed on its own accord, a result of poor management in a Hong Kong where press freedom remains alive and well. A special inspector, Clement Chan, from the accounting firm BDO, has been tasked with probing irregularities and mismanagement, the first time since 1999 that a special inspector has been appointed in the city of Hong Kong. The Securities and Futures Commission, the Stock Exchange of Hong Kong and the Financial Reporting Council are also making inquiries.

So I am well on my way to my 65th birthday, fighting for freedom. Freedom for Jimmy Lai and my other Apple Daily colleagues, for the scores of people held under the National Security Law, for the more than 10,000 Hong Kongers who face political charges from the pro-democracy protests of 2019 and 2020. I am fighting for the freedom of a once remarkable city, a place open to commerce and ideas, where China and the world could meet.

Today, Hong Kong is where the CCP is perfecting its playbook for smothering free and open societies. What China does in Hong Kong today it hopes to do in Taiwan tomorrow and everywhere else when it is able. From Australia to Lithuania, governments, journalists and activists are showing that resistance is possible. I don't know when or how we will turn back China's totalitarian juggernaut. But I know that we can and will win.

This essay is adapted from Mr. Clifford's new book, "Today Hong Kong, Tomorrow the World: What China's Crackdown Reveals About Its Plans to End Freedom Everywhere," which will be published by St. Martin's Press on Feb. 1. He is the president of the Committee for Freedom in Hong Kong.

Seven staff of Apple Daily are in prison on charges of violating national security.



FROM TOP: PAUL YEUNG/BLOOMBERG NEWS; ANTHONY KWAN/GETTY IMAGES

REVIEW

By KATIE ROIPHE

I sometimes forget that my daughter has left for college. She Facetimes me on her way from the library to the gym. I see a small portion of her head, blue sky behind her, headphones dangling from an ear, part of a cup of coffee. She texts me updates on her failing quest to find the right edition of “The Waste Land” for one of her classes. I am still part of the dailiness of her life in a way that I am quite sure my mother was not in mine when I left for college in the last century.

My daughter also stays in close contact with her friends from home via group texts, Snapchat, TikTok, private Instagram stories. They are warm, vivid presences in her life that would likely have faded in a different technological moment.

While I remember high-school friends drifting, high-school boyfriends vanishing by winter break, many people she knows have romantic interests from home that endure. After all, their relationships with their new friends are also, to some degree, on the phone. With smartphones, physical presence becomes less important; it is no longer necessary to be with someone to communicate incessantly with them. The people in front of you comprise only one of many social situations you have access to.

To those of us who grew up before the internet, there is something innately repellent about the sight of a teenager disappearing into a phone. If you tell them there is a tsunami barreling toward the city and they have to evacuate immediately, they will not hear you. There is something eerie in the feeling that they are simply not there, that they have absented themselves so completely from the room.

I see my daughter, curled up on the couch, move between places in seconds, weaving an identity between the two. One is not, strictly speaking, more “real” than the other.

Most people I know think of this as a bad and inscrutable phenomenon, just one of the myriad small ways in which life now is a compromised or tarnished version of life when we were young. I would tend toward this view too: that it is better to live in the moment, to fully inhabit your life, to be where you are.

But sometimes I am not so sure. Some part of me wonders if there aren't benefits to this new way of being, along with the obvious downsides. My daughter is attached to her college friends and her friends from home. She is almost living in two places simultaneously; she is inhabiting more than one possible world.

When I was around her age I was obsessed with a mysterious Jorge Luis Borges story called “The Garden of the Forking Paths.” It is a kind of thought experiment about the possibility of experiencing many destinies at



Even at College, Our Children Are Home

Texting and social media allow today's students to stay connected to family and old friends in a way unimaginable to previous generations.

once: “an infinite series of times, in a dizzily growing, ever spreading network of diverging, converging and parallel times. This web of time—the strands of which approach one another, bifurcate, intersect or ignore each other through the centuries—embraces every possibility.”

I loved to contemplate this glimmering idea of simultaneity, this chance of being many places at once. Now it makes me wonder if we ever leave home or if we somehow carry home around in a small rectangle, in tiny flashes and bursts.

To many of us, there is something suspect in the new remote forms of friendship. Our instinct is that they are somehow unreal or fake or shallow or illusory. The technology theorist Sherry Turkle puts it this way: “Our networked life allows us to hide from each other, even as we are tethered to each other.” And yet, when I glimpse all those elaborate Instagram stories, group texts, TikToks sent back and forth, I can't be certain that the conversation I am having at a dinner party with my friends is more substantive, more authentic, more deeply or honestly connected.

“They are just different from us,” I say to a friend over lunch.

She says, “You mean they are cyborgs?”

She thinks the problem is that you can use the phone to escape difficult moments instead of confronting them and learning how to deal with your feelings of, say, loneliness. This seems like a sensible point, but I also think, isn't it better than drinking or drugs? If there is some comfort in old

Maybe growing up doesn't entail a complete rejection of people from other times.

friends FaceTimed at 3 a.m. in this anxious, bedeviling time, is that the worst thing in the world, as long as you are also meeting people in the real world and conjuring new attachments?

It might be tempting to think of this generation as not growing up or not moving on, but maybe there is a new, capacious mode of growing up and moving on that doesn't entail a complete rejection

of people in other places, from other times. I think of my life with its phases passed through, maybe more linear and straightforward than my daughter's. But is that necessarily better? I notice my daughter seems to be thriving amid the usual difficulties of starting life in a new place.

Parents might prefer a cleaner-cut launch, but maybe that preference betrays a lack of imagination on our part. The new way of fusing lives, of forging independence, of entwining past with present, may look strange or pathological to us, but it does seem to offer its own set of possibilities.

Meanwhile, in the analog world, my daughter's college roommate is staying with us. The two of them are lying on her bed playing loud music. They are about to go out to meet my daughter's high school friends, whom her roommate knows through social media, through dorm-room Facetimes. Worlds collide, overlap. The garden has its forking paths.

Ms. Roiphe is director of the Cultural Reporting and Criticism Program at New York University and the author, most recently, of “The Power Notebooks” (Free Press).

ASK ARIELY

DAN ARIELY

The Pleasure Of Uncertain Rewards



Dear Dan,
I play the lottery every week even though I know that the chances of winning are extremely small. Why do so many of us persist in doing this? —Adam

One reason that the lottery is so popular is that it provides uncertainty in a way that is appealing. We don't normally like uncertainty: Not knowing if or when the pandemic is going to end, or whether to prepare for a winter storm, or what to do about climate change can foster a feeling of helplessness and decrease our motivation to act. But uncertainty about low-probability rewards can make us work harder.

In an experiment, participants were asked to drink six cups of water in two minutes. This is not easy to do. Half of the participants were told they would receive a certain reward (\$2) if they achieved the goal, while the other half were told that if they succeeded, they'd receive either \$1 or \$2, to be determined by a coin toss after they'd finished. More participants in the second group managed to drink all six cups than in the first, suggesting that the uncertain reward was particularly motivating.

The same thing might be happening with the lottery. We get value from the uncertainty of winning, which piques our curiosity and stimulates our fantasies. We also get a psychological reward from seeing the uncertainty resolved, even though we are usually disappointed that the winning ticket wasn't ours.

All the same, despite this minor benefit from the lottery, I'd recommend that you find other ways to improve your well-being.



RUTH GWILY

Dear Dan,
I own a small pet-sitting business and pay my employees a living wage—one that accounts for the real cost of food and shelter, which the minimum wage does not. Consequently, our prices are a little higher than those of our competitors, and I'm worried about finding and keeping clients. Do I need to rethink my business model? —Leslie

People are willing to pay higher prices when vendors are transparent about their operating costs. In your case, this means letting your clients know about your commitment to paying a living wage. I suspect that many will respond positively, and some of them will be willing to pay more for your services when they understand that they are supporting this business model. I recommend that you highlight your commitment in your marketing materials and social media, as well as on your invoices.

The benefit of cost transparency has been documented through studies. An online retailer conducted an inadvertent experiment when it posted an infographic on its website showing the cost of producing wallets. By accident, the retailer only showed the infographic for some wallet colors. The result was that sales of wallets with the infographic increased by 22% compared to those of wallets without.

In a more deliberate study, researchers posted different signs near the chicken noodle soup at a university dining hall—one listing the soup ingredients, the other breaking down the costs of making the soup. Customers were 21.1% more likely to buy the soup next to the second sign.

Voluntary transparency about costs fills customers in about what they're paying and also signals trustworthiness on the part of the vendor.

Have a dilemma for Dan?
Email your question to:
AskAriely@wsj.com
Questions may be edited or revised.



EXHIBIT FOOD FOR THOUGHT

IN THE NEW BOOK “The Art of Food” (Jordan Schnitzer Family Foundation), works by Andy Warhol, Claes Oldenburg, Ellsworth Kelly and dozens of other artists offer food for thought, sensuality, protest and humor. In the 1986 watercolor “Fish Eaters” (below right), Warrington Colescott imagines an eatery where sea creatures are the customers as well as the fare; one shark is enjoying leg of human.

A number of artists pair food and love. For a 1966 wedding, Oldenburg made about 200 copies of “Wedding Souvenir,” pieces of rose-decorated cake made of white plaster. Sherrie Wolf's 2016 painting “First Harvest” (left) keeps lovers offstage but manages to evoke sensuality with its shiny mandarin oranges and other fruit, set among tulips

Left: Sharon Wolf, “First Harvest” (2016). Right: Warrington Colescott, “Fish Eaters” (1986).

and rich, soft fabrics tumbling off a table to the ground. A lemon lies half-peeled, its rind dangling, the work possibly interrupted by a moment of passion.

Other artists in the book, which is the catalog of an exhibition currently on view at the University of Arizona Museum of Art in Tucson, reduce food to its visual essence. Ellsworth Kelly's lithographs of pears and apples are drawn in outline, asking us, in the words of the book, “to imagine the color, texture, and even the taste of the fruit.” —Peter Saenger



REVIEW

Growing up in Chicago, Pano Kanelos was expected to take over his parents' Greek diner someday. But he loved books—he used to read in a booth at the back of the restaurant—and decided to go to college so he could keep reading. He chose Northwestern University in part because it was the only campus he had ever seen: No one in his family had gone to college. “I had no idea what to expect,” he recalls.

The experience, Mr. Kanelos says, was “transformational.” Instead of running a restaurant he pursued a career in higher education. Last summer he resigned as the president of St. John's College, a small liberal-arts school in Annapolis, Md., to take on his biggest challenge yet: helping to create the new University of Austin in Texas (UATX) as its first president. The plan, Mr. Kanelos explains, is to offer the kind of affordable, intellectually rigorous, ideologically heterodox experience that was available when he was a student in the late 1980s, but which he believes is increasingly rare in higher education today.

“I want to make sure that the opportunities I had remain for other students,” Mr. Kanelos, 52, says in a video call from Austin, where he moved with his wife and two children last summer. “This institution in my mind is a way to pay it forward.”

Mr. Kanelos announced his plans for UATX in an essay published last November in the online Substack newsletter of journalist Bari Weiss, one of the university's founding trustees. Citing surveys that show students are increasingly eager to silence professors and peers for controversial views, Mr. Kanelos argued that at a time when “so much is broken in America,” higher education “might be the most fractured institution of all.” Tired of waiting for legacy institutions to restore “open inquiry and civil discourse,” he declared it was time to build a new one.

The essay touched off a heated debate, with critics questioning both Mr. Kanelos's diagnosis of higher education and whether his planned new university could fix it. “I guess I'm a relatively naïve person when it comes to things like social media,” Mr. Kanelos admits. “It became a bigger thing than I expected, to be honest.” He explains that he had believed a “bold statement” would ignite a necessary conversation about some of the structural problems of higher education, such as declining enrollments, the “amenity warfare” fueling surging tuition prices, and the increasing reliance on poorly paid part-time faculty. “How can you be a bold, independent-minded professor when you're paid peanuts on a semester-to-semester contract?” he asks.

Despite the furor, Mr. Kanelos says that support for UATX has been “phenomenal.” Over 4,000 professors from other institutions have asked to teach at the university, he says, and thousands of students have expressed interest. Joe Lonsdale, a technology entrepreneur and co-



WEEKEND CONFIDENTIAL | EMILY BOBROW

Pano Kanelos

A college president hopes to chart a new path for higher education.

founder of Palantir Technologies, is the university's main financial supporter, but more than 1,000 individual donors have joined him in backing a nonprofit school that doesn't yet have accreditation or an official campus. UATX hopes to welcome students in the fall for a pilot program in entrepreneurship and to enroll its first undergraduates in 2024.

Mr. Kanelos never planned to become a college administrator. After receiving his Ph.D. in literature and political philosophy from the Committee on Social Thought at the University of Chicago, he taught literature at Stanford, the University of San Diego and Loyola University Chicago, where he founded the inter-

disciplinary Shakespeare studies program. He has written and edited a number of books on Shakespeare: “I'm kind of old school,” he says. “I love poetry and theater.”

In 2013, Mr. Kanelos decided it would be “interesting to take a leadership role” as the dean of the Honors College at Valparaiso University in Indiana. When St. John's College hired him as president in 2017, officials praised his work at Valparaiso, which saw the college achieve its largest and most diverse enrollment to date.

“Being a college president is a vexing position,” Mr. Kanelos admits. He learned that the job is like running a small town, with a secu-

city force, a landscaping business, a health-care system and “all sorts of things universities don't do efficiently or well,” he says. Horrified by ballooning tuition costs, which in 20 years have risen nearly 150% at private universities and even more steeply at public ones, Mr. Kanelos helped to cut St. John's annual tuition from \$52,000 to \$35,000 in 2018. An increase in applications, donations and enrollments promptly followed.

“The cost structure of higher education is scandalous,” says Mr. Kanelos. He argues that runaway spending on administrators and student amenities like “sushi bars” serve neither students nor universities,

which often try to cut corners with “exploitative” contracts with part-time faculty. Armed with lessons from St. John's and elsewhere, Mr. Kanelos is now working to create a new, sustainable business model for UATX that will make college more affordable and accessible—“within the range of what a public institution might charge out-of-state students.”

Although the pandemic has depressed college enrollments and caused untold headaches for administrators, Mr. Kanelos says that it has also offered a slight silver lining: “We are highly

‘I want to make sure that the opportunities I had remain for other students.’

aware of how much we can do without having administrators in offices on campus, which will save a lot of money for students.”

A primary reason for creating UATX is to counter the “intellectual asymmetry” Mr. Kanelos observes on American campuses, which he says creates an atmosphere of fear among those who aren't sufficiently progressive. But he pushes back against concerns that the school will be, as a Politico article put it last fall, an “intra-right-centrist lovefest.” “I have no interest in an anti-woke university, whatever that means,” Mr. Kanelos says. “When we build this institution, there will be people of every intellectual stripe, or we will have failed.”

He acknowledges, however, that many of UATX's early backers have had run-ins with leftists on college campuses. Kathleen Stock, a philosopher who is a faculty fellow, recently resigned from her post at the University of Sussex after being accused of transphobia, which made her a target of what she described as “witch-hunts and intimidation.” Dorian Abbot, a University of Chicago geophysicist who is a UATX advisor, was recently disinvited from delivering a public lecture on planetary climate at MIT due to his criticism of aspects of affirmative action.

According to the Foundation for Individual Rights in Education, an advocacy group, calls for censoring or punishing academics on American campuses are rising, with over 425 cases between 2015 and 2020. Mr. Kanelos notes that more than 6 in 10 students say that the climate on campus has deterred them from saying what they believe, according to a survey by Heterodox Academy, another advocacy group.

“Universities have a responsibility to be actively engaged in creating a culture of civil discourse,” says Mr. Kanelos. “If we're not cultivating the citizens who can speak productively across differences and help us move forward, then we've abrogated our responsibility as educators. How do we create these bonds of trust? How do we change things for the better? That's the contribution I would like to make.”



JASON GAY

The Quiet Joys of The Very, Very Early Morning Club

A late sleeper rises to a more productive time of day.

I'M WRITING THIS COLUMN at 4 a.m., but I need to level with you: It's nowhere near as romantic as that sounds. I am not sitting in a hotel lobby, tuxedo bow tie unfurled, cigar smoldering in an ashtray, pecking at an old Underwood typewriter after a long night out with movie stars, rock gods and other assorted fabulous people.

The truth is I fell asleep last night right after reading to my kids. I passed out shortly before 9 p.m. with a copy of “Friendship According to Humphrey,” about a class pet hamster trying to adapt to a new frog in the room, resting atop my chest. (It's a fun read. Humphrey is adorbs.)

I'm awake because over the past two years, I've joined a new club: the very, very early

morning club. I know a lot of people have lives and jobs that require them to wake up extremely early, but this is a new lifestyle for me. It took two small children and one pandemic that kept us all home to figure out that if I was going to continue to be productive, and write nonsense humor columns like this one, I was going to need to be productive at an uncommon hour, sitting alone in the dark.

Staying up late is out of the question. Sure, I used to be able to do it when I was younger, have a cup of Dunkin' at 9 p.m. and slug it out, but these days, asking me to stay up to watch the 11 p.m. news is like asking me to climb K2. “Saturday Night Live” actually live,



on Saturday night? That's something that hellions do.

Plus, my brain is fried by midafternoon. Honestly: Tell me anything after 3 p.m. and you should make me scribble it on my arm. As for my writing, everything I write after 1 p.m. looks like a ransom note written by miniature horses. I mean, more than it usually does.

But 4 a.m.? At that hour, I'm sharper. I'm never going to be one of those executive types who wakes up at 4 a.m. for sunrise yoga or meets a trainer for air squats and a 45-minute sprint on a treadmill, but I can summon the energy to wander into the kitchen, make coffee,

and plop myself into a chair and type nouns and verbs at a keyboard.

The benefits are obvious: My home is quieter, as is the world, and my head. Nobody's reaching out to me at 4 a.m. Email has slowed to a halt. Texts are nonexistent. Emergencies are waiting until 8 a.m. It's just me, the thoughts sloshing around my mind, and the low hum of the refrigerator. I can actually feel my brain moving around inside of my head, excitedly. Or maybe that's the caffeine.

This block of time belongs to me. I'm not making PB & Js for school lunches or picking up Legos or getting my day kidnapped by some inane battle on social media. I have to be careful not to wake anyone—I can't tromp around the hallways like Frankenstein's monster—but I can get a couple of

hours before the children rise and the madness begins.

There are drawbacks, of course. My body has fully reset itself. By midmorning I'm looking for lunch. Midafternoon, I'm ready for dinner. I find myself craving a nap, and it's not that shocking for me, the kids and Humphrey to pass out collectively by 8 p.m. If my wife wants to plan a dinner with friends, I have to prepare my body like an astronaut.

It's worth it. Lately, I've begun to wonder: Do I dare join the 3 a.m. club?

The very, very early morning ends quickly. By 7 a.m., this home is a hurricane. The children recently decided they like to get dressed while listening to Dua Lipa and Shawn Mendes, which instantly drowns out the low refrigerator hum and any semblance of tranquility. There are lunches to be made and book bags to be packed and at least three things we forget and scramble to do. The remaining day is a blur, but I'm OK with that. Another very early morning awaits.



Bloomsbury Lite?
Justice to Clive Bell,
a dilettante thrown
to the Woolfs C12

BOOKS

The Messianic Machine
Kabbalistic conjurings
from Nobel laureate
Olga Torkaczuk C10



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ABYSSINIAN CRISIS A French training officer reviews an Ethiopian infantry unit, February 1935.

Means Short of War

After World War I, the victorious powers invented a new method to avoid conflict, devising sanctions to punish transgressors' economies. It hasn't always worked.

The Economic Weapon

By Nicholas Mulder
Yale, 434 pages, \$32.50

BY PAUL KENNEDY

BE WARNED, Vladimir Putin told President Biden after their much-publicized video-conference call of Dec. 7, and do not think of enacting any further sanctions against Russia over the Ukraine crisis, for that would simply backfire. Persuading European states not to participate in the Nord Stream 2 pipeline project, which promises to provide them Russian gas, does not frighten us. But it will hurt some of your allies. NATO declarations of resolve don't scare us. Financial restrictions upon Russian banks and large businesses will not work. Your economic weapons are to no avail, for we are either resilient enough already or will find ways of getting around them. Don't you understand, Mr. Putin seemed to be telling the world: Sanctions are a hopeless tool in diplomacy, so why not toss them into the dustbin of History?

it was proclaimed that member states were bound to cease all financial and commercial ties with countries deemed by the League Council to have committed acts of aggression against another state.

None of this was as simple as it looked (and it would become even more complicated when America turned to isolationism and did not join the League of Nations). Mr. Mulder correspondingly devotes a large chunk of his valuable book into showing how diplomats, Treasury officials and international jurists wrestled with the nitty-gritty details of this important piece of the new Versailles System—threatening economic punishment in order to ensure the good behavior of states.

Blockades and other interventions had long been employed during active hostilities. Behind the new interest in economic sanctions, however, lay the aching hope of liberal leaders that future catastrophic wars could be avoided through economic instruments alone. Although some internationalists winced at the idea, unpleasant things like cutting off trade and freezing financial assets would be done in order to make the world more pleasant. Yet all this rested on the critical assumption that the governments and the societies of the transgressor countries were going to be susceptible to such external prodding. If they weren't, then the sanctions-imposing nations faced a hard choice; either back down and admit failure, or move to harsher actions—military actions.

Obviously, then, imposing tough economic measures against transgressors was always going to be easier if the latter were small and almost powerless states, like Bulgaria and Greece, whose fighting over a border incident in the fall of 1925 led the league to threaten a naval blockade against Athens, forcing the Greek government to back down. But what if the troublemaker was a state with a lot of military muscle that couldn't be intimidated easily, like Mussolini's Italy, which in 1935 was attempting a full-scale conquest of Abyssinia (now Ethiopia), a fellow member of the League? What was in the tool kit then? The trade embargoes that the league approved did hurt Italy's

economy, but its military options were not constricted. Blocking oil imports was not attempted, for fear that it would antagonize American business interests. And the idea of Britain closing the Suez Canal, which would have denied Italian ships easy passage to Abyssinia, was ruled out as a breach of international law. With very little to fear, Mussolini virtually completed his conquest by 1936. The league's failure during the Abyssinian crisis has been told many times before, but Mr. Mulder's account is superior in its use of American, British, French, German and League documents to reconstruct this embarrassing tale.

If the "economic weapon" could not be used to force Italy into line, what chance did it have to deter Adolf Hitler from his various aggressions in East-Central Europe, or to force the Japanese to pull back from their steady invasion of

China? Clearly, none at all. After 1937, the options left to Neville Chamberlain of Britain, Franklin Delano Roosevelt of the United States and the French leaders were therefore twofold: Either appease (acquiesce in the aggressions) or go to war. Sanctions were a busted flush, "the very midsummer of madness" as Chamberlain said of the Abyssinian affair. Since the prime minister wished to avoid war at all costs, deals had to be cut to satisfy the needs of the various dictators.

The rest of this sad story is known to most readers. Hitler in particular would not be appeased. The Munich deal of September 1938 was out of date six months later, when the Nazis marched into Prague—and then the attack upon Poland was only another six months away. In the parallel Far East crisis, the tale was slightly different: In July 1941 the Western powers, led by Roosevelt, did impose a punishing oil embargo upon Japan, but this economic aggression boomeranged and provoked Tokyo to launch the Pacific War against the U.S.

As Mr. Mulder shows in his closing chapter ("The Positive Economic Weapon, 1939-1945"), only when war could not be avoided could economic tools be used to achieve the world order envisioned at Versailles. The first way that really worked was to initiate a little-known part of Article 16 of the Covenant, which allowed the still-neutral U.S. to supply huge amounts of weapons and other supplies to Allies fighting for the common cause—in a word, the "Lend-Lease" program. The second way was, eventually, to use every possible destructive military and material instrument, from the naval blockade to the overpowering strategic bombing campaign, to turn Axis economies into burned-out rubble. That bloody approach was a far cry indeed from the expectations of the visionaries of 1919.

"The Economic Weapon" observes strict chronological limits, but offers many lessons for Western policy makers today. History suggests that sanctions simply don't work if they are "soft" sanctions, a tap on the wrist meant to show disapproval rather than to punish. Sanctions don't work if there are huge financial or commercial loopholes to the economic cordon that is meant to be being imposed. Sanctions don't work if another Great Power steps in to supply to, or buy from, a country being chastised—for instance, Chinese supplies to North Korea today, or Russian purchases from Iran).

Sanctions will always be threatened, and often attempted. While they may indeed succeed against a small transgressor that is vulnerable to economic pressures, a large nation with an authoritarian regime will be able to tough it out, control its own citizens and mobilize all national assets to bear the strain. Instead of causing illiberal nations to ameliorate their policies, sanctions might confirm the determination of a regime's leaders to become more independent economically, and reinforce that being part of an integrated global system is a really dangerous thing. That in itself is a rather depressing thought.

Mr. Kennedy is the Dilworth Professor of History at Yale University. He is the author of many books, including the forthcoming "Victory at Sea: Naval Power and the Transformation of the Global Order in World War II."

Empress On Her Own Terms

Maria Theresa

By Barbara Stollberg-Rilinger
Princeton, 1,045 pages, \$39.95

In the Shadow of the Empress

By Nancy Goldstone
Little, Brown, 616 pages, \$32

BY A. WESS MITCHELL

ON DEC. 13, 1740, the Prussian king Frederick II slipped out of a masquerade ball and mounted his horse at the head of 27,000 well-drilled troops. Three days later, he crossed the frontier into neighboring Silesia, northernmost province of the Habsburg monarchy, then at peace with Prussia.

Frederick had chosen his moment wisely. In late October, the emperor Charles VI had died without a male heir, leaving the chaotic jumble of territories that made up the Habsburg patrimony to his 23-year-old daughter, Maria Theresa. The realm that she inherited was in a pitiable state: its army demoralized following a recent defeat by the Turks; its treasury depleted by Charles's long campaign of bribery to secure the sanction of Europe's other monarchs for his daughter's inheritance.

By any measure she must be judged among the most remarkable leaders of the 18th century.

The Habsburg dynasty's first and only female ruler, Maria Theresa ascended the throne under a cloud of doubts about her competence and legitimacy. Young, pretty and pregnant, she was inexperienced in statecraft or war. Smelling blood, France, Spain and Bavaria joined in Frederick's conquest, each hoping to carve a lump from the flailing empire. Beset on all sides, the young Archduchess now found herself in a desperate fight for survival—as she would later write, "without money, without credit, without army . . . without any counsel."

Many of her ministers began to prepare for what they assumed would be Austria's inevitable defeat and partition at the hands of the invaders. The House of Habsburg, it seemed, had reached the end of its rope. But Frederick had underestimated the young queen. Maria Theresa rallied her subjects, outwitted her foes and fought Frederick to a standstill. In the years that followed, she overhauled Austria's antiquated systems of finance and administration, modernized its army and revolutionized its foreign policy. When Frederick attacked again in 1756, the tables were turned against him. Altogether, Maria Theresa would fight "the monster" (as she called Frederick) for more than a third of her 40-year reign. Along the way, she bore 16 children, 10 of whom reached adulthood and four of whom would go on to become European monarchs.

By any measure, Maria Theresa must be judged among the most successful Habsburg monarchs and most remarkable leaders of the 18th century. Yet modern historians have had little to say about her. She was too conservative to ever appeal to feminist historians. She lacked the offensive warfighting prowess that has given Frederick II a cultlike following among American military historians. And she lacked the adventurous sex life that made Russia's Catherine the Great a favorite for television miniseries producers. The last comprehensive

Please turn to page C8



SANZIONI Italian posters protest sanctions imposed by the League of Nations after Mussolini's invasion of Abyssinia.

Should Mr. Biden follow that course—and there is no sign right now that he will—he would be turning away from a policy that has been one of the main instruments in the strategic tool kit of the Western liberal powers for almost a century. For it was at the start of the 1920s, as Cornell University history professor Nicholas Mulder explains in "The Economic Weapon," that the politicians and officials of the victors of World War I—Britain, France, Italy, the United States—attempted a new way of influencing states' behavior. By using the international machinery of economic sanctions, or coordinating joint treasurers' actions, they hoped to deter or punish transgressors of the Western rules-based order of things. The chief protocol and instrument of all this was located in Article 16 of the Covenant of the brand-new League of Nations, where



POWER POLITICIAN Maria Theresa (1744) by Martin van Meytens.

BOOKS

‘Where men are forbidden to honor a king they honor millionaires, athletes or film stars instead.’ —C.S. LEWIS

FIVE BEST ON THE BRITISH MONARCHY

Tracy Borman

The author, most recently, of ‘Crown & Sceptre: A New History of the British Monarchy, From William the Conqueror to Elizabeth II’



Britain's Royal Families: The Complete Genealogy

By Alison Weir (1989)

1 Few historians have a more encyclopedic knowledge of the British monarchy than Alison Weir, Britain's bestselling female historian. “Britain's Royal Families” was her first book—and, I would argue, is one of her best. It is a comprehensive guide to the kings and queens who have occupied the thrones of England, Scotland and Great Britain, from the Anglo-Saxon King Egbert in the ninth century to Queen Elizabeth II today. This is the sort of book that you intend to dip in and out of but that ends up keeping you completely absorbed. An introduction to each royal dynasty sets the scene for all that follows. That includes the strikingly complex web of familial ties both within the British monarchy and across Europe. William the Conqueror had to seek papal dispensation for his marriage to Matilda of Flanders because they were connected within seven degrees of kinship. The problem was, when it came to Britain's royal families, it was hard to find a consort who didn't fall into that category.

Elizabeth II's coronation as “the most impressive ever staged in the Coronation's thousand and more years history.” He is in a good position to judge. His meticulously researched study of this ancient royal ritual encompasses the history of the monarchy from the 10th century up to the present day. The narrative is rich in detail and enlivened throughout

behold.” So remarked James I, the first Stuart king of a united England and Scotland. For much of the crown's history, its incumbents were seen as otherworldly beings, appointed by God to rule over the mortals who inhabited their kingdoms. Little wonder that these same mortals became so fixated on their monarch's every move—and still are today.

The Tudors in Love: The Courtly Code Behind the Last Medieval Dynasty

By Sarah Gristwood (2021)

4 Reading “The Tudors in Love” feels like having a cipher to decode the letters that passed between Mary, Queen of Scots, and her Catholic conspirators. For the first time there

Boleyn learned. The theme of female power (or lack of it) has obvious contemporary relevance. Ms. Gristwood's prose is as seductive as the subject matter. Be prepared to fall in love.

Kensington Palace: Art, Architecture and Society

Edited by Olivia Fryman (2018)

5 Throughout its history, Kensington Palace has been regarded as the poor relation of the London palaces. Small, architecturally modest and partially obscured by the surrounding landscape, it lacks the stateliness of the other royal residences. But, as this fascinating and scholarly study shows, some of the most important events in the history of the British monarchy have been played out at Kensington. The palace boasts four centuries of continuous royal residency—something that no other London palace can lay claim to. It was here that, in June 1837, the 18-year-old Victoria received the news that her uncle, William IV, was dead



WAITING Prince Charles stands between the Queen Mother and Princess Margaret during the coronation of Queen Elizabeth II in 1953.

Coronation: A History of Kingship and the British Monarchy

By Roy Strong (2005)

2 “What is the finest sight in the world? A coronation. . . . What is delightful to have passed? A coronation.” So observed the waspish Horace Walpole before going on to pillory the “foolish puppet show” of George III's coronation in September 1761. By the time Britain's current queen was crowned almost two centuries later, the monarchy had its act together. In his seminal work on the subject, Roy Strong describes

with anecdotes and eyewitness accounts. By setting each coronation in its political, social, religious and cultural context, Mr. Strong tells the story of the British monarchy as a whole—a story of reinvention, renewal and, at times, utter farce.

The Oxford Book of Royal Anecdotes

Edited by Elizabeth Longford (1989)

3 “A King is as one set on a stage, whose smallest actions and gestures, all the people gazingly do

“As every editor of every popular newspaper or magazine knows, there is an insatiable demand for every scrap of information regarding the functioning of the Monarchy and the life of the Royal family,” reflected one commentator at the beginning of Elizabeth II's reign. “The Oxford Book of Royal Anecdotes,” which begins much earlier than most royal histories, spans two millennia, from the Celtic freedom fighter Boudicca up to Elizabeth II. All of the familiar and well-loved tales are here—King Alfred burning the cakes, Charles II hiding in the oak tree—as well as new and unexpected ones.

are satisfying answers to such conundrums as why Henry VIII took six wives (and executed two of them) and why the male favorites of his daughter Elizabeth I worshiped her as a goddess, even in old age. As Sarah Gristwood convincingly argues, the “emotional creed” that governed this most famous of royal dynasties was as important as the radical religious reforms they ushered in or the battles they fought. The romantic games played at the Tudor court were rooted in the chivalric ideal and seemed to offer women the power that was otherwise denied them. But these games could be deadly—as Anne

and that she was now queen. A century later, Princess Margaret made Kensington the party capital of London, with the cream of Hollywood and the British pop scene flocking to her A-list soirées. But the palace is best known as the former home of Diana, Princess of Wales. After her tragic death in 1997, the floral tributes laid outside Kensington's famous golden gates were waist-high and stretched as far as the eye could see. In “Kensington Palace,” moments like these blend with lesser-known stories from the palace's long history to make this essential reading for anyone with an interest in the British monarchy.

The Empress, Her Children & Their Times

Continued from page C7

history of the empress, Alfred von Arneth's 10-volume “Geschichte Maria Therasas,” was written a century and a half ago.

An effort to pull Maria Theresa out of the shadows is overdue, and two very different historians have taken on the task with two new and very different biographies.

Popular historian Nancy Goldstone's “In the Shadow of the Empress” is a really a quartet of biographies, encompassing the lives of Maria Theresa and three of her daughters—Maria Christina, Maria Carolina and Maria Antonia (later Marie Antoinette). Powerful queens are Ms. Goldstone's métier; she has previously produced books on Joan of Arc, Catherine de' Medici, the Provençal sisters and Mary Queen of Scots.

The book is elegantly written, in a brisk style that plays to Ms. Goldstone's strengths in portraiture and the theatrical set piece. The author deftly interweaves the ups and downs of Maria Theresa's running contest with Frederick with the vicissitudes of her life as Europe's most prolific procreator. To bear 16 children is surely a stupendous feat in any era; to do so as a head of state, often during wartime and in the span of 20 years, staggers the imagination. Yet these trials did not diminish Maria Theresa's stamina as a reformer, a vocation she pursued with astonishing vigor in virtually every corner of Habsburg government, from administration and finance, to agriculture and the army.

Ms. Goldstone gives us a lively account of the empress's favorite daughter, Maria Christina (“Mimi”), whose passion for the seductively charming Isabella of Parma (Mimi's sister-in-law) takes some of the starch out of the Habsburg facade. (“I burn for you,” one letter reads; another, “I kiss everything that you let me kiss.”) She resurrects the similarly obscure Maria Carolina, who shrewdly usurped her husband, the feckless and juvenile king of Naples. And she avoids a stale recital of the oft-told tale of Marie Antoinette, without ever fully explaining how Maria Theresa's youngest daughter left home with such a noticeably lower level of self-discipline and sense of duty than her elder sisters.

Four life stories in one cover is a heavy lift for even the most talented biographer. Ms. Goldstone could have done a better job tying the proliferating plotlines back to the book's implied central theme—the galvanizing figure of Maria Theresa. The author's evocative prose occasionally borders on camp (somehow calling the future Holy Roman emperor Francis Stephen of Lorraine a “high-school heartthrob” doesn't fit). And the maps are a mess, giving the Habsburg monarchy a name (“Austria-Hungary”) that wouldn't exist for another century and boundaries that it had lost before the date on the map. But these shortcomings are offset by Ms. Goldstone's rich storytelling and the humane and balanced portraits she provides of her subjects.

Barbara Stollberg-Rilinger's “Maria Theresa” is, at more than 1,000 pages, a monumental feat of scholarship that represents the first comprehensive reappraisal of the empress' life and legacy since the mid-19th century. Where Ms. Goldstone aims to popularize Maria Theresa, Ms. Stollberg-Rilinger, an academic historian at the

University of Münster, wants to “rescue” her from the appraisals of earlier historians like Arneth, who saw in the empress's piety, patriotism and family values the makings of a mother figure for the Austrian nation.

Ms. Stollberg-Rilinger scrutinizes every conceivable aspect of the empress's life and reign. The exhaustive research and scholarly nature of the book does not come at the expense of readability. Ms. Stollberg-Rilinger excels at both detail and grand scale, and translator Robert Savage never lets her down. Her description of the Habsburg monarchy's complex machinery, her analysis of the arcane workings

immune to flattery and refused to allow disloyal officials to kiss her ring; that she shamelessly spoiled Mimi while smothering and hectoring her other children; and that she launched a “chastity commission” in a vain attempt to stamp out infidelity among the nobility, which her husband, the amiable but idle Francis Stephen, elevated to a high art form in his hunting lodges.

Ms. Stollberg-Rilinger strives to avoid anachronisms; one benefit is that the reader is largely spared the overlay of identity politics that has become a mainstay of modern academia. She does not make gender the main focus of the text—an approach that Maria Theresa, who styled herself “king” and once considered challenging Frederick to a duel, would in any event have rejected.

Yet the author sometimes seems more interested in fighting historiographical battles than understanding Maria Theresa. The modern biographer, she says, must avoid “direct empathy” with a historical personality and abjure the search for “timelessly valid” truths about the past. Her text can thus sometimes seem coldly forensic or, worse, myopic. Ms. Stollberg-Rilinger is so preoccupied with debunking the “classic hero narrative” of Maria Theresa's reign that she sometimes fails to acknowledge characteristics of heroism in her subject.

Many of the author's judgments also carry a strong whiff of present sensibilities. In analyzing the basis for Maria Theresa's bond with her subjects, she offers a starkly materialist interpretation straight out of the mid-20th century, overlooking the crucial role of Catholicism. She criticizes Maria Theresa for “refus[ing] to plead her case before the self-appointed tribunal of a critically informed public,” without explaining what exactly that would have meant in 18th-century Austria—



REGALIA Coat of arms of the Habsburg empress Maria Theresa.

of the Holy Roman Empire, and her exposition of the family's marriage strategies are all masterpieces in miniature. Her accounts of Maria Theresa's show-downs with insubordinate courtiers have all the tension of a corporate boardroom drama. Students of executive leadership might learn a lot from Maria Theresa's method of empowering high-octane personalities to carry out difficult reforms against the resistance of large bureaucracies.

As always, human details capture the imagination. We learn that the empress sometimes referred to herself as “fat Theresa” among friends; that she was

or reflecting on the obvious irony that such a “tribunal” eventually cost Maria Theresa's daughter Marie Antoinette her head.

Ms. Stollberg-Rilinger's real beef is with Maria Theresa's contempt for the Enlightenment, which the old empress saw as the dangerous theorizing of “fashionable philosophers.” This German academic finds it distressing that in an emerging age of rationality, Maria Theresa would adhere to a “pre-modern virtue ethics” grounded in “piety, steadfastness and vigor, wisdom and moderation, benevolence and munificence.” The image she leaves us with is of an antique empress clinging to outdated beliefs, who failed in her most important life missions.

Readers are likely to find this bleak assessment unconvincing and indeed unsupported by Ms. Stollberg-Rilinger's own, superbly researched text. The truth is, whether in her rejection of predatory warfare or fidelity to her spouse or circumspection in child-rearing, Maria Theresa was exceptional for her class and time. That she saved her empire and reared a generation of reform-minded monarchs while displaying a personal integrity that was alien to supposedly more Enlightened contemporaries like Frederick and Catherine makes her story more remarkable, not less.

Acknowledging this doesn't require us to be blind to Maria Theresa's faults. But it does require us to recognize that what made her remarkable was adherence to virtues that, however outdated they may seem today, are in fact “timelessly valid.” And seeing that requires a humility that is not in abundant supply in the 21st century.

Mr. Mitchell is a principal at the Marathon Initiative and the author of “The Grand Strategy of the Habsburg Empire.”

BOOKS

‘Ambition must be made to counteract ambition.’ —JAMES MADISON, FEDERALIST NO. 51

The Contest for Control

Who Decides?

By Jeffrey S. Sutton
Oxford, 478 pages, \$29.95

By JOSH BLACKMAN

RECENTLY THE Supreme Court halted the federal vaccine-or-test mandate by a 6-3 vote. This split can be explained along the usual ideological lines. The six conservatives blocked the requirement, while the three progressives approved it. But the votes can be more naturally split based on a single, evergreen question: Who decides? Indeed, that question was posed in both Justice Neil Gorsuch’s concurrence and the joint dissent by the court’s progressives. The dissenters would have allowed the executive branch to impose the mandate. The majority held that Congress, and not bureaucrats, must expressly authorize it. Justice Gorsuch’s concurrence suggested that such an intrusive power is reserved to the states and not to the federal government.

The question that hovered over the court’s decision is at the center of “Who Decides? States as Laboratories of Constitutional Experimentation.” Jeffrey Sutton, chief judge of the U.S. Court of Appeals for the Sixth Circuit, carefully delineates the conflicts, contests and overlapping claims between the federal government, state governments and the people. He is well-positioned to do so. For the past two decades, while serving as a federal appellate judge, Judge Sutton has become—in his spare time, as it were—an evangelist for the underappreciated importance of state constitutional law.

In “51 Imperfect Solutions” (2018), Judge Sutton showed the many ways in which the states (along with the District of Columbia) can try, often with limited success, to resolve their internal policy disputes. “Who Decides?” is a kind of sequel. Here he traces the relationship among state courts, state legislatures and state executives and explores their connections with federal courts, Congress and the presidency. Judge Sutton’s account is deeply researched and offers a wealth of historical precedents and case studies. Three examples may suffice to capture the broad sweep of the book’s arguments.

First, Judge Sutton compares the power of legislatures to draw electoral maps with the power of courts to rule on the constitutionality of laws. The problems with skewed—“gerrymandered”—legislative maps



OLIVIER DOULLERY/AFP/GETTY IMAGES

are well known. Salamander-shaped districts, Judge Sutton writes, are drawn to help “interest groups get what they want—all the better without having to earn the majority support usually needed to get it.” This “poisonous” distortion, he says, “undermines confidence in government.” Yet courts can function in a similarly undemocratic fashion and practice a kind of gerrymandering of their own. Courts aren’t merely guilty of “bending elected districts” to help or hurt one party by asserting “power over selected issues,” they in fact make legislative districts “irrelevant.” The decisions of life-tenured federal judges, Judge Sutton notes, “cannot be overruled by the people.” In this regard, legislative gerrymanders are far less pernicious than the judicial gerrymanders.

Following such reasoning, incidentally, the Sixth Circuit recently upheld an Ohio restriction on abortion. Judge Sutton, who wrote a concurrence in that case, warned that a “politicized judiciary cannot be an independent judiciary.” When courts assert themselves into matters “over which people have legitimate dis-

agreements,” he observed, they take on the “worst features of gerrymandering: a warping of democracy and a perceived manipulation of the decision-making process.” Still, the legislative branch is not without fault.

Judge Sutton also shows how Congress and state legislatures have failed to guard their lawmaking power. They have stopped drafting most laws with precision and have transferred, or delegated, their lawmaking power to the executive branch. So who gets to decide now? Today bureaucrats who don’t stand for election write most of the rules that govern us.

The federal and state judiciaries, Judge Sutton observes, have responded differently to the delegation problem. For much of the past century, the U.S. Supreme Court has looked the other way when Congress relinquishes its lawmaking powers to administrative agencies. By contrast, “state courts frequently have imposed limitations” on delegation. Nearly two-dozen states require legislatures to set “specific standards” that grant agencies rule-making power. And the state judiciaries stand

ready to enforce such limits. The Florida Supreme Court, for example, halted a law that failed to “limit the Governor from exercising completely unrestricted discretion.” In short, the legislature, and not the governor, gets to decide.

Political conflicts, courtroom fights and overlapping claims set one level of government against another.

Finally, Judge Sutton turns to a neglected aspect of the separation of powers: the relationship between state and local governments. When most people need to interact with the government, they don’t descend on Washington or travel to their state capital. Most politics really is local: city councils, school boards, zoning commissions, town halls. Through “federalism within federalism,” Judge Sutton writes, “local power allows smaller groups of citizens to audition

innovative fixes to policy challenges.” He points to the many ways in which localities have come up with new ways of managing education policy and assessing property taxes.

Yet there are still checks on that power. Generally states restrict the types of laws that local governments can enact. Municipal regulations that exceed those limits (for instance, New York City’s ban on sugary drinks) may be pre-empted. In the other direction, some states have empowered “home rule,” which allows local governments to regulate such matters as speed limits. Whether a city or state gets to decide a particular matter varies widely from place to place.

The contest between pre-emption and home rule doesn’t easily reduce to party politics. During the pandemic, red cities in blue states resisted Covid restrictions, like mask mandates and lockdowns. Meanwhile, blue cities in red states tried to impose Covid restrictions only to be stymied by state governments. In Texas the attorney general has sued the city of Austin to block its public-health measures.

Judge Sutton recounts many other ways in which state and federal governments decide differently. Some state governors have a line-item veto; the Supreme Court has held the president can’t exercise one. The people can easily amend state constitutions; the U.S. Constitution is virtually impossible to amend. The federal executive branch is unitary, and the attorney general answers to the president. State executive-branch officials are often independently elected and can contest the governor’s powers. The recent investigation of New York Gov. Andrew Cuomo by Attorney General Letitia James illustrates this state-level power relation.

The state and federal governments, Judge Sutton shows, can function as “laboratories” for all sorts of novel experiments in governance—but history teaches that conflicts over jurisdiction and authority will always arise. It is then that the question “Who decides?” becomes paramount. Judge Sutton’s enriching analysis offers a thorough survey of the many ways to answer this question. But in the end, that decision belongs to us all.

Mr. Blackman, a professor at the South Texas College of Law, is a co-author of “An Introduction to Constitutional Law: 100 Supreme Court Cases Everyone Should Know.”

A Need To Settle Accounts

Born in Blackness

By Howard W. French
Liveright, 499 pages, \$35

By TUNKU VARADARAJAN

WHILE researching “Born in Blackness,” Howard French found himself at a grand plantation home in Louisiana, of the kind that specializes in selling what he calls “a strangely romanticized past.” There, amid the unthinking bustle of antebellum tourism, Mr. French hit a discordant note by hinting at the plantation’s history of slavery. “We don’t really emphasize in great detail the experience of the slaves here,” a white manager said. His “hushed” response made clear that their exclusion from the story was better for business.

As African gold financed empire, the enslavement of Africans made imperial markets fantastically lucrative.

Mr. French is a professor of journalism at Columbia University and a former reporter at the New York Times, where, among other jobs, he was bureau chief for West and Central Africa. He is descended, he tells us, from an “enslaved woman” named Priscilla, who was purchased in 1812 by James Barbour, the governor of Virginia. “This is no matter of con-

jecture,” writes Mr. French. “We possess a copy of the bill of sale.” With Priscilla, “whom he was known to favor,” Barbour sired Winifred—Mr. French’s grandfather’s grandmother—in 1835. Barbour was 60 at the time, retired from a career in politics that saw him ascend to the secretaryship of war under John Quincy Adams.

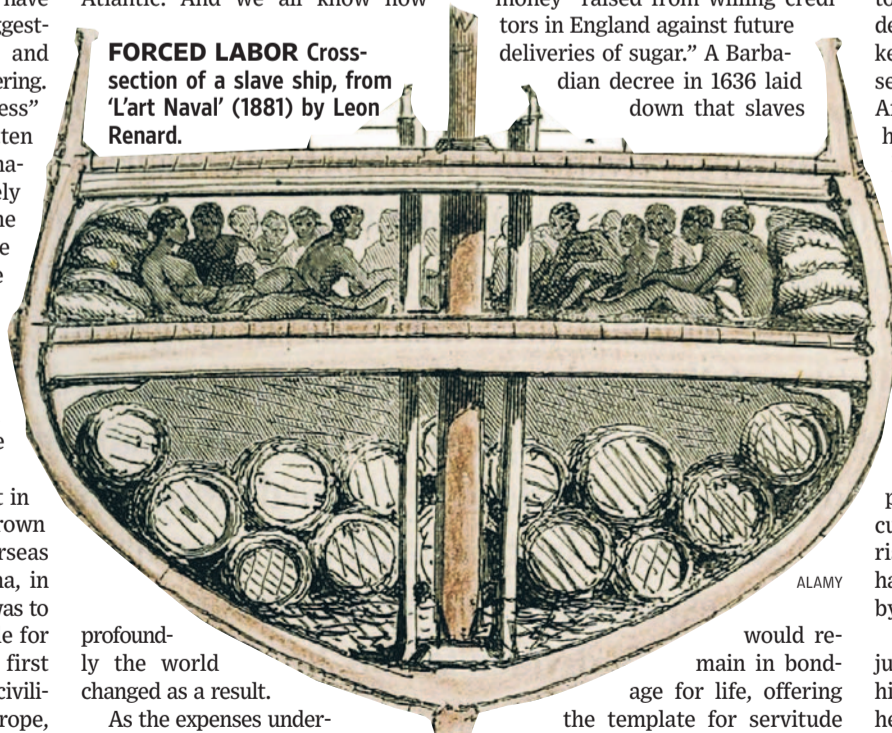
The omission of a slave narrative at the Louisiana plantation must have felt like a slap to Mr. French, suggesting, by analogy, that Priscilla and Winifred weren’t worth remembering. And yet, while “Born in Blackness” is a very personal book—written with a steely and elegant indignation—it is also an impressively detailed historical account of the role of Africa and Africans in the development of Europe and the Americas. More particularly, the book concerns the “centuries-long process of diminishment, trivialization, and erasure of Africans and people of African descent from the story of the modern world.”

Mr. French starts his account in 1471, when the Portuguese crown established Europe’s first overseas outpost in the tropics at Elmina, in present-day Ghana. Its purpose was to acquire as much gold as possible for transport back to Lisbon. This first foothold resulted, he writes, in “civilizational transformations” of Europe, Africa and the New World. It was gold from Elmina that made possible the financing of the fleets that would propel Portugal into the Age of Discovery, most saliently in the voyages of Bartolomeu Dias, who rounded the Cape of Good Hope in 1488, and Vasco da Gama, who in 1498 landed in Calicut, in southern India.

But the story of Elmina, writes Mr. French, is “confoundingly” absent in the “teaching of history about this era of iconic discoveries.” West Africa brought Portugal about a 10th of the world’s gold supply, and this “river of gold refloated Portugal’s chronically weak currency, making it universally

respectable for the first time.” The Portuguese treasury came to be known as the Casa da Guiné (the House of Guinea), a reflection of the commercial importance of Black Africa. Portugal’s monopoly of African gold left the Spanish with no option but to seek their fortunes “far beyond the Pillars of Hercules” and venture into the westward extremities of the Atlantic. And we all know how

FORCED LABOR Cross-section of a slave ship, from ‘L’art Naval’ (1881) by Leon Renard.



profoundly changed as a result.

As the expenses underpinning the thirst for gold mounted, says Mr. French, other sources of income had to be found. “Framed at its simplest,” he writes, gold led the Portuguese to the trade in slaves. And it was slaves who enabled the flourishing of a lucrative new commodity—sugar—which “drove the birth of a truly global capitalist economy.”

If the strength of Mr. French’s book lies in its quiet but adamant righteously, it rests also in its empirical force. Consider his case study of tiny Barbados (21 miles long, 19 miles wide), the sugar island par excellence. When the first white

settlers arrived there from England in 1627, it was uninhabited, a “consolation prize” in comparison with the Spanish Antilles. But between 1630 and the 1680s, Mr. French tells us, black slaves poured into Barbados. They grew to 75% of the population and 95% of the workforce.

Planters on the island bought slaves in increasing numbers with money “raised from willing creditors in England against future deliveries of sugar.” A Barbadian decree in 1636 laid down that slaves

would remain in bondage for life, offering the template for servitude throughout the hemisphere. Barbados, says Mr. French, was not merely “a pioneer in the development of chattel slavery”; it became “an enormously powerful driver of history” through the “prodigious wealth” it would generate. In 1600, Brazil had supplied nearly all of Western Europe’s sugar; by 1700, thanks to disruptions in Brazil caused by Dutch-Portuguese warring, Barbados alone supplied half of Europe’s sugar fix.

The labor of black slaves—of whom a quarter of a million died working on Barbadian plantations over roughly two centuries—yielded such high output that sugar consumption in Britain

increased 26-fold in the space of 150 years. This caloric boost fueled the long work days of England’s mill workers. Sugar and slavery powered the “modernization of business, politics and society in Mother England” while also leading to a boom in banking, shipping and insurance.

In the American colonies and, later, in the United States, slavery gave rise to Big Cotton, which Mr. French describes as “a unique fusion of book-keeping and brutality.” The “consensus estimate” on the number of Africans brought to the Americas, he says, hovers around 12 million. Lost in this “atrocious but far too neat accounting,” he adds, is the likelihood that another six million Africans were killed in the hunts that led to enslavement. By taking away so many millions of people, he argues, the slave trade wrecked Africa’s ability to compete with other parts of the world “at the very moment when human society was globalizing for the first time.” The later European Scramble for Africa and the curse of colonial cartography gave rise to 54 countries, many tiny, with haphazard borders thrust upon them by imperial whim.

Mr. French reserves his strongest judgment for the land that enslaved his own ancestors. Chattel slavery, he writes, is a “seriously underrated element in America’s ingenious and innovative, if morally depraved, early capitalism.” It is his view—with which few would rush to argue after reading “Born in Blackness”—that the sooner the “denial” about the role slaves played in creating America’s prosperity is put to rest, the better Americans as a people will come to understand “their country’s true place in world history.”

Mr. Varadarajan, a Journal contributor, is a fellow at the American Enterprise Institute and at Columbia University’s Center on Capitalism and Society.

BOOKS

‘The ’60s were characterized by a heady belief in instantaneous solutions.’ —AUDRE LORDE

She’s Leaving Home

Free Love

By Tessa Hadley
Harper, 287 pages, \$26.99

By KATHERINE A. POWERS

TESSA HADLEY, author now of eight novels and three collections of short stories, has few rivals in portraying the dynamics of families and the intricate weave of emotional affiliations among members. She is a genius at capturing fugitive thoughts and memories, the propulsive energy of desire, and the provisional reasoning that constitute inner being. Her plots, though often marked by a stunning revelation, are not where the dramatic action is; that occurs within the characters themselves. Her 2015 novel “The Past” is her masterpiece in this regard, not least in her depiction of the inner worlds of children, but her present novel, “Free Love,” approaches that work’s agility in capturing thought and feeling in flight. In this case, we have an English family in a moment of social upheaval remaking their lives, unyoking themselves from each other and from the conventions of the past.

The novel begins in 1967 with Phyllis Fischer dressing carefully for a little dinner she and her husband, Roger, are giving that evening. He is a high-placed civil servant in the Foreign Office; she is a housewife and stalwart of gracious living. They live in a charming Arts-and-Crafts house in a wealthy London suburb and are the parents of Colette, 15, and Hugh, 9. One guest will be coming: Nicholas “Nicky” Knight, a young man in his early 20s, the son of old friends of Roger’s parents. This is the first time the Fischers have seen him since he was a child—and we would not be surprised if it were the last. Arriving over an hour late, he is a sloppy, rude, insufferable prig. But Phyllis, at 40, is viscerally drawn to him, attracted by his disorderliness, by “his long hair, scruffy flared trousers, unbuttoned uniironed shirt, drawling mockery, thin smiles, offensive opinions, deliciously offensive everything.”

For this is the ’60s. While Phyllis is more adventurous than members of the previous generation—she has Elizabeth David on the shelf and garlic in the pantry—something more potent is in the air. She suddenly feels that, in leading her comfortably ordered, bourgeois existence, she is missing out on life itself. She also wonders for the very first time whether she has genuinely become too old to possess sexual allure: Although “she’d begun joking recently about becoming an old woman . . . It hadn’t seriously occurred to her, in her deeper awareness, that anything had changed or must ever change; she’d take for granted that at her core her sexual self would continue for ever, a nugget of radioactive material charged with its power, irreducible.”

She needn’t have worried. Briefly alone with Phyllis, Nicky spontaneously kisses her and she responds vigorously. Enlivened by passion, she decides that he will be her lover, and so it comes to pass. Every Wednesday she takes the train to London to visit him in his squalid bedsitter in Ladbroke Grove.



Rundown, littered with junk, and mutilated by demolitions preparatory to building an elevated highway, the area is daunting to her on her first trip: “She’d never seen so many coloured faces before, anywhere in England.” Scared, she feels “conspicuous in her beige mac, beige shoes, pretty mauve flowered

In Tessa Hadley’s latest novel, an English family’s bonds are challenged by social changes without—and stirrings within.

blouse and silk scarf, chosen to be careless and joyful . . . It hadn’t occurred to her to imagine wearing them in a deprived area like this, where their expensive smartness seemed flagrant and ill-advised.” Later, as the trysts continue, she revels in the milieu and manages to fend off acknowledging the full moral significance of her infidelity: “She knew that her betrayal of her husband and children was wrong, but in the same impersonal dulled way that she knew from school about the Treaty of Vienna, or the abolition of the Corn Laws.”

Though not remorseful, she is, nonetheless, haunted by the specter of her other life, “conscious on those Wednesdays of her own absence, like a ghost in all those rooms which, in the past, she’d arranged so beautifully. Without her, the place fell apart . . . no one turned on the lamps she had placed around the rooms to give off their welcoming glow; everything was bleak in the glare from the main light.” Phyllis bucks herself up with a

spate of annoyance that she is the only one who cleans up around the place, but this sense of doubleness pricks at her, the abandoned life that goes in her absence and the clandestine one she occupies. Eventually—and impulsively—she walks out on her family, out of her former life, and moves in with Nicky.

There are consequences, many and unforeseen, but this novel is not out to punish anyone; in fact, it is surprisingly kindly; we have here no “Anna Karenina” or “Madame Bovary.” Phyllis’s sporadic feelings of guilt, bitter though they are, are outweighed by her embrace of the ideas of personal freedom and fulfillment—notions that bloomed so extravagantly in the ’60s: “There wasn’t any point, she told herself, in thinking about the children. No reparation could be made for what she’d done. . . . The only thing to hang on to was that she must truly change, to give meaning to her betrayal. She had to believe that what Nicky awakened in her had sprung out of life itself.”

But what of Colette and Hugh and Roger? Their home has become a dismal, uneasy place. Roger is stoical; Hugh, who smelled a rat from the beginning, is angry and heads off to boarding school where he informs everyone that his mother is dead. Colette, a very bright but rather dumpy girl, longs to become a new person, to transform herself into the exotic, seemingly self-contained person she sees as she wanders the London streets: “Young women passing her looked exactly as she wanted to look herself: dangerous and deadpan, in junk-shop clothes, cultivating fascinating inner lives.” Ms. Hadley perfectly captures this aspect of the ’60s,

the urgency of wanting to join the paraded mystique and collective individuality of the beautiful people, so “nonchalant and oblivious, as if they’d been initiated into some code that others couldn’t break.”

The novel becomes Colette’s for a spell. She throws out her frumpy clothes, loses weight, and adorns herself with beads and whimsical outfits. She tracks her mother down and begins to gravitate toward the group of artists and writers—would-be for the most part—who make up her mother’s new friends. She attends a raucous concert held in a wasteland, but somehow, burdened by a reflective intelligence and acerbic temper, she can’t make the transformation to Dionysian: “Every-one else knew how to be carried along in this turbulent river, while Colette watched from the dry land of herself. She felt the river’s pull and its powerful romance, along with its terror, but didn’t know how to let herself into it.”

That is only to set the conditions for the complexities that ensue, including one hell of a development that, as Roger observes, creates a “situation as fatally twisted as a Greek drama.” Told chiefly from three viewpoints—Phyllis’s, Colette’s and Roger’s—“Free Love” is a penetrating, extraordinarily subtle novel about an unsubtle era. From a distance, its culture may seem to have been all surface: all sex, pot, fancy dress and political righteousness, but Ms. Hadley shows how it worked its changes into the lives and feelings of a handful of superbly conjured individuals.

Ms. Powers is a recipient of the National Book Critics Circle’s Nona Balakian Citation for Excellence in Reviewing.

Messianic Passions, Zen Detachment



FICTION
SAM SACKS

A Nobel laureate’s novel about a charismatic Jewish mystic evokes wild religious upheaval with a preternatural coolness.

IN 1665 in the Turkish city of Smyrna, an obscure Jewish mystic named Sabbatai Tzvi proclaimed himself the messiah, beginning, in the words of historian Gershom Scholem, “the most important messianic movement in the history of Judaism since the destruction of the Second Temple.” Followers of all ranks throughout the Diaspora embraced his teachings, and though his immediate impact was brief—under threat of execution, Tzvi converted to Islam and ended his days in disgrace—the apocalyptic ferment bred successors claiming to incarnate his spirit and vowing to fulfill his mission. The most successful and outrageous of these pretenders appeared roughly 100 years later: Jacob Frank, a student of Kabbalist mysticism from a small Polish town whose breakaway sect attracted the attention of kings and emperors and who died a wealthy nobleman in a castle in Germany, surrounded by acolytes.

Frank’s life and times supply the material for “**The Books of Jacob**” (Riverhead, 966 pages, \$35) by Polish novelist Olga Tokarczuk. This is the first of Ms. Tokarczuk’s books to arrive in English since she was awarded the 2018 Nobel Prize (it was published in Poland in 2014), and it’s just the kind of dense, monumental work that could help the Swedish Academy restore its rather tattered reputation as an

arbiter of serious literature. Stretching across the latter half of the 18th century and circumambulating Eastern Europe and the Ottoman Empire, the novel recapitulates an astonishing amount of esoteric learning. Ms. Tokarczuk is as comfortable rendering the world of the Jewish peasantry as that of the Polish royal court. And she has made matters even more challenging for herself—and certainly for her readers—by adopting an experimental narrative technique that draws back from the dramatization of historical events to explore the question of salvation, and of humankind’s perpetual longing for it.

Frank himself had no doubts about the potency of that desire. The novel depicts a brash golden boy anointed in his youth by elders of a community primed by centuries of suffering and immiseration to place their hopes in a revolutionary new system. “The Messiah will complete [Tzvi’s] painful journey,” explains a believer, “destroying empty worlds from within, reducing dead laws to rubble. We must thus annihilate the old order, so that the new one may prevail.” Frank takes up the practices usual to cult leaders—the recital of prophetic dreams, the laying on of hands, the initiation of exploitative sexual rites. But more than that, the mandate for complete spiritual renewal affords him the power

to overturn millennia of Mosaic law for his own bespoke commandments.

Through the interspersed writings of Frank’s chief apostle, Nahman, Ms. Tokarczuk delves into the improvised theological underpinnings of the group that became known as the Frankists or Contra-Talmudists. But she is more interested in the resulting

THIS WEEK

The Books of Jacob
By Olga Tokarczuk

political upheavals. Frank’s masterstroke is to incorporate elements of Christianity and Islam into his sect (he formally converted to both), making him an enemy of rabbinical authority and an unlikely bedfellow with the Catholic Church and ruling aristocracies. Most shockingly, he seeks to seal these alliances by testifying to the canard of the blood libel (the claim that Jews use Christian blood in their rituals), furnishing further rationales for pogroms and dispossessions.

It makes for an incredibly juicy tale of villainy and intrigue, yet the striking thing about “The Books of Jacob” is that Ms. Tokarczuk has taken advantage of almost none of the story’s inherent drama. Most of the novel adopts the bird’s-eye perspective of a very old woman named Yente, who falls into a coma in the opening

chapters and, in her state of undeath, becomes “an eye that travels through space and time.” Omniscient, omnipresent and unchanging, Yente observes the hurly-burly of the Frankist revolt with magisterial indifference (at one point her vantage is so loftily removed that she gazes down on the planet itself, which resembles “a freshly shelled green pea”). The pace of events never slackens—there is plague, betrayal, imprisonment, war, exile, death and succession—but their presentation is distant and uninvolved, conveyed in summaries rather than engaged re-enactments.

The treatment of messianic passions through an attitude of Zen detachment is so pointedly ironic that it colors every aspect of the novel, making this a curiously abstracted historical epic. In Jennifer Croft’s translation—a feat of tremendous diligence and care—the prose remains urbane and unruffled whether it describes religious ecstasy or sickening violence. On the practical level, this makes reading the novel extremely slow going, as there is no momentum or catharsis and little emotional involvement with the characters—who are, after all, only “transient and fleeting beings” in the enormous panorama of time.

There are important exceptions to the governing dispassion, however, and they

concern the medley of side characters who are only briefly or tangentially connected to Jacob Frank, and whom Ms. Tokarczuk allows herself to inhabit more intimately. These include Asher Rubin, a skeptical Jewish doctor who marries one of Frank’s abandoned followers; the nature poet Elżbieta Druzbacka, who struggles to retain her belief in the goodness of existence; and, in the novel’s fondest depiction, the solitary old vicar Benedykt Chmielowski, who has devoted his life to writing a key to all mythologies titled “New Athens,” which no one reads.

The hidden sub-drama that links these characters has to do with the power of words, whether in their capacity to reveal or conceal, decode or distort, clarify or sow confusion. If the novel recognizes our intrinsic need for salvation anywhere it is in the ongoing urge to write and record—the endless chasing, through the mysteries of language, after revelation. Ms. Tokarczuk does some playful teasing of the doddering Father Chmielowski, but her difficult and rewarding book is in many ways like his: encyclopedic, impersonal, incalculably rich in learning and driven by a faith in the numinous properties of knowledge. One, too, can imagine her repeating the vicar’s *cri de coeur* as she toiled at her writing: “I often stop to wonder how to encapsulate it, how to handle such Vastness!”

BOOKS

‘The American mind does not oppose tradition, it forgets it.’ —GEORGE SANTAYANA

America’s Silent Tradition

Dvořák’s Prophecy

By Joseph Horowitz
Norton, 229 pages, \$30

By JOHN CHECK

IN HIS 1918 arrangement of “Sometimes I Feel Like a Motherless Child” for solo voice and piano, Harry T. Burleigh captures a timeless cry of desolation. It begins with a repetitive pattern in the piano that suggests a weariness of spirit, setting the tone for the coming lyrics. As the piano notes move steadily into the lower register, that weariness grows. Sharp dissonances stab through the musical texture, emphasizing the phrase “A long ways from home.” It’s a demonstration of consummate skill and sensitivity that seems to fulfill the prophecy of Burleigh’s teacher, Antonín Dvořák.

Interviewed in 1893, one year into his three-year stay in the U.S., Dvořák contended that “the future music of this country must be founded upon what are called the negro melodies. This must be the real foundation of any serious and original school of composition to be developed in the United States.” In “Dvořák’s Prophecy and the Vexed Fate of Black Classical Music,” Mr. Horowitz—a distinguished cultural historian of American classical music and the author of 10 books on the subject—examines Dvořák’s prophecy and what became of it.

Dvořák came to New York in 1892 to lead the National Conservatory of Music. To Jeannette Thurber, the founder of the conservatory, Dvořák possessed two desirable traits: He was an undeniable voice of his people—the Czechs—and a composer thoroughly versed in the traditional forms and genres of the European past. Thurber envisioned a school of American composers possessing comparable traits, tethered to tradition yet expressing a distinctly American perspective. Like Dvořák, Mr. Horowitz writes, Thurber was “convinced that African Americans owned America’s musical seedbed.”

Burleigh was a student at the National Conservatory when Dvořák chose him to be his assistant. Burleigh would go on to greatest acclaim as an arranger of



FORGOTTEN VOICES The Fisk University Jubilee Singers on tour at the court of Queen Victoria in 1873, painted by Edmund Havel.

spirituals. Mr. Horowitz also illuminates the achievements of other black composers, including William Levi Dawson, Florence Price and Nathaniel Dett, all of whom, like Burleigh, drew from their shared heritage. Dawson’s “Negro Folk Symphony,” premiered in 1934 by the Philadelphia Orchestra, is for Mr. Horowitz a “buried treasure.” Price’s Symphony No. 3, according to a reviewer of the 1940 premiere, was touched by “true greatness.” Mr. Horowitz finds Dett’s oratorio “The Ordering of Moses,” premiered in 1937 by the Cincinnati Symphony, “hot with pathos and ecstasy.”

That these and other works by Dawson, Price and Dett didn’t gain greater traction had much to do with institutional bias. At the time, writes Mr. Horowitz, “African Americans did not play in American orchestras, or conduct them, or perform concertos with them.” But, the author maintains, there was another factor at play: aesthetics. Between the two world wars, there arose a modernist bias against the familiar and the vernacular. These

were the very sources that Dvořák held dear. In an 1895 article for Harper’s New Monthly Magazine, Dvořák said a composer “must prick his ear for music” and listen closely “to every whistling boy, every street singer or blind organ-grinder.” As a matter of course, Dvořák believed, American composers had to use the music they heard; it was a kind of common currency.

Modernists largely rejected this notion; they valued instead the original and the difficult. Two leading musical modernists were Aaron Copland and Virgil Thomson. Composers both, they also wrote extensively about music, in popular books such as “What to Listen for in Music” (1939) and Thomson in wickedly clever columns for the New York Herald Tribune. Together they were responsible for what Mr. Horowitz calls the “standard narrative” of American classical music, which rejected vernacular traditions and those composers—Dawson, Price, Dett, along with Charles Ives and George Gershwin—who honored them.

Mr. Horowitz writes powerfully and with enviable authority. In examining Thomson’s views, he discusses Van Wyck Brooks’s ideas about a “usable past.” He connects Ives’s use of vernacular musical sources in the composer’s third symphony with Mark Twain’s use of vernacular speech in “Huckleberry Finn.” He bolsters his treatment of musical nostalgia by considering nostalgic elements in the paintings of John Singer Sargent. Possibly Mr. Horowitz overrates Ives and underrates Copland, but his positions are always clearly staked out and amply supported.

In retrospect, Dvořák’s prophecy was indeed fulfilled—only not in the way he intended. Dvořák had in mind concert music performed by orchestras, choruses and virtuosos. In no way could he have foreseen the rise of 20th-century black music, from blues to hip-hop. Despite the richness of these new genres, American culture is impoverished for not having a longer legacy of concert works from black composers. Joseph Horowitz helps us appreciate what treasures we do have.

Mr. Check is a professor of music at the University of Central Missouri.

The bias against black music extended beyond the performing artists and onto their vernacular heritage.

And a Few Shall Have Prizes



CHILDREN’S BOOKS

MEGHAN COX GURDON

Here they are: This year’s winners of the Newbery, Caldecott and other awards of the American Library Association.

THIS YEAR marks a century since the establishment of the American Library Association’s Newbery Medal, one of the two most prestigious honors a children’s book can win. The other is the Caldecott, an ALA medal awarded annually since 1938. That these prizes bear the names of dead, white British men is a testament both to their relative antiquity and to the founding roles that publisher John Newbery (1713-1767) and artist Randolph Caldecott (1846-1886) played in making children’s books what today we call “a thing.”

Any children’s book may have a shot at the Newbery, and any picture book, at the Caldecott. Other ALA awards—also announced every January with great fanfare—are more narrowly gauged. The Coretta Scott King Book Awards go to African-American authors and illustrators for books that display an appreciation “of African-American culture and universal human values”; Pura Belpré Awards go to “a Latino or Latina author and illustrator whose work best portrays the Latino cultural experience”; the Stonewall Book Award goes to English-language children’s books “relating to the gay, lesbian, bisexual and transgender experience,” and so on.

Typically a book might win (or take secondary honors) in a single category. Most years, therefore, a great many authors and illustrators—of all hues and persuasions—earn the medallions that confer

institutional credibility and prime placement in shops, libraries and classrooms.

This year was a little different. A comparative handful of titles received numerous accolades, while some of 2021’s finest books, by creators not in favored categories, went unmentioned. There was, for example, bupkis in the ALA awards for—bear with me here—Deborah Freedman,

THE ALA BOOK AWARDS 2022

The Last Cuentista

By Donna Barba Higuera

Watercress

By Andrea Wang

Illustrated by Jason Chin

Firekeeper’s Daughter

By Angeline Boulley

Unspeakable: The Tulsa Race Massacre

By Carole Boston Weatherford

Illustrated by Floyd Cooper

Kevin Henkes, Gary D. Schmidt, Jon Klassen, Matthew Cordell, R.J. Palacio or Carter Higgins. There will be no gleaming medallions on the covers of Atheneum’s “Is Was,” Greenwillow’s “A House,” Clarion’s “Just Like That,” Candlewick’s “The Rock From the Sky,” Feiwel & Friends’s “Bear Island,” Knopf’s “Pony” or Chronicle’s “Circle Under Berry.” These exceptional books won’t get the coveted push.

Three buzzed-about Candlewick contenders—Laura Amy Schlitz’s

“Amber & Clay,” with pictures by Julia Iredale; Kate DiCamillo’s “The Beatryce Prophecy,” illustrated by Sophie Blackall; and Jeff Gottesfeld’s “21 Steps,” illustrated by Matt Tavares—got a belated consolation prize in being dubbed “notable” in an ALA list that was hurried out mid-week before a final vetting.

The tranche of books that *did* win, however, won big. “**The Last Cuentista**” (Levine Querido) is a compelling work of science fiction about a young Latina who goes into stasis for a centuries-long journey through space and wakes to find herself the only passenger with any memory of Earth and its stories. Written by Donna Barba Higuera, the novel won the 2022 Newbery Medal, while the author, who is biracial, received the Pura Belpré Children’s Author Award.

The poignant picture book “**Watercress**” (Neal Porter) captured the Randolph Caldecott Medal, a Newbery Honor and an Asian/Pacific American Award for Literature. Written by Andrea Wang and illustrated by Jason Chin, “Watercress” tells of a Chinese-American girl who’s embarrassed by her parents’ thrift until she learns a sorrowful family secret.

The heroine of the coming-of-age thriller “**Firekeeper’s Daughter**” (Holt) is half-white, half-Anishinaabe and wholly drawn into a vortex of crime and deceit in and around an Indian reservation in Michigan’s Upper Peninsula. The novel

received the Michael L. Printz Award and an American Indian Youth Literature Award honor, while its Ojibwe author, Angeline Boulley, also took the William C. Morris Award for a first-time author writing for teens.

Meanwhile, the Coretta Scott King Author Award went to Carole Boston Weatherford, and the Coretta Scott King Illustrator Award to the late Floyd Cooper, for their collaboration on the narrative nonfiction picture book “**Unspeakable: The Tulsa Race Massacre**” (Carolrhoda), a harrowing account of cruelty and racism that also won a Sibert honor as one of the year’s most distinguished informational books for children.

It’s no knock against the winners to see not only a pattern but also a determined effort to shape the culture. People in the industry say as much. There’s been gushing, for instance, that Kyle Lukoff’s novel “Too Bright to See,” about a trans middle-school child with they/them pronouns, won a Newbery Honor. As a writer for School Library Journal wrote of the books and the people who chose them: “They are the titles these educators and children’s literature experts believe kids should read. And this year’s list showed a diversity of authors and subject that the children’s publishing world strives for.” It’s something parents may want to keep in mind when they see an ALA medallion.

MYSTERIES

TOM NOLAN

Marlowe Drives A Mustang



SEVERAL WRITERS in recent years have resuscitated Raymond Chandler’s iconic Los Angeles sleuth Philip Marlowe. In “**The Goodbye Coast**” (Mulholland, 303 pages, \$28), the talented Joe Ide, author of the Isaiah “IQ” Quintabe detective series, manifests Marlowe in the form of a present-day private investigator.

Mr. Ide’s Marlowe is a sharp dresser who drives a Mustang and keeps an office on the shabbier side of Hollywood Boulevard. His client du jour is Kendra James, a fading movie actress whose husband was recently shot to death and whose teenage daughter has gone walkabout. Marlowe doesn’t like this client—“she looks like Grace Kelly without the grace”—but he does like his job: “Figuring out why people do self-destructive things and why they try to hurt each other.”

Marlowe has an unofficial partner in his father, a veteran LAPD homicide detective now on leave for drinking on the job. The elder

THIS WEEK

The Goodbye Coast

By Joe Ide

The Matchmaker

By Paul Vidich

The Houseboat

By Dane Bahr

Marlowe is old enough to remember Chandler’s era, and he still patronizes Musso & Frank, “the oldest restaurant in Hollywood.” He also rails at the ignorance of Kendra’s daughter, who ends up hiding out at his house: “The kid doesn’t read the newspaper, doesn’t play chess, she can’t cook . . . And get this. I asked her who Jimmy Stewart was and she said he was

the president who had a peanut farm.” The laugh-out-loud dialogue, the vivid similes, the complicated story and the set-piece subplots are all vintage Chandler. The gripping flashbacks, the adrenaline-pumping action and the heart-piercing poignance show Mr. Ide at his best. “The Goodbye Coast” delivers the distilled essence of both authors for the price of one.

Shades of Graham Greene, Eric Ambler and John le Carré hover over the pages of Paul Vidich’s “**The Matchmaker**” (Pegasus, 264 pages, \$25.95), a Cold War thriller set in West and East Berlin in the eventful years of 1989 and ’90. While some of the book’s elements are familiar—the tense stakeout at the crossing bridge, the moral doubletalk—the innovative Mr. Vidich subverts expectations in ways that surprise.

Anne Simpson, an American translator, works at a refugee center in West Berlin. Her husband, Stefan, is a piano tuner whose work takes him throughout Central Europe. After Stefan fails to return from his latest assignment, Anne receives a visit from a U.S. embassy employee who says her husband, whose wallet has been found in a Berlin canal, may be dead. Furthermore, Stefan is suspected of having been an East German spy.

Stefan, it’s postulated, was a “Romeo” under guidance of “the Matchmaker,” an elusive figure adept at finding unsuspecting women to provide cover for secret agents. Anne’s marriage was stage-managed from the first. “Is it possible,” she wonders, “that happiness based on falsehoods is still happiness?” The Western spies’ real concern is the Matchmaker. They want to use Anne as bait to lure him from his lair. Anne, who comes to focus all her vengeful rage on this puppet master, agrees to help but also warns: “If you don’t find him, I will.”

“Don’t underestimate her,” Anne’s CIA liaison warns his West German counterpart. “She’ll do what she thinks we won’t expect.” “Whose side is she on?” the German asks. “Her own.”

Ed Ness, the Minneapolis-based federal agent at the damaged heart of Dane Bahr’s desolate thriller “**The Houseboat**” (Counterpoint, 245 pages, \$26), set in 1960, carries the memory of his wife and son, both of whom were murdered seven years ago. The steady-drinking Ness does his shaky best to carry out his professional duties and, as instructed, makes his way to the small Iowa town of Oscar to help the local sheriff address frightening events which have traumatized the locals.

A teenage girl was found naked one night at the edge of the forest. Her boyfriend was stabbed to death by an intruder who fled, and the corpse later disappeared. The sheriff wonders what could prompt a person to commit such vile acts. “Maybe it’s for attention,” Ness tells him. “Maybe revenge. Maybe they’ve an ostentatious side that craves some kind of notoriety.”

The most likely suspect is Rigby Sellers, an off-putting human specimen: “thin and almost hairless . . . dark pebbly eyes . . . a jutting brow and a bent nose, a patchy beard and . . . long jaundiced teeth.” A villain to rival Norman Bates from “Psycho,” Sellers has the survival skills of a feral swamp thing. When Ness puts him under scrutiny, Sellers begins to stalk him.

Mr. Bahr writes like a demon, with a range from deadpan humor to living horror. “The Houseboat” won’t please those who demand an upbeat or even clear-cut resolution, but some of its haunting sequences may prove impossible to forget.

BOOKS

‘I will try to account for the degree of my aesthetic emotion. That, I conceive, is the function of the critic.’ —CLIVE BELL

So Very Modern, So Very Maligned

Clive Bell and the Making of Modernism

By Mark Hussey
Bloomsbury, 578 pages, \$40

BY DONNA RIFKIND

THE BRITISH WRITER Clive Bell (1881-1964) was nobody’s idea of a leading man. Henry James described him as a “quite dreadful-looking little stoop-shouldered, long-haired, third-rate” person. Bell’s own brother-in-law, Leonard Woolf, portrayed him in a 1914 novel as having a “little, round, fat mind,” while Lytton Strachey raised an eyebrow at the “layer of stupidity” in Bell’s character, “which runs transversely through all the other layers.”

The keenly sociable Bell sought acceptance in many circles, only to drift awkwardly between or outside them. He was an Englishman in the Parisian art world of the early 20th century, where he became an interpreter of Post-Impressionist painting for scandalized British museumgoers. He was an original member of the loose affiliation of London writers and artists that came to be known as Bloomsbury, only to rank consistently below its more famous figures, among them John Maynard Keynes and E.M. Forster. He was a part-time guest in his own marriage, and a chronic knocker on the doors of such celebrities as Pablo Picasso and Jean Cocteau. In the ever-growing heaps of books about the Bloomsbury group, he’s dismissed as an embarrassment: blustery, sybaritic and vain.

Does Bell deserve this shabby treatment? Mark Hussey, a professor of English at Pace University, has written a scrupulous new biography that reassesses Bell’s character and achievements. Bell wrote many books, including an appreciation of Proust, several volumes of poetry, and a number of influential appraisals of modern art. He wrote lively art criticism for British and American magazines, spoke perfectly idiomatic French and invented rhyming footnotes for the text of his full-length Byronic poem, “The Legend of Monte Della Sibilla.” As embarrassing as his swagger may have seemed, Bell’s accomplishments were real.

From an early age Clive Bell was at odds with his father, who had amassed a fortune in coal mines and kept himself busy impersonating a country squire in an overwrought

Wiltshire mansion hung with hunting trophies. Bell’s parents and three siblings placed little value on the life of the mind, whereas he was an aesthete by the time he went to public school in 1895, with as much fondness for poetry as he had for horses. “No beings were ever so completely pleased with themselves,” he once wrote to a friend about his family. “They feel that they have the run of God’s cupboard, and they help themselves judiciously to all that’s not worth having.”

with the rich sporting-set, and half with the intellectuals.” He was excluded from the elite debating society called the Apostles to which Woolf and Strachey were elected, though he had a better academic record than either of them.

Upon leaving Cambridge, Bell went to Paris, where he became transfixed by the simmering innovations in French painting that would soon erupt into an artistic revolution. He also kept up with his Cambridge

Traditional marriage was one of the cornerstones of Victorian culture that the Bloomsbury set was most eager to destroy. “We all want to have and not to have husbands and wives,” declared Keynes. From the time of World War I—which Bell, a lifelong pacifist, spent farming in Sussex—Vanessa Bell lived mostly with Duncan Grant, a fellow painter and the father of her daughter Angelica, who was born in 1918. Yet she remained officially married to Bell and con-

Gogh—works so strange that many thought the show was a hoax. Explaining the new movement in a 1914 book called “Art,” Bell used a short-hand phrase, “significant form,” to advance the idea that a painting should evoke emotion in the viewer rather than seeking merely to imitate life.

As Bell refined his ideas about apprehending art, his entertaining prose style won him assignments in such magazines as the Athenaeum in England and Vogue, Vanity Fair and the New Republic in America. He was both authoritative and self-deprecating, stating his occupation in the British “Who’s Who” as “highly civilised loafer” and quipping in 1922 that the practice of art history too often involved the “half-dead drearily writing about the wholly dead.” Not everyone was charmed. Rebecca West dismissed Bell’s 1931 book “An Account of French Painting” this way: “He hails every feature of French life and history with a cheer and a wave of the concertina as if it were one more village passed on the happy highway.”

Backlash follows innovation as dusk follows dawn, and Bell’s moment of relevance was no exception. For many cultural commentators “Bloomsbury” quickly became (and remains today) a lazy abbreviation for snobbery and cliquishness. Bell wrote in his 1956 memoir “Old Friends” that “few people, so far as I can make out, understand by it anything more precise than ‘the sort of thing we all dislike.’” More gradually, modernism lost its power to shock. As he himself grew older, Bell took injections from beauty specialists to treat his baldness and used cocaine to increase his stamina at nightclubs, where, he rather sadly told Vanessa, “everyone congratulates me on looking young.”

As Mr. Hussey observes in an astute summary of Bell’s career as a critic, Bell was not a scholar, but he most certainly was not a dilettante. Instead he sat somewhere astride, occupying an undervalued position as a stylish enthusiast. In “Old Friends,” Bell expressed his admiration for writers “who can make a coterie of all the world.” It was a poignant statement from a man who had hoped for a fuller embrace in every coterie he encountered.

Ms. Rifkind is the author of “The Sun and Her Stars: Salka Viertel and Hitler’s Exiles in the Golden Age of Hollywood.”



BON VIVANTS Clive Bell (left) and painter-designer Duncan Grant, in an undated painting by Vanessa Bell.

When Bell went up to Trinity College, Cambridge, in 1899, he fell in with a crowd of self-perceived radical thinkers who were just as eager as he was to discard the Victorian complacencies of their parents; among them

He was Bloomsbury’s favorite figure of fun, but when it came to art, also an inspired critic and infectious enthusiast.

were Strachey, Keynes, Thoby Stephen and Leonard Woolf. Yet Bell maintained his boyhood love for hunting and spent his time, according to his friend Desmond MacCarthy, “half

friends, some of whom had taken up communal residence in London’s Bloomsbury district. In 1906 Thoby Stephen, to whom Bell was particularly close, contracted typhoid while on a holiday in Greece. Thoby’s subsequent death at age 26 was a reverberating shock, pulling his loved ones defensively together. His sister Vanessa Stephen, a promising painter, accepted Clive Bell’s marriage proposal two days after Thoby’s death, having previously rejected him several times. They wed in England the following year, quickly welcoming two sons in 1908 and 1910. Bell also drew close to another of Thoby’s siblings, Virginia, conducting a brief but intense emotional affair with her and encouraging her early fiction writing. Virginia herself would marry another close friend of Thoby’s, Leonard Woolf, in 1912.

continued to oversee his domestic requirements in a thousand wifely ways. Bell had lengthy relationships with other women, but was always a fervent champion of Vanessa’s and Grant’s achievements as painters. He supported Angelica, financially and emotionally, as if she were his own daughter (Vanessa told her the truth about her biological father when she turned 18).

Bell stumbled into a career as a proselytizer for modernism in 1910 when he agreed to help Roger Fry, the painter and authority on Italian art who joined the Bloomsbury group that year, in organizing an exhibition of recent French painting in London. “Manet and the Post-Impressionists” raised a storm of outrage when Britons took their first look at works by Cézanne, Gauguin, Seurat and van

Bestselling Books | Week Ended January 22

With data from NPD BookScan

Hardcover Nonfiction

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK	TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Atomic Habits James Clear/Avery	1	3	The Betrayal of Anne Frank Rosemary Sullivan/Harper	6	New
Enough Already Valerie Bertinelli/Harvest	2	New	The Great Reset Glenn Beck/Forefront	7	2
Atlas of the Heart Brené Brown/Random House	3	5	The 1619 Project: A New Origin Story Nikole Hannah-Jones/One World	8	10
The Real Anthony Fauci Robert F. Kennedy/Skyhorse	4	4	Amp It Up Frank Sliotman/Wiley	9	New
My Little Golden Book About Betty White Deborah Hopkinson/Golden Books	5	7	Baby Steps Millionaires Dave Ramsey/Ramsey	10	1

Nonfiction Ebooks

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK	TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Your Baby’s Ugly Justin A. Goodbread/Cranberry	1	New	Atomic Habits James Clear/Avery	1	3
The Great Reset Glenn Beck/Forefront	2	1	Enough Already Valerie Bertinelli/Harvest	2	New
Enough Already Valerie Bertinelli/Harvest	3	New	The Real Anthony Fauci Robert F. Kennedy Jr./Skyhorse	3	4
Walk Toward Wealth Kevin Simpson/Merack	4	New	Atlas of the Heart Brené Brown/Random House	4	5
The Real Anthony Fauci Robert F. Kennedy Jr./Skyhorse	5	3	The Great Reset Glenn Beck/Forefront	5	1
The Trades of March 2020 Alex Gurevich/Houndstooth	6	New	Rich Dad Poor Dad Robert T. Kiyosaki/Plata	6	—
Atomic Habits James Clear/Avery	7	5	The Four Agreements Don Miguel Ruiz/Amber-Allen	7	6
The Rise and Fall of the Third Reich William L. Shirer/RosettaBooks	8	—	My Little Golden Book About Betty White Deborah Hopkinson/Golden Books	8	9
The Bettencourt Affair Tom Sanctori/Dutton	9	—	The Betrayal of Anne Frank Rosemary Sullivan/Harper	9	New
The Betrayal of Anne Frank Rosemary Sullivan/Harper	10	New	The Body Keeps the Score Bessel van der Kolk/Penguin	10	8

Hardcover Fiction

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK	TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Little Blue Truck’s Valentine Alice Schertle/Clarion	1	1	The Boy, the Mole, the Fox and... Charlie Mackesy/HarperOne	6	9
Cat Kid Comic Club Dav Pilkey/Graphix	2	2	The Midnight Library Matt Haig/Viking	7	—
Big Shot Jeff Kinney/Amulet	3	6	Mickey’s...Disney World Adventure Cathy Hapka/Random House Disney	8	New
One Step Too Far Lisa Gardner/Dutton	4	New	The Maid Nita Prose/Ballantine	9	5
The Horsewoman James Patterson & Mike Lupica/Little, Brown	5	4	Anatomy Dana Schwartz/Wednesday	10	New

Fiction Ebooks

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK	TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Reminders of Him Colleen Hoover/Amazon	1	New	Reminders of Him Colleen Hoover/Montlake	1	New
Lightning in a Mirror Jayne Ann Krentz/Berkley	2	New	It Ends With Us Colleen Hoover/Atria	2	1
One Step Too Far Lisa Gardner/Dutton	3	New	Verity Colleen Hoover/Grand Central	3	3
The Lincoln Highway Amor Towles/Viking	4	6	The Seven Husbands of Evelyn Hugo Taylor Jenkins Reid/Washington Square	4	4
Forever Lies Kathleen Brooks/Laurens	5	New	One Step Too Far Lisa Gardner/Dutton	5	New
The Maid Nita Prose/Ballantine	6	5	Little Blue Truck’s Valentine Alice Schertle/Clarion	6	10
The Eye of the World Robert Jordan/Tor	7	—	Ugly Love Colleen Hoover/Atria	7	7
Robert B. Parker’s Bye Bye Baby Ace Atkins/Putnam	8	New	Lightning in a Mirror Jayne Ann Krentz/Berkley	8	New
The Summer Proposal Vi Keeland/Vi Keeland	9	2	The Lincoln Highway Amor Towles/Viking	9	9
It Ends With Us Colleen Hoover/Atria	10	8	The Maid Nita Prose/Ballantine	10	6

Methodology

NPD BookScan gathers point-of-sale book data from more than 16,000 locations across the U.S., representing about 85% of the nation’s book sales. Print-book data providers include all major booksellers, web retailers and food stores. Ebook data providers include all major ebook retailers. Free ebooks and those selling for less than 99 cents are excluded. The fiction and nonfiction combined lists include aggregated sales for all book formats (except audio books, bundles, boxed sets and foreign language editions) and feature a combination of adult, young adult and juvenile titles. The hardcover fiction and nonfiction lists also encompass a mix of adult, young adult and juvenile titles while the business list features only adult hardcover titles. Refer questions to Teresa.Vozzo@wsj.com.

Hardcover Business

TITLE AUTHOR / PUBLISHER	THIS WEEK	LAST WEEK
Atomic Habits James Clear/Avery	1	2
Amp It Up Frank Sliotman/Wiley	2	New
Baby Steps Millionaires Dave Ramsey/Ramsey	3	1
StrengthsFinder 2.0 Tom Rath/Gallup	4	4
Exponential Jeff Rosenblum/McGraw-Hill	5	New
Extreme Ownership Jocko Willink & Leif Babin/St. Martin’s	6	6
Principles...Changing World Order Ray Dalio/Avid Reader	7	8
Think Again Adam Grant/Viking	8	9
Dare to Lead Brené Brown/Random House	9	7
Total Money Makeover Dave Ramsey/Thomas Nelson	10	—

PLAY

NEWS QUIZ DANIEL AKST

From this week's Wall Street Journal

1. Stephen Breyer, the oldest Supreme Court Justice, plans to retire. Who appointed him?

- A. Bill Clinton
B. Jimmy Carter
C. Barack Obama
D. Woodrow Wilson



6. Zara Rutherford, at 19, became the youngest woman ever to fly solo around the world. Where did her journey start (and finish)?

- A. Belgium
B. Denmark
C. Scotland
D. New Zealand

2. A new subvariant of Omicron has been found in many countries. What's it called?

- A. JD.1
B. BA.2
C. BS.3
D. DO.4

7. The A' Mhoine peninsula on Scotland's far north coast is in economic decline, but a plan to revive it is controversial. What does it entail?

- A. A spaceport
B. A casino
C. A conference center
D. A haggis museum

3. Catalonia's parliament pardoned hundreds who were convicted and executed—as what?

- A. Loyalists during the Spanish Civil War
B. Dissidents during the rule of Francisco Franco
C. Jews refusing to convert during the Inquisition
D. Witches between the 15th and 18th centuries

8. A portrait called "The Man of Sorrows" sold for \$54 million. Who's it by?

- A. Leonardo da Vinci
B. Botticelli
C. Van Gogh
D. Damian Hirst

4. Military forces staged a coup and detained the president—in which African country?

- A. Benin
B. Burkina Faso
C. Burundi
D. Botswana

9. Elon Musk tweeted that he would "eat a happy meal on TV" if McDonald's did something. What?

- A. Made the meal vegetarian
B. Included a Matchbox-sized Tesla
C. Bought 1,000 Teslas for its corporate fleet
D. Accepted dogecoin as payment

5. House Speaker Nancy Pelosi said that she'll seek reelection. Which California city is in her home district?

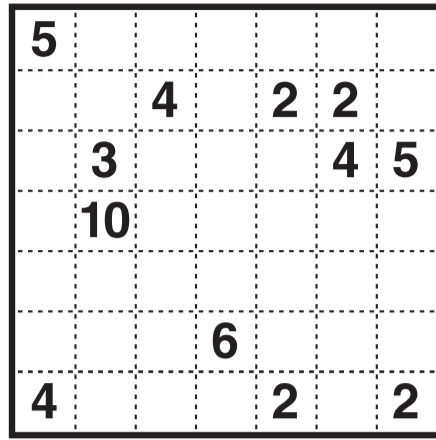
- A. San Rafael
B. San Francisco
C. San Mateo
D. Santa Monica

Answers are listed below the crossword solutions at right.



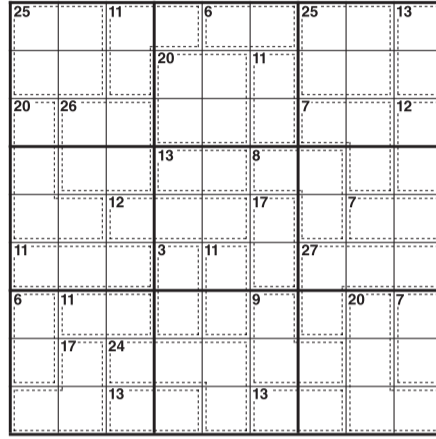
NUMBER PUZZLES

Cell Blocks



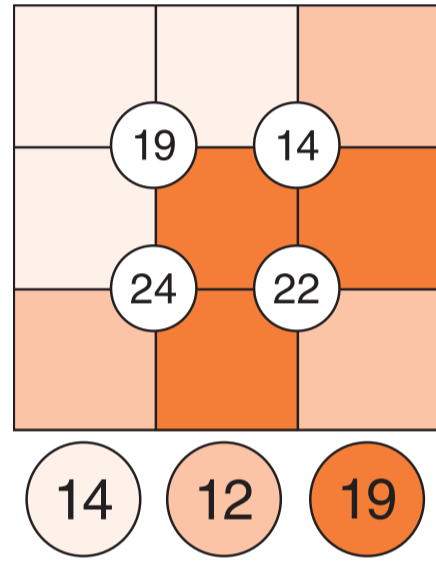
Divide the grid into square or rectangular blocks, each containing one digit only. Every block must contain the number of cells indicated by the digit inside it.

Killer Sudoku Level 2



As with standard Sudoku, fill the grid so that every column, every row and every 3x3 box contains the digits 1 to 9. Each set of cells joined by dotted lines must add up to the target number in its top-left corner. Within each set of cells joined by dotted lines, a digit cannot be repeated.

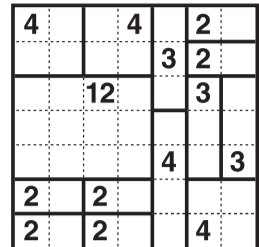
Suko



Place the numbers 1 to 9 in the spaces so that the number in each circle is equal to the sum of the four surrounding spaces, and each color total is correct.

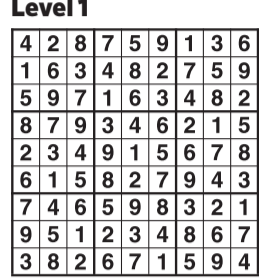
SOLUTIONS TO LAST WEEK'S PUZZLES

Cell Blocks

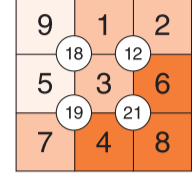


For previous weeks' puzzles, and to discuss strategies with other solvers, go to WSJ.com/puzzles.

Killer Sudoku Level 1



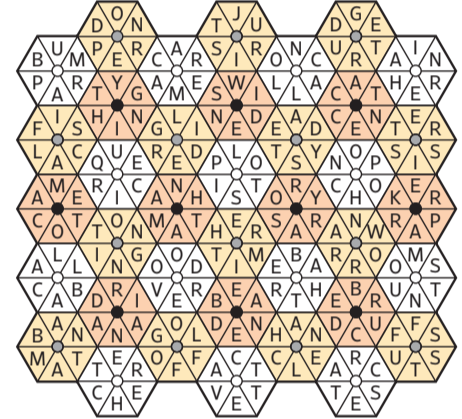
Suko



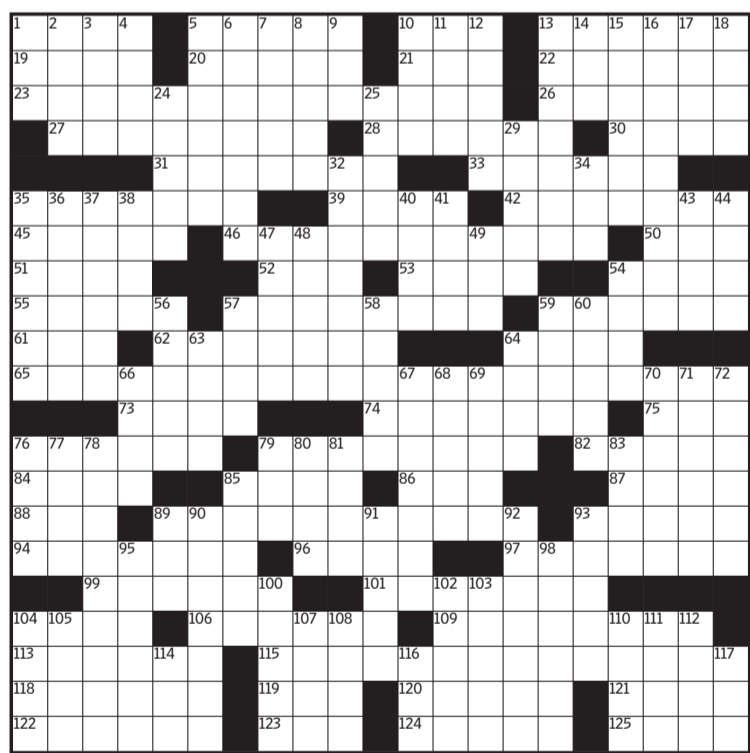
Field of Dreams



Rows Garden



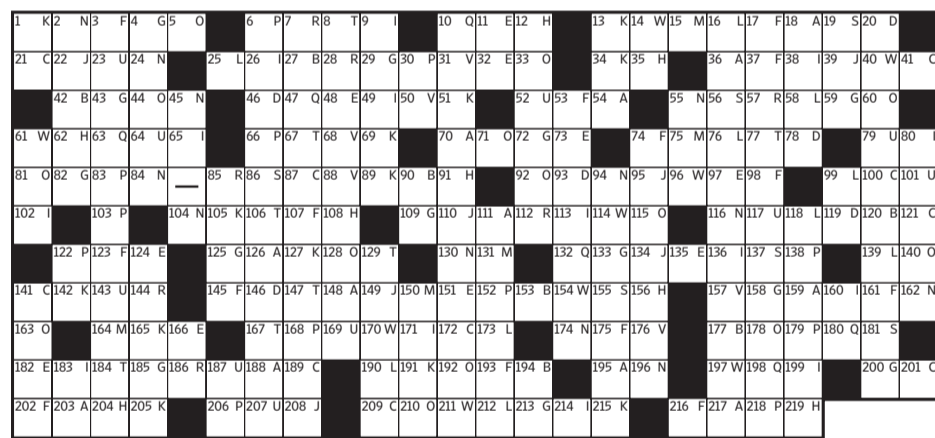
THE JOURNAL WEEKEND PUZZLES edited by MIKE SHENK



Mutual Affection | by Gary Larson

- Across: 1 Fires, 5 Either end of amoeba?, 10 Coder's creation, 13 Talk down, in a way, 19 Toledo's lake, 20 Quark flavor, 21 Warhol subject, 22 Apple storage place, 23 Enjoy reading "David Copperfield" and "Bleak House"?, 26 In need of some air, 27 Godforsaken, 28 Remove from power, 30 Young'uns, 31 Helped with homework, 33 Not as busy, 35 "A little privacy, please", 39 Motion decider, 42 Alhambra site, 45 Father figure to d'Artagnan, 46 Enjoy cafeteria-style dining?, 50 Enjoyed, 51 Pop singer Collins, 52 Online talk site, 53 Icicle's place, 54 Where baby Moses was found, 55 "Our Gang" girl, 57 Nickname of Joe Jackson, 59 Mia Farrow was on its first cover, 61 Clip- (some ties), 62 Fitness guru Jack, 64 Ready to streak, 65 Enjoy the fine print?, 73 Many a Moroccan, 74 Some bayou dwellers, 75 Originally, 76 Best boy's boss, 79 International Court of Justice location, 82 Moves cautiously, 84 "Sad to say...", 85 Zip, 86 "The French Dispatch" director Anderson, 87 Places, 88 Signer's need, 89 Enjoy calling others by nicknames?, 93 Bender, 94 Zones, 96 It contains 12 territories in Risk, 97 Tan and Grey, 99 "Absolutely!", 101 Printing, 104 Wacky, 106 Stressed type, 109 Picks apart, 113 Shabbily dressed, 115 Enjoy wielding long-driving golf clubs?, 118 La Scala premiere of 1887, 119 Finished off, 120 Cove, 121 Flaming Gorge National Recreation Area site, 122 Schindler's portrayer, 123 Stephen of "V for Vendetta", 124 Wing, in combinations, 125 Marinated seafood dish of Hawaii, Down: 1 Animation unit, 2 Dust Bowl descriptor, 3 Winged goddess, 4 Spots, 5 Homely clod, 6 Proctor's catch, 7 Couldn't help but, 8 More sardonic, 9 "The Walking Dead" network, 10 Prayer ending, 11 Balance parts, 12 Prepares to be shot, 13 It's often rewritten, 14 Show decisiveness, 15 Wheat substance, 16 Enjoy some guacamole?, 17 Lorna who's Liza's half-sister, 18 Big name in ice cream, 24 Lugs, 25 High praise, 29 Pool problem, 32 Plain, 34 Is no longer, 35 Toady, 36 Odorless gas, 37 Craving, 38 Gangster's gal, 40 Friend's address, 41 Terminal info, 43 Hardly compelling, 44 "A Death in the Family" author, 47 Hawke in films, 48 Hotelier Helmsley, 49 Campers, for short, 54 "Joyeux" holiday, 56 Emmy winner Woodard, 57 Untidy type, 58 Major moocher, 59 Betray anxiety, 60 Remove, 63 Way out there, 64 Ill humor, 66 Clods, 67 Cajun catch, 68 "Science of Logic" philosopher, 69 "Don't even bother", 70 Cover, in a way, 71 Move unsteadily, 72 Answers from a toady, 76 Openings, 77 Out of the weather, 78 Enjoy supermarket samples?, 79 Simple top, 80 "Aren't you a riot!", 81 13-Down chunks, 83 Cal. marking, 85 Tube, 89 Bud's bud, 90 "Only the Lonely" singer, 91 Reunion attendee, 92 Yankee Nick who hit a home run in the 2009 World Series, 93 Toughness, 95 Comes to, 98 Met, as a challenge, 100 Turkic language, 102 Mariah Carey's "Wanna Cry", 103 Duke or Dame, e.g., 104 Singer Celine, 105 Player's payment, 107 Running behind, 108 Source of lots of Allen wrenches, 110 Masterstroke, 111 Oz visitor, 112 Minn. neighbor, 114 Mop & (floor cleaner), 116 Pointer, 117 H. Rider Haggard novel

Answers to News Quiz: 1.A, 2.B, 3.D, 4.B, 5.B, 6.A, 7.A, 8.B, 9.D



Acrostic | by Mike Shenk

- To solve, write the answers to the clues on the numbered dashes. Then transfer each letter to the correspondingly numbered square in the grid to spell a quotation reading from left to right. Black squares separate words in the quotation. Work back and forth between the word list and the grid to complete the puzzle. When you're finished, the initial letters of the answers in the word list will spell the author's name and the source of the quotation. L. Making statements counter to official party policy (2 wds.) 118 139 99 58 173 190 25 212 16 76 M. 1975 Seamus Heaney poetry collection dealing with "The Troubles" 15 131 150 164 75 103 152 218 138 N. Author of "The House of Mirth" and "The Age of Innocence" (2 wds.) 24 162 94 104 174 55 45 116 84 130 2 196 O. China will usher it in on February 1, 2022 (4 wds.) 5 128 192 140 178 92 44 60 210 81 71 33 163 115 P. Its opening performances included Yeats's "On Baile's Strand" (2 wds.) 206 6 66 83 179 122 30 168 103 152 218 138 Q. New Hampshire's second-largest city, after Manchester 63 10 132 198 47 180 85 57 7 112 144 28 186 R. Site of the Semperoper, where Wagner's "The Flying Dutchman" premiered 85 57 7 112 144 28 186 S. Youthful and fresh 137 155 86 19 56 181 8 147 167 77 184 106 67 129 T. Make larger, humorously 8 147 167 77 184 106 67 129 U. Axon (2 wds.) 207 64 117 23 187 52 143 79 169 101 V. Five-time Stanley Cup winners, most recently in 1990 157 31 50 68 176 88 W. Overly protective sort (2 wds.) 211 40 197 170 114 154 61 14 96 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

The Precious Stories Of Gold

A new exhibition shows how Americans have used golden objects to celebrate, remember and mourn.

By PETER SAENGER

Objects made of gold are often emblems of privilege, and “Gold in America: Artistry, Memory, Power,” a new exhibition opening Feb. 25 at the Yale University Art Gallery in New Haven, Conn., is full of works made by top-tier artisans for wealthy patrons. But according to curator John Stuart Gordon, the show also means to illuminate the emotional significance of gold in the “cycle of life,” the ways it has been used to mark birth, courtship, marriage and death.

There are about 80 objects in the exhibition, which the museum calls the first general survey in six decades devoted to gold in American art and culture, and it is the personal and familial ones that leave the strongest impression. A solid-gold baby’s toy made in New York in the early 1760s includes a whistle, eight bells and a piece of coral for teething. Mr. Gordon notes that coral was thought to have protective charms for children at a time when infant mortality was very high. Mary Livingston, a member of the wealthy New York dynasty that included a signer of the Declaration of Independence, gave the toy to her granddaughter, Mary Duane. The 5-inch item has enough dents and scuffs to suggest it was to put to good use.

A more tragic family relic is a circular gold case, roughly 2 inches in diameter, likely made in 1801 for Jacob Hays, later New York City’s long-time police chief. The case probably memorializes two of Hays’s sons who died, containing locks of their hair, brown and blond.

The precious-metals trade fascinated early Americans, and newspapers carried reports of Spanish ships bringing treasure from Spain’s American colonies—as well as details of pirate attacks. The first documented American gold discovery was in North Carolina in 1799, but it

was the California Gold Rush of the 1840s and 1850s that changed the game, drawing hundreds of thousands to the state and funding decades of development.

In the chaotic early years, private banks in California issued their own gold coins, but in 1852 the U.S. Treasury sought to bring order to the market by minting an octagonal \$50 gold coin. “Gold in America” includes one example, with the image of an eagle on the front and a geometric pattern on the back. The coin bears the name of Augustus G. Humbert, the U.S. assayer who oversaw its creation.

A few decades later the Gilded Age began, but for the wealthiest Americans the term “Solid Gold Age” might have been more appropriate. In 1910-11, Tiffany created a coffee set of 18-karat gold, complete with 10½-inch-tall pot, cream pitcher, sugar bowl and platter. They were made for Alice Belin, likely for her marriage to Pierre S. du Pont, whose family business specialized in munitions. The bride and groom were cousins, and Mr. Gordon says the union between members of the dynasty had aspects of “a political deal.”

Contemporary artist Lola Brooks, based near Athens, Ga., draws on the idea of stereotyped femininity as a prison in “forsakengardenheart” (2012), for which she painstakingly used gold to solder steel links into a heart-shaped cage containing flowers made of ivory and coral. The cage is decorated with little bows stamped “14,” evoking the 14-karat gold used in the piece and the equation of jewelry with love. Mr. Gordon suggests that the artist is asking, “Why do we have all these received ideas about the value of this material?”

The humblest object in the exhibition, a golden thimble, carries the most history. It is inscribed with the name of Elizabeth Gooch, who as a young widow in the 1730s became one of the few female merchants in Boston, selling lace, ribbons and other small sewing items. The gold thimble may have helped cement her status when dealing with clients or genteel acquaintances. “You show up at someone’s house to do a sewing circle, and you come up with your gold thimble,” Mr. Gordon says.

Gooch later married John Franklin, Benjamin’s oldest brother, and the thimble became a Franklin family relic. Through the 1920s, whenever a female member of the Franklin family got married, she used the thimble to add a stitch to her wedding gown.

Personal and familial objects leave the strongest impression.



Above: A baby’s toy from the 1760s including a piece of coral for teething.

Right: A golden thimble from the 1730s that became a Franklin family relic.

Left: Lola Brooks’s artwork ‘forsaken-gardenheart’ (2012).

MASTERPIECE | ‘RECLINING PAN’ (C. 1535), ATTRIBUTED TO FRANCESCO DA SANGALLO

A God Takes a Break From Mischief

By WILLIAM A. WALLACE

IMAGINE STUMBLING UPON the cackling laughter of this leering, drunken goat-man in a darkened garden grotto. Between spreading thighs, his normally lusty manhood is thinly covered, having conceded all to drink—the wine or water trickling from the deflating wine sack. This is Pan, minor Greek deity, denizen of fields, flocks and forests. Lecherous satyrs, frenzied maenads and fat old Silenus are all part of Pan’s troupe, raucous followers of Bacchus, God of wine. For the startled spectator, the dribbling liquid, clusters of luscious grapes, and pan pipe are all enticements to join in revelry. But beware, for Bacchus and his associates are clever in leading us astray.

This marvelous sculpture found its way, perhaps unexpectedly, from the collection of Cardinal Francesco Barberini in Rome to St. Louis in 1947. Like so much art, furnishings and furniture that was transported to America in the 1940s and ‘50s, Pan was a refugee from a war-torn and impoverished Europe.

The Barberini family acquired the sculpture for its prestigious art collection in the early 17th century. By then it was considered a classical antiquity, which is understandable given its pagan subject and the fact that it was carved from a once standing, ancient Roman statue, the evidence of which is clearly visible on the backside of the marble block. The brilliant al-

chemy of transforming an antique marble into a living, albeit inebriated, Pan has been variously attributed to artists ranging from Michelangelo to Bernini. Should we label the sculpture antique or Renaissance—or both? The word “Renaissance” means “rebirth”—of classical antiquity. This is a spectacular example of such rejuvenation.

It can be legitimately claimed that what the St. Louis Art Museum modestly labels “Reclining Pan” (c. 1535) is, in my view, the most important Renaissance sculpture in America. Currently attributed to Francesco da Sangallo, a close professional associate and friend of Michelangelo, the Pan no longer adorns a garden grotto, but is the centerpiece of the museum’s beau-

tifully reinstalled European galleries. In open-mouthed dissipation, Pan greets visitors and inevitably draws a smile and closer examination. Thus, we are treated to exquisitely carved details such as Pan’s long, pointy ears, unruly beard and dangling neck glands. Pieces of variously colored marbles enliven hooves and horns, including those on the nebris, the goatskin tied around Pan’s neck. Two fingers caress the unruly neck hair of the skinned goat whose elongated snout sports a bemused expression.

The marble technician who transformed the battered ancient fragment into a living figure employed chisels, rasps and

polishing materials as if these were tools of a painter. Hours and hours of rubbing abrasive pumice across the roughened marble resulted in the lustrous surfaces of the sculpture, including the high sheen of Pan’s taut chest and ribs, muscular right arm, and protuberant belly. The sculptor employed different degrees of finish and polish to suggest a wide variety of textures: the tawny leathery folds of the wineskin, Pan’s shaggy legs, the smoothed rounded forms of ripe grape clusters, and a gnarled, woody vine with its broad, serrated leaf. One desires to touch, to experience the transformation of marble into soft surfaces as well as

A repurposed block of marble celebrates the deity’s carnal excesses.

the opposite, the rocky outcrop on which Pan reclines: a chunk of stone recarved to become stone again. Across this lithic landscape, a sly salamander slithers to steal a succulent grape.

The first-century Roman author Ovid recounts Pan’s story in his long and wildly popular poem, “The Metamorphoses.” Ovid invites the reader to sit where “the rock is in the shade; the grass is nowhere any better,” in order to listen as the god Mercury relates the episode of Pan and his unrequited lust. “On the mountain slopes of cool Arcadia, a woodland nymph once lived, with many suitors, and her name was Syrinx. More than once satyrs chased her and so did other gods of field and woodland, but always she escaped them.” Lubricious Pan was completely smitten by the nymph, but she, who feared the god’s lecherous advances, fled through pathless places until she came to the river Landon, where she implored her sisters “to change her form.” When Pan finally caught her, it was only willow, whistling reeds that yielded to his embrace. Touched by this marvel and charmed by the sweetness of tone of soft air stirring in the reeds, he bound them together to create the musical instrument we call a syrinx or pan pipes.

When we encounter Pan in St. Louis today, the love-frustrated god has given up the chase to wine and song. The memory of the enchanting nymph lives on in the erect reeds of his wind instrument, which he offers for any tipsy spectator willing to join his bacchanalian revelry.



Mr. Wallace is a professor of art history at Washington University in St. Louis.

YALE UNIVERSITY ART GALLERY (3)

SAINT LOUIS ART MUSEUM



You Oughta Be in Pictures
Sweaters that let you slip into something more scenic **D2**

OFF DUTY

There's a Zap For That
The promise of microcurrent facial tools **D11**



FASHION | FOOD | DESIGN | TRAVEL | GEAR

THE WALL STREET JOURNAL.

Saturday/Sunday, January 29 - 30, 2022 | **D1**

Hungry for Sunshine

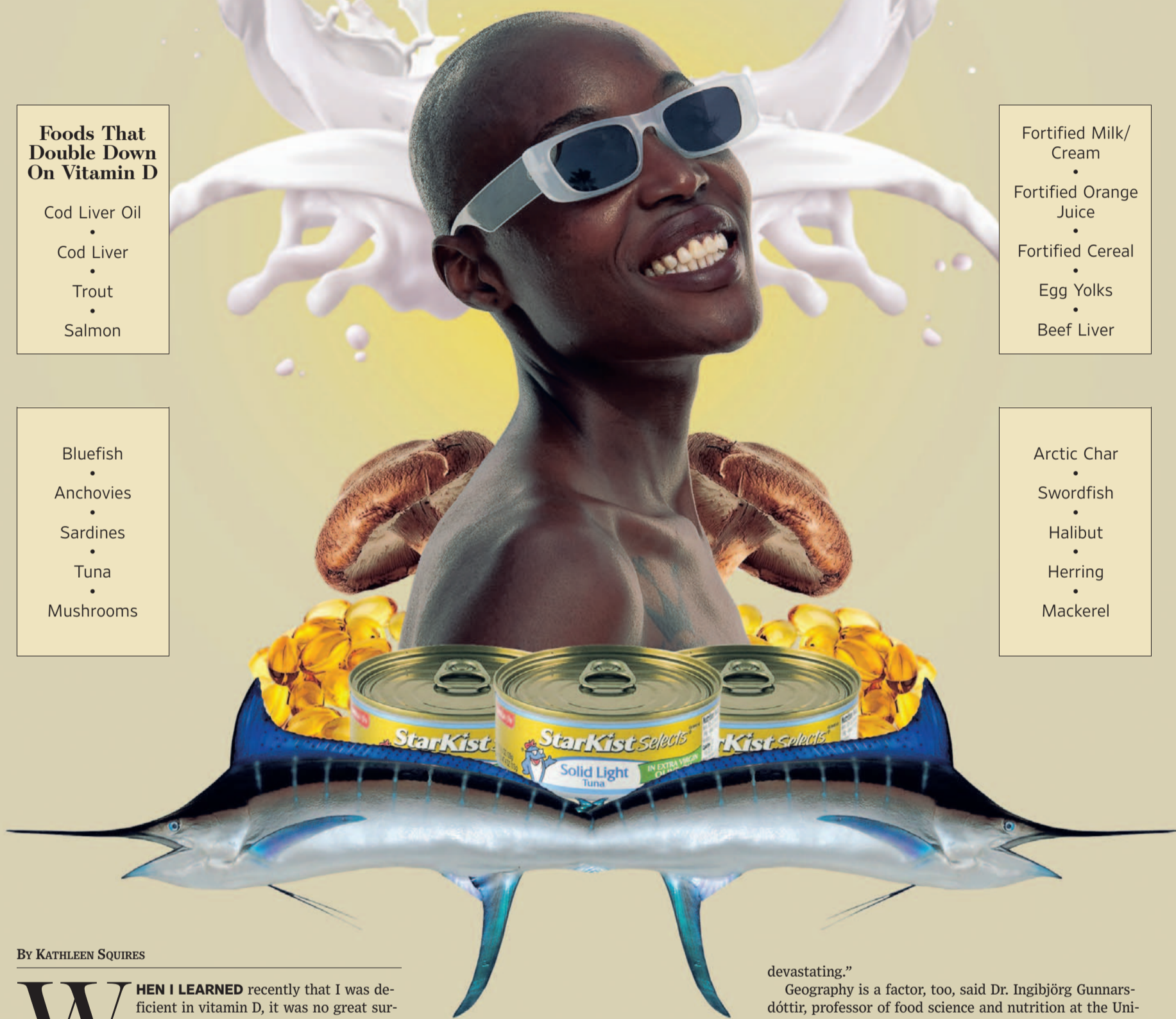
Foods That Double Down On Vitamin D

- Cod Liver Oil
- Cod Liver
- Trout
- Salmon

- Fortified Milk/Cream
- Fortified Orange Juice
- Fortified Cereal
- Egg Yolks
- Beef Liver

- Bluefish
- Anchovies
- Sardines
- Tuna
- Mushrooms

- Arctic Char
- Swordfish
- Halibut
- Herring
- Mackerel



By KATHLEEN SQUIRES

WHEN I LEARNED recently that I was deficient in vitamin D, it was no great surprise. The pandemic had me spending an inordinate amount of time indoors. As another winter set in along with virus variants, my doctor stressed the importance of the “sunshine vitamin.”

According to a 2018 study by the National Health and Nutrition Examination Survey (NAHNES), D levels have been in decline since well before Covid-19 hit. “Vitamin D deficiency (VDD) and insufficiency (VDI) are increasing at a global level, and they are associated with increased risk of various diseases,” the report said.

Vitamin D is naturally produced in the body via absorption of sunlight’s ultraviolet rays into the skin, and definitive research identifies vitamin D as essential to absorption of calcium in the bones. According to Duke University endocrinologist Dr. Richard Lee, “As we get older, vitamin D levels decline.” And that contributes significantly, he explained, to osteoporosis, poor bone strength and increased risk of fracture, “which in an older person can be fairly

Too much time indoors has left us more than merely cranky. Worldwide, doctors are diagnosing vitamin D deficiency—and the health issues that come with it. Here’s how to get your daily dose, deliciously.

devastating.”

Geography is a factor, too, said Dr. Ingibjörg Gunnarsdóttir, professor of food science and nutrition at the University of Iceland. Simply put: Populations that have more sun exposure year-round more easily produce vitamin D. “In Iceland, for example, we don’t have so much sun during winter,” said Dr. Gunnarsdóttir. “We recommend people to take vitamin D in the form of cod liver oil—which is a supplement for some people, but in Iceland we consider cod liver oil as food.”

She’ll get no argument from Gísli Matt, chef and co-author, with Nicholas Gill, of the cookbook “Slippurinn: Recipes and Stories from Iceland” (*Phaidon*). “We call cod liver the foie gras of the North,” Mr. Matt said. He diplomatically described cod-liver oil as “an acquired taste,” but he emphasized that the liver itself, also packed with vitamin D, is far more palatable. He loves it pan-fried or fashioned into a spreadable snack for crackers and flatbreads. While cod liver leads the pack in vitamin D content, Mr. Matt said, “a fish-rich diet in general gets us through the dark winters in Iceland.”

Please turn to page D10

FOLKSADE ADEGO (ILLUSTRATION); PURE PNG (SWORDFISH, MUSHROOM), FAVE PNG (COD FISH OIL, MILK SPLASH, CANNED TUNA), PNG FINDER (EGG YOLK)

Inside



SLANTS THAT ENCHANT

Décor solutions that make odd spaces with sloped ceilings charming **D5**



A MEAL WITH IMMEDIACY

Chicken legs in carrot-jalapeño escabeche—ready in 35 minutes **D8**



ESCAPE INFLATION

Caribbean getaways have gotten way too pricey. We found six exceptions **D6**



ALANA HAIM'S AIM IS TRUE

The musician and ‘Licorice Pizza’ star on unique uses for eyeliner pencils **D3**

STYLE & FASHION

WORTH THE WEIGHT?

Massive boots, like this Balenciaga Bulldozer style, have successfully marched into the menswear market. \$1,190, Balenciaga.com



Stomp to It

Three pairs of imposing boots, from purely fashionable to more functional



If Frankenstein's monster were dapper, he'd covet this 5.5 cm sole. \$1,350, BottegaVeneta.com



These suede steppers boast boxy toes and blocky rubber soles. Eytys Boots, \$380, Ssense.com



A waterproof rubber boot that claims to be as tough as it looks. \$120, CatFootwear.com

Boots on an Epic Scale

Frankensteinian footwear has become increasingly popular—and not because it's particularly practical

By JACOB GALLAGHER

FRENCH LUXURY house Balenciaga currently sells a boot known as the Bulldozer. Rarely has a product name seemed so apt. This massive boot is as hulking as a John Deere excavator on creatine. Its honking fang-like treads elevate the wearer inches off the ground. The boot's tall, leather shaft also exceeds the bounds of reason, swallowing one's calf completely. Even the Bulldozer's price clocks in at a big-gulp-inducing \$1,190.

This beast of a boot isn't the only monster stomping through the footwear market. Bottega Veneta peddles the \$1,350 Tire Boot, another calf-consuming Chelsea boot with a seriously large sole. Moncler has issued a series of menacing rubber muck boots that give the wearer an added inch or two. Even Cat Footwear, the brand owned by stalwart construction-equipment company Caterpillar, sells fashion-leaning footwear, including towering, glossy \$140 boots that, according to the

brand's website, provide a "futuristic, trend-led finish while protecting you from the elements."

Men's fashion is in a big moment—particularly in the shoe department. Balenciaga helped initiate the wave in 2017 when it released the Triple S, an obese sneaker atop a triple-stacked sole. That shoe—and similar overfed, elevated sneakers from Gucci down to Converse—whetted consumers' appetites for mundo, highly conspicuous footwear. "People who are buying status footwear want to be recognizable," said Bruce Pask, men's fashion director at Neiman Marcus. "We've been moving in that direction of having more statement-making footwear."

Beefy men's boots have a long history. Weighty Wellingtons, a British hunting staple, date back centuries. Hulking Dr. Martens have been with us since 1947. Construction workers clock the hours in steel-toe work boots, while Harley-Davidson owners yank on armor-like boots that cover nearly half their legs. (Ye, the rapper formerly known as Kanye West, has lately sported a pair of discontinued Red

Wing work boots that might easily weigh 20 pounds. Cosplaying fans have been clamoring for the hard-to-find boots; a pair recently sold for over \$3,000 on eBay.)

In the hands of contemporary designers, boots just keep getting more extreme. Andre Vargas, 27, a New Yorker working in digital marketing, owns a pair of NSLTD boots

He thinks of his commanding boots the way some women think of high heels: as a pure aesthetic indulgence.

from Ye's Yeezy line with Adidas, which resemble a Timberland cross-bred with a puffer jacket. "They're definitely a unique boot," said Mr. Vargas. That's putting it mildly. His friends have dubbed the marshmallowy stompers his "astronaut boots" and, in them, Mr. Vargas looks ready to bound across Mars instead of Manhattan.

Other colossal boots lack such

extreme fluffiness but are no less conspicuous. Photographer Jeremy Fuder, 29, owns a pair of those slick leather Bottega Veneta Tire Boots. The boots' muscular, oversized gray sole is more striking than that of a flat, ankle-high Chelsea but is "not super comfortable," he conceded. And when Chicago streets swarm with snow, the Bottes barely perform better than the lithe Hoka One One sneaker boots Mr. Fuder wears most winter days. As a result, he thinks of his commanding boots the way some women think of high heels: as a pure aesthetic indulgence. "Is there a benefit? No. But it's a style choice."

For many, style matters. Joevi Flores, 22, a retail worker in Gaithersburg, Md., likes how burly boots look with the roomier trousers he's been wearing of late. In recent years men's fashion has gravitated away from the shrunken suits and taut jeans of the early 2000s. A round, robust boot, like the Dr. Martens x Rick Owens pair that Mr. Flores wears, complements straight-leg pants better, more substantially, than the tapered Chelsea boots that once

filled department stores. And at 5'9", Mr. Flores welcomes the extra few inches of height, too.

But that lift comes at a cost. "Do they weigh [me] down? Quite a bit," said Justin Nguyen, 30, the owner of a sneaker store and cafe in Seattle, referring to his Rick Owens Tractor boots. The sole of these leather chunkers is a rubbery monstrosity. And while Mr. Nguyen likes their dramatic, almost Frankensteinian silhouette, he did note that wearing such an overweight boot took some getting used to. Some "big"-looking boots can weigh less than you think, thanks to soles that might appear solid but are filled with air, or thinned-down rubber. These designs can weigh in at just a couple of pounds, a bit heftier than a sneaker.

Mr. Pask largely dismisses concerns that these unwieldy boots are too heavy, given how well they are selling at Neiman's stores. "I think we can handle a bit of weight and the muscle-building that may come attendant to that." That's another way to think of these big boots: as just a really, really expensive calf workout.

FAST FIVE

Scene Steals

A man can only own so many solid crew necks. To avoid falling into a wardrobe coma, consider one of winter's cheery pictorial pullovers instead.



HOW MUCH IS THAT DOGGY ON YOUR SWEATER? A selection of quirky, colorful jumpers with knit designs that depict everything from a Dalmatian and a mountain stream to a killer slam dunk. Clockwise from top left: Sweater, \$1,245, CasablancaParis.com; JW Anderson Sweater, \$717, MatchesFashion.com; Sweater, \$565, 4SDesigns.com; Sweater, \$168, HouseOfSunny.co.uk; Sweater, \$495, StoryMFG.com

STYLE & FASHION

20 ODD QUESTIONS

Alana Haim

The 'Licorice Pizza' star and youngest member of rock band Haim on spin the bottle, the perfect trench and her first dream job

I 'VE HAD THE CRAZIEST year of my life," said actor and musician Alana Haim. With daily routines complicated by shutdowns and the like, this statement might ring true for many Americans, but Ms. Haim, 30, also saw her stardom explode overnight.

Over the last decade, Haim—the rock band she and her older sisters, Este and Danielle, formed in 2007—has steadily grown more popular. Their 2022 tour, set to begin in April, includes stops at their biggest venues yet, including Madison Square Garden in New York and the Hollywood Bowl in their home state of California.

"We have no idea how that happened," said Ms. Haim of the group's ascent. "Our first gig was at a clown museum." She's referring to the California Institute of Abnormal Arts (affectionately known as the CIA) in North Hollywood, a quirky curiosity not far from the San Fernando Valley, where Ms. Haim grew up.

In November, Ms. Haim magnetized critics and audiences in her big-screen debut as the dynamic, headstrong protagonist of Paul Thomas Anderson's "Licorice Pizza." Her parents and sisters also appear briefly in the film, which is set in the Valley in 1973.

Here, Ms. Haim speaks about her love of vintage Eagles merchandise, her favorite trench from the Row and how she learned to love her temperamental skin.

I'm lucky that: I have siblings who want to go on vacation with me. I always wanted to go to Italy. For my birthday, they surprised me with a trip to Positano at the end of our tour. We stayed at Le Sirenuse. It's the most romantic hotel I've ever been to, which was funny because I was with my siblings. I felt like I was in a painting.

Since I was 16, I've kept: almost every wristband that I've ever gotten on tour. I have them from when we played the Roxy [in Los Angeles], from when we played for four people. I have no idea what I'll do with them, but maybe when I have grandchildren I can show them I'm cool.

My mom always said: "Never leave the house with a wet head." I don't think I ever have. My hair is frizzy and thick. I can't use a blow dryer so I have to air-dry it. It takes about half a day. My mom probably told me that because she didn't want me to leave the house.

I wish that: all the photos of me from middle school would be burned. Everyone had the secret to beautiful hair and I had a terrible awkward phase. It's taken me a long time to figure out the right shampoo. Now I use purple Davines Love Shampoo. Then I towel-dry my hair and spray on Davines Oi All in One Milk. I learned that at a sa-



ONE-WOMAN SHOW Clockwise from above: Alana Haim in shades of blue at her Los Angeles home in January; Maya Erskine and Anna Konkle as awkward teens in the Hulu show 'Pen15'; Rosa Greta Eau de Parfum Spray; a the Row trench coat with 'incredible tailoring'; a pair of Vintage Orange Tab Levi's; Davines Love Shampoo; the Hollywood Bowl circa 1962; a 2018 Studio Tour at Universal Studios Hollywood.

lon. My hair smelled good and did not frizz in the humidity, which is a big deal for a young Jewish girl in the Valley.

I just turned 30, but: I don't feel like an adult. I have the confidence of a seventh-grader, that everyone's going to play spin the bottle and no one is going to kiss me. We played that at my first boy-girl party, and the hottest guy in school landed on me. I crawled over and he said he didn't want to play anymore. My face broke out immediately. It was so "Pen15."

My dream first job was: to be a guide for the Studio Tour ride at Universal Studios Hollywood. I've been on it over 10 times. I'm in awe of actors and the art of filmmaking.

I've always struggled with: cystic acne. I still haven't fig-

ured out how to combat it. My skin texture is bumpy. Seeing myself on screen with it was not that bad, though. I actually love the acne. It's me, and that's who I'm going to be.

Sometimes: I turn my zits into moles. I get brown eyeliner and just dab it. Pat McGrath has a great pencil I've used.

I always gravitate to: perfume with rose. My mom's maiden name is Rose, and the scent of my childhood was always rose. Le Sirenuse has a rose perfume, and it's so good.

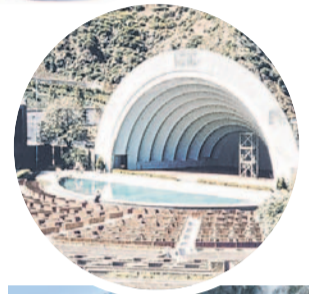
My parents never like: spending money, and all I want to do is spoil them. For the premiere of "Licorice Pizza," I took them to the Prada store. I bought my dad a suit and my mom a black knit dress. My mom kept asking how much it was and fully cried.

It was one of the most expensive purchases of my life.

During the 'Licorice Pizza' press tour, I've: been lucky to wear some clothes by the Row. I got a black the Row trench coat, and oh my God, I'll be giving this to my daughter [someday]. It has the most incredible tailoring. You put it on and it fits you so perfectly.

I'm on a never-ending quest to: find the perfect pair of jeans. Personally, I like light-wash jeans. They go with everything. 501s are classic, and so are Orange Tab Levi's.

Vintage shopping is: divine intervention. You find the pieces you're meant to find. For me, the holy grail is Beastie Boys and Eagles merch. On our first tour, we were stuck in Lawrence, Kan, because something



was wrong with our van. I found an original "Hell Freezes Over" Eagles tour shirt. It was \$10. Nothing is ever \$10. It feels like it was a fever dream.

Everything I wear: gets approved by my sister Danielle. She knows what's cool. If I see it in her closet, I can grab it. It's mine. If she wants to keep something, she hides it, like her Phoebe Philo Céline boots. I could never steal them. I think the band would break up.

The best after-show pizza we've had was in: New York. Well, it's a tie with Chicago. I have the most fun on stage, and afterward you get a serotonin drop. Pizza lifts the serotonin a little bit so you don't get depressed. I need a lot of Parmesan.

—Edited from an interview by Marshall Heyman



THAT'S AMORE The 'romantic' Italian hotel Le Sirenuse.

Get Ready for the Sock of Your Life

Fancy pants are so 1930s (when that phrase was allegedly coined). But fancy socks? Welcome to the future. Make your feet your most fabulous appendages with statement hosiery that will rival all other accessories—even that five-figure handbag.

The Bow Must Go On

Balance the hyper-femininity of these cotton-blend ankle socks—which boast outside bow embellishments at the back—by teaming them with leather loafers. \$9, Calzedonia.com

Rise and Shine

If you want to embody a glam rock 'em, sock 'em vibe, try pairing this wildly extravagant sequin-drenched knee-high style with some nonchalant sneakers. \$830, MiuMiu.com

Pearl Boss

Punctuated by faux pearls, these socks from London designer Simone Rocha exude ladylike luxury. Make them roar with a contradictory lug-sole brogue. \$590, Simone Rocha, 646-810-4785

Steer Sheer

Delicate and semi-sheer, this floral-embroidered option is ideal for when you feel like wearing your favorite strappy sandals but don't want to show those toes. \$16, TabioUSA.com

Yasss, Green!

A shade this chic must be shown. Try these cozy mohair socks with short Chelsea boot and let their ribbed magnificence peek out over the top. \$25, CosStores.com



DESIGN & DECORATING



HOUSE TOUR

Beauty and The Bungalow

How a décor makeover softened a manly Seattle cottage but kept it cozy to combat gloomy days

BY SARAH KARNASIEWICZ

WHEN SEATTLE DESIGNER Lauren Caron embarked upon a recent renovation of a home in the city's historic Capitol Hill neighborhood, her primary challenge was making the 1930s English-style cottage feel fresh and feminine—more Lady Mary than lord of the manor. “The previous owner was a designer for Ralph Lauren, so it was beautifully done but not the aesthetic the client wanted,” said Ms. Caron, who founded Seattle's Studio Laloc and partnered with Mallet Design Build on this project. “It was all very stereotypically masculine.” To bring the spaces in sync with the new stewards—a single, 40-something philanthropist and her beloved hairless cat, Prunella—Ms. Caron added glam architectural flourishes and a palette of moody pinks, greens and golds as the backdrop for the client's art and antiques. Above all, she said, she was guided by a principle of softness: “The colors in the house are rich but also a bit muddy, which gives it a warm feeling on gray Seattle days.”

Another strategic element? A veritable garden of floral motifs trails through the space, though none are fusty chintzes. “It felt like the perfect way to bring the feeling back to the feminine while referencing the mixing of pattern and material found in traditional English style,” said Ms. Caron of the bold botanical notes. Here, she talks us through her techniques.

TWEAK TRADITION

In the light-filled living room overlooking Lake Washington, staid British-gentleman's-club styling gets a bright, irreverent update via an artfully distressed 1970s leather chair from Roche Bobois and an oversize sofa covered in Mulberry's Flying Ducks print. “The client really fell for that fabric,” said Ms. Caron. “The pinks, golds and pale blues echo the natural slate fireplace surround, and it's almost like a psychedelic duck hunt.” The grand plaid on the wingback chair also thumbs its nose at stuffy tradition. Above the couch, a gallery wall of nudes the homeowner sourced from flea shops and antique stores lends the space another (literal) feminine flourish.



COUNTERBALANCE THE FLORALS

The dining room's William Morris Studio wallpaper in a gold-and-green lily print provided the jumping-off point for the home's romantic color scheme—but the vintage Italian black-lacquered chairs and spindle-leg table from Noir Home provide ballast. “It's not severe,” said Ms. Caron of the touches of darkness, “and every room needs a little black to help ground it.” An oversize saddle-leather chandelier from Ralph Lauren nods playfully to traditional “horse and hound” styling. “It really has an incredible scale—probably 32 inches in diameter—and it's not delicate,” she said. “But because there's not too much else competing for space, it works.”



PLAY WITH MARBLES

For the primary bathroom, Ms. Caron and her client began with the striking floor tile—a raku flower pattern by Ann Sacks in a custom mosaic of brown, pink and white stone, its colors aligning with the house's dominant palette. “The homeowner wanted all marble, and this seemed like a way to do a twist on the classic black-and-white bath without [its] feeling too sterile.” The vanity merges traditional Shaker styling with a warm, modern walnut finish. Final touches: Turn-of-the-century alabaster light fixtures, spigot-like brass sink fittings from Waterworks and a salvaged “B”-shaped monogram shower-door handle give the jewel-box room just the right amount of bling.

SMOOTH OFF SHARP CORNERS

“To play up a subtle feminine feeling, we added curves to the lines of furniture wherever possible,” Ms. Caron said. Case in point: a rounded custom bed upholstered in nubby, cinnamon linen from Pierre Frey, topped with baroque floral accent pillows and swaddled in a duvet of canvas duck. Behind it, decorative molding adorns walls painted in Setting Plaster, a blush pink by Farrow and Ball. As bedside tables, round-cornered vintage medical cabinets were topped with marble and fitted with brass hardware then paired with classic Anglepoise reading lamps. “The industrial, angular lines are a perfect counterpoint to the ruffles and velvet curtains.”



DON'T BE AFRAID OF THE DARK

Though the kitchen space is compact, no detail was overlooked. The cabinetry, all custom-made by Mallet, includes a discreet appliance garage concealed by walnut tambour doors, a subtle midcentury flourish that keeps the room from feeling like a period piece, said Ms. Caron. A showstopping, black, 5-burner Lacranche range, and matching double-drawer dishwasher panels, add drama. “It might seem risky to do dark soapstone countertops and black appliances in cloudy Seattle, but paired with the mossy green paint, it creates this space that you really just want to sink into.” Vintage rugs underfoot add another softening element.



DESIGN & DECORATING



Interior designer Mally Skok crafted a rosy escape in her Lincoln, Mass., home office.

How to Work the Angles

Don't think of tilted ceilings as confining but as a chance to tuck in confident, cozy design. Six ways to embrace a slant.

By NINA MOLINA

IN DISNEY'S 1950 animated film "Cinderella," the eponymous heroine is consigned to sleeping in an ostensibly punishing attic room. Despite dreary stone walls and rough-hewn floorboards, however, her little single bed tucked under the beams of a right-there roof looks kind of cozy. "Low ceilings create immediate intimacy," said Brett Phillips, of High Street Homes in Fort Worth, Texas. And though some might find slanted ceilings a decorating challenge, Mr. Phillips roots for them. They "need to be embraced and celebrated, especially in second-story spaces where roof lines create interesting angles," he said. Here, six ways to rescue the random spaces under a home's eaves from disrepute.

Inset an Office

"A great way to take advantage of the space under a slanted roof is to incorporate a low piece of furniture, such as a desk," said Marco Angelucci, design director at Marguerite Rodgers Interior Design in Philadelphia. "It allows you to use the space without banging your head." In a room designed during the early days of the pandemic for grown children escaping New York City, Carey Karlan of Darien, Conn., design firm Last Detail slipped a work surface beneath the eaves. "This compact little desk is just enough for a computer," she said.

Max Out the Storage

Designer Jason Oliver Nixon and his partner, John Loecke (who together run the brand Madcap Cottage in Thomasville, N.C.), converted the top room of their 1840s schoolhouse in Hobart, N.Y., into a quaint bedroom equipped with built-in storage. "The area under the pitched roof was wasted, so we decided to layer in cabinets and shelves, and it gave us just the amount of storage for clothing and books that we needed," said Mr. Nixon. They painted the shelves, cabinets and drawer fronts "a kicky Farrow & Ball yellow to add a further bit of fun" to a room that featured white bead-boarded ceilings and purple floral wallpaper. The result, according to Mr. Nixon, "packed a lot of punch into a very small footprint and allowed us to keep clothes, shoes and books in perfect order."

Sleep Under the Eaves

"When you try to fight the slanted ceilings, you end up with a room that doesn't fit the space, like a square peg in a round hole," said Washington, D.C., interior designer Cameron Ruppert, who shortened an upholstered headboard so the head of the bed fit beneath the pitch of a third-floor bedroom. Nearby built-in shelving and the use of the same pattern for



Mia Jung, director of interiors at New York's Ike Kligerman Barkley, made a pint-size playroom behind the children's bathroom tub.



PAPAYAS, PAPAYAS, AS FAR AS THE EYE CAN SEE Designers David Gibson and Jorge Perez Martin plastered large-scale, funky wallpaper on the slanted walls of a chopped-up garret in a Gloucestershire, England, country home, transforming it into a bathroom at first startling, then soothing.

both textiles and wallpaper helped the odd space work. Tucking a bed frame lengthwise underneath a slanted ceiling makes sleeping even more cocoon-like, while maximizing the central standing space in a room with inclines, noted Katie Glaister, co-founder of London's K&H Design.

Slot In a Seat

Mally Skok suggests that every work-from-home office incorporate a daybed or chaise to which one can "withdraw...when the emails come flooding in." The interior designer followed her own advice, and conjured memories of her youth, when she created a "little nest right in the eaves" in her Lincoln, Mass., home, shown above, left. "When my sister and I were children, we would make tiny houses in nooks under the stairs or in broom closets," she said of her South African childhood. In her Lincoln cranny, every wall was papered with a floral pattern inspired by 19th-century calico. Though you might imagine the effect would prove oppressive or busy, Ms. Skok said the "pattern soon becomes quite calming to the eye."

Susan Taylor, of Los Angeles's Davis Taylor Design, champions under-eave reading niches with built-in bookcases and a daybed. "It can be such a cozy spot if you have head clearance when sitting or standing up."

Give It to the Kids

"Slanted ceilings create play spaces that are perfectly scaled for a child," said Ms. Karlan. For a family's Siasconset, Mass., summer home, Mia Jung took advantage of that quality, shaping leftover space behind the three kids' bathroom tub into a pint-size playroom, shown below, left. Ms. Jung, director of interiors at New York's Ike Kligerman Barkley, installed carpet tiles on the floor and simple appliqués on the wall. Poufs and chairs light enough for the kids to move around finished the wedge of a room. The space's new nickname validated her strategy, she said: "I heard that this room was named the Fairy Den."

Decorate the Heck out of It

In the attic of a 19th-century house in Gloucestershire, England, shown above, designers David Gibson and Jorge Perez Martin, of Brownrigg Interiors, fashioned an enveloping bathroom. A restored zinc tub basks beneath a window flanked by eaves whose timbers are visible, and a tufted armchair upholstered in mustard yellow velvet welcomes a companion to chat with a bather while she soaks. Amazonia wallpaper from Gaston y Daniela, with its whopping papayas and tropical butterflies, provides the "brave and bold that would bring the bathroom to life," said Mr. Perez Martin.

Of crafting a "jewel boxed" garret room this way, Jill Steinberg, COO of Toronto wallpaper purveyor Fine & Dandy Co., said, "The result is an intimate, immersive space that feels very special and actually appears larger, particularly if you're working with an oversize pattern."



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ADVENTURE & TRAVEL

Sunny Days Ahead

Six under-the-radar Caribbean retreats with room rates as mild as the climate

By KEISHEL WILLIAMS

For anyone eager to thaw out this winter on a sun-drenched beach in the Caribbean, a word of caution: Brace yourself for sticker shock. Room rates at the luxury hotels have risen considerably since before the pandemic, nearly 25% in some cases, said Melissa Pugh, a Jet World Travel consultant who specializes in high-end Caribbean vacations. “Covid was very expensive for a lot of hotels and still is,” she explained, attributing the price hike, in part, to staffing shortages and enhanced cleaning and safety protocols. Yet, even the soaring costs aren’t enough to quell demand, and the region’s most popular luxury resorts are rapidly booking up. Luckily, thrifty sunseekers can still find reasonably affordable, attractive accommodations scattered throughout the Caribbean. Below, we’ve zeroed in on six favorites, from a 155-room resort in Belize to a four-bedroom villa in Tobago. They may not be as well-known as their competitors but they’re well located—on or near the sea—and uncrowded. As for the current Covid regulations, each country has its own set of requirements. Be sure to inquire with the hotel before booking about the most recent vaccination and testing policies in place and check the latest health information on the CDC website.

A Seafront Condo in Anguilla Built for Privacy

Long and skinny Anguilla is known for its translucent water and some of the region’s finest beaches. And now American Airlines flies direct from Miami. A 20-minute taxi ride from the airport, on Meads Bay Beach, **Tranquility Beach** resort houses 15 condos—all with sea views, five are beachfront and three have three bedrooms. Built for privacy, each condo unit comes with a fully equipped kitchen and a hot tub on the balcony. A short walk along the sand leads to a number of seaside restaurants. *From \$575 a night, with a three-night minimum*

A Belizean Resort for the Young and Restless

A new Autograph Collection hotel on Belize’s Ambergris Caye, **Alaia Belize** caters to a younger crowd drawn to the sleekly designed digs, oceanfront location and full slate of outdoor diversions (see the “adventure concierge” for beach barbecue logistics). The spare sophistication at play (created by Brazilian interior designer Debora



DIVE RIGHT IN Clockwise from top: The Belize Pro Dive Center on the grounds of the new Alaia resort on Ambergris Caye; the saltwater pool at Nirvana Tobago Luxury Villa; Cabana Coral, a two-story bungalow at Natura Cabana Boutique Hotel & Spa in the Dominican Republic; a traditional Dominican breakfast dish of mangú (mashed green plantains), eggs, fried cheese and avocado.



dual-island nation, Trinidad and Tobago, is known for its teeming rainforests, sandy beaches and what the locals call blue food or ground provision (root vegetable staples such as dasheen, yams and cassava). Base yourself at the four-bedroom **Nirvana Tobago Luxury Villa**, a private vacation rental, and you can easily pretend you’re a local yourself. The saltwater pool and palatial outdoor patio were designed to facilitate lazy lounging. The second floor balcony has a clear view of the ocean—the beach is less than a mile away—and the kitchen garden supplies pimento peppers and fresh herbs including shadow benny, an island favorite. Not interested in cooking on your vacation? A private on-call chef can do the shopping and prepare meals. *From \$550 a night, with a 2-night minimum.*

Breezy Dominican Days

On the northern coast of the Dominican Republic, the beachfront **Natura Cabana Boutique Hotel & Spa** comprises 12 thatched-roof bungalows, with one to three bedrooms. Rather than air-conditioning, each of the bungalows has ceiling fans and screened windows to make the most of the sea breeze, as well as hammocks strung up on the

balcony. The two hotel restaurants—both open air, both facing the sea—lean heavily on organic ingredients and offer a number of gluten-free and vegan options. After your breakfast mango, passion fruit and mint smoothie, wander over to the hotel’s Yoga Temple, where classes are held most mornings (and evenings). To explore farther afield, consult the long list of outdoor excursions, including jungle river tours, kayaking or kite-surfing lessons. *From \$190 a night*

A Turtle Sanctuary in Trinidad

In February, in most years, the island of Trinidad erupts in nonstop Carnival festivities. But venture deep into the northeastern side of the island, away from the bustle, and you’ll find **Acajou Hotel** in the fishing village of Grande Riviere. A family-run hotel, it consists of just six wooden, Asian-inspired cottages nestled between the beach or river and rainforest. Some cottages offer sea views; all are so well concealed behind thick stands of trees that you could lean out the window and grab a coconut. The hotel also has a restaurant that incorporates produce and fish from the local farmers and fishermen into its dishes, but as an extra precaution against Covid,

meals are currently only served in the rooms or on the cottage’s private decks. For activities, you can take a guided hike or bird-watching excursion. The big draw of Grande Riviere is the chance to see leatherback turtles waddling along the shoreline. The beach is one of the largest nesting sites for the species and guests can visit them with a guide starting in March. *From \$145 a night.*

Treehouses for Grown-ups in Jamaica

The **Sunset at the Palms** in Negril—Jamaica’s famously lively tourist town—is an adults-only, all-inclusive resort. The 85 guest rooms, billed as “treehouses,” are air-conditioned wooden cottages built on stilts and set on the lushly planted grounds. In addition to weekly cocktail events and nightly entertainment, **Sunset at the Palms’** all-inclusive package also includes watersports and meals at the three resort restaurants. For lunch, that means you can grab both a jerk chicken sandwich and a burger from the Palm Breeze Beach Bar & Grill, then stretch out on the white sand of Bloody Bay, across the street. *From about \$575 a night —Additional reporting by Donna Bulseco*

Aguir) comes across in natural textures, reclaimed wood and greenery in the 155 airy guest rooms. After an arduous day of cavetubing, a sip of Sancerre on the rooftop lounge and pool area resets the mood—likewise the view of the twinkling lights of the town of San Pedro. *From about \$399 a night, alaiabelize.com*

At Home in Tobago

The smaller, quieter isle of the

New on the Scene

If you’re up for a more indulgent getaway, try one of these splashy newcomers

Estates of Play

Moskito Island in the British Virgin Islands is home to just 10 homes, three of which are part of Richard Branson’s Virgin Limited Edition collection and now available to rent. Among them: **The Point**, which sleeps 22, features open-air great rooms, two thatched-roof master suites, a bunkroom for the kiddos and a colossal infinity pool. The groovier four-story **Oasis**, a modernist domain housing 18, affords lots of privacy as well as picturesque communal areas for cozying up on cushy daybeds for movie nights. Chefs cater to culinary whims so guests don’t have to work the grill—who has the energy after all those laps in the wraparound pool? *The Point, from \$25,000 a night; the Oasis from \$28,000 a night*

Swing Shift

Gorgeous scenery is a plus for golfers, but a challenging course is the real deal at the **Aurora Anguilla Resort & Golf Club**, which opened in December on Rendezvous Bay. But tee-time isn’t the only distraction: Bird-watchers hop over to Sombrero Island with a naturalist; spelunkers explore local caves; budding athletes refine their pickle ball moves. Distinctive, too, are the food options: Chef Abram Bissell earned his chops at New York’s Eleven Madison Park. *From about \$1,000 a night*

French Open

Glamorous St. Barts is “all about beach-hopping and jet-and-be-seen spots,” said Jet World Travel consultant Melissa Pugh, who singled out **Hotel Barrière Le Carl Gustaf**



VIRGIN TERRITORY From top: The Oasis Estate on Moskito Island, one of the newest vacation rental offerings from Richard Branson’s Virgin Limited Edition collection; the terrace of the Lucien suite at Hotel Barrière Le Carl Gustaf St. Barth.

for its easy access to everything. The 21-room historic hotel was taken over by French hotel brand Barrière and reopened in October on a hill above the sparkling port-city of Gustavia. The re-

freshed interiors by French interior design firm Gilles & Boissier also give it a sunny refinement for guests who like the crisp clean vibe and nothing more than to shelter under a taupe beach parasol

all day long. Before you pack your bags, take heed: The Covid restrictions on St. Barts change frequently. “Double check everything,” Ms. Pugh advised. *From about \$1,020 a night —Donna Bulseco*

ALAIA BELIZE RESORT; KYLIE FREDERICK/NIRVANA TOBAGO VILLA; ERIN + GABRI/NATURA CABANA; BRITISH VIRGIN ISLANDS (OASIS ESTATE); HOTEL BARRIERE LE CARL GUSTAF

ADVENTURE & TRAVEL

TIME CAPSULE

Perennially Prime

Bern's Steak House in Tampa, Fla., an exuberant relic from the 1950s, is still one of the most coveted reservations in town

THEN

IN 1951, Bernard and Gertrude Laxer, a young couple from New York, moved to Tampa, Fla., where Mr. Laxer's aunt owned a Chinese restaurant. The couple opened their own five-seat sandwich bar in a downtown arcade, christening it Bern and Gert's Little Midway. In 1956, driven out by a rent hike, the Laxers bought a tavern called the Beer Haven in a small South Tampa strip mall and relaunched it as a steak house, furnishing it with antiques and artwork from old theaters, auctions and estate sales. Eventually, the couple acquired every store in the strip mall, converting the spaces to expand their restaurant. They created a sort of Sunbelt Versailles with classical statuary, busts in elaborate gold frames, chandeliers and wrought-iron sconces, bestowing every dining room in the complex with its own décor. "My father seized on the steak house as the All-American idiom of abundance and affluence, but he sophisticated it with a quirky elegance," said David Laxer, the couple's son. By the 1970s, the restaurant's wine list had become so extensive that Bernard Laxer had to expand the cellar. His wine collection grew to be one of the largest in America. Bern's has held the Wine Spectator's Grand Award, the magazine's top award for restaurants, since 1981.

NOW

THOUGH Bern's Steak House turned 65 last year, its popularity has rarely dimmed. To snag a table during prime time, you'll typically need to book months in advance. Now David runs the place his parents founded, along with the neighboring Epicurean Hotel, a second restaurant called Haven and a wine store. At the original establishment, Bernard's many inventions are still in operation, including the coffee roaster used to toast the restaurant's own blend of beans and another machine to flour their much-loved onion rings. The kitchen still sources vegetables from a farm fertilized by compost generated by the restaurant—another of Bernard's brain waves. Perhaps his last great contribution was the restaurant's dessert room, which opened in 1985. Once they've polished off their steaks, diners are ushered to booths made from old redwood wine casks to conclude their meals by choosing from a selection of desserts and after-dinner drinks. According to David Laxer, the biggest evolution at Bern's lies in the meat of the matter: "Though filet mignon is still our bestselling cut, we're selling more and more Delmonicos, as people choose flavor and texture over the traditional American preference for tenderness." —Alexander Lobrano



RARE VINTAGE Bern's Steak House, known for its fine fillets, extensive wine list and quirky décor.

AMY PEZIZCARA (BERN'S)

Bastions on the Bay

Three other longstanding favorite tables in Tampa, Fla.

PERPETUALLY COOL

Still run by its founding family, the Cuban-Spanish **Columbia** opened in 1905 in Ybor City, the Tampa district where most of America's cigars were once rolled. Florida's oldest restaurant was also one of Tampa's first to offer air-conditioning, and it now operates five other branches across the Sunshine State. It's famous for dishes like ropa vieja (shred-



Columbia in Ybor City.

ded steak cooked with onions, peppers and tomatoes) and boliche Criollo (beef stuffed with chorizo). On Friday and Saturday nights, locals stream to the Ybor City location for the live band.

BURGERS FOR BREAKFAST

Goody Goody, Tampa's most famous burger bar, opened in 1925, closed in 2005, and then, after being bought by the Columbia Restaurant group, reopened in 2016 in South Tampa's Hyde Park Village—2 miles from its original location in downtown Tampa. The locals love its burgers with POX (pickles, onions, secret sauce) and maybe a glug of homemade ketchup. Breakfast, served all day, is a big deal here. Among the more decadent options is the Goody Goody Slinger, with two

beef patties, two over-easy eggs, home fries, chili, cheddar cheese and jalapeños.

ESSENTIAL PIT STOP

Now that long-running Kojak's House of Ribs has closed in South Tampa and decamped to suburban Seffner, **Jimbo's Pit Bar-B-Q** claims the crown as Tampa's oldest barbecue. Harold "Happy" Lehman opened it in 1970 and it's still smoking. The barbecue pork sandwich that cost 45 cents back then now goes for \$5.75, but even the small size packs a lot of juicy meat.



REALITY CHECK / THE COST, THEN AND NOW, OF BERN'S STEAK HOUSE CLASSICS

House Salad
1960: \$0.25
2022: \$8.00

Filet Mignon 8 oz
1960: \$2.15
2022: \$45.00

N.Y. Strip 12 oz.
1960: \$2.00
2022: \$49.00

Slice of banana cream pie
1960: \$0.20
2022: \$11.00

dog•ger•el

/ˈdɒgərəl/

noun

I've never met you, but I love you more
Than waves love sand upon the shore.
And so I'll never stop searching for you,
That's why I'm here.
If you're ever trapped under rubble,
I promise to find you there.

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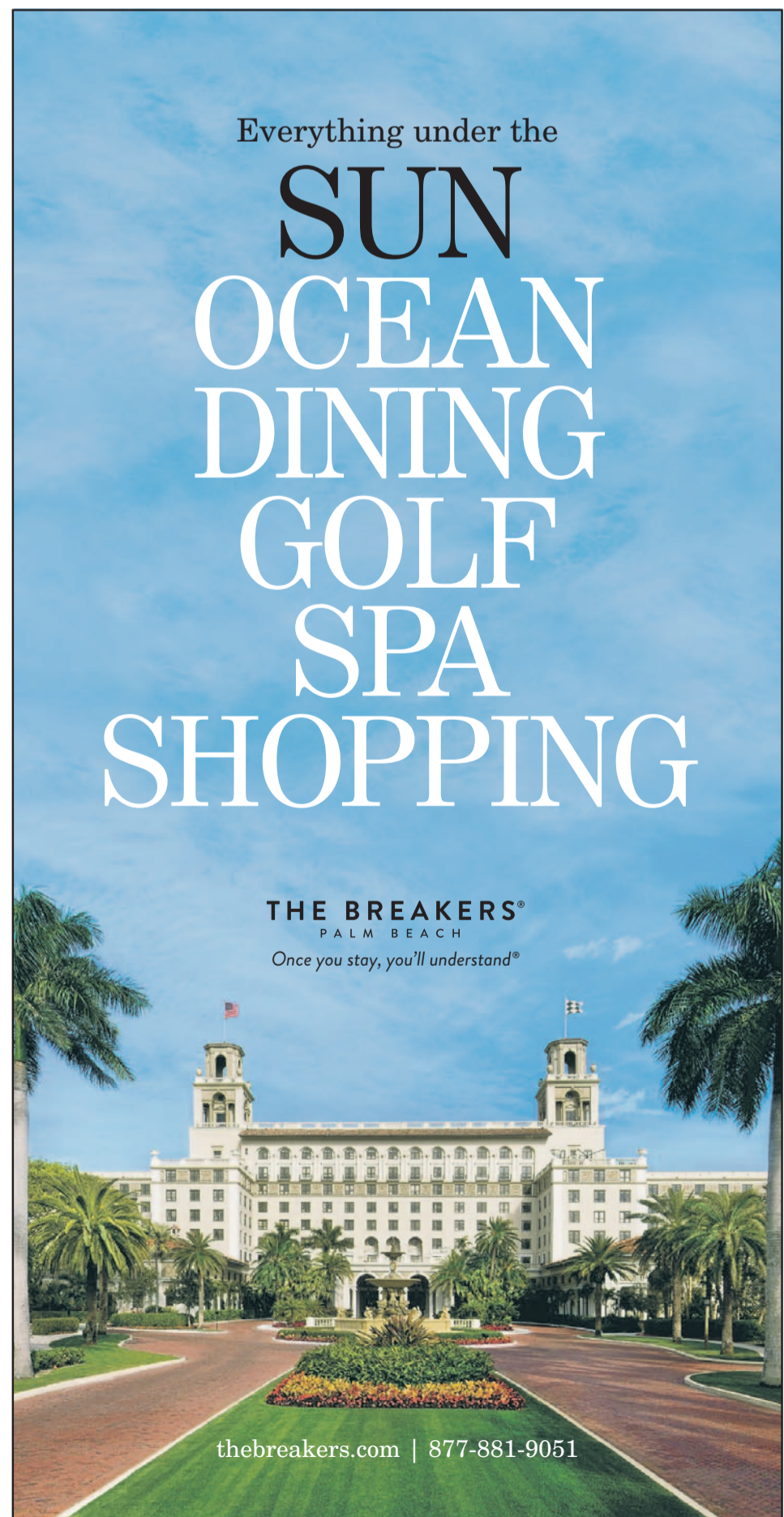
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EATING & DRINKING



ON WINE / LETTIE TEAGUE



Is Red Wine Really Healthier Than White?

AT THE END of a recent visit to my gastroenterologist, he handed me a list of prescribed foods. “What about wine?” I asked, noting its absence. “Red wine is good for you,” he said. “And white?” I inquired. “White wine is just alcohol,” he replied.

Many wine drinkers believe that my doctor is right. Indeed, just about every one of the friends whom I surveyed declared that red wine is healthier than white—though few could say why. But is red wine actually more healthful than white wine? And is either one truly healthy?

The reports indicating the health benefits of red wine are many—and speculative, according to Dr. Andrew Waterhouse, a wine chemist and director of the Robert Mondavi Institute for Wine and Food Science at the University of California, Davis. Dr. Waterhouse further explained that there isn’t really data to support the notion that red wine is more healthy than white.

To establish that, Dr. Waterhouse said, it would be necessary

to truly separate the two wine types in an independent study. For example, researchers could look at two towns; the citizens of one would drink only red wine and the citizens of the other would drink only white. There would have to be a third town, as well, where the citizens drank neither red nor white, as a control. It was an intriguing idea, even if I couldn’t imagine a town whose entire citizenry would willingly give up drinking wine.

On a more serious note, Dr. Waterhouse acknowledged that many studies over the years have seemed to indicate that red wine has certain health benefits thanks to a group of compounds called polyphenols, such as resveratrol, which is believed to have heart-protective qualities. White wine contains some resveratrol but less of it than red wine does. Red wine also contains compounds white wine does not. “There are many studies which suggest a diet high in polyphenols has health benefits,” said Dr. Waterhouse. “The issue that is not definitive is a di-

rect epidemiological study (a comparison of red wine drinkers vs. non, and their health outcomes) that shows red wine drinkers are healthier.”

Dr. Waterhouse flagged two studies that showed modest benefits to drinking alcohol. A 1997 study published in the *American Journal of Cardiology* took the form of a questionnaire presented over several years to almost 129,000 members of a prepaid health program that included men and women, nondrinkers, light drinkers and heavy drinkers. It concluded that “(1) drinking ethyl alcohol apparently protects against coronary disease, and (2) there may be minor additional benefits associated with drinking both beer and wine, but not especially red wine.”

The second study, published in the *American Society for Nutrition* in 2007, investigated the cardioprotective potential of both red and white wine among a group of 35 women over two four-week periods (with two four-week breaks or “washout periods”). It con-

cluded that moderate wine consumption is cardioprotective because it is “associated with beneficial effects on various inflammatory pathways...”

I contacted Dr. Erik Skovenborg, a Danish general practitioner and founding member of the Scandinavian Medical Alcohol Board, for his thoughts on the red versus white question. “The problem with the widespread hype of resveratrol is that the many beneficial effects of that particular substance have been found in test tube studies in the lab and studies with animals, fish, etc.,” he wrote in an email. Dr. Skovenborg believes that the white wine versus red wine question is also difficult to answer because of “confounding issues like possible lifestyle choices of people preferring white wine versus people preferring red wine.” As Dr. Waterhouse noted, there are simply too many variables.

Dr. Eric Rimm, director of the cardiovascular epidemiology program at Harvard T.H. Chan School of Public Health, has studied alcohol and health for three decades.

While many studies seem to show certain health benefits to drinking red wine, he noted, many of those studies lasted just a few weeks or months. “There isn’t any conclusive science that says there is a true benefit of red wine over white,” Dr. Rimm said. “There’s clearly not one right answer. It’s not like asking ‘Should you smoke or not smoke?’” He also pointed out that red wine has considerably fewer polyphenols than, say, dark chocolate or blueberries.

Dr. Rimm did turn up a study out of Barcelona, published in 2019, that included 38 men who were 46-77 years old and “at high cardiovascular risk” due to obesity, hypertension and other factors. They consumed 30 grams of alcohol daily in the form of Andalusian aged white wine or gin. (In the U.S., 14 grams of alcohol is about the average for what is considered a standard drink.) The results suggested some cardioprotective ben-

Reports indicating the benefits of red wine are many—and speculative.

efit to moderate consumption of Andalusian aged white wine specifically. The study noted that the wine was chosen because it contained polyphenols, the gin because it did not.

What if it isn’t about polyphenols at all? Dr. Rusty Gaffney, a retired ophthalmologist who has studied wine and health (and writes the newsletter the PinotFile), noted an article that showed white wine drinkers may be overserving themselves. According to “Half Full or Empty: Cues that Lead Wine Drinkers to Unintentionally Overpour,” published in 2013 in the journal *Substance Use & Misuse*, researchers found that, on average, white wine pours were 9.2% more generous than red wine pours. (Other factors associated with larger servings in this study: pouring into a wider glass and holding the glass in the hand as opposed to setting it on a table for the pour.)

So, do white wine drinkers have a less healthy lifestyle than that of red wine drinkers? Is it a matter of fewer polyphenols, or is there simply a lack of white wine research? And if neither white wine or red wine is particularly “healthy,” does it even matter to most wine drinkers?

I wonder how many people really drink wine for its purported health benefits. Is it about health or pleasure? Let’s just say that my own reasons for drinking wine are very much in line with those of Dr. Rimm. “Maybe the conversation shouldn’t be driven by health but by how it would make your food more flavorful,” he said. “What wine makes it taste better?” Regarding the choice between red and white, Dr. Rimm wisely advised: “Sometimes it’s dictated by dinner.”

► Email Lettie at wine@wsj.com.

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The Chef:
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Her Restaurants:
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What She’s Known For: Authentic Mexican cooking that’s earned a fervent following in Philadelphia and beyond. Flavorful, expertly crafted dishes that take no shortcuts.

Chicken Legs in Carrot-Jalapeño Escabeche

QUICK-COOKING and deeply flavorful, this recipe for chicken legs cooked with an escabeche of lightly pickled carrots and jalapeños is a go-to for chef Cristina Martinez. The owner of three Philadelphia restaurants, she has limited time to cook at home. “If you have a Mexican pantry, there’s always cumin and jarred jalapeños,” she said. “So, all you need is chicken and some common vegetables for a very good dinner.”

The second Slow Food Fast recipe from Ms. Martinez builds flavor at every step. Poaching the chicken legs along with a quartered onion produces a meaty broth. Meanwhile, carrots, onions and pickled jalapeños

sauté along with just enough of the brine from the jalapeños’ jar to provide a balanced acidity. Then the partially cooked chicken finishes in the same pan with the vegetable escabeche and some of the chicken’s broth.

Once the chicken legs are in the pan with the vegetables, you’ll see them plump and cook through. All that’s left to do is adjust the seasoning to your taste by brightening it with another splash or two of the jalapeños’ brine or adding a ladleful of broth to round out the flavor. “You don’t want this too acidic,” Ms. Martinez advised. “You should taste the chicken and the sweet carrots.” —*Kitty Greenwald*

Time 35 Minutes **Serves** 4

4 whole chicken legs with thighs attached
1 large, yellow onion, quartered
Kosher salt
2½ tablespoons olive oil
6 medium carrots, peeled and cut into 1½-inch pieces
2 medium onions, thinly sliced
4 tablespoons sliced pickled jalapeños plus a few tablespoons brine from jar
4 cloves garlic, smashed
2 teaspoons cumin seeds, toasted and ground
4 whole bay leaves
Fresh cilantro, to garnish

Cooked rice and/or tortillas, for serving

1. Place chicken legs in a medium pot and add enough water to cover by 2 inches. Add quartered onion and a generous pinch of salt. Set pot over medium-high heat and bring liquid to a boil. Reduce heat slightly and simmer until legs are half cooked and liquid is aromatic, about 15 minutes.
2. Meanwhile, add olive oil to a large sauté pan over medium heat. Add carrots and sliced onions, and sauté until onions are translucent, about 5 minutes. Add jalapeños, reserving brine. Stir in garlic,

cumin, bay leaves and a pinch of salt. Add splashes of brine (about 2 tablespoons) until vegetables pick up its flavor without being overwhelmed.
3. Use tongs to transfer half-cooked chicken legs to pan with vegetables. Pour in enough poaching liquid so legs are three-quarters submerged. Continue simmering until legs cook through and vegetables are fully tender, 10-15 minutes more. Adjust seasoning to taste with salt and/or splashes of broth or pickling liquid.
4. Serve chicken, vegetables and sauce with rice and/or tortillas. Garnish with cilantro.



ACID TRICK The brine from a jar of pickled jalapeños is the secret ingredient that gives this quick chicken dish its remarkable oomph.



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EATING & DRINKING

Vitamin D Cuisine

Continued from page D1

Mr. Matt's comments made me wonder if I could battle my VDD in the kitchen, particularly if I ate like the Nor-dics do. Dr. Lee and Dr. Gunnarsdóttir confirmed that the best food sources of vitamin D do happen to align with the Nordic diet. On their advice, my winter menu would include a lot of oily fish, such as salmon, trout, char, her-ring, sardines, mackerel, swordfish and tuna; beef liver; and egg yolks.

Mushrooms are the only plant source of vitamin D, especially if they are grown in sunlight or with UV light exposure. Chef and mushroom enthusiast Alan Bergo, author of "The Forager Chef's Book of Flora" (*Chelsea Green*), pointed me toward a 2018 study, published in the peer-reviewed journal *Nutrients*, highlighting chanterelles (notably the yellowfoot and golden varieties) and porcini as particularly D-rich. "These are mushrooms that grow at the peak of summer," Mr. Bergo explained. As the study points out, vitamin D content in fresh mushrooms does decline in storage. Mr. Bergo therefore recommends buying direct from farmers and foragers at a farmers market, if possible; mushrooms purchased at the supermarket will almost certainly have traveled a longer way and spent a good amount of time sitting in the dark before they reach you. On the upside, the study found that D-rich mushrooms retain the vitamin when they're sun-dried or dried under UV exposure, making for a pantry-friendly storage solution.

Balance foods naturally rich in D, fortified foods, supplements and plenty of sunshine.

Most vitamin D works its way into the American diet via fortified foods such as milk, orange juice and cereal. As a fat-soluble vitamin, D is easily digested and well absorbed into the GI tract by most people. Drs. Lee and Gunnarsdóttir both said it makes only a nominal difference whether vitamin D-rich foods are cooked or raw, wild or farmed. The trick is getting enough, and how much is enough varies person to person.

The U.S. recommended daily allowance is 600 international units (IU) for the general population and 800 IU for the elderly. According to both doctors, overdoing D is fairly rare (adults should not consume more than 4000 IU in a day). They advise a balance between foods naturally rich in D, fortified foods, supplements and plenty of sunshine.

Here's how I plan on following my doctor's orders this winter: Start the day with some fortified milk, O.J. and/or cereal. Walk in the midday sunshine. Take multivitamins. And, most appealing of all, prepare D-licious recipes such as those featured here: Mr. Matt's charred arctic char with dill emulsion; a chanterelle chowder adapted from Mr. Bergo's website, theforagerchef.com; and a simple, snackable cod-liver mousse. Fortunately, another great source of D, tinned fish, happens to be trending, with a bounty of tasty new imports now available stateside. (See "A D-List for the Pantry," at right.) And don't turn your nose up at a spoonful of good old-fashioned cod-liver oil, either. (See "Viking Tonic," also at right.) It's an easy D delivery system, and if you haven't quite acquired a taste for it, why not opt for a fennel- or ginger-flavored version? This is about feeling good, after all.

► Find a recipe for cod liver mousse at wsj.com/food.

Charred Arctic Char with Dill Emulsion

This dish is packed with the "sunshine vitamin," thanks to D-rich arctic char and egg yolks. The bright-green dill emulsion plays off the luxurious fish; toasted coriander provides crunch.

Active Time 30 minutes
Total Time 1½ hours (includes curing)
Serves 4

For the fish:

4 (6-ounce) skin-on Arctic char fillets
Zest of 1 lemon
5 tablespoons sea salt
2 tablespoons plus 1 teaspoon granulated sugar
4 tablespoons dried thyme
4 tablespoons coriander seeds
Dill fronds, for garnish

For the emulsion:

1 bunch fresh dill
1½ cups vegetable oil
1 clove garlic
1 shallot
4 egg yolks
2 tablespoons plus 2 teaspoons Dijon mustard
1 tablespoon apple cider vinegar
Juice of ½ lemon
Sea salt

1. Clean fish of any bones and place on a plate. In a bowl, mix lemon zest, salt, sugar and thyme. Spread mixture evenly

over fish, and let cure in refrigerator 1 hour.

2. Meanwhile, preheat oven to 320 degrees. Place coriander seeds on a sheet pan and toast 10 minutes. Set aside to cool. Increase oven temperature to 350 degrees.

3. Make the emulsion: In a blender, combine dill, oil, garlic and shallot, and

blend on low speed until mixture reads 170 degrees on an instant-read thermometer. (This can take up to 8 minutes. Check temperature after 3-4 minutes.) Strain oil through a fine-mesh strainer into a bowl, pressing on solids until all oil is released.

4. Clean the blender, then

add egg yolks, mustard and vinegar. Blend until combined. Add herb oil and blend until completely emulsified. Season to taste with lemon juice and salt.

5. Remove fish from refrigerator and rinse off cure. Pat dry.

6. If you have a kitchen torch: Place fish on a

sheet pan skin-side down. Bake until a touch rare inside, 4-5 minutes. Remove fish from oven, flip, and use kitchen torch to char flesh side. If you do not have a torch: First, in a dry skillet over high heat, sear fish on flesh side until charred. Transfer fish to a baking sheet, skin-side down,

and bake 4-5 minutes.
6. Let fish rest at least 2 minutes before serving, then divide among four plates. Dress fish with emulsion, and scatter toasted coriander seeds and dill fronds on top.
—Adapted from *'Slippurinn: Recipes and Stories from Iceland'* by Gisli Matt and Nicholas Gill



JENNY HUANG FOR THE WALL STREET JOURNAL. FOOD STYLING BY BEARL JONES. PROP STYLING BY BEATRICE CHASTRA



Chanterelle Chowder

Alan Bergo, aka the Forager Chef, created this chowder recipe for a mix of wild mushrooms, but it makes a terrific showcase for chanterelles alone, too. If you don't have fresh ones, substitute 1 ounce dried chanterelles. For even cooking, cut potatoes, carrots and celery into ½-inch dice.

Total Time 35 minutes
Serves 4-6

4 tablespoons butter
½ cup all-purpose flour
12 ounces fresh chanterelles, roughly chopped
2 cups peeled and diced russet potatoes
¾ cup diced carrots
1 small onion, finely chopped
2 ribs celery, diced
½ cup dry white wine
2 sprigs thyme
2 dried bay leaves
5 cups mushroom stock
1 cup heavy cream
Salt and freshly ground black pepper

Chopped fresh herbs such as chives, dill or tarragon, for garnish
Lemon wedges, for serving

1. In a 6-quart stock pot over medium heat, melt butter. Pour melted butter into a small heatproof mixing bowl. Let cool a few minutes, then stir in flour to form a loose paste. Set aside.

2. Add chanterelles, potatoes, carrots, onions, celery, wine, herbs and stock to stock pot and set over medium-high heat. Cover, bring to a simmer, then reduce heat to low and cook until the vegetables are tender, 20 minutes.

3. Add flour-butter paste into soup, and continue simmering, whisking briskly, until thickened.

4. Add cream to soup, stirring to combine and heat through. Do not boil.

5. Adjust seasoning as needed, and serve, garnished with herbs and lemon wedges on the side.
—Adapted from Alan Bergo

A D-LIST FOR THE PANTRY / WHERE TO STOCK UP ON PRESERVED FISH



1. Nammi This top importer of Icelandic fare offers a range of **jarred herring** (\$15) and tinned sardines (\$11), cod liver (\$9) and cod liver paté (\$9). nammi.is

2. Zingerman's The beloved Ann Arbor deli stocks quality preserved fish, from **Icelandic monk fish liver** (\$16) to Portuguese mackerel (\$9) and Cape Cod smoked bluefish spread (\$18). zingermans.com

3. Minnow An exciting new entry to the tinned-fish game comes via Leah Campbell, Nialls Fallon and Nick Perkins, the trio behind New York restaurants Cervo's, the Hart and the Fly. Debut products include cod liver in its own oil, imported from Iceland (\$9); **sardines in olive oil** from Spain (\$11); and sockeye salmon from Alaska (\$14). All fish are wild caught and sustainably sourced. minnowworld.com

4. Curate at Home Launched in December 2021 by chef Katie Button and Felix Meana, proprietors of Curate, in Asheville, N.C., this website features quality tinned fish imported from Spain. Standouts include **Arroyabe anchovies** from the Cantabrian Coast (\$8); Güeyu Mar albacore tuna (\$26); and Espinaler baby sardines (\$18) from Galicia. curateathome.com

F. MARTIN RAMIN/THE WALL STREET JOURNAL

GEAR & GADGETS



LOW PROFILE Unlike spoiler-intensive hatches from the competition, the Golf R's exterior styling is more understated.

ball-shaped finial, the R gets a blobby "plastic cap," much like those in a zillion other VW Group cars. That isn't special.

The counterargument runs thus: Get over it. If buyers were to want a different kind of shifter knob, or mirror caps, or another of a thousand personalized details, they have but to

What's good in the R—the rowdy performance, the tossable feel—has been largely carried over from the seventh generation.

ask the sprawling aftermarket. In fact, given this predilection among customers, does it not make sense for R's product planners to lean in? Much like the new Subaru WRX I reviewed two weeks ago, the R could be thought of like a red-thread suit, awaiting a final tailoring.

To enthusiasts, those VW people are gosh-darn heroes. Thanks to them the R retains the option of the manual transmission in the U.S. and Canada; in every other market, including Germany, Golf R is fitted exclusively with a seven-speed dual-clutch automatic.

The R package also puts back a lot of interior swagger, including standard Nappa leather sports seats with really cool, carbon-fiber like textile trimming seat bolsters and headrests. The package also gets carbon-like dash and door trim and stainless-steel pedal caps. Nifty.

It could also be argued that the R puts money into performance and not gewgaws like fast graphics and competent switches. The updated version of the 4Motion all-wheel drive system adds an electromechanical torque-vectoring rear differential. That's a lot of undercarriage. Under the right circumstances, this arrangement will allow up to 50% of available torque to be shunted to either of the rear wheels. With the help of a special "Drift" mode (and the use of an empty parking lot), the R can even be coaxed into stable, four-wheel drift under power. A little bit, anyway.

Stateside, the R completes a foursome of under-\$50,000 enthusiast hatches, including the Honda Civic Type R; the Subaru WRX (I'm thinking of the unconfirmed-but-inevitable STI performance upgrade to come); and Hyundai Veloster N. All fast, all fun.

To me, the Golf R wins on account of its styling. However great the Civic Type R is dynamically, it looks like a crazy man's pocketknife, with blades going everywhere. Unlike its winged competitors, R's exterior is more emotionally stealthy, even understated—except for the cross-drilled front discs with blue calipers. Those things are nuts.

So much to love. But that touchscreen. I'm going to need a new mantra.

RUMBLE SEAT / DAN NEIL



A Sport Hatchback That Puts Performance Above Driver UX

EMPATHY ruins everything. After a week of fun and wild-eyed frustration with the 2022 Volkswagen Golf R—the hottest version of the eighth-generation Golf hatchback—I was ready to scold VW's product planners. Never has so good a car been so let down by its touchscreen, software and switchgear.

But I just don't have the heart. It's not like the R's deciders wanted to put a one-eyed, lowest-bidder monstrosity smack in the middle of their flagship Golf R—historically, a leader in interior quality and cabin design among hot hatches. But they had a number to hit, a belt to tighten, and nobody was going home until they did.

I'm usually all about the wheels. For a touchscreen to breach my Buddhist-like acceptance, it's got to be pretty rropy. Oh man. The VW system's boot-up is interminable; operators must wait many long seconds in the morning before they can adjust simple things like fan speed and seat heaters. The touchscreen response is like an ATM from the 1990s. The thin horizontal sliders for volume and cabin temperature are not illuminated so they are hard to see at night.

Cabin functions can also be accessed through the capacitive-switch clusters integrated into the steering wheel's spokes. These smooth plastic touchpads provide vibrating haptic feedback—which may not be all that palpable in a 315-hp sport compact on rim-hugging summer tires. Be that as it may, these touch-sensitive devices

2022 VW GOLF R



Price, as tested \$44,640

Powertrain turbocharged and inter-cooled 2.0-liter DOHC in-line four cylinder, with direct injection, variable valve timing; six-speed manual transmission; on-demand AWD with rear torque vectoring.

Length/width/height/wheelbase 168.9/70.4/57.7/103.5 inches

Curb weight 3,417 pounds

Power/torque 315 hp at 5,900 rpm/310 lb-ft at 1,900 rpm

0-60 mph 4.4 seconds (est.)

EPA fuel economy 20/28/23 mpg city/highway/combined

Cargo capacity 20/34.5 cubic feet (rear seats up/folded)

are prone to miscues when you, um, touch them.

Moreover, your Honor, if you adjust the HVAC—or accidentally press the heated steering wheel switch—those graphics will replace whatever your primary display is, like map navigation. In that case, turn-by-turn directions will appear in the triptych-style driver information display ahead of the driver. Peekaboo! To restore the map in the main screen you must exit out. And the voices in my head grew louder.

Curiously, the DID—the instrument panel, if you like—is sharper, faster and better organized than the touchscreen, with a wealth of selectable data displays. Why pair it with an oldie moldy touchscreen? I think VW figured most users would

rely on their mobile devices for navigation, comms and entertainment anyway, thereby reducing the touchscreen to a "dumb terminal," a kind of control panel. Plus they had a hole in the dash to fill.

Blame Elon Musk. Since the rise of Tesla in Europe, VW Group has been devoting most of its product-development treasure to electrification while squeezing profit from existing product lines. VW has said it would continue using the Golf's architecture until 2030.

Consequently, most of what's good in the R—the rowdy performance, the tossable feel—has been largely carried over from the seventh generation. In the latest state of tune, the turbo 2.0-liter, iron-block four produces a lusty, gusty 315 hp (up 25

hp). The mid-tach torque comes on like the tug of a filling spinnaker (310 lb-ft at 1,900 rpm).

Sure, the touchscreen is bogus, brah, but the performance is definitely there. The consumption (EPA combined 23 mpg) is also acceptable, provided you don't always drive like a maniac.

What's bad are artifacts of cost-cutting, by way of cheaper or more commonized parts that VW group orders by the railcar.

Example: Our car was fitted with the six-speed manual transmission coveted by fanboys. That was fun in a box—slick, solid and well connected to the clutch's heft and engagement. Nice pedal position too. However, instead of a shifter with the appropriate leather-stitched,

Currently Appearing

Can the array of new microcurrent facial tools help boost the way you look?

IN OUR QUEST to age backward, new high-tech microcurrent facial tools are the latest trick. Once only used in spa settings, these devices send low-level electrical currents through the skin to exercise the muscles and stimulate collagen. While the gadgets haven't been thoroughly evaluated by large, independent research studies, Dr. Scott Paviol, a dermatologist in Charlotte, N.C., said they could work to "improve the [skin's] appearance and contour." Don't expect facelift-style results. But a little glow-up could be just the lift you need.



1. For Beauty Beginners
The **Foreo Bear Mini** relies on a built-in anti-shock system that automatically adjusts the intensity according to your skin's condition. Download the app, connect the device via Bluetooth, and apply the Swedish brand's serum gel (\$59) evenly to the area that you're planning to

treat. Pick from three microcurrent intensities, and choose a workout, demonstrated and timed by an on-screen model. The device switches off when each zone is done, so you won't overwork one area. If the preset routines feel limiting, just switch to manual mode. \$199, foreo.com

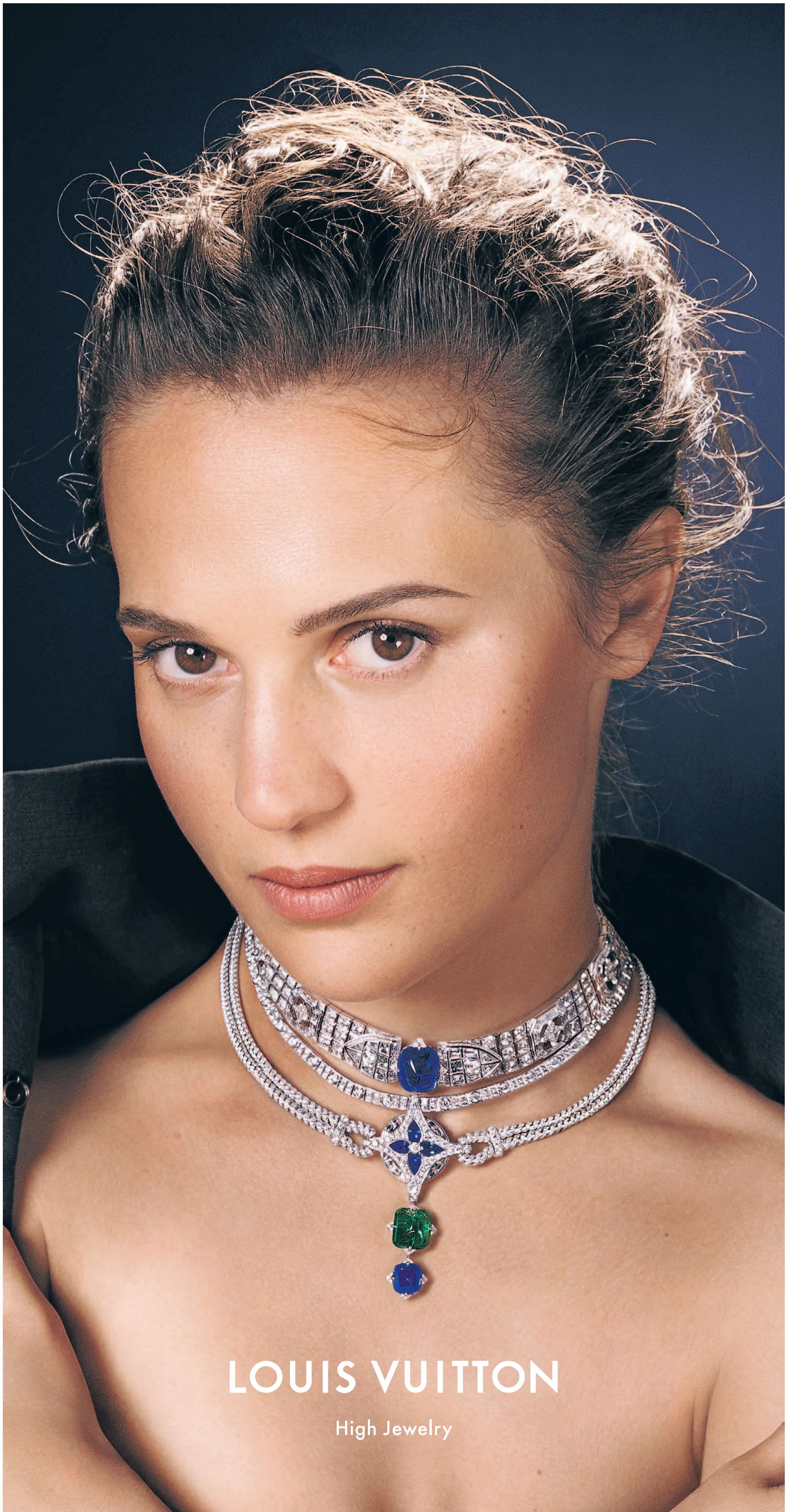
2. For the A-list-Influenced
The **NuFace Trinity** has a host of famous fans including Kate Hudson, who said in an Instagram video, "It's telling my muscles to get stronger, and to tighten" as she demonstrated gliding it along her cheek. The rechargeable device delivers a soothing, low-level current (up to 335 microamps) designed

to help users smooth and tone the skin in about five minutes a day. Word to the wise: Don't skimp on the brand's conductive activator gel (\$39), or you might be in for a startling zing. \$339, myNUFACE.com

3. For Early Tech Adopters
The **ZIIP GX Series** uses a combination of microcurrents

and the even tinier nanocurrents. The company's co-founder Melanie Simon claims the former offers immediate results, while the latter is key for long-term benefits. The device, which resembles a gold-trimmed computer mouse, operates using a free app that automatically updates as program improvements are made. As of January 2022, the system includes seven facials, seven targeted treatments and four treatment plans. It also promises to minimize breakouts. \$495, ziipbeauty.com

4. For a Natural Approach
Made by a Japanese beauty brand, the **ReFa Caxa Ray** combines a gentle microcurrent with the benefits of a manual facial massage. A solar panel built into the handle eliminates the need for charging and waterproofs the device for use in the shower. The curved body shape acts like a sculpting tool for lymphatic drainage, with faceted rollers that mimic the kneading technique aestheticians often employ in facials. Bonus: Because the electric current is so gentle, no special conductive gel is required. \$280, refausa.com
—Jennifer Bradley Franklin



LOUIS VUITTON

High Jewelry