

# FT Weekend

Asia edition

INTERNATIONAL NEWSPAPER OF THE YEAR

SATURDAY 29 OCTOBER / SUNDAY 30 OCTOBER 2022

## Autumn travel special

Great escapes from Egypt to Bhutan



# Musk closes deal for Twitter as Big Tech valuations lose billions

◆ Grim week for sector ◆ Digital ad boom grinds to halt ◆ Wall Street's debt pile balloons

FT REPORTERS

Elon Musk has joined the elite club of social media barons after clinching a \$44bn takeover of Twitter in the same week that investors wiped billions from Big Tech valuations.

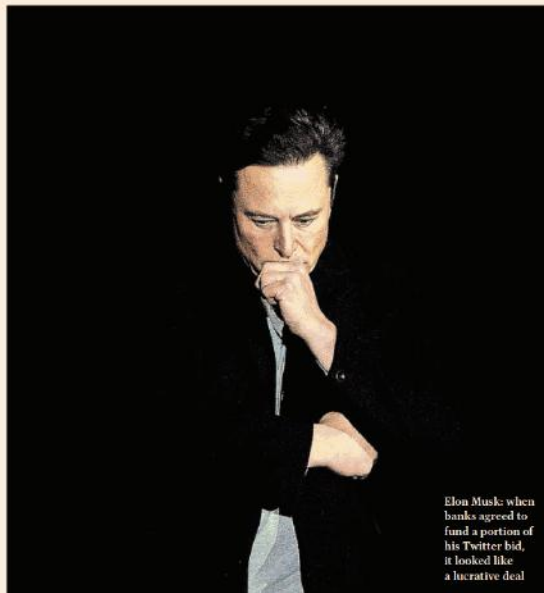
Musk's drawn-out acquisition of Twitter, which he launched in April but attempted to abort in July, has closed just as a decade-long boom in the digital advertising that fuels social media grinds to a halt, bringing share prices crashing down across Silicon Valley.

As global financial markets nosedived this year, banks have been forced to stump up \$12.5bn themselves to help finance Musk's acquisition, part of more than \$35bn worth of debt from a string of mega-takeovers that investors refused to finance, according to interviews and Financial Times calculations.

Lenders including Morgan Stanley, Bank of America and Barclays face losses on the Twitter financing package that could stretch above \$1bn, even before Big Tech valuations were hammered this week. "I don't know what the path is to get rid of some of [this debt]," said a senior debt banker in New York.

When banks agreed to fund a portion of Musk's bid to buy Twitter, it looked like a lucrative deal that would see them participate in one of the largest leveraged buyouts in history. Many raced to offer financing, as the banks attempted to solidify their relationship with one of the world's wealthiest people.

But since Musk's Twitter negotiations began six months ago, Wall Street's debt



Elon Musk: when banks agreed to fund a portion of his Twitter bid, it looked like a lucrative deal

machine has gummed up and bankers said lenders would need to offer hefty discounts to move the riskiest debt tied to the deal.

Soaring inflation and the cost of living crisis caught up with Silicon Valley this week, as Big Tech reported a slowdown in its key profit engines. Nearly \$1tn was slashed from the market value of Amazon, Alphabet, Meta and Microsoft, with only Apple bucking the trend.

Investors penalised the parent companies of Facebook and Google for what many saw as profligate spending on staffing and long-term research, such as

"The big story here is the inability of Big Tech companies to manage their costs"

Mark Zuckerberg's "metaverse" plans. "The big story here is the inability of Big Tech companies to manage their costs," said David Older, head of equities at asset manager Carmignac, which owns positions in Amazon, Microsoft and Google. "These mega-cap tech companies have been talking about getting their costs in line... but they just failed to act on it."

Musk has promised to cut jobs and costs at Twitter.

By Eric Platt, Ortenca Alaj and Antoine Garn in New York, and Tim Bradshaw, Arash Massoudi and Harriet Agnew in London  
Chief Twitter page 14  
Lex page 20

## The Fed's dilemma

How high can it go?

THE BIG READ



## How we eat out now

Dine at 6pm? I'd rather not

LIFE &amp; ARTS



## Jon Stewart

Lunch with the FT

LIFE &amp; ARTS



## Halloween in Kyiv

Andrey Kurkov

LIFE &amp; ARTS



## Japan unleashes \$200bn stimulus and snubs rate rises in drive to quell prices

KANA INAGAKI AND LEO LEWIS — TOKYO

The Japanese government unveiled ¥229.1tn (\$197bn) in fresh spending yesterday to ease the impact on consumers of soaring commodity prices and a falling yen, while the Bank of Japan stuck by its ultra-loose policy.

Prime minister Fumio Kishida unveiled the stimulus package, which includes subsidised electricity and gas bills for households and coupons for pregnant women, just hours after Bank of Japan governor Haruhiko Kuroda ruled out any early rise in interest rates.

Kishida said the spending package, which will cut household energy costs, was expected to bring down Japan's consumer inflation rate by more than 1.2 percentage points. He said it would add about 4.6 per cent to real gross dom-

estic product but gave no timeframe. Japan's inflation rate, at 3 per cent in September, is much lower than price rises in the US and Europe. But Kishida has come under pressure to take tougher measures to tackle costs amid a sharp fall in his public approval ratings.

Since September, Japanese authorities have carried out at least two interventions to prop up the yen, which has fallen to 32-year lows because of the widening gap between the BoJ's super-dovish policy and tightening by most other central banks.

While the European Central Bank raised interest rates on Thursday to their highest level since 2009, the BoJ kept overnight rates on hold at minus 0.1 per cent and continued to cap 10-year bond yields at about zero per cent.

The widely expected BoJ decision, made at a time of exceptional volatility

in currency markets, initially sent the yen slightly higher to ¥146.21 against the dollar. But the currency later fell to below ¥147 after Kuroda made clear he was not considering early action to raise interest rates.

"We are getting closer to achieving our 2 per cent [core consumer inflation] target," Kuroda said, but he added: "We are not thinking of a rate hike or an exit anytime soon."

The BoJ sharply upgraded its core consumer inflation forecast to 2.9 per cent from the 2.3 per cent projected in July for the year ending March 2023, while lowering its real GDP forecast to growth of 2 per cent from 2.4 per cent. The BoJ forecast did not take into account the new stimulus spending.

ECB's dovish pivot page 2  
Big Read page 6  
Markets pages 15 & 16



## Hijab protests open deep cultural rift in Iran society

Analysis — PAGE 3

Australia	AS1000000: GST1
Brazil	B\$1.00
China	RMB1.00
Hong Kong	HK\$1.00
India	INR1.00
Indonesia	RP\$1.00
Japan	¥1.00
Korea	₩1.00
Malaysia	MYR1.00
Pakistan	PKR1.00
Philippines	PHP1.00
Singapore	S\$1.00
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## World Markets

STOCK MARKETS				CURRENCIES				GOVERNMENT BONDS			
	Oct 28	Prev	%chg	Pair	Oct 28	Prev	%chg	Yield (%)	Oct 28	Prev	Chg
S&P 500	3607.73	3607.30	1.39	\$/£	1.0995	1.0990	0.05	US 2 yr	4.40	4.34	0.06
Nasdaq Composite	10972.66	10782.58	1.87	\$/¥	1.1859	1.1758	0.85	US 10 yr	3.99	3.93	0.06
Dow Jones Ind	32655.44	32620.28	1.34	€/£	1.1658	1.1603	0.47	US 30 yr	4.12	4.08	0.04
FTSE 100	1825.83	1823.07	0.17	\$/¥	142.510	140.815	1.25	UK 2 yr	3.18	3.06	0.12
Euro Stoxx 50	3611.85	3604.51	0.20	€/¥	170.886	169.101	1.05	UK 10 yr	3.47	3.41	0.07
FTSE 250	2047.67	2073.69	-0.37	\$/¥	1.195	1.195	0.00	UK 30 yr	3.56	3.51	0.05
FTSE All-Share	3595.75	3673.27	-0.45	\$/¥	1.195	1.195	0.00	JPN 2 yr	0.05	0.05	-0.01
CAC 40	6729.05	6744.08	-0.22	\$/¥	1.195	1.195	0.00	JPN 10 yr	0.24	0.25	-0.01
Shanghai	3124.33	3121.23	0.10	\$/¥	1.195	1.195	0.00	JPN 30 yr	1.43	1.42	0.01

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Financial Times, Hong Kong, Singapore, London

Dubai



Nikkei	27115.20	27345.24	-0.86
Hong Kong	14810.00	15421.94	-3.86
MSCI World	2523.55	2526.07	-0.48
MSCI EM \$	859.46	851.81	0.90
MSCI ACWI \$	582.18	584.14	-0.34
FT World 500	4094.26	4080.98	-0.32
FT World 5000	30719.56	30803.82	-0.31
COMMODITIES			
Oil WTI \$	87.80	89.08	-1.44
Oil Brent \$	95.56	96.96	-1.44
Gold \$	1059.75	1066.75	-0.42
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place in the world.

Germany was facing its "deepest crisis" since reunification, he said. "Russia's brutal war of aggression in Ukraine has reduced the European security order to ashes."

Steinmeier spoke shortly after returning from Kyiv, his first visit to Ukraine since the war began in February. At one point during the trip he was forced to shelter because of a Russian air raid. His speech underlines the trauma Vladimir Putin's invasion of Ukraine has inflicted on decades of German foreign policy. Twice German foreign minister, including during Russia's 2013 invasion of Crimea, Steinmeier was for years one of Europe's most vocal proponents of compromise with Moscow.

## MOSCOW Military draft expected to stoke price rises

Russia's military draft is likely to lead to higher inflation, the country's central bank warned, as it opted to keep interest rates unchanged after months of successive cuts.

The economy could face labour shortages and more inflationary pressure after Moscow launched a "partial mobilisation" for its armed forces last month. Since then, hundreds of thousands of men have been drafted, and similar numbers have fled the country.

"A new factor influencing price

risks to inflation has emerged in the coming months, it will have a disinflationary effect because of lower consumer demand," central bank governor Elvira Nabiullina said yesterday. "Nonetheless, later on it might start to have a pro-inflationary impact due to changes in the structure of the labour market and a shortage of some specialists."

The decision to keep the benchmark rate at 7.5 per cent follows six cuts from the emergency 20 per cent set after Russia's invasion of Ukraine.

At 13.7 per cent, Russian inflation remains high. The central bank expects it to hit 12-13 per cent by the end of the year and has targeted 4 per cent by 2024. Polina Ivanova

under pressure to do more, they are fear... An unjust peace is no peace, it carries the seed of new wars within it."

The president had been criticised by Kyiv for his equivocation towards Moscow. In April he pulled out of a trip to Ukraine after Kyiv made clear he was not welcome, a snub that temporarily soured relations between the countries.

He also addressed the issue of Germany's military contribution towards Kyiv, which he described as "life-saving", and said Germans needed to become more comfortable with being a military power.

"For a long time we were able to rely on others... now others must be able to rely on us. This society needs strong armed forces. And the forces need a society that supports them," he added.

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## INTERNATIONAL

# Iranian protests drive liberals and conservatives further apart

Women who choose to wear traditional clothing feel they are the odd ones out

NAJMEH BOZORGMEHR — TEHRAN

One lunchtime last week, Nasim went into a Tehran restaurant where most of the female diners were wearing their hair uncovered — an increasingly common trend in Iran's big cities despite the country's strict Islamic dress code. Then a family entered, one member in the full-length chador worn by conservative women.

"Everybody looked at her and some at our table discussed whether we should force her to remove it," said the music teacher, 36. "None of us did anything but the family felt a lot of pressure with the way others looked at them."

The restaurant scene highlights how more than a month of mass protests across Iran has made the issue of women's clothing — for decades politicised by the country's rulers — a flashpoint in demands for radical change.

It underlines the speed with which the Islamic republic's values, which give women little or no choice but to cover up in public, have come under pressure as they push back against the strictures, a trend that threatens to increase tensions between liberals and conservatives.

Demonstrations broke out last month after the death in police custody of Mahsa Amini, 22, following her arrest in Tehran for not fully observing the country's strict dress code. This makes the hijab — which in Iran means a combined outfit of headscarf plus clothing that covers the body and that can include the chador — mandatory for women.

Events quickly spiralled into the

The anger at Amini's death encouraged women to uncover their hair in a show of defiance

worst social unrest in years, with mass protests across the country resulting in the deaths of at least 144 people, according to rights group Amnesty International. Other young women were caught up in the chaos, including Nika Shakarami, 17, who her family says was killed during the protests, adding to the anger. The demonstrations erupted again this week as mourners marked 40 days since Amini's death.

The intense anger unleashed by her death encouraged more women, particularly the young, to uncover their hair in a show of defiance, at least in the country's large cities, observers say. The regime, for now, has largely turned a blind eye as it struggles to contain the protests.

The events of the past month have left some conservative women feeling they are now the odd ones out. "People behave as if they've never seen a chador in their life or as if it's the symbol of the Islamic republic. It's not," said Ratanesh, who wears a black chador when she goes out but now fears harassment.

"Any Iranian woman must have had a mother, a grandmother or at least a great grandmother who wore the chador. We can't deny our history," said the 31-year-old, who runs a catering business.

The chador has been worn for hundreds of years in Iran. Predating the arrival of Islam in the seventh century, it was worn by women in what was then

ancient times, the female dress code was more severe than under Islam.

But in recent decades, the issue of women's clothing has become politicised, with religious and secular leaders using it as a symbol of their ideologies.

Liberal Iranians see the chador as a sign of backwardness. When Iran's King Reza Shah Pahlavi, who ruled from 1925-41, decided to modernise an overwhelmingly traditional and religious society, he banned veils and empowered the police to forcibly snatch the chador and face coverings from women's heads.

His son, Mohammad Reza Pahlavi, continued the modernising policy, although he lifted the ban. During his reign women were able to socialise outside their homes, attend university, drink alcohol in clubs and bars and vote in national elections.

But swaths of society, notably in rural areas, were unaffected, with women marrying early, remaining illiterate and venturing out only in the chador.

When the Islamic republic swept to power in 1979, the changes were rolled back and the hijab became one of the defining images of the theocratic regime. It became obligatory for women in 1983, with violations punishable with up to 74 lashes. Later, jail sentences and fines replaced flogging.

Many liberal Iranians now struggle with what to think of the chador, in particular: should they respect a style of dress with a long tradition and worn by many for deeply held religious and cultural reasons, or reject what they see as a symbol of theocracy?

A demonstrator at a recent anti-regime protest in Tehran experienced this conflict when a woman in a chador joined the crowd, initially assuming she was a regime spy. "But she chanted slogans like 'Death to the dictator', as we did," she said. "Then I respected her. She seemed genuine and her chador was her personal choice."

Even before Amini's death, women were pushing back against the compulsion to wear the hijab, say observers, for example wearing scarves loosely. Although the authorities generally ignored such infractions, women risked random enforcement by the morality police.

A combination of wider literacy — with educated women less likely to comply with the dress code — and the influence of celebrities was encouraging women to ignore the rules, according to a 2018 study by Iran's parliamentary research centre.

Many Iranians have long been angry that the regime puts so much energy into controlling what women wear while failing to curb corruption, an inflation rate of 42.9 per cent and youth unemployment of 25 per cent, observers say.

Mohsen Ghanbarian, a clerical scholar in Qom Seminary, the largest Islamic seminary in Iran, recently warned that the issues of the hijab and social justice were intertwined. If a woman was obliged to follow a certain dress code, she should be certain regime officials did not violate other Islamic rules, he said, according to the Mobarat website, a religious news service.

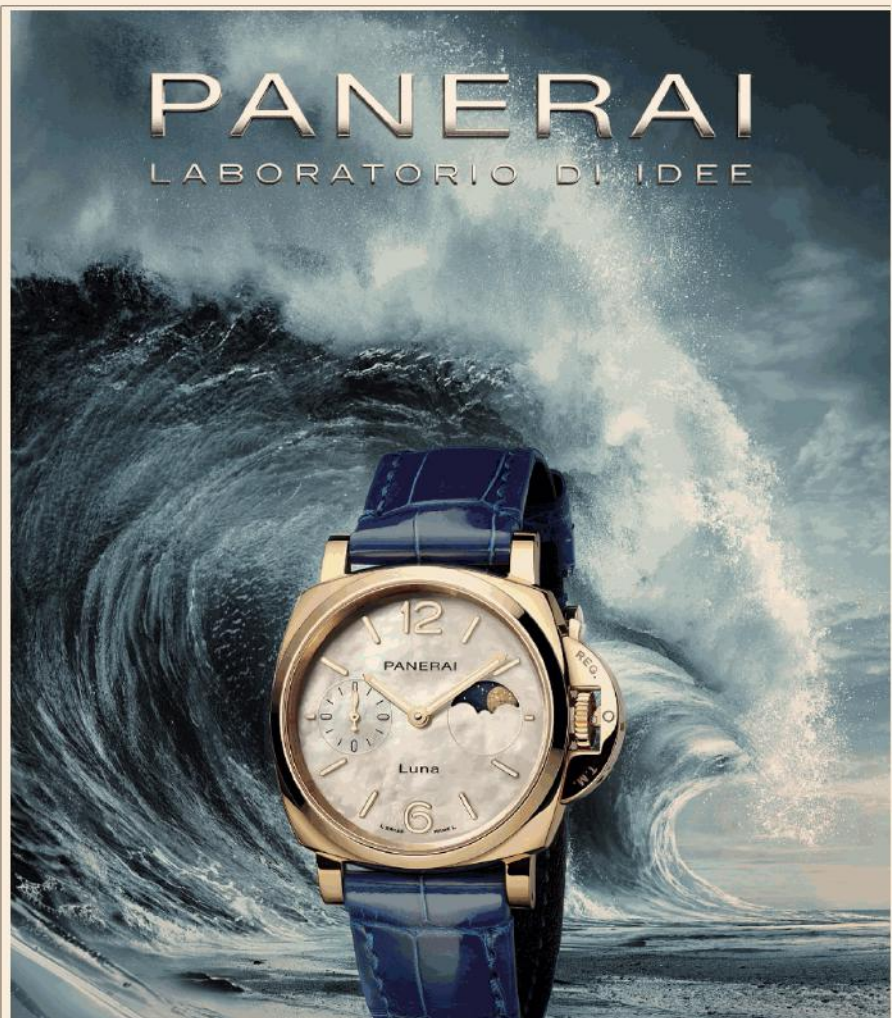
But Mohammad Ali Abtahi, a cleric and former reformist vice-president, warned of the potential for the demands for change to split society.

Religious enforcers, which saw the hijab



'People behave as if they've never seen a chador in their life or as if it's the symbol of the Islamic republic. It's not'

Dress code: two women wear head coverings in Tehran this year. Below, liberals rally in the capital in March, 1979  
Photo: Reuters/Anadolu Agency, Getty Images, Bettmann





Persia at least as long ago as the third century, according to Iranian historians. Morteza Motahhari, a then senior cleric, argued in his 1968 book *On The Islamic Hijab*, which became a leading reference for Iran's leaders, that in

as an essential duty in Islam, had not yet hit back strongly at the protests, he said. But "if the more secular groups decide to harass women with chador in the streets", he added, "there could be clashes".



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## INTERNATIONAL

China

## Shanghai business optimism hits new low

Zero-Covid policy under fire as companies warn of deteriorating outlook

THOMAS HALE — SHANGHAI

More than half of the Chinese companies surveyed by a leading US business lobby in Shanghai believe the country's economic management is deteriorating, as optimism about the future hits a record low.

The American Chamber of Commerce in Shanghai called for a relaxation of China's strict zero-Covid policy as it found that around a fifth of the 307 companies it surveyed were pulling back on

investment, mostly as a result of coronavirus measures.

The call came as Chen Jining was appointed chief of Shanghai, following the promotion of its former leader, Li Qiang, to China's highest political echelon. Chen is part of the country's central committee. His predecessor had presided over a damaging two-month lockdown for business in Shanghai this year.

China should "pivot to a more sensible approach to managing Covid-19 based on a reasonable balance between public health and the economy", said Eric Zheng, president of the Shanghai chamber, adding that the policy had "upended business performance expectations". Although 55 per cent of the businesses

surveyed remained optimistic over a longer-term horizon of three to five years, this was the lowest level since the survey began in 1999.

While three-quarters of those surveyed were profitable in 2021, fewer than half expected their revenues to grow in 2022, the lowest proportion in a decade. Just 47 per cent thought revenue growth in China would exceed their companies' growth worldwide.

China's economy grew 3.9 per cent in the third quarter, according to data released on Monday, a week later than expected. The rise is well below Beijing's already multi-decade-low growth target of 5.5 per cent, and the World Bank anticipates that China will underper-

form Asian growth this year for the first time since 1990.

Business activity has been hit by a property crisis, which erupted a year ago with the default of developer Evergrande, and zero-Covid controls that have been stepped up this year because of the very infectious Omicron variant.

Other large economies have moved most Covid prevention measures, but PCR testing is an almost daily requirement on public transport or for entering public spaces.

Factories in China have often resorted to so-called "closed loop" systems, where workers do not leave the site in order to continue working under lockdowns. This week, viral videos circu-

lated of workers saying they were unable to access supplies at a factory of Foxconn, which makes Apple's iPhones.

As well as disrupting domestic activity, the Covid policy has made it difficult for foreign businesses to enter the country. Beijing has declined to provide a timetable for a full reopening.

The chamber's report also highlighted other issues facing foreign business in China.

"Hopefully, at some point, this [zero-Covid] will be over, but there are more long-term structural issues," Zheng said, pointing to domestic competition, geopolitical tensions and "rising labour costs".

Person in the News see Opinion

US House Speaker

## Pelosi's husband injured in violent attack at home

JAMES POLITI AND STEFANIA PALMA WASHINGTON

Paul Pelosi, the husband of Democratic Speaker of the House of Representatives Nancy Pelosi, has suffered what police described as a violent attack at their San Francisco home.

The attack occurred during the early hours of yesterday, less than two weeks before midterm elections that will determine control of Congress.

Nancy Pelosi was in Washington at the time. Paul Pelosi was taken to the hospital and is expected to recover.

According to a person briefed on the attack, the assailant was specifically looking for the House Speaker, shouting: "Where is Nancy, where is Nancy?" as he confronted Paul Pelosi.

The US Capitol Police said it was participating in a joint investigation into the assault, alongside the FBI and the San Francisco Police Department, which added it had the "suspect in custody".

"The motivation for the attack is still under investigation," the Capitol Police said.

According to the Associated Press, Pelosi, 82, was beaten with a hammer and suffered trauma injuries to his head and body.

Karine Jean-Pierre, the White House press secretary, said US president Joe Biden was "praying for Paul Pelosi and for Speaker Pelosi's whole family", and had called her "to express his support after this horrible attack".

"What happened to Paul Pelosi was a dastardly act"

Chuck Schumer, Senate leader

"The president continues to condemn all violence and asks that the family's desire for privacy be respected," Jean-Pierre added.

With Nancy Pelosi in Washington the couple's San Francisco residence would have lacked the protection afforded by the speaker's security detail.

The Capitol Police said special agents from its California field office "quickly arrived on scene" in San Francisco, while investigators from its "threat assessment section" were sent to help the FBI and the local police with their probe.

Adam Lobsinger of the San Francisco police confirmed on Twitter that its officers responded to an incident on the "2600 block of Broadway", which is in the city's Pacific Heights neighbourhood, for a "home break-in" in which an 82-year-old male was attacked and taken to hospital.

"What happened to Paul Pelosi was a dastardly act," said Chuck Schumer, the New York Democrat and Senate majority leader.

"I spoke with Speaker Pelosi earlier this morning and conveyed my deepest concern and heartfelt wishes to her husband and their family, and I wish him a speedy recovery," he added.

Nancy and Paul Pelosi, who is a venture capitalist and an investor in property and sports teams, have been

California. Hate speech

## West's anti-Semitic rants horrify Los Angeles

Rapper's comments lead to ending of endorsements and coincide with racist acts

CHRISTOPHER GRIMES — LOS ANGELES

Controversy has never been far behind Kanye West, the rap superstar who in an 18-year career has made headlines for feuds with Taylor Swift, lawsuits against his own record companies and flirtations with far-right politics.

But through it all, West has enjoyed the solid support of the entertainment and fashion industries thanks to his consistent ability to sell records, sportswear and concert tickets. Until now.

In the three weeks since he tweeted he would "go death con3 on Jewish people", which was followed by other anti-Semitic comments, West has watched as the foundations of his \$2bn entertainment and fashion empire have collapsed.

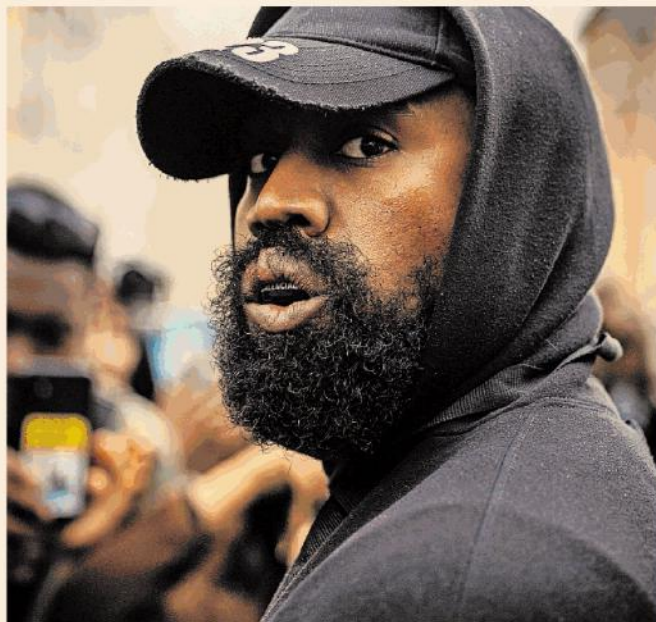
In recent days he has been dropped by CAA, the Hollywood talent agency powerhouse; Adidas, which enjoyed a highly profitable relationship selling West's sports shoe designs for almost a decade; his law firm, Greenberg Trautman; and Balenciaga, the high-end fashion house. Clothing retailer Gap has also cut ties with him.

"It has been such a spectacular unraveling," said one music executive who had dealings with West.

In Los Angeles, a city familiar with celebrity scandals, West's provocations have rattled Jewish citizens, who see a direct link between West's statements and a burst of anti-Semitic acts there.

Sam Yerbli, a lawyer, was among the residents in West Los Angeles who found anti-Semitic leaflets left at his home last weekend. "We were shocked and horrified to find that on our doorstep a few feet from where our kids were playing," said Yerbli, a former board member of the LA chapter of the Anti-Defamation League.

On the same day, a group of white supremacists gathered on an overpass of the busy 405 interstate with a banner reading "Kanye was right about the Jews", and another promoting a video platform operated by the Goyim Defense League, a network of anti-Semitic conspiracy theorists. "Kanye is bringing a lot of eyeballs to anti-



Under fire:

Kanye West

turned down an invitation to visit the Holocaust Museum in Los Angeles, below, after his anti-Semitic remarks

Jonathan Sacks/Alamy

Shutterstock

lessor and author of *Hitler in Los Angeles: How Jews Follwed Nazi Plots Against Hollywood and America*. "It's using his celebrity for harm rather than good."

The celebrity of the rapper, who now goes by the name Ye, is undeniable. West has won dozens of Grammy awards and sold more than 150m



records. "The music was always good," said the music executive. "That was what always got him through," despite the erratic behaviour.

His influence on popular culture only grew after his 2014 marriage to Kim Kardashian, the reality television star. They divorced last year. Kardashian this week said she stood "together with the Jewish community" and called on "the hateful rhetoric towards them to come to an immediate end", without naming her former husband.

The question many in Hollywood are asking is whether there is a road back for West, who has acknowledged that he suffers from bipolar disorder. "He has a pretty big catalogue," and

'Kanye has galvanised the industry to get off the couch on anti-Semitism'

LA rabbi

question is what future there might be."

West's music remains on streaming services, including Apple Music, Spotify and Amazon as well as YouTube.

Universal Music and Sony Music, West's longstanding partners, have denounced his statements but still earn money from his music. Many in the industry see a reluctance among the music groups to drop West, in part due to fears of setting a precedent that might lead to the removal of songs by other problematic artists.

West was hospitalised in 2016 and subsequently diagnosed as bipolar. Entertainment executives say a central question is whether anyone around him can ensure he is taking the proper medication following the death of his mother and his divorce from Kardashian.

"I don't know who's left — he had the Kardashians, his mom," said the music executive. "I don't know that there is anyone around him."

Despite the widespread condemnation and the impact on his business, he has continued his provocations. On Wednesday, the day after he lost his deal with Adidas, he arrived unannounced at an LA office of Skechers, the footwear brand. According to Skechers, West was filming on the site without permission and two of the company's executives escorted him out of the building.

"We condemn his recent divisive remarks and do not tolerate anti-Semitism or any other form of hate speech," the company said.

Following West's tweet, Beth Kean, chief executive of the Holocaust Museum in Los Angeles, invited him to tour the exhibitions via his former agents at CAA. West turned her down, then claimed in a podcast this week that black Americans were "still in the Holocaust", adding that abortions "are genocide and population control... that is promoted by the music and the media that black people make, that Jewish record labels get paid off".


The museum had increased security since West's comments, she added.

Steve Leder, senior rabbi at the Wilshire Boulevard Temple, Los Angeles' oldest synagogue, said he had been hearing more "expressions of concern" from his congregation in recent weeks.

But he also sees a silver lining. "Kanye has galvanised the entertainment industry to get off the couch on anti-Semitism in a way I haven't seen in



Semitism," said Steven Ross, a University of Southern California history professor.

earned huge royalties, said one executive at a Hollywood talent agency. "The

my 35 years in Los Angeles." Opinion see the FT View page

married since 1963 and they have five children.

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Payment of the second tranche of the Dividend 2022

The Board of Directors in the meeting held on October 27, 2022, resolved the distribution of the second tranche of the dividend 2022 through the use of available reserves of Eni S.p.A., for an amount determined at 0.22 euro per share (for 0.44 euro per ADR, being each ADR listed on the New York Stock Exchange representative of 2 Eni shares), gross of taxes to be paid, if any, for each share outstanding on the ex-dividend date. This tranche of the dividend will be paid on November 23, 2022, coupon No. 40, being November 21, 2022 the ex-dividend date (record date November 22, 2022). The second tranche of the dividend to Beneficial Owners of ADRs will be payable on December 7, 2022, being November 22, 2022 the record date, the payment will be executed through Citibank, N.A., the Depositary of Eni's ADRs (588 Greenwich Street, 6th Floor New York, NY 10033). In order to receive the dividend, shareholders whose shares are non-dematerialised shall previously deliver such shares to a financial intermediary for their deposit with Monte Titoli S.p.A. (the Italian Central Securities Depository) and their subsequent dematerialization. The Dividend, according to the beneficial owners' tax treatment, may be subject to a withholding tax or may be considered as part of their taxable income.

Bolsonaro and rival Lula battle for their political lives in bad-tempered contest

BRYAN HARRIS, MICHAEL POOLER AND MICHAEL STOTT — SÃO PAULO

As one of Brazil's most bitterly fought election campaigns draws to a close, far-right president Jair Bolsonaro and his challenger, veteran leftist Luiz Inácio Lula da Silva, agree on one thing: the future of one of the world's largest democracies is at stake.

Lula, who was president of Brazil from 2003 to 2010, leads a broad coalition of the centre and left that has united behind the idea that a second term for Bolsonaro would do irreversible damage to the country's institutions and spur a slide towards strongman rule.

For Bolsonaro and his conservative supporters in agribusiness, the evangelical churches and the army and police, a Lula victory would set Brazil on the path towards the style of socialism in Cuba or Venezuela and erode traditional values.

The result of tomorrow's vote hangs on a knife edge after a campaign marred by mudslinging and political violence. Polls suggest Lula has a narrow lead, but they underestimated Bolsonaro's support in a first-round vote this month.

"This is about democracy, values, human rights and respect for the constitution. What is at stake is the survival of Brazilian democracy and the rule of the law," said Hussein Kalout, an official in the administration of Michel Temer, who preceded Bolsonaro in office.

After criticising Bolsonaro soon after the 2018 election, Kalout was threatened by supporters of the populist leader, forcing him to move abroad with his family. "In the past we disagreed but it was possible to live together. We can't let Brazil become a binary state that either agrees with Bolsonaro's political violence or goes into exile," he said.

Supporters of Bolsonaro believe only he can prevent the return of Lula's Workers' party (PT), which they say ravaged the nation through corruption and economic mismanagement during its 14 years in power up to 2016.

"It would be the biggest embarrass-

ment of my life if I saw a convicted prisoner become president," said Geraldo Affonso Ferreira, chair of the advisory board of ESH Capital, referring to the time Lula spent in prison for graft before his convictions were annulled. "Anything but the PT is the view of the business community."

The campaign has been the most



Seeing red: Lula inside Lula da Silva has had to clarify that he 'does not have a pact with the devil'

unifying in modern Brazilian history, with both sides resorting to disinformation and low blows.

Lula's team has sought to link Bolsonaro to paedophilia and cannibalism, while proxies for the president tried to paint the leftwing leader as a Satanist, forcing Lula to clarify that he "does not have a pact nor has ever conversed with the devil".

Bolsonaro is regularly criticised for his authoritarian rhetoric, notably his

support for the 1964-1985 military dictatorship and his praise for that regime's torturers.

Ilona Szabó, co-founder of the Igarapé Institute think-tank, said Bolsonaro presented a threat not only to democracy but also to the Amazon rainforest. Bolsonaro has slashed funding for environmental protection and pledged to open the Amazon to business.

"What is at stake is the future of Brazil for the next generation of Brazilians and the planet's climate stability," said Szabó. Lula has vowed to end illegal deforestation and create a ministry for native peoples. "I worry that if Bolsonaro wins, we will lose everything. I ask God to help us," said Maria Wanda Jahuí, an indigenous Brazilian from the southern Amazonian state.

The personal stakes for both candidates are also considerable.

"For Lula, winning would mean... a return from his political ostracisation," said Claudio Couto, a political scientist at the Getúlio Vargas Foundation. "If Bolsonaro wins, he gains some space to protect himself. For him, it is a matter of survival."

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PT Weekend

29 October/30 October 2022

## FT BIG READ. CENTRAL BANKS

Amid conflicting signals about the health of the US economy, and as detractors begin to voice criticism, the Federal Reserve is wrestling with questions of whether it has done enough – and when to stop.

By Colby Smith

In an eight-minute speech delivered at the foothills of Wyoming's Rocky Mountains in late August, Jay Powell sought to stamp out lingering doubt about the US central bank's commitment to fighting the worst inflation in decades.

Invoking the legacy of Paul Volcker – his predecessor who vanquished inflation in the 1980s – the sitting chair vowed the Federal Reserve would “keep at it” until it got price pressures under control.

But two months on, what exactly “it” will take is still far from obvious. There remain colossal unknowns about just how quickly inflation will moderate, the extent of the job losses as the central bank cools the economy, and whether the financial system can digest such a rapid surge in borrowing costs.

For the Fed, this lack of certainty has kicked off a fulsome debate about its tactics and how it will know when it has done enough.

“We definitely are moving into a new phase, and the messaging is a lot trickier,” says Julia Coronado, a former Fed economist who now runs Macro-Policy Perspectives. “It’s one thing to be starting from zero and playing catch-up... it’s another to be in the territory where you’re clearly closer to a restrictive stance and the economy and global markets are responding.”

So far this year, the Federal Open Market Committee has ratcheted up its policy rate from near zero to 5 per cent, hastily moving in 0.75 percentage point increments at its past three meetings in what has become one of the most aggressive campaigns to tighten monetary policy in its 109-year history. To augment its efforts, it has also begun shrinking its nearly \$9tn balance sheet.

The FOMC is set to implement its fourth straight jumbo rate rise next week and signal further increases to come, six days before elections that risk fracturing Democrats’ control of the legislative branch and fundamentally reshaping the scope of what Joe Biden can accomplish in the second half of his presidential term.

His popularity pummeled by rising prices and recession fears, Biden has encouraged the Fed to use its tools as his administration affirms inflation is its “top economic priority”.

But as the spectre of a severe economic contraction looms, the Fed’s detractors have sharpened their criticism. Democrats are warning that the central bank risks jeopardising mil-



# Dilemma at the Fed

Top: Fed chair Jay Powell. The central bank has embarked on one of the most aggressive campaigns to tighten monetary policy in its 109-year history.

notable gains. Thus far in 2022, 420,000 positions have been added on average each month, down from 562,000 last year but still well above what economists consider sustainable. The unemployment rate, meanwhile, stands at the pre-pandemic low of 3.5 per cent.

Despite nascent signs of loosening, the jobs market is still among the tightest in history. For every unemployed

Centre stage is the housing market, which is buckling as 30-year mortgage rates this week eclipsed 7 per cent, the highest since 2002. Prices nationwide have collapsed, but the declines have been largest in cities that experienced the biggest booms since the pandemic.

Economists expect fractures to become even more apparent as the effects of the Fed’s tightening campaign

a redux, the Fed has said it will wait for substantive signs that inflation is falling back towards its 2 per cent target before pausing rate increases.

But the pace at which it is moving makes some uneasy. “Every additional 75 [basis point increase] makes me feel like the plane is going to crash rather than land smoothly,” says Ellen Meade, a senior adviser to the central bank’s

As the Fed ploughs ahead, heavy-handed political pressure is only set to intensify. Senate Democrats have already stepped up their rebukes, with Sherrod Brown, chair of the Senate banking committee, and John Hickenlooper of Colorado this week joining Senator Elizabeth Warren of Massachusetts and Vermont’s Bernie Sanders in urging the central bank to reconsider its plans.

Their concern is jobs. Most Fed officials project the unemployment rate to rise to 4.4 per cent, but many Wall Street and academic economists believe that forecast is far too optimistic.

Deutsche Bank reckons getting inflation back to target will require unemployment breaching 5.5 per cent. Laurence Ball at Johns Hopkins University argues a more realistic estimate is upwards of 7 per cent.

Such substantive job losses, and the recession they would bring, would cause most pain to those least able to weather it, reversing most if not all of the gains accrued in the post-pandemic recovery.

“One of the very unfortunate truths of the current situation is that the people who are really suffering right now from high inflation – low-income households – are also the people who are going to bear the brunt of the tightening,” says Stephanie Aaronson, a former Fed staffer now at the Brookings Institution think-tank. “This is a no-win situation.”

### Straight talk

Yet another fear is a financial accident that threatens the stability of the broader system.

“We are still the 800-pound gorilla in the international economy, and in the financial part of that, we are the 8,000-pound gorilla,” says Alan Blinder, who served as the Fed’s vice-chair in the 1990s.

Most vulnerable are highly-indebted emerging and developing economies being hammered by the strength of the dollar and rapidly rising borrowing costs. With 60 per cent of low-income countries at or near debt distress, there “inevitably” would be defaults, the head of the IMF warned last month.

Anger is also growing in Europe, which is starting down an acute energy crisis linked to the Ukraine war. Even as the economy teeters on the brink of recession, the European Central Bank again this week followed in the Fed’s footsteps and raised rates by 0.75 percentage points to combat soaring costs. The blowback to the US from events

“One of the very unfortunate truths is that the people who are really



ions or Americans it taps the economy into a recession. A growing cohort of economists warn against an overcorrection, highlighting the risk of moving too quickly and breaking something.

The Fed's strategic direction has enormous global repercussions, not just for the range of central banks who take their cues from the US on fighting inflation, but also for the indebted developing economies staring at potential defaults as the US dollar surges.

"[The Federal Reserve is] in an incredibly difficult spot," says Daleep Singh, who previously led the markets group at the New York Fed before serving as deputy director of Biden's National Economic Council. "Really every central banker all over the world is feeling nervous, anxious and fearful that they might lose decades of hard-earned inflation-fighting credibility."

#### Under the hood of the economy

On the surface, the US economy shows some signs of strength. But with relentless inflation and high borrowing costs starting to bite, cracks have emerged.

The labour market continues to make

history ... FT magazine  
Bloomberg/Reuters

'Every central banker all over the world is feeling nervous, anxious and fearful that they might lose decades of inflation-fighting credibility'

person, there are still nearly two vacancies. In many states across the country, there are three. To overcome this, employers have had to rapidly boost pay, with the pace only recently ebbing.

But wage bumps have largely been outpaced by inflation, which is now running at an annual rate of 8.2 per cent. Worryingly, "core" measures, which strip out volatile items like food and energy and include categories like services and housing related costs, keep accelerating, suggesting price pressures are becoming harder to root out.

Any residual optimism about the economy has been overshadowed by the intensity of the price shocks. While gross domestic product growth rebounded in the third quarter after shrinking in the first half of the year, there are clear signs that consumer demand is weakening.

US business activity has also already taken a hit, contracting in October for a fourth-straight month as manufacturers and services providers became increasingly downbeat. That has helped to ease supply logjams, pushing shipping costs lower.

start to amp up, risky adjustments take time to filter through the economy, and show up in the data long after the damage has been done.



This lag means that the bulk of the Fed's actions to date – which have triggered a substantial appreciation of the dollar and damped demand for risky assets – have yet to fully materialise.

#### The case for slowing down

Many now believe inflation has peaked and that a recession is likely next year, igniting a discussion both internally at the Fed and externally about how much more it should squeeze the economy.

Top officials have indicated greater concern about doing too little rather than too much, harkening back to errors made in the 1970s that sowed the seeds for rampant inflation. To ward off

dooms or governors until 2022. There's a reason for going a little bit more slowly, and that's to watch and to react to the effects your policy is having. At this rapid clip, they aren't doing themselves any favours."

Some Fed officials have already begun to lay the groundwork for smaller rate rises, as Canada's central bank did this week and Australia's did earlier this month. "The time is now to start planning for stepping down", San Francisco Fed president Mary Daly said last week.

December could mark a downshift to half-point increments, but that depends on jobs and inflation data due beforehand. There is also not yet a clear consensus among policymakers, especially among those who worry about again being wrongfooted by faulty forecasts that inflation is moderating.

If they did scale back, officials might move to lift next year's projection for the benchmark rate beyond the 4.6 per cent median level previously pencilled in, to guard against investors prematurely pricing in a pivot away from tight policy. Fed funds futures markets now point to it peaking at about 5 per cent.

suffering from high inflation are also the people who are going to bear the brunt of the tightening'

abroad is small, milder notes, but he acknowledges it is "not zero".

The turmoil in the UK financial markets last month, while stemming from political missteps, offered a cautionary tale about how unforeseen events can spiral and demand costly interventions. "You don't want to be in the Bank of England's shoes," says Coronado.

Straight talk from the Fed will also be crucial in the coming months, other former officials say, especially as views splinter internally.

Randal Quarles, the Fed's former vice-chair for supervision, warns that its biggest challenge will be overcoming a potential "fracturing of the message" as the data become less clear-cut.

For Andrew Levin, a two-decade Fed veteran, what is most critical at this stage is for the central bank to be upfront about the forthcoming pain.

"It owes it to the public to explain like a team of physicians and say, 'This is a very serious illness, we're going to have to take you into surgery and it's going to be a slow recovery, but we think that this is essential to restore your health,'" he says.

## Obituary Policymaker who opened up all combat roles to women

**Ashton Carter**  
US defence secretary  
1954–2022

Ashton Carter, who served as the US defence secretary under former president Barack Obama, began his career as a physicist. He first came to prominence as a young scholar when he published a paper for a Congressional office debunking Ronald Reagan's "Star Wars" anti-ballistic missile programme.

The paper raised his profile within the national security community, and gave him a taste for politics as well as policymaking. Carter, who has died aged 68, went on to serve under five presidents in different roles. He was known for opening up all combat positions to women, as well as for his insistence that the US military invest in more advanced technology.

Carter was born in 1954 in Philadelphia to a neurologist father and an English teacher mother. He double-majored in medieval history and physics at Yale University and was a Rhodes scholar at Oxford university, where he studied physics.

In his 2019 memoir he wrote that Bill Clinton was the first president he got to know well, when he served as assistant secretary of defence for international security policy. He was impressed when Clinton made a beeline for him after a meeting with then Russian president

Boris Yeltsin, and apologised for failing to bring up one of Carter's priorities. Carter later helped write the legislation that secured and dismantled nuclear weapons in the former Soviet Union, including in Ukraine.

Carter took office as defence secretary when the Obama administration was involved in the campaign to push back against Islamic state militants in Iraq and Syria. In his multiple roles during the Obama years, he also directed the US military's sights towards the rise of China.

When he first joined the Obama administration in 2009, thousands of American troops were dying or suffering severe injuries because the vehicles they operated in Iraq and Afghanistan didn't offer enough protection. Carter devoted energy as the top procurement officer to speeding up the development and delivery of Mine Resistant Ambush Protected vehicles, known as MRAPs. He later cited that project as one of his proudest accomplishments.

"It was really Ash's understanding of the system, and not being willing to take first reports . . . which drove that effort," said Sally Donnelly, who advised him in and out of the Pentagon, referring

to initial assessments about how to fix the vehicle problem.

Speaking to defence leaders at the White House on Wednesday, President Joe Biden singled out Carter's efforts to deliver MRAPs, which he said the US had originally intended to postpone. "I'll never forget working with him to make sure that our troops in Iraq and Afghanistan . . . had those life-saving, limb-saving MRAPs they needed," Biden said. "It saved a hell of a lot of lives . . . I deeply valued Ash's courage and counsel during that point."

Friends and colleagues described him as smart, thoughtful and generous, but at times impatient or combative. In his memoir he recalled his frustrations at times with the Obama administration's policymaking, particularly the National Security Council's overemphasis on discussing military matters, which he described as "playing with little tin soldiers" – not a very good use of our time.

Carter also spent time at both Harvard and Stanford universities. But his stint at Stanford ended soon after it began, when he returned to the Obama administration in 2015. Upon announcing his nomination as defence secretary, Obama joked that Carter had "failed miser-



Carter encouraged investment in advanced military technology

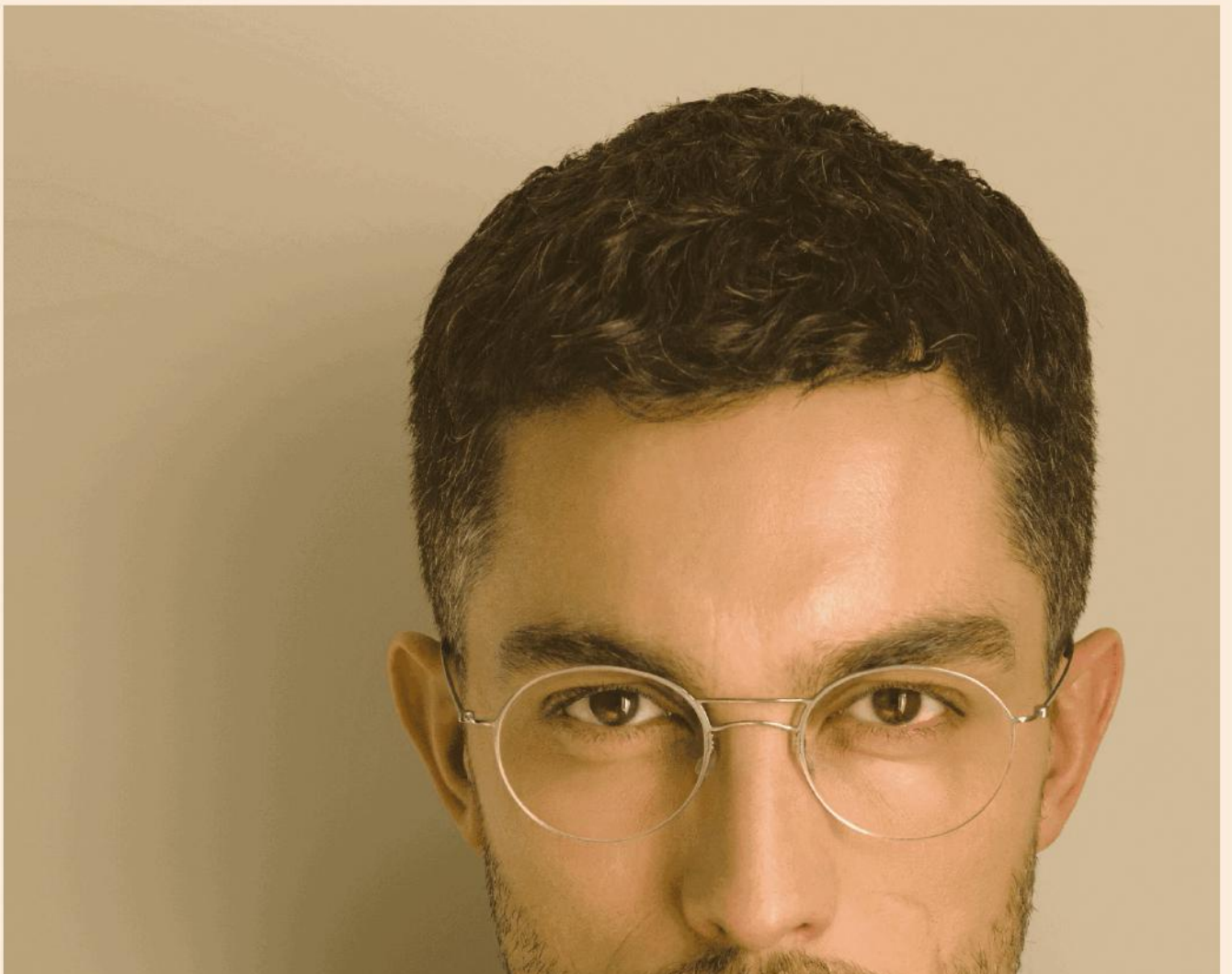
Though he never served, his many years in the Pentagon meant he understood its inner workings

ably" in his one-year attempt to retire. Though Carter never served in the military, his many years in and around the Pentagon meant he understood its inner workings. Colleagues described him as one of the best prepared people to ever lead the US department of defence. Carter was one of the few people to have held four of the top jobs at the Pentagon.

On the rise of Donald Trump, Carter said in his memoir he always tried to be useful to Republicans and Democrats, and worried that Washington was becoming less bipartisan. "He was somebody who was respected in both parties," said Paul Haeuble, a China expert and former senior government official who studied under Carter at Harvard.

The day before he died, Carter hosted a lunch for Kurt Campbell, now deputy assistant to the president and co-ordinator for the Indo-Pacific. Carter, who in his book described himself as a "scientist at heart," left the lunch early, ducking out to teach a class at Harvard.

"With a twinkle in his eye, he ran to class where the topic of the day was cloning, CRISPR, and the implications for human life," said Harvard professor Graham Allison. Felicia Schwartz







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L I N D B E R G

8

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FT Weekend

29 October/30 October 2022

## The FT View



FINANCIAL TIMES

"Without fear and without favour"

ft.com/opinion

## What commuters get up to when they no longer commute

*Employers are still unsure how to manage the effects of hybrid work*

\*Under the brown fog of a winter dawn, / A crowd flowed over London bridge, so many, / I had not thought death had undone so many," TS Eliot wrote in "The Waste Land". It is 100 years since the poem's publication, but the crowd heading in to Eliot's "unreal City" is much depleted. So are crowds of early morning commuters around the world. The aftermath of the first world war that the poet described, has brought lasting change to working habits, particularly among office workers.

A Financial Times analysis of Google Mobility data this week found UK trips to the workplace were down by 24 per cent from February 2020, as coronavirus struck. Commuting has not recovered to pre-Covid levels in the world's

seven largest economies, with implications for urban planning, management, and productivity.

It is hardly surprising that those employees who were able to work remotely during lockdown are reluctant to resume the five-day routine of *metro, boulot, dodo* (train, job, sleep), as they say in Paris, where trips to work are down by more than a quarter. The psychological and economic toll of commuting was clear even pre-pandemic. Research identifies a sometimes deadly cocktail of commute-induced stress, family problems and job dissatisfaction.

What are hybrid workers doing with the time not spent travelling to work, estimated at 60min hours per day in the US alone? More *dodo* for one thing. US workers are sleeping more, according to an analysis on the New York Federal Reserve's Liberty Street Economics blog. Youngsters in particular are also reallocating commuting time to social events, exercise and eating out, while older age groups devote more time to

childcare, DIY and cooking. Yes, they are also spending some of their saved time working. But "the decrease in hours worked away from home is only partially offset by an increase in working at home", the researchers write.

There is ammunition here both for those who advocate bringing more people back to half-empty offices and for the champions of more remote work. The former will gnash their teeth at the idea of working hours lost to a longer lie-in. The latter will claim that less time lashed to the laptop makes for happier and more engaged staff.

Unhelpfully, data on the productivity of hybrid workers remain scant. A randomised control trial at a large Chinese technology company, conducted by researchers from Stanford and Peking universities in 2021 and 2022, found staff allowed to work from home two days a week were slightly more productive than their five-day-a-week office-bound peers. But outcomes are bound to vary depending on the type of

The return to the office has laid bare the cost of travel to work, in time and money, but remote-working colleagues may not appreciate the impact of their absence on the rest of their team

company, or the nature of the task.

The return to the office has also laid bare the cost of travel to work – in time and money – that commuters previously took for granted. Off-cited benefits of being in the office, such as more seamless sharing of ideas, easier training of new recruits, and a tighter corporate culture, are harder to measure. Remote-working colleagues may not see, let alone appreciate, the impact of their absence on the rest of their team.

Most companies are still, rightly, experimenting their way towards late-pandemic working norms. While labour markets are tight, employees are freer to put pressure on employers that do not provide the working environment they want, or to shun them altogether. That situation is unlikely to last. It should eventually become easier for companies to assert the degree of flexibility they prefer. The challenge for leaders will be whether to manage, or override, the choices of staff whose individuality they celebrated during the pandemic.

## Opinion Brands

## Kanye shows the tightrope of celebrity endorsements



## Letters

## Even Walmart struggles to monitor its supply chain emissions

Andrew Edgecliffe-Johnson paints a vivid picture of Walmart's successful navigation of the increasingly treacherous waters of environmental, social and governance investing (Spectrum, October 15). But lost among the anecdotes about sustainable tuna are some important clarifications regarding Walmart's

1bn metric tonnes (a gigatonne) by 2030. However, that is neither what the company says nor is there evidence that this is what they are doing. Project Gigaton is an aspirational goal to reduce or avoid a gigatonne of emissions. Avoided emissions is a complicated concept without an accepted definition. It refers to the

Practically, this means Walmart's suppliers could continue to increase their emissions while they count the theoretical business-as-usual emissions as a reduction. Whether or not this is occurring is impossible to know because the underlying data are impenetrable. As Walmart warned in its response to the

estimations on top of assumptions that are repeatedly layered to arrive at a falsely precise number". What we do know is that Project Gigaton represents tangible, industry-leading efforts to improve the emissions' trajectory of Walmart's supply chain. However, this should not be confused with a verifiable reduction

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Alex Barker

Before Kanye West there was Lillie Langtry. When the actress and socialite lent her name to Pear's Soap sometime in the 1880s, she became the first celebrity paid to endorse a consumer product.

A decade or so later, she was also the first celebrity to be dumped for her indiscretions. Her racy private life and royal dalliances riveted Victorian society, giving her exactly the kind of mass appeal brands crave. But eventually it all became too much for a "perfectly pure soap".

Pear's had discovered that celebrity sells and that tie-ups with flamboyant stars can send an extraordinarily powerful message to consumers. Just not always the message you want.

Endorsement, sponsorship, creative collaborations – such deals have become staples of the marketing

was more than wasted marketing spend; it was a core part of Adidas business.

"These kinds of deep partnership have a totemic forebunner: the Nike deal with Michael Jordan that remade the sportswear and sponsorship business. Back in 1984, Nike was an insurgent brand looking to hitch a ride on the wings of an up-and-coming basketball talent. Along with a sizeable annual payment, Nike executives wooed Jordan with a plan to build a shoe around his brand and give him a slice of the upside.

It was more marriage than fleeting transaction. When Jordan and his parents first visited the company's Beaverton headquarters, they were met with a giant banner: "THE NIKE FAMILY WELCOMES THE JORDAN FAMILY". Almost four decades on, Nike is still releasing an Air Jordan every year.

Kanye's fashion breakthrough also came through Nike – the Air Yeezy. The prototype, which West wore at the Grammy's, went for \$1.8m at a private sale; its successor sold out in 10 minutes when it was released in 2014, retailing at \$245. The line was scarce, exclusive, what the fashion business might call a "capsule collection".

The challenge was giving it industrial scale to produce for a mass market. It was Adidas that figured that out. West tried with Nike, but he was told he couldn't go beyond its existing library of shoe moulds. Adidas, by contrast, promised to create new shapes and gave him a hefty royalty to boot. "Tell Adidas that we need a million in production (You!)," rapped West in the track "Facts". "I done told y'all, all I needed was the infrastructure (Boom!)"

There were obvious risks to working with Kanye, even then. But Adidas was unable to resist. Few stars can pull off these kinds of strategic partnerships; the singer Rihanna's Fenty Beauty venture with LVMH is a rare case.

Would Adidas roll the dice again with another star? Back in the 1980s and 90s, nervous brands would hire private investigators to vet celebrities before endorsement deals. When the Japanese whisky Suntory weighed up hiring the Rat Pack star Peter Lawford, it even sought to establish whether he had a drinking problem.

Today it's more about lawyers than private investigators. West may own the Yeezy trademark, but it is Adidas that claims to be the "sole owner" of the underlying shoe designs.

That speaks to the balance of power. Adidas had sought a tastemaker with electric, unpredictable energy. It got that in spades. Big companies are damaged when their celebrity partner implodes. It can be costly, but they survive and move on, ever fearful of looking stale.

alex.barker@ft.com

most celebrated sustainability goal, Project Gigaton.

The article leaves the impression that Walmart will reduce greenhouse gas emissions in its supply chain by

emissions that would have been created in a business-as-usual scenario but were not, thanks to efficiency efforts (eg the use of high-efficiency lights or machinery).

Securities and Exchange Commission's proposed requirements on emissions disclosure, calculating emissions like those in its supply chain is an unreliable exercise that "involves

in supply chain emissions. Justin Steinberg Portfolio Manager, Sargasso Environmental, Steinberg Asset Management, New York, NY, US

## PM's newfound prudence recalls an earlier hothead

Your article on the newfound prudence of the latest British prime minister ("Sunak eases back on post-Brexit axing of EU legislation", Report, October 28) put me in mind of the memorable exchange between Thomas More, Henry VIII's lord chancellor and his son-in-law William Roper, as imagined by Robert Bolt in the film *A Man for All Seasons*.

The hot-headed Roper, like an earlier incarnation of Rishi Sunak, argues that he would "cut down every law in England" to get at the devil. (The EU, in Brexit cosmology, is roughly equivalent to the Devil).

But More replies: "And when the last law was down, and the Devil turned around on you, where would you hide, Roper, the laws all being flat? This country's planted thick with laws from coast to coast – man's laws, not God's – and if you cut them down... do you really think you could stand upright in the winds that would blow then?"

It may have been in a similar spirit of self-preservation that, as you report, a broad coalition, including the Trades

Union Congress, the RSPB and the Wildlife Trusts, urged Sunak to abandon the legislation to review or repeal all 2400 EU laws currently on the statute books.

William Pitt New York, NY, US

## Conflating Russia with USSR suits the Kremlin

The title of Adam Curtis's BBC documentary series *Russia: 1985-1999: Tsarism Zone* reviewed by Dan Elnav in the FT (Pick of the Week, October 8) is seriously misleading.

Up to 1991 the documentary footage covers the Soviet Union, not just Russia. From 1992 it covers Russia and other newly independent states, including Ukraine, Moldova, Georgia, Tajikistan and Turkmenistan.

So the subtitle – "What it felt like to live through the collapse of communism and democracy" – should really only apply to Russia.

Turkmenistan never became a democracy, Ukraine, Moldova and Georgia did, and still are democracies.

The conflation of Russia and the Soviet Union is the worldview which

the Kremlin would like us to adopt. It is the worldview underlying the tragedy of Russia's war against Ukraine.

By the way, former Ukrainian president Leonid Kuchma, described in the series as "pro-Russian", published a book with the title *Ukraine is not Russia*. Mary and Robert Brinkley Perth, UK

## Let's pray Carney's quip has no economic analogue

The otherwise fairly technical conversation your columnist (Lunch with the FT, Life & Arts, October 15) yielded one revelation about the former Bank of England governor's views on religion with his claim that the Church of England is a well-led institution.

My surprise lifted as it dawned on me (an atheist member of the national church) that Carney must be referring to the Church of England's civilised, gently managed decline in numbers. Let us hope that there is no economic analogue in this notion of leadership.

Nick Bradbury Reading, Berkshire, UK

## Vita was lost in translation

Rarely does Robin Lane Fox stray from his garden column but in "A burst of Sissinghurst" (House & Home, FT Weekend, October 15) he landed in the weeds of literature.

Lane Fox was right to point out that Vita Sackville-West, with her relative Edward Sackville-West, translated Rilke's *Dulcinea Elegies* from the German. However, he overlooks to mention what a poor translation it was. Later, it was offered to the Hogarth Press who only printed a handful of copies – and only in deference to Vita's friend and lover Virginia Woolf.

Farrol Kahn Gstaad, Switzerland

## Sartorial perfection

With regard to Annachiara Biondi's "My search for the perfect suit" (Style, October 22), she can stop looking. The perfect suit is from Issy Miyake Pleats Please. It never goes out of style, goes easily from office to dinner, and nothing is easier to pack.

Doris Straus New York, NY, US

## When a famous partner implodes it can be costly for big companies. But they survive and move on

world. Were she around today, Langtry would probably have a clutch of skincare products to peddle on TikTok, two perfumes, a wellness brand and a range of monogrammed jumpuits.

Her alleged excesses, and the problems they created for Pear's, were not a touch on what was to come. Hertz with OJ Simpson. Nike with Tiger Woods and Lance Armstrong. Pepsi with Michael Jackson. Mike Tyson and Madonna (you might recall the furor over her "Like a Prayer" video).

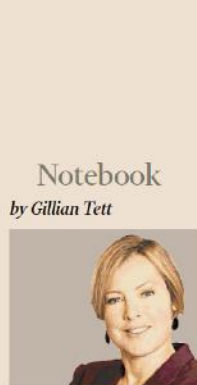
West, who goes by the name Ye, is just the latest in a long list. But in some ways he represents the most spectacular of these blowups.

What makes the 45-year-old Grammy winner and fashion entrepreneur stand out is not just his hateful anti-Semitism and erratic outbursts, often taunting his own sponsors. Nor the corporate rush to shun a once-prized partner: by his bankers at JPMorgan, lawyers at Greenberg Traurig, agents at CAA and his fashion partners at Gap, Adidas and Balenciaga, among others.

What West's case really shows is just how high the stakes have become for corporations in the brand-building game. When Adidas broke with West's Yeezy fashion empire, it wiped up to €250m from their bottom line. This

## The reasons billionaires are obsessed with bunkers

by Gillian Tett



A couple of years ago, Douglas Rushkoff, a professor of media and digital economics in New York, was asked to give a speech at a swanky resort in a remote American desert. Rushkoff presumed he would be talking to investment bankers about a book he had written about the internet. When he arrived, however, he was shocked to find himself in front of half a dozen ultra-rich tech and hedge fund luminaries.

The men were collectively torn, they said, over a particular choice: New Zealand or Alaska? They feared the world was heading for what they termed "The Event" – some kind of environmental collapse, social unrest, nuclear explosion, solar storm, unstoppable virus or malicious computer hack that takes everything down", Rushkoff says. And they wanted to know which region would be safest to retreat to.

Other questions that preoccupied them included: was climate change scarier than biological warfare? How long would they likely need to remain in a bunker? And, crucially, how could they stop their security forces from murdering them? They sought these answers from Rushkoff because he had written *Present Shock*, a well-regarded book about the future of tech.

Rushkoff admits he did not have many answers, except for noting that if the billionaires wanted to avoid being murdered by the help, they should start being extremely nice to them now. His tale is intriguing for two reasons.

First, it shows the degree to which serious money is fretting about a looming disaster. This has long been a feature of the modern world. As the author Garrett Graff described in his 2018 book *Runaway Rock*, the US government created a vast network of bunkers in the late 1940s for its key officials in case of nuclear war.

What has changed in recent decades is that increasing numbers of private individuals have started prepping for disaster too. A series of events, from 9/11 and Hurricane Katrina to rising tensions between North Korea and the west, and the spread of conspiracy theories online, have fuelled fears of societal collapse. Russia's invasion of Ukraine has brought the threat of nuclear war back into public consciousness. This week the French insurance group AXA released a survey showing that four-fifths of people in western countries feel significantly more vulnerable than they did five years ago. Climate change, for the first time, is deemed the top threat in Asia and the US as well as in Europe (where it has been seen as such for a while), followed by war.

The survey also revealed a sharp decline in the number of people expressing faith in the ability of policymakers or scientists to tackle such threats. As Ian Bremmer, head of Eurasia Group, puts it, "There is no [effective] institutional framework for addressing these issues... or even slowing the proliferation of dangerous weapons." This situation has sparked not only the growth in survivalist – or

"prepper" – activity in the population at large, but also prompted the ultra-wealthy to seek refuge, whether in luxury bunkers, supercaves or both.

The second reason why Rushkoff's tale is intriguing is that this obsession to organise the logistics of bunker life may make the underlying problems worse. The more the ultra-rich think they can escape Armageddon, the less they may feel the necessary desperation to prevent it. This is particularly depressing, Rushkoff argues in his new book, *Survival of the Richest*, since these are the same people who have exacerbated problems such as climate change, social conflict and inequality.

Of course, some of the super-rich seeking out bunkers would say this criticism is unfair. As one pointed out to me recently, the impulse to protect yourself and your loved ones from threat is a universal human instinct.

Many of the wealthiest people believe they are trying to counter such threats. Bill Gates, for instance, is pouring billions into healthcare and climate change causes. Elon Musk claims he wants to prevent nuclear war in Ukraine (though his tactics leave many Ukrainians horrified).

But the grim truth is no billionaire on their own can fix the catastrophic risks of climate change, pandemic or war. We need collaborative action between the public and private sectors. So let us hope today's swelling mood of fear will shock us all into looking for solutions. If not, the future looks scary – even from a bunker.

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## Opinion

### Welcome to the world of the polycrisis

SOCIETY  
Adam Tooze



Pandemic, drought, floods, mega storms and wildfires, threats of a third world war – how rapidly we have become inured to the list of shocks. So much so that, from time to time, it is worth standing back to consider the sheer strangeness of our situation.

As former US Treasury secretary Lawrence Summers recently remarked: "This is the most complex, disparate and cross-cutting set of challenges that I can remember in the 40 years that I have been paying attention to such things."

Of course, familiar economic mechanisms still have huge power. A bond market panic felled an incompetent

British government. It was, you might say, a textbook case of market discipline. But why were the gilt markets so jumpy to begin with? The backdrop was the mammoth energy subsidy bill and the Bank of England's determination to unwind the huge portfolio of bonds that it had piled up fighting the Covid-19 pandemic.

With economic and non-economic shocks entangled all the way down, it is little wonder that an unfamiliar term is gaining currency – the polycrisis.

A problem becomes a crisis when it challenges our ability to cope and thus threatens our identity. In the polycrisis the shocks are disparate, but they interact so that the whole is even more overwhelming than the sum of the parts. At times one feels as if one is losing one's sense of reality. Is the mighty Mississippi really running dry and threatening to cut off the farms of the Midwest from the world economy? Did the January 6 riots really threaten the US Capitol? Are we really on the point of uncoupling the economies of the west from China?

Things that would once have seemed fanciful are now facts.

This comes as a shock. But how new is it really? Think back to 2008-2009. Vladimir Putin invaded Georgia. John McCain chose Sarah Palin as his running mate. The banks were toppling. The Doha World Trade Organization round came to grief, as did the climate talks in Copenhagen the following year. And, to top it all, swine flu was on the loose.

Former European Commission president Jean-Claude Juncker, to whom we owe the currency of the term polycrisis, borrowed it in 2016 from the French theorist of complexity Edgar Morin, who first used it in the 1990s. As Morin himself insisted, it was with the ecological alert of the early 1970s that a new sense of overarching global risk entered public consciousness. So have we been living in a polycrisis all along? We should beware complacency.

In the 1970s, whether you were a Eurocommunist, an ecologist or an angst-ridden conservative, you could still attribute your worries to a single

cause – late capitalism, too much or too little economic growth, or an excess of entitlement. A single cause also meant that one could imagine a sweeping solution, be it social revolution or neoliberalism.

What makes the crises of the past 15 years so disorientating is that it no longer seems plausible to point to a sin-

Today's disparate shocks interact so the whole is even more overwhelming than the sum of the parts

gle cause and, by implication, a single fix. Whereas in the 1980s you might still have believed that "the market" would efficiently steer the economy, deliver growth, defuse contentious political issues and win the cold war, who would make the same claim today? It turns out that democracy is fragile. Sustainable development will require contentious

industrial policy. And the new cold war between Beijing and Washington is only just getting going.

Meanwhile, the diversity of problems is compounded by the growing anxiety that economic and social development are hurtling us towards catastrophic ecological tipping points.

The pace of change is staggering. In the early 1970s the global population was less than half what it is today, and China and India were desperately poor. Today the world is organised for the most part into powerful states that have gone a long way towards abolishing absolute poverty, generates total global gross domestic product of \$90tn and maintains a combined arsenal of 12,705 nuclear weapons, while depleting the carbon budget at the rate of 35bn metric tonnes of CO<sub>2</sub> a year. To imagine that our future problems will be those of 50 years ago is to fail to grasp the speed and scale of historical transformation.

So, what is the outlook? In a world that one could envisage being dominated by a single fundamental source of tension,

you could imagine a climactic crisis from which resolution might emerge. But that kind of Wagnerian scenario no longer seems plausible. Modern history appears as a tale of progress by way of improvisation, innovation, reform and crisis management. We have dodged several great depressions, devised vaccines to stop disease and avoided nuclear war. Perhaps innovation will also allow us to master the environmental crises looming ahead.

Perhaps. But it is an unrelenting foot race, because what crisis-fighting and technological fixes all too rarely do is address the underlying trends. The more successful we are at coping, the more the tension builds. If you have found the past few years stressful and disorientating, if your life has already been disrupted, it is time to brace. Our tightrope walk with no end is only going to become more precarious and nerve-racking.

The writer is an FT contributing editor and teaches history at Columbia University

## It's 'nerd vs nerd' as UK





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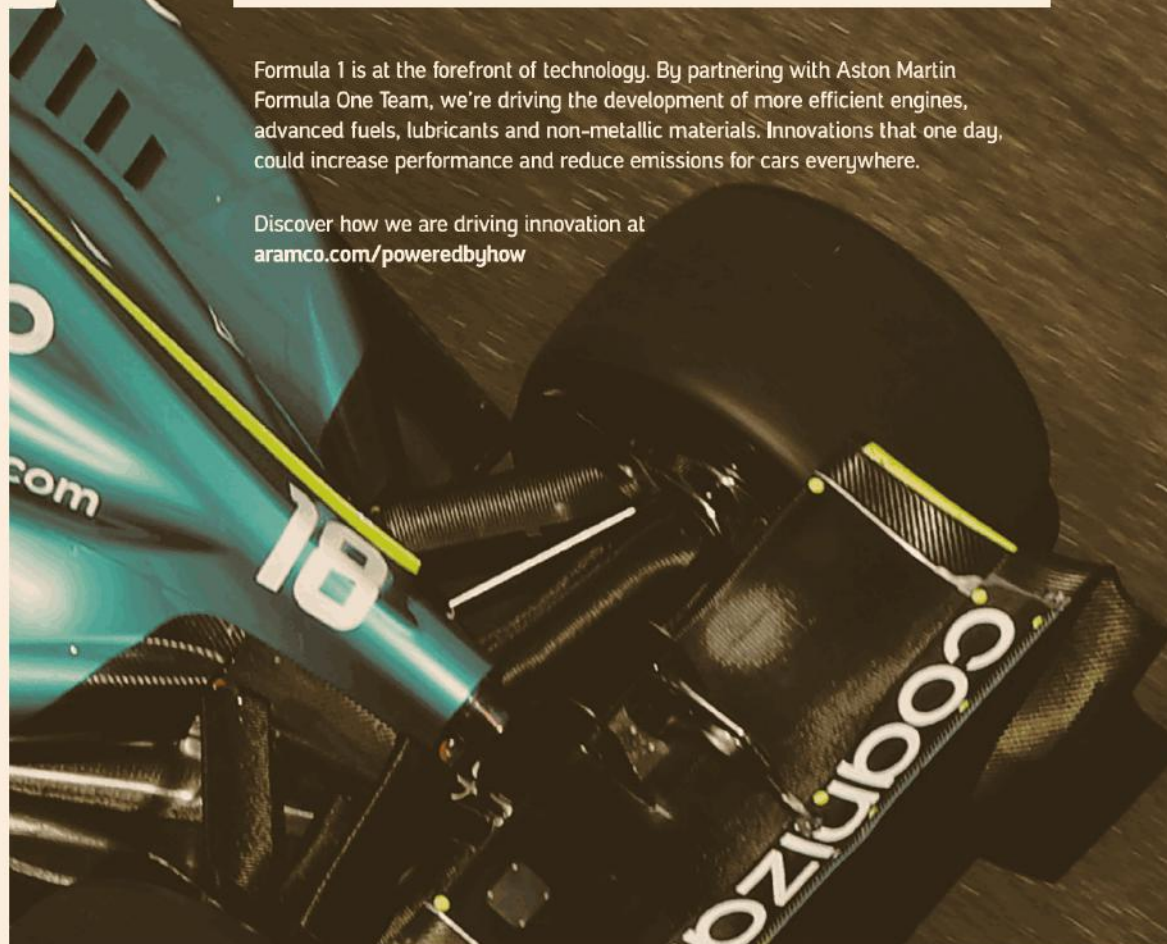




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## Companies & Markets

FINANCIAL TIMES



**Gas war** Daring to believe the energy crisis has been resolved is dangerous — THE LONG VIEW

**Blame game** In the Valley, they want to know who killed the social media ad boom — COMPANIES



# Exxon profits triple to record \$20bn amid windfall tax calls

◆ Chief dismisses levy plans ◆ Chevron earnings surge ◆ Other majors benefit



More in the tank: ExxonMobil's performance will be welcomed by investors but is likely to amplify calls for a windfall tax — Lou D'Amico/AFG/Getty Images

JUSTIN JACOBS — HOUSTON

ExxonMobil's chief executive dismissed calls for a windfall tax on the oil industry and criticised European efforts to cap energy prices as the US supermajor reported a record quarterly profit of nearly \$20bn on Friday.

The largest US oil company's results were echoed at rival Chevron, whose bumper third-quarter profit of \$11.2bn was just shy of record earnings reported in its previous quarter, continuing a run of strong industry earnings on elevated oil and gas prices.

The results will cheer investors but keep the sector in the crosshairs of US politicians, including President Joe Biden, who have blamed oil companies for energy costs that have fanned decades-high inflation.

Darren Woods, Exxon's chief executive, pushed back against Democratic lawmakers' calls to impose a windfall tax on profits.

"There has been discussion in the US about our industry returning some of our profits directly to the American people. In fact, that's exactly what we're

doing in the form of our quarterly dividend," he said on a call with analysts.

Biden responded soon afterwards. "Can't believe I have to say this but giving profits to shareholders is not the same as bringing prices down for American families," he wrote on Twitter.

Woods also disapproved of European efforts to put special levies on oil and gas industry profits, as well as proposals to cap energy prices and create a club of buyers to try to bring down soaring prices, which threaten to tip the continent into recession.

"As winter approaches, they face a very real crisis," he said. "But, whether it's a tax on profits, or a price cap and a buying cartel currently under discussion in Brussels, we believe these ideas can have only one effect: they will make the problem worse."

Woods said policymakers should instead focus on raising supply and cutting demand to help bring prices down.

His comments clashed with his counterpart at Shell. Chief executive Ben van Beurden on Thursday said government efforts to offset consumers' energy costs were a "societal reality"

and that the UK-based oil major had to "embrace" higher taxes after reporting quarterly profit of \$9.5bn on Thursday, its second highest ever.

ExxonMobil reported \$19.7bn in third-quarter net profit, or \$4.68 a share, almost triple the \$6.8bn, or \$1.57 a share, earned a year ago. It was a sharp turnaround from two years ago, when

"Whether it's a tax on profits or a price cap and a buying cartel... they will make the problem worse"

collapsing fuel demand in the pandemic led to a string of losses.

The Texas-based company attributed the results to "strong volume performance" and "rigorous cost control", aside from strong commodity markets.

Earnings in its oil and gas production business were \$12.4bn in the third quarter, up from \$4bn a year earlier, on higher prices and a slight gain in output from 3.67m barrels of oil equivalent a day to 3.72m boe/d. Kathy Mikells,

Exxon's chief financial officer, said the company had invested in production "well ahead of all of our [international oil company] peers", noting the group's rising output in the Permian basin in west Texas and New Mexico and record-high fuel production from its North American oil refineries.

Exxon said it was increasing its quarterly dividend by 3 per cent to \$0.91 a share and indicated dividends would total \$15bn in 2022.

The company plans to buy back \$30bn in shares this year and next. Capital spending is expected to total about \$23bn this year, lower than pre-pandemic spending levels.

Chevron's third-quarter profit of \$11.2bn, or \$5.78 a share, was 84 per cent higher than net profit of \$6.1bn, or \$3.19 a share, a year before. Earnings at both Exxon and Chevron eclipsed Wall Street's expectations.

France's TotalEnergies reported earnings of \$9.9bn on Thursday, bringing total quarterly profits for the four global oil majors to have reported so far to \$50.3bn. BP gives its results next week. See Lex

## Klein boutique combines with Credit Suisse unit

ARASH MASSOUDI AND OWEN WALKER  
LONDON

Former Citigroup executive Michael Klein is set to combine his boutique advisory firm with Credit Suisse's investment bank and is seeking investors after the Swiss lender entrusted the business to its former board member as part of a restructuring.

Klein hopes to complete a deal for the newly formed CS First Boston by mid-2023 and plans to structure it as a spin-off and merger of Credit Suisse's capital markets and advisory arm with M Klein & Company, say people familiar with the matter.

Credit Suisse will own a majority stake but Klein will receive a large shareholding, they said.

The move echoes a deal in 2014 when Blackstone spun off its advisory and restructuring business to create PJT Partners by combining with a tiny advisory boutique led by former Morgan Stanley dealmaker Paul Taubman.

But, unlike that deal, Klein has been deeply involved in the restructuring of Credit Suisse and has been on its board since 2018. He led the review of the investment banking business and his firm advised on the decision to spin off the investment bank.

On Thursday, Credit Suisse unveiled a strategic plan that involves cutting jobs, carving up the investment bank and bringing in outside capital. As part of the

plan Credit Suisse said Klein would be chief executive of a spun-out CS First Boston and step down from its board.

Credit Suisse chair Axel Lehmann said the board was "very mindful of conflicts of interests" when discussing plans for the investment bank, with Klein abstaining from decisions where he had a personal interest.

The Credit Suisse board approached Klein about running CS First Boston only days before the plan was announced, said people familiar with the matter. A person close to Klein said

Credit Suisse announced a strategic plan this week to cut jobs and bring in outside capital



he was not seeking to leave his advisory firm, which was not for sale. This person said Credit Suisse had proposed the merger to avoid Klein running two broker-dealers, which could have been complicated under US regulations.

Chief executive Ulrich Körner said the bank had received a \$500m commitment from one investor for CS First Boston, while Saudi National Bank, which has agreed to buy \$1.5bn of shares in Credit Suisse, said it could invest. Credit Suisse and Klein declined to comment. Additional reporting by James Fontanella-Khan

## Automobiles

### Supply chain delays becoming normal, says VW chief Blume

PATRICIA NILSSON

Volkswagen has warned that supply chain hold-ups are becoming a permanent problem and downgraded its delivery targets, saying it has been left with 150,000 unfinished cars.

Europe's largest carmaker said yesterday it would deliver as many cars this year as last, backtracking from a target of 5 to 10 per cent growth that it had announced in the summer.

"Challenges to our supply chains will become the rule, not the exception," Oliver Blume, chief executive, said in his first earnings call since taking over nearly two months ago.

Since early in the pandemic, the industry has been plagued by an under-supply of chips, which are used for vehicle control, sensing and safety features.

Ford and Volvo also highlighted chip shortages in results this week, the former trimming its profit forecast and the latter its delivery target.

"There are worrying geopolitical developments, particularly the rise of nationalism and protectionism. This includes growing barriers to technology transfer between the east and west,"

said Blume, in reference to recent US sanctions on chip exports to China.

VW said it had now set up a unit to monitor threats to supply chains and improve its forecasting of potential shortages. It added that semiconductor problems have eased since last year, and supplies were expected to "improve further" in the fourth quarter.

The company's share price, which has fallen a third in the past year, was down 2.5 per cent yesterday.

Revenues in the quarter to the end of September grew to €70.7bn, compared with €36.9bn in the same period last year when chip supply constraints were higher. Operating profits jumped to €4.3bn, compared with €2.6bn last year.

VW said that it would book proceeds of its partial initial public offering of Porsche in the next quarter.

The sports car maker, which this month overtook its parent company as Europe's most valuable car brand, yesterday reported a 41 per cent rise in group operating profits to €5.1bn.

VW logged a €1.9bn non-cash impairment charge related to Argo AI, a US-based driverless car venture that it had backed with Ford, which shut this week.

## Media

### Alibaba woes dent Munger-backed Daily Journal's unusual investing portfolio

ERIC PLATT AND ANNA NICOLAOU  
NEW YORK

This week's sell-off in Alibaba shares rippled all the way to California, where a small newspaper chain backed by Warren Buffett's business partner Charlie Munger has an outsized stake in the China e-commerce group.

The 98-year-old Munger had stepped down as chair of the Daily Journal last year but continued to direct the publisher's investment portfolio.

At the company's annual meeting earlier this year, Munger said he would "handle it as long as we can, and when I've gone sufficiently... impaired, we'll get somebody else to do it".

While there are many billionaires who have bought news publishers for cachet, influence or altruistic reasons, Munger's longtime stake and oversight of the Daily Journal stands out.

The association dates back to 1977, when an investment fund that Munger managed bought the paper for \$2.5m.

The company runs a handful of newspapers focused on the legal market, and sells software to US courts and

probation offices.

After the financial crisis, revenues were boosted for several years by publishing foreclosure notices in the housing markets of California and Arizona.

As the economy recovered, the company sought to hedge by using its cash to invest in stocks.

"The board knew that it needed to plan for the company's post-recession operations," a lawyer for the Daily Journal wrote to the Securities and Exchange Commission in 2013, after scrutiny over its large investments.

"The board recognised that this decision would be contrary to the conventional (but questionable) notion that the least risky way to preserve corporate capital for the long-term benefit of stockholders is to invest it in government bonds at interest rates approximating zero, notwithstanding rising inflation," counsel for the Daily Journal wrote.

The SEC, which had asked executives to explain why the Daily Journal did not qualify as an investment company, ultimately did not take action after its review.

The investment in Alibaba and a

handful of other publicly traded companies such as Bank of America, Wells Fargo and BYD, the Chinese carmaker, has provided the Daily Journal with a quasi-endowment, with dividends alone generating millions of dollars for the business at a time when many newspaper publishers have struggled.

The gains on its portfolio have been so large that the company's stocks on some days have overtaken the value of the company.

At the end of June, the company reported that it was sitting on \$187m of unrealised gains on a \$342m portfolio.

But the strategy — including buying stocks with borrowed money — carries risks, as shown by the paper losses the Daily Journal has racked up on its stake in Alibaba.

The company went on a buying spree of Alibaba stock throughout 2021,

amassing 602,060 of the shares worth nearly \$72m last December.

The purchases were made even as other investors were dumping shares of Alibaba as authorities in Beijing set their sights on regulating the technology industry. Alibaba stock has declined 45 per cent this year, and is down 71 per cent since the Daily Journal first disclosed a stake in 2021.

The Daily Journal's own stock has

fallen 26 per cent this year, giving it a market capitalisation of \$365m.

The Alibaba bet was executed by Munger.

"To decline to comment further or to say who would oversee the portfolio if Munger departed... Munger did not respond to a request for comment."

Even as its investments have become the principal attraction to shareholders attending Daily Journal annual meetings, the core business has found its fair share of suitors.

"[Daily Journal] never had much of an editorial presence, but always made a lot of money because in those days, every law firm had to pay whatever they were charging, because they needed legal notices," said Steven Brill, who founded The American Lawyer magazine in 1979.

Brill said he once tried to buy the Daily Journal from Munger, but the investor and lawyer was too personally attached to give up.

"I figured if I offer him a lot of money, it's going to be easy — it's a sleepy legal paper in Los Angeles," Brill said. "[But] in case you didn't know, he didn't quite need the money."



A fund Charlie Munger managed bought the paper in 1977 — Houston Chronicle/Alamy



# Time is catching up with the fund of hedge funds model

The Top Line  
Robin Wigglesworth



the financial crisis is the slow death of fund of hedge funds. They're not extinct yet – there's still about \$644bn in them – but it's a rare shrinking slice of the investment industry.

Fund of funds make an alluring promise to investors. For a fee they will find the finest hedge funds, combine them into a diverse high-return portfolio, keep a watchful eye and occasionally cull the weakest.

In reality, it is often just another layer of fees on what even some insiders joke is a compensation scheme masquerading as an asset class. The combination has usually ended up producing dismal results. That several big funds of funds invested with Bernard Madoff hammered home how feeless some were and soured a generation of investors against FoFs.

However, the basic model is pretty much the one cultivated and refined by

Millennium, Citadel or Point72. They are in essence souped-up, better versions of old-school fund of funds – and could end up dominating the entire industry. They have already eclipsed FoFs. Multi-strategy funds now make \$890bn, according to HFR, vaulting over global macro funds (about \$607bn) to approach the roughly \$1tn size of the classic equity hedge fund industry.

"Multistrats" have a horde of portfolio managers, traders and analysts that operate in semi-autonomous units and pursue a variety of strategies. These range from M&A arbitrage and commodity trading to systematic trend-following and relative-value fixed income bets – basically the whole gamut of potential hedge fund approaches.

The advantage is that strategies that struggle as standalone funds, such as

overall better result. Risk management is handled centrally. Even for hedge funds, multistrats are fabled for their brutal Darwinism. If you do well you get more money to manage, and if you do poorly your allocation gets cut. And if you do very poorly, then you're fired.

Funds of funds are infamous for their extra layer of fees, but many multi-strategy funds are similarly notorious for their own "pass-through" fee model. In lieu of a typical 2 per cent annual management fee, many pass every expense – office rents, server costs, salaries, even entertainment – on to investors. Often this can end up being 3-10 per cent of assets a year, on top of the fifth of any profits they take. This is unusual in an industry where fees have been heading downwards. However, the pass-through model is an advantage when it comes to attracting entire teams of star traders. And, in

well you get more money to manage, and if you do poorly your allocation gets cut. If you do very poorly, then you're fired

wouldn't like a chunky allocation to Citadel or Millennium.

Analysing portfolio managers, judging how much capital their strategies can optimally manage, is a difficult task, even before you start thinking of how to combine them into an overall portfolio. A lot of investors are not up to it, and intuitively like the fund of funds model – and now love the multistrat model.

After all, who wouldn't want Steve Cohen, Izzy Englander or Ken Griffin to oversee their hedge fund portfolio? And if you can't get one of them, then the second-tier multistrats are still likely to do better than most FoFs.

The question is whether they'll still be worth it, or if they're merely benefiting from the reflected lustre of the top dogs.

robin.wigglesworth@ft.com

## Cost-cutting fixer emerges a winner in Goldman shake-up

Spotlight

Marc Nachmann

Head of asset and wealth arm, Goldman Sachs

When Goldman Sachs chief David Solomon last week unveiled his second big revamp since taking over four years ago, the big winner was Marc Nachmann. One of Solomon's most trusted allies, Nachmann was rewarded with a job as head of a \$2.4tn asset and wealth management division. Combining the businesses, scooping up more assets, and squeezing out extra profits is a plank of Solomon's plan to close Goldman's valuation gap with rivals.

Nachmann is known as a behind-the-scenes operations manager who takes a tough approach to costs. "It's less a client guy and more a structural fixer," said one Goldman banker. Goldman president John Waldron said: "If we are to grow from \$2tn-plus to \$3tn to \$4tn, it will require the platform to be more durable and more automated. We need someone who could really knit this together operationally."

Whether or not Nachmann succeeds is central to Solomon's push to make Goldman less reliant on investment banking and trading. Although these are lucrative, they are volatile, and investors tend to bestow higher valuations on banks that generate more stable fee income by managing money for clients.

Jason Goldberg, banking analyst at Barclays, said arch-rival Morgan Stanley had boosted its share price to trade at roughly 1.4 times its price value "in large part because it's increased the contribution of asset and wealth management". Goldman



'It will require the platform to be more durable and more automated. We need someone who could really knit this together'

trades at just over book. "To the extent that [Goldman] could grow these higher return, more durable, less capital-intensive businesses, it should improve its valuation."

Nachmann co-lead the group's investment bank from London until 2019, when he replaced Marty Chavez as co-head of its securities division. During his tenure, annual revenues at the trading unit grew from \$15bn to more than \$20bn. "He came into the securities division, which is the hardest division to run. He digs into detail," one ex-colleague said. Another described Nachmann as "David's guy", adding: "I don't think Marc's an investor. He's a cost-cutter."

Since his appointment, Nachmann had been out almost every night with clients, while during the day meeting executives from the division, said a person briefed on his schedule. The unit has become even more important to the group's prospects because the company is scaling back its retail

banking ambitions. In the third quarter, investment banking and trading generated 65 per cent of Goldman's revenues. By comparison, those two businesses accounted for 35 per cent of revenues at JPMorgan and 44.8 per cent at Morgan Stanley.

At the top of Nachmann's to-do list is a daunting IT project. The bank plans to spend heavily on building a tech platform it hopes will allow it to automate more tasks. Vital to this was Laurence Stein, the unit's chief operating officer, Waldron said. "Laurence and Marc are two important operators that can really run this as a unified business platform."

At the end of September, the bank had \$1.7tn in assets under supervision in asset management, or GSAM as it is referred to at Goldman, and a further \$667bn in consumer and wealth management. The business counts Rishi Sunak, UK prime minister, among its alumni. The group's strategy used to be focused in large part on

Nachmann leads a new \$2.4tn asset and wealth division tasked to scoop up more assets, squeeze out extra profits and close the valuation gap with rivals – FT coverage

investing the bank's capital, an approach that yielded enormous profits in some years but raised concerns among regulators and investors. Under Solomon, Goldman has tried to shrink its investment portfolio and focus on managing funds for clients. The division hopes to capitalise on the expected boom in wealth management. Bain, the consultancy, expects the sector to outpace traditional asset management and grow from \$137tn in assets in 2021 to almost \$250tn by 2030.

Solomon had signalled his ambition to bolster asset and wealth management with the acquisition of the investment management arm of Dutch insurer NN Group for about €1.6bn in 2021, and the \$750m purchase of wealth manager United Capital in 2019. The bank has had some fundraising successes this year, attracting \$9.7bn for a new flagship private equity fund.

Nachmann has been handed the larger division and an all-male team at a time when GSAM has been losing employees, including female bankers such as Katie Koch, chief investment officer of public equity, Heather Miner, chief operating officer of the division, and Heather von Zuben, global head of wealth management alternatives. "The bid from outside GSAM for diverse talent is fierce," said one person close to the bank. The situation "won't fix itself until women are in seats of influence, authority and risk-taking, which seems a long way off based on the latest announcement".

Bolstering the returns of the unit will be an immediate priority for Nachmann and Stein. Joshua Franklin, Harriet Agnew and Brooke Masters

## BUSINESS WEEK IN REVIEW

### Credit Suisse revamp

● **Credit Suisse** announced plans to raise SFR4bn (\$4.05bn) of capital, carve up its investment bank and cut thousands of jobs in an effort to restructure its business and move on from a litany of scandals and a SFR4bn third-quarter loss.

● **BASF**, the world's largest chemicals group by revenue, said it would have to downsize "permanently" in Europe, with high energy costs making the region increasingly uncompetitive.

● **Fergus MacLeod**, 62, the British head of investor relations at oil group Saudi Aramco, spent almost a week in an Indian jail in July after he was arrested for having a satellite phone while on a yoga holiday near the country's border with China.

● **Chinese chipmaker Yangtze Memory Technologies Corp** has asked American employees in core tech positions to leave the company, as it rushed to comply with new US export controls.

● **Warren Buffett-backed BVD**, electric car maker Tesla's main Chinese challenger, shrugged off supply disruptions to achieve third-quarter net profit of Rmb5.7bn (\$786mn), a year-on-year earnings growth of 350 per cent.

● **Shares in Big Tech** stocks tumbled after Alphabet reported an unexpectedly severe slowdown in its

Apple reported \$90bn in revenues, but warned of foreign exchange headwinds and supply challenges for its latest iPhone

core search ads business, sending a tremor through the worlds of digital advertising and commerce.

● **Asia-focused bank HSBC** overhauled its leadership team as part of succession plans for boss Noel Quinn, while reporting third-quarter profits of \$6.5bn, which were higher than expected and compared with \$5.5bn a year earlier.

● **Apple** reported \$90.1bn in revenues during the third quarter, an 8 per cent increase year on year, but warned of "significant" foreign exchange headwinds and supply challenges for its latest iPhone models.

● **Linde**, the world's largest industrial gas business with a market capitalisation of almost €145bn, plans to delist from the Frankfurt Stock Exchange in a move that would result in Germany's Dax index losing its most valuable company. It is also listed in New York.

**\$6.5bn**  
Third-quarter profits at HSBC, which were higher than expected

**€2.5bn**  
Funding raised by Italy's Monte dei Paschi di Siena bank

● **Chinese stocks** were hammered after confirmation of President Xi Jinping's third term. The Nasdaq Golden Dragon index, which tracks US-listed shares in Chinese companies, shed 14.4 per cent on Monday, bringing its decline to about 50 per cent this year.

● **EY** partners in Israel voted not to split their audit and consulting businesses, becoming the largest territory outside China to shun the firm's break-up plan.

● **Brussels** officials are concerned that a €2.5bn fundraising at the world's oldest bank Monte dei Paschi di Siena could constitute illegal state aid with the Italian treasury set to buy 64 per cent of the shares.

● **Made.com**, the online furniture retailer, said it is facing financial collapse just over a year after an initial public offering that valued it at £775mn.

## Under the hood Beijing's effort to break airliner duopoly gets off to a flying start

Comac's C919 gains regulatory green light and is expected in time to secure up to 30% of narrow-body China carrier deliveries

China's first passenger jet is on the runway. The single-aisle C919, built by aerospace group Comac, won regulatory approval last month.

Beijing has made no secret of its desire to break the duopoly enjoyed for decades by Airbus and Boeing, helping smooth the C919's development with up to \$72bn in support, according to estimates from the Center for Strategic and International Studies think-tank.

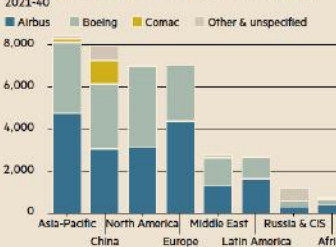
Comac says it has signed up 28 Chinese customers, including launch customer China Eastern Airlines, with orders for 815 planes, though the majority are not confirmed. It remains unclear when regulators in the US or Europe will certify the C919. There is uncertainty about whether western airlines would buy it.

Cirium, the aviation consultancy, expects that the C919 could eventually grab a 20 per cent to 30 per cent share of narrow-body deliveries to Chinese airlines. Richard Evans, consultant, said a credible scenario would be that between 1,000 and 1,500 C919 aircraft were delivered to Chinese customers over the next 20 years.

The prospect of losing a slice of China's market is not something Boeing or Airbus will contemplate lightly. The US group has forecast that by 2041, travel in China will represent the largest traffic flow by revenue passenger kilometres. The country's airlines will need 8,485 new passenger and freighter jets valued at \$15tn. Sylvia Pfeifer and Primrose Riordan, visualisations by Ian Boff and Patrick Mathurin

Comac has potential for 14% of domestic new deliveries by 2040, but with little penetration elsewhere

Estimated unit deliveries for single-aisle and twin-aisle planes, 2021-40



Source: Cirium

Lockdowns hamper China recovery

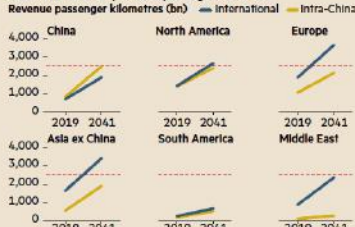
Capacity in seats, rebased to 100



Source: GAG

China set to be largest domestic air passenger market by 2041

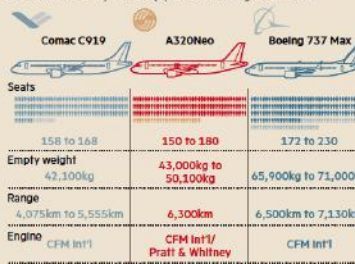
Travel within regions will account for almost three-fifths of growth by 2041 according to Boeing forecasts, with intra-China travel making up about 12% of industry revenue passenger kilometres



Source: Boeing

Less range, fewer seats

Comac will have to price cheaply to attract foreign customers



Numbers may vary based on specific variants and different configurations

Source: Modern Airline, simpliflying.com



## COMPANIES &amp; MARKETS

# Musk embarks on his Twitter revolution

Top executives sacked after \$44bn takeover and grand plans are outlined for pushing platform to its full potential

HANNAH MURPHY — SAN FRANCISCO

Elon Musk has emerged from the battle over his \$44bn takeover of Twitter to face an even more daunting task: trying to fix the social media platform he claims to love.

As the deal closed late on Thursday, a new era began for one of the most powerful communication tools to come out of Silicon Valley — but also for Musk himself, who can now add “social media mogul” to his curriculum vitae.

The change in ownership has been welcomed by those who view the billionaire entrepreneur as the man to overhaul a struggling business they believe never reached its full potential.

Already, the self-declared “chief Twit” has outlined grand plans to inspire a faster pace of product innovation and shift into new revenue streams, while transforming to a leaner operation. On Thursday, he began cleaning house, firing top executives including chief executive Parag Agrawal and head of safety, Vijaya Gadde.

Other than being a prolific Twitter user, the mercurial Musk is a novice to the intricacies of the social media industry, where stocks including Meta, Alphabet and Snap suffered a devastating sell-off this earnings season amid continuing macroeconomic hardship.

Some experts note that he will now be elevated to a crucial political gatekeeper, given Twitter’s outsized importance among politicians and campaigns, and are fearful that his leadership could do more harm than good.

Musk has pledged to restore “free speech” to the platform and undo permanent bans, paving the way for former president Donald Trump to return as the US midterms loom just days away.

“We’ve seen people’s businesses and reputations rise and fall by what happens on Twitter, we’ve seen markets rise and fall by what happens on Twitter, we’ve seen elections rise and fall by what happens on Twitter,” said Joan Donovan, research director of the Harvard Kennedy School’s Shorenstein Center on Media Politics and Public Policy. “Musk has intention here, he’s going to be led by his techno-libertarian politics.”

For users, advertisers, investors and staff, the question is what’s next, and what are the implications of the Musk takeover for the social media platform?

Musk, who identifies as a “free speech absolutist”, has said he will respect the speech laws of each country, and reassured advertisers on Thursday that Twitter “cannot become a free-for-all hellscap”. Rather, users would have the freedom to choose their “desired experience according to [their] preferences”, he said.

He will also toss out permanent bans, telling the Financial Times in an interview in May that he would allow Trump back on the platform after he was banned following the January 6 attack on the US Capitol in 2021.

Casey Mattox, senior fellow at the Charles Koch Institute, is among those who welcome a Musk takeover, arguing that he is likely to move Twitter to a fairer, less “centralised system” for moderating content, towards user-determined content moderation.

But some academics warn that Musk’s



Elon Musk has reassured advertisers that Twitter ‘cannot become a free-for-all hellscap’  
Alexander Dreyer / EBC/ACE

approach could open the floodgates to toxicity, hate, extremism and misinformation, arguing that it ignores the risk of platform manipulation.

“Musk frequently talks about Twitter as a ‘digital public square’, which conjures up quaint images of individuals with equal voices exchanging ideas,” said Eddie Perez, who sits on the board of the OSET Institute, an election security non-profit organisation, and used to be Twitter’s director of product management.

“That’s naïve; it’s often more akin to well-resourced asymmetric warfare,

with bad actors [and] nation states working in the shadows to try to manipulate the platform and amplify disinformation.”

Others question whether Musk could be susceptible to pressure from foreign powers, particularly given his recent public positions on the Russia-Ukraine conflict, calling publicly for a negotiated settlement to end the war, and the praise he received from Beijing for comments on Taiwan.

Either way, Musk has an uphill battle ahead. In buying Twitter, he inherits a company that has long struggled to

grow at the same pace as rivals or develop a compelling advertising offering, according to multiple people in the industry.

Musk himself acknowledged last week that he and investors were “obviously overpaying” when handing over \$54.20 a share for Twitter, leaving him under pressure to deliver for those who backed the deal during a wider economic downturn.

Musk previously said that Twitter needed to “get healthy” and he would out jobs and costs to deliver this. This will involve overhauling management; text messages revealed as part of Musk’s legal battle with Twitter showed that he had been inundated with recommendations from associates for top roles. But Musk floated only one name himself as a potential board member: chat show host Oprah Winfrey.

He suggested that he would not appoint any C-suite management positions at all, writing that he would personally “oversee software development”.

Musk is also likely to gut Twitter’s relaxed remote working culture in favour of the long-hours, in-office work places that he is known to run at his other companies, which could lead to clashes with staff.

At the centre of his plan for the social

‘We’ve seen markets rise and fall by what happens on Twitter’

‘Musk [is] going to be led by his techno-libertarian politics’

‘Musk talks of Twitter as a digital public square. That’s naïve’

‘I’m sure Twitter will be able to attract more advertisers’

company, Musk has hinted that he wants to build a WeChat-style superapp, tweeting: “Buying Twitter is an accelerator to creating X, the everything app.” These are apps that typically allow users to message, shop, send payments or order taxis all in one place — and are popular in China where antitrust laws are less stringent than in the US.

In an early presentation to investors, he promised to quintuple revenues by 2028 to \$26.4bn compared with 2021 and reach 951mn users, up from about 258mn today, according to someone familiar with the document. The boost would come from a new payments business, as well as subscriptions and data licensing.

Changpeng Zhao, chief executive of Binance, which was one of the equity investors in the deal, said in a statement yesterday that he hoped to help Musk “realise a new vision for Twitter”, including broadening “the use and adoption of crypto and blockchain technology” — signalling that cryptocurrencies might form part of Musk’s payments plans.

Donovan noted that Musk, a co-founder of PayPal, might look to turn Twitter into a banking entity given his background, but warned: “If Musk is truly as anti-establishment as he has pointed himself out to be, then there is a risk of him destabilising currencies with the power of these Twitter networks.”

Others are more enthusiastic about Musk’s prospects when it comes to boosting the business.

Musk has suggested that the company will shift away from relying so heavily on advertising in future — down to 45 per cent of revenues by 2028 from about 90 per cent in 2021. But on Thursday he sought to woo brands, posting that it was “essential to show Twitter users advertising that is as relevant as possible to their needs”.

Finar Yildirim, associate professor of economics and marketing at the Wharton School of the University of Pennsylvania, said that Twitter “has a lot of potential to deliver a high-quality user base to advertisers” and that Musk clearly understands that “advertising will have to be more efficient on Twitter”. She added: “This is a long-hanging fruit, it’s not a difficult thing for Twitter to improve. Once they have done this I’m sure Twitter will be able to attract more advertisers.”

Much will depend on Musk’s approach to speech, however, as some advertisers are wary of the platform. Twitter will no longer remain a safe place for brands if it becomes a hotbed of toxicity and abuse.

Kiesley Taylor, global head of partnerships at advertising company GroupM, said that some of her clients’ brands told the agency to suspend their advertising on Twitter if Trump’s account was reinstated, for example. The Wall Street Journal first reported news of the brands’ requests.

“Twitter’s major advertisers should make it clear right now that Musk rolls back the brand safety policies that he has said he was going to roll back, that they plan on walking immediately,” Angelo Carusone, president of left-leaning non-profit Media Matters, wrote — on Twitter.

See Lex



Source: S&P Capital IQ

## Technology. Sector reversal

# Valley blame game starts over who killed the social media ad boom

Suspects beyond economic woes are plentiful as a decade of rapid growth peters out

ALEX BARKER, TIM BRADSHAW AND ALISTAIR GRAY — LONDON

A decade-long era of breakneck growth in social media advertising has come to an abrupt halt. Who killed the boom?

As the blame game began in Silicon Valley, Meta founder Mark Zuckerberg and Alphabet chief executive Sundar Pichai used earnings calls this week to point to the unmistakable storm clouds gathering over the global economy.

But the most striking signs of weakness have concentrated on social media platforms. US advertisers are on track to spend \$65.3bn on networks such as Facebook, Snap and Twitter this year, a year-on-year rise of 5.6 per cent. That is about 10 times slower than in 2021, according to estimates from eMarketer.

raised their forecasts for the year. “Snap called the advertising recession in the first quarter,” said Mark Read, WPP’s chief executive. “We are still waiting for that to happen.” So who are the suspects in the clobbering of social media?

### Big advertisers

With the economy turning, inflation rising and supply chains clogged up, some big advertisers are taking a more prudent approach. Meta’s chief financial officer, David Wehner, told analysts that growth from large advertisers “remains challenged”. Marketers from financial services to consumer goods are “all having to rethink”, said Phil Smith, director-general of ISBA, the body that represents British advertisers. “There are some things that it would be tone deaf to try to go out and sell right now,” he said.

Colgate-Palmolive said yesterday it would temporarily slash its marketing spend. But Coca-Cola and Nestlé are doing the opposite. Sir Martin Sorrell, chief executive of S4Capital, noted that the overall dig-

panies seeking market share. “Quite a lot of that financing has dried up.”

### TikTok

Short video has upended social media. TikTok is luring billions of eyeballs away from Instagram and Snapchat. But as consumers’ attention spans shrink, so does the time to serve them advertising. Not even TikTok has managed to monetise its advertising successfully, according to staff at the loss-making company. Analysts at eMarketer estimate the platform will generate about \$8bn of ad revenue in the US this year — a fraction of Facebook’s turnover.

But the TikTok threat has frightened Facebook and YouTube into disrupting their businesses, with an impact on ad revenues. YouTube is pushing YouTube Shorts but will only start monetising it early next year. Instagram has bet on “Reels”, its short-form format, much to the annoyance of prominent users. “Stop trying to be TikTok! I just want to see cute photos of my friends,” said Kim Kardashian and her sister, Kylie Jenner.

### Apple

Apple chief executive Tim Cook insisted this week that his new App Store ads business was “not large relative to oth-

ers”. Nonetheless, it has grown rapidly at the same time as iOS privacy restrictions introduced last year have taken a \$10bn bite out of Meta’s revenues.

Just this week, Meta accused Apple of “undercutting others in the digital economy... to grow their own business”.

However, Meta executives insisted on Wednesday’s calls with analysts that the threat from Apple’s app-tracking changes “diminished” in the third quarter, after it developed new tools to measure ad performance.

### Ecommerce

Retailers including Walmart and Target have been building digital marketing businesses, following Amazon’s lead. It has in effect opened a new threat to social media platforms. Retail media have also been less affected by privacy changes, such as those implemented by Apple, and do not rely on “third party” data that tracks users across the web.

“Some of Facebook’s [ad dollars] are going to Walmart, Target and, obvi-

ously, in the “metaverse” in the face of an ad slowdown, some investors and analysts see Facebook’s founder as the biggest threat to the company’s longevity.

Analysts at MoffettNathanson even compared Meta to the traditional media companies that Big Tech has disrupted over the past decade. “Again, with each passing quarter, the drumbeat of Meta’s perpetual decline from competition appears more and more believable,” they wrote.

Mark Mahaney, an analyst at Evercore, challenged Meta executives on Wednesday’s call about its progress in rebuilding the ad targeting tools that were hobbled by Apple’s privacy changes. “It had a material financial impact,” he said. “And listening to the call, I just don’t hear it as a major investment priority.”

Meta executives insisted that they had improved its ad tech. But Zuckerberg himself — as the last founder leading a Big Tech company in Silicon Valley, whose controlling shares ultimately





The social media slowdown is such that its forecast growth rate for 2022 is almost the same as for traditional media such as TV and radio, whose audiences have been shrinking for years.

Big ad agency groups have side-stepped the digital turmoil: WPP, Omnicom, Publicis and Interpublic have

ital ad market was still expected to grow over the coming year. "Rumours of its demise are much exaggerated," he said. Platforms may be feeling the brunt of any pullback because of their advertiser mix. Read of WPP said digital platforms were more reliant on aggressive campaigns by venture capital-funded com-



Not even TikTok has managed to monetise its ads successfully — David Leary/Reuters

ously, Amazon," said Berenberg's Simon. Amazon this week said its advertising revenue jumped by 25 per cent in the third quarter to \$9.5bn.

Zuckerberg

As frustration grows on Wall Street about Meta's refusal to reduce invest-

insulate him from any investor fury — was unapologetic.

"I'd just say that there's a difference between something being experimental and not knowing how good it's going to end up being," he said, adding: "I think that those who are patient and invest with us will end up being rewarded."

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## COMPANIES & MARKETS

Crypto. Enthusiasm cools

# Digital currency 'winter' risks tipping into an ice age



Tokens have been treading water since August as many wait for the next impetus

SCOTT CHIPOLINA — LONDON

After a spectacular crash earlier this year, the crypto industry's most popular tokens have gone to sleep, suggesting amateur investors have fallen out of love with the once thrilling asset class and big funds have decided to keep their distance.

The price of the biggest token, bitcoin, has hovered mostly around \$20,000 since August, having peaked a year ago at close to \$70,000. Either, the second-largest, has failed to rally since its environmental overhaul in September. Average volatility for bitcoin is now the lowest since October 2020, according to analytics platform CryptoCompare.

At first, the drop in token prices was labelled a "crypto winter" — one of the market's periodic dips. But the length of this now drab phase, combined with the thousands of job losses in the sector in recent months, suggests this is more of an ice age, with no grand theories emerging as the next source of fuel for rallies.

"The narrative silence is deafening," said Edmond Goh, head of trading at crypto broker B2C2. "Eventually a narrative will come along that will [break the impasse] — perhaps inflation or a big regulatory announcement. Perhaps something completely unexpected."

Digital asset investment and trading group CoinShares describes this as an "apathetic period". In part, crypto has suffered the same malaise as other highly speculative asset classes ever since it became clear almost a year ago that US interest rates would need to rise fast to tackle sticky inflation.

This is the least volatile period for bitcoin since October 2020  
Implied volatility for bitcoin for next 30 days, annualised (%)



The tech-heavy Nasdaq stock index in the US has fallen by 30 per cent over the past year — one of the worst performances across developed markets. But bitcoin's near-70 per cent drop over the same period is steeper, and May's collapse of token luna, and the related so-called stablecoin terraUSD, lost about \$40bn for investors and shook confidence in crypto more deeply. The industry's market cap has shrunk from \$3.2tn to less than \$1tn.

Thousands lost their jobs after exchanges, including Coinbase and Gemini, have cut large sections of their workforces, while crypto hedge fund Three Arrows Capital and lending platform Celsius Network have collapsed into bankruptcy. High-profile senior executives across the industry have also surrendered their posts, including former industry chief executives Jesse Powell of Kraken, Michael Saylor of MicroStrategy and Alex Mashinsky of Celsius.

The flat price has deterred speculators, leaving the market to long-term bulls. Known in industry as "hodlers" — short for Holding On for Dear Life — they appear to be doing just that. Morgan Stanley estimated this week that 78

per cent of all bitcoin units had not been used for any transaction in the past six months, a record amount.

Aside from the tougher interest rate environment, some of the key arguments underpinning crypto have proved faulty.

El Salvador's experiment with bitcoin as an official currency has fallen flat, while crypto has failed as a hedge against inflation — prices have dropped even as inflation in developed economies has soared into double figures.

"[Bitcoin] has not acted, over the last couple of years, as an inflation hedge or as a store of value," said Alkesh Shah, digital assets strategist at the Bank of America.

Even a successful shift away from energy-intensive crypto mining practices to a carbon-light alternative has not helped lift spirits. In September, ether, the second biggest token on the market, performed the so-called Merge, hopping over to a greener blockchain. The move has cut the token's energy usage by about 99 per cent but it has yet to spark a rise in the value of ether, the token tied to the network.

The pain for others may not yet be over. Crypto miners, which generally

Slow trade: digital token logos on the shutters of a cryptocurrency exchange in Barcelona — Angel Garcia/Reuters

use computers to solve puzzles in return for tokens, are also feeling the squeeze. While they need to keep spending ever-rising sums of money on energy, the token they are rewarded with is depressed.

US-listed mining firm Core Scientific warned this week it may run out of cash by the end of the year and need to file for bankruptcy, sending its shares down by more than 70 per cent. In a regulatory filing, the company blamed the low price of bitcoin, increased electricity costs and litigation with now bankrupt lending platform Celsius.

Despite collapsing value, some remain optimistic. Dan Ives, managing director of Wedbush Securities, said "this has been a brutal period for risk assets, including crypto... but the asset class is here to stay". However, Ives also said "blockchain and more use cases are key for crypto looking ahead".

In August, Coinbase announced a deal with BlackRock to give the asset manager's clients access to digital assets in a move viewed as a potential watershed moment for crypto's mainstream hopes. The asset management giant said it was "still seeing substantial interest" from institutional clients despite the market's downturn.

Nasdaq, Mastercard and BNY Mellon have also announced crypto services in recent weeks, bolstering the argument that institutional interest in digital assets remains despite this year's crash. But it may be some time before interest turns into something firmer.

"There are no fundamentals that underlie crypto or, to the extent that they exist, they haven't been identified yet," said Charley Cooper, managing director at blockchain firm R3.

"The idea that we are suddenly going to see a spectacular bull run before the broader economy gains its footing, I think is fanciful."

'[Bitcoin] has not acted... as an inflation hedge or as a store of value'

Commodities

## Macquarie warns of US recession as energy hedges drive up profit

NIC FILDES — SYDNEY

Australia's largest investment bank expects a recession in the US and headwinds in Europe from inflation and the energy crisis as it profited from volatility in global energy markets.

Macquarie Group said yesterday its energy and commodities business drove revenue in the first six months of its financial year ending next March as its clients sought to hedge their exposure to gas, power, oil and minerals prices, which have been hit by the war in Ukraine.

The financial services company said net operating income rose 11 per cent year on year to A\$8.6bn (US\$5.5bn) during the six months up to September, while pre-tax profit grew 11 per cent to A\$3bn.

However, Macquarie maintained a cautious view after warning in May of a "very uncertain" outlook for the year.

Shemara Wikramanayake, chief executive, told the Financial Times that the US would probably slip into a short recession, which would be preferable to a situation in which prolonged stagflation dragged down the country.

Macquarie derived 38 per cent of its revenue from North America in the first half.

She was less phlegmatic on Europe,

'Supply-side issues are more difficult to manage than the interest rates rises on the demand side'

where "supply-side issues are more difficult to manage than the interest rates rises on the demand side".

The energy crisis and rampant inflation, as well as political instability in some markets, have led to a grim outlook for Europe's economy.

Wikramanayake said Europe had responded well to its energy crisis but "consumers are going through a lot of pain".

In the UK, Macquarie is leading the £4.2bn acquisition of National Grid's electricity transmission network that faces a national interest test at a time of political instability.

Wikramanayake said she hoped politicians "across the spectrum" would recognise the benefits of a large deployment of capital in Britain's energy market.

"We've found it a very good place to do business," she said of the UK, where Macquarie has been an active buyer of infrastructure assets in the water, energy and telecom markets.

Macquarie has A\$30bn of "dry powder" available but Wikramanayake stopped short of saying it would raise the rate of its acquisition activity.

The strength of its commodities business shielded the wider group from a slowdown in its dealmaking advisory business.

Macquarie shares added 4 per cent in early trading but closed flat yesterday at A\$166.50.

Equities

## Elliott Management builds stake in PMI takeover target Swedish Match

OLIVER BARNES AND ABASH MASSOUDI

Hedge fund Elliott Management has upped its stake in Swedish Match to more than 10 per cent, giving it the power to determine the outcome of Philip Morris International's \$16bn takeover offer for the smokeless tobacco specialist.

Under Swedish law, PMI needs more than 90 per cent of shareholder

aid yesterday that passing the 90 per cent threshold was "critical", adding that Swedish Match's board had recommended the deal to shareholders. PMI announced a \$2.7bn deal with Altria this month to regain the US commercialisation rights for IQOS heated tobacco sticks from May 2024 onwards, which it plans to sell through Swedish Match's extensive retail distribution channels in the US.

alternatives market, Altria on Thursday announced a joint venture with Japan Tobacco to develop and sell two heated tobacco products in the US.

Altria added that if the offer were to fail, PMI was ready to "proceed autonomously" to develop the IQOS product range in the US.

But PMI said in a statement on Tuesday that it reserved the right to "reduce or waive the acceptance level

Derivatives

## European fund hubs tighten oversight to prevent repeat of UK's LDI crisis

JOSEPHINE CUMBO, LAURA NOONAN AND CHRIS FLOOD

Financial market regulators in Europe's main fund hubs have stepped up surveillance of derivative-linked funds used by UK pension schemes in an effort to prevent a repeat of the turmoil that rolled the gilt market last month.

The Central Bank of Ireland has begun

from interest rate rises and inflation. But they came unstuck last month when a poorly received set of fiscal plans from Liz Truss, former prime minister, and Kwasi Kwarteng, former chancellor, sent gilt prices tumbling.

Pension schemes and LDI managers needed to find cash quickly to top up margin buffers on their derivatives, forcing them to sell more gilts and

changes when he told MPs that UK officials "will want to sit down with all of the people who have an interest in this and say: 'We saw a risk. How should we manage these risks in the future?'"

In recent days, Irish authorities have advised Dublin-domiciled LDI funds of new leverage controls and the need for operational changes, said Steve Hodder, a partner at actuarial consultancy TCFP. The new controls required pooled



approval to get the deal over the line. Elliott increased its stake from 7.25 per cent to 10.5 per cent on October 24, according to a filing from Finansinspektionen, the Swedish financial regulator.

Its current holding means it could block the deal. Hedge fund Davidson Kempner also increased its stake to 5 per cent, according to a filing. A host of activist investors have built positions in Swedish Match since PMI's first approach in May.

In a bid to get the months-long takeover battle over the line, PMI last week sweetened its offer from SKr106 to SKr116 a share, valuing Swedish Match at about SKr176bn (\$15.7bn).

Jackie Olczak, PMI chief executive,

In a further sign of the race for market share in the fast-growing US tobacco



A Swedish Match store offers alternatives to traditional tobacco

condition" after the deadline for the deal on November 4.

Two shareholders, who asked not to be named, told the Financial Times they expected PMI would struggle to cross the 90 per cent threshold and would probably drop the level before attempting to buy the stock later.

If PMI fails to reach the 90 per cent threshold for shareholder acceptance, its ability to fully control and integrate Swedish Match will be limited by local laws protecting minority shareholders, according to analysts.

Swedish Match's share price closed up 0.2 per cent at SKr114 yesterday. Elliott declined to comment and Davidson Kempner did not immediately respond to a request for comment.

asking asset managers running so-called liability-driven investment strategies for UK pension schemes to tell regulators before they do anything that would increase the leverage in those funds, people familiar with the situation told the Financial Times.

Regulators in Luxembourg, another European funds hub, also told the FT they had "intervened as required".

Neither Ireland nor Luxembourg are exposed to any financial risk if LDI funds there encounter difficulties but authorities in Europe's fund management hubs have a responsibility to promote international financial stability, and are keen to avoid reputational risks. LDI strategies are designed to help pension schemes hedge against risks

'Officials will want to sit down with all of the people who have an interest in this and say we saw a risk'

creating a vicious circle. The Bank of England calmed markets with a £65bn intervention to avoid imperilling financial stability.

UK regulators have vowed to more closely scrutinise how pension funds use leverage and are likely to introduce new rules in the aftermath of the crisis.

Jon Cunliffe, the Bank of England's deputy governor for financial stability, hinted last week that he would like offshore centres to consider making

funds to seek "central bank approval ahead of any action that increases leverage levels", he said.

The Central Bank of Ireland said it continued to "monitor the situation in the UK closely" in keeping with its financial stability and consumer protection mandate but declined to comment on the specifics of its dealings with funds.

Claude Wampach, director of Luxembourg's Commission de Surveillance du Secteur Financier, the financial regulator, said "our teams on the investment funds side have closely followed up on the matter and intervened as required, in collaboration with relevant authorities".

He declined to give further details.

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PT Weekend

29 October/30 October 2022

## COMPANIES &amp; MARKETS

## On Wall Street

### Activist board battles to get more personal



Patrick Temple-West



Sitting just off Central Park's south-east corner, New York's Pierre hotel enjoys distinction as one of the city's centres for wealth and power. It was the venue for General Electric chief executive Jack Welch's 1981 speech that laid out his vision of why companies should focus on shareholder value.

Last week, high hedge funds and people in the activist investor ecosystem gathered at the Pierre for an annual conference on how that value might be realised ahead of the new season of shareholder meetings. With the stock market slumping and the pandemic largely over, activism is picking up after months of limited action.

This year's conference buzzed with talk about a subtle but significant change to the activist rule book. A September rule change at the Securities and Exchange Commission has handed activists a new tool that companies fought for years to keep out of shareholders' reach.

The SEC oversees corporate governance rules and its rule change affects how shareholders elect board members. Previously, when an activist wanted to shake up a board by nominating fresh directors, these contested elections forced shareholders to vote for a slate of the company's nominees or those of the activists.

Comingling was allowed only if investors showed up in person to meetings – a difficult ask for all but the largest shareholders. Now, the new so-called universal proxy ballot card gives shareholders a chance to pick and choose nominees from all parties.

Investors too shy to support an activist

now have more flexibility to vote for only the directors they like. Essentially, the menu is larger.

Carl Kahn and other activists applauded the SEC for this change but no one knows how significant it will be. To some people sipping coffee in the Pierre's marble hallways, the universal proxy would not change the hard work activists need to do to topple incumbent boards. But other attendees said the changes would unquestionably spark more activist campaigns. One would mean activists would need to send ballot papers to only 67 per cent of shareholders rather than all of them.

This means they could target just the bigger shareholders, making campaigns a little cheaper and broadening the field

'Gone are the days where you are able to add a new director because of general leadership experience'

of potential activists. "This significantly lowers the barrier to entry for activists of all sizes," said Rich Fields, head of the board effectiveness practice at consultancy Russell Reynolds.

There are signs that big asset managers will throw their support behind campaigns using universal proxies. Fidelity and other firms backed the SEC change alongside the activists.

Fields said big asset managers were reluctant for years to vote against executive bonuses. Now boards are losing executive pay votes in record numbers.

If they are willing to vote down pay, they might take the next step. "There is a growing assertiveness and confidence from those investors," he said.

But companies are fighting back. They are racing to update their corporate bylaws to make it harder for activists to make boardroom challenges, said Elizabeth González-Sussman, a partner at Olshan Frome Wolosky.

For example, hedge funds might be asked to disclose their investors – names that activists usually want to protect from public disclosure, she said. Quietly, companies are also coming to terms with this new activist tool.

At the Pierre, there was talk that stress testing has begun at companies to identify which board members might be vulnerable to activist attacks.

As a result, difficult conversations have reportedly begun with those who might not be a good fit any more.

Some companies were said to be contemplating changes such as a mandatory retirement age to refresh board members more quickly.

Directors who work on too many boards are low-hanging fruit for universal proxy campaigns.

Activists also said the universal proxy changes would enable more targeted campaigns, a tool more akin to a scalpel than a broad, park-the-tank-on-the-front-lawn type of attack. A member of the board of a defence company might be replaced with someone with more relevant experience, for example. Or board diversity could be improved with the nomination of individual directors.

Overall, they believe these minute changes will make boards more nimble, to the benefit of corporate America overall with much more focus on the individual competence of directors.

"Gone are the days where you are able to add a new director because they have 'general leadership experience'," said Chris Couveller, a managing director at Lazard. "There needs to be a specific narrative to what they add to the board."

This winter will probably bring more activist campaigns. Thousands of US companies have board renewal filing deadlines in the next six months.

This might be uncomfortable for many individual directors, bruising egos. As Fields said of campaigns after the universal proxy changes: "This time it's personal."

patrick.temple-west@ft.com

## The day in the markets

### What you need to know

- Wall Street posts gains at end of bruising week for Big Tech
- Surge in Apple's share price helps offset Amazon's decline
- European equities edge higher but Chinese stocks fall sharply

US stocks rose yesterday as better than expected earnings from Apple lifted the phone maker's shares at the end of a brutal week for some of the world's biggest tech companies.

The benchmark S&P 500 index was up 1.7 per cent by early afternoon in New York, while the tech-heavy Nasdaq Composite gained 1.8 per cent.

The moves put the S&P on track for two straight weeks of gains for the first time since August.

Those gains came as Apple's share price rose after the tech giant reported \$90.1bn in revenues for the September quarter, an 8 per cent increase year on year. That beat forecasts of \$88.6bn and compared with \$83.4bn a year ago, according to Refinitiv.

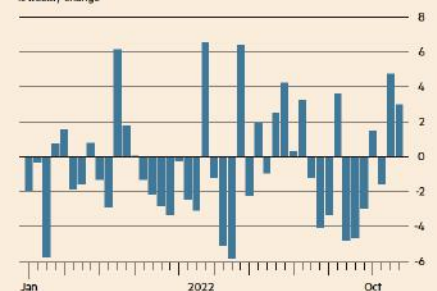
But at the same time, shares of Amazon slid after the company warned late on Thursday that consumer spending was in "uncharted waters".

The announcement from Amazon extended a surprisingly weak earnings season from US tech behemoths, defying hopes that these companies would be more resilient to a challenging economic backdrop.

Shares in Microsoft, Alphabet and Facebook owner Meta have fallen in recent days as rising costs and slowing economic growth begin to take their toll on earnings.

### S&P 500 on course for two straight weeks of gains

% weekly change



Data as of lunchtime in New York  
Source: Refinitiv

But Jeff O'Connor, head of market structure for the Americas at Liquidnet, said money was likely to pour into stocks once inflation and interest rates had clearly peaked.

"We're looking at cash levels for money managers at highs that we haven't seen in 20 years," O'Connor added. "When money starts to rotate back into the equity market, it's going to be explosive."

In government bond markets, the yield on 10-year US Treasuries added 6 basis points to 4.6 per cent as its price fell.

The yield on the 10-year German Bund rose 11bp to 2.1 per cent.

The moves came a day after the European Central Bank raised interest rates by 0.75 percentage points for the second consecutive meeting in an attempt to damp rapid price growth.

Elsewhere in equity markets, the Stoxx Europe 600 index edged 0.1 per cent higher.

Chinese stocks fell sharply, resuming a descent that began after President Xi Jinping tightened his grip on power at the Communist party congress last weekend.

In Hong Kong, the Hang Seng index lost 3.7 per cent. George Steer

### Markets update

	US	Eurozone	Japan	UK	China	Brazil
Stocks	S&P 500	Eurofirst 300	Nikkei 225	FTSE 100	Shanghai Comp	Bovespa
Level	3867.73	1625.83	2705.20	7047.67	2955.93	114278.00
% change on day	1.59	0.17	-0.88	-0.57	-2.25	-0.32
Currency	\$ index (DXY)	\$ per €	Yen per \$	\$ per £	Rmb per \$	Real per \$
Level	110.910	0.995	147.510	1.189	7.257	5.338
% change on day	0.292	-0.590	1.024	0.066	0.617	0.840
Govt bonds	10-year Treasury	10-year Bund	10-year JGB	10-year Gilt	10-year bond	10-year bond
Yield	3.993	2.100	0.237	3.473	2.649	11.619
Basic point change on day	6.140	14.200	-1.100	6.700	-2.800	-35.000
World Index, Commods	FTSE All-World	Oil - Brent	Oil - WTI	Gold	Silver	Metals (LME)
Level	385.74	95.56	87.80	1659.75	19.37	3425.10
% change on day	0.50	-1.44	-1.44	-0.42	-1.12	-0.88

Yesterday's close split from: Currencies – 16:00 GMT; S&P, Bovespa, All World, Oil – 17:00 GMT; Gold, Silver – 1:00pm Hk. Bond data supplied by Tullet Prehon.

### Main equity markets



### Biggest movers

	US	Eurozone	UK
Ups	Dexcom 12.87, Gilead Sciences 9.77, Intel 8.15, Verisign 7.48, Apple 6.76	Ormv 9.29, Danske Bank 5.77, Mapire 3.71, Dri-telem 3.40, Sanofi 3.34	Airtel Africa 5.84, Centrica 5.08, Gsk 2.13, crh 2.08, AstraZeneca 1.74
Downs	Davita -24.96, Edwards Lifesciences -18.55, Amazon.com -10.33, Resmed -6.72, Lyondellbasell Industries NV -5.64	Casino Guichard -7.21, Cahabank -7.03, Freseniusmedicare -6.32, Tenaris -3.16, Fresenius -3.01	Natwest -9.20, Harbour Energy -5.08, Ocado -5.05, JD Sports Fashion -4.62, Bto Tinto -3.82

Based on the constituents of the FTSE Eurofirst 300 index

All data provided by Refinitiv unless otherwise noted

### Wall Street

A chunky earnings miss pushed Amazon sharply, with the online retail giant reporting operating income of \$2.5bn in this third quarter – significantly below

### Europe

A slowdown in streaming revenue weighed on Universal Music Group, the label that counts Taylor Swift and Drake among the roster of artists

### London

British Gas owner Centrica was near the top of the FTSE 100 index following news that it had reopened its Rough gas storage facility, having previously

## Biden's climate push has unintended consequences for developing countries

Henny Sender Markets Insight



So far, 2022 has not been a great year for the emerging economies of Asia. The immediate challenges of a strong dollar, rising interest rates and inflation in everything from food to fuel all show little sign of abating.

Now a further complicating factor has emerged – from an unlikely source. The Inflation Reduction Act signed into law in August by President Joe Biden contains a sweeping climate initiative. It commits more than \$369bn to subsidies and tax credits over a decade to encourage decarbonisation and cleaner energy.

As a clear positive commitment by the US to carbon reduction and cleaner energy, this is very much a global good. But there is one unintended consequence. Its impact on the climate

For example, he says suppliers of solar panels will be able to bill US customers far more than the price at which India imports panels. This means the price of solar panels will rise for developing countries, hindering a switch to renewable energy.

"Taxpayers in the US (and Europe) are handicapping India and other emerging markets. Solar has never been reliable but in the past it was cheap. Now the incentive is to go back to coal," says Kolli.

In addition, some industry experts point out that the new US measures – particularly in solar power – are all about ramping up domestic production over time. The US wants to reduce

'The effect of this act may well be to distort the entire renewable energy supply chain'

global dependence on China for everything from batteries to the innards of the clean energy infrastructure, by giving both US firms and abroad those an incentive to

another major source of solar panels. To be sure, though, the US legislation will have differing impacts across Asia.

In South Korea, there has been anger over the impact of the bill's move to eliminate subsidies for electric vehicles assembled outside North America. It is feared that Hyundai and its electric vehicles will be at a disadvantage until the company begins production at a \$5.5bn plant in the US state of Georgia in 2025. But South Korean producers of batteries with a presence in the US will benefit from subsidies there and likely increased demand.

For some in countries like India, though, it is another example of how the burdens of climate change fall unevenly. Many countries such as Pakistan, India and Bangladesh have less ability and fewer resources to build resilience against global warming. India is looking ahead to when it takes over leadership of the G20 in mid-November. It is already positioning itself as the face of those emerging nations which believe it is developed countries that have been responsible for climate change, while the burden of reversing the harm falls heavily on them.



change efforts of developing countries. Analysts and executives in some emerging markets such as India fear that one effect of the new law will be to raise the cost of renewable energy for them, making coal a more attractive alternative.

"By handing out subsidies, the effect of this act may well be to distort the entire renewable energy supply chain," said Mahesh Koli, president and joint managing director at Greenko Group, a Hyderabad-based renewable energy firm.

Today, for example, China has a more than 80 per cent global market share for solar panels, according to data from JPMorgan. The bank also said China accounted for 10 out of the top 15 wind turbine producers with a total market share of about 55 per cent. One executive at a top Asian investor said: "It is America's first step in moving towards low-carbon intensive production in a shorter period than their developed peers."

"The role of the latter in mobilising capital at reasonable or concessional terms for enabling this transition of developing countries is a sine qua non, and, quite frankly, part of their promise made at the Earth Summit in 1992 and as part of the Paris Agreement in 2015," he added.

The inflation Reduction Act may be a breakthrough in the US for climate change but the burden of adjustment falls over more heavily on many cash-strapped emerging markets.

"A shift to low-carbon technologies can be successful only if developing countries have access to resources, including financing, on concessional terms," said Anantha Nageswaran, chief economic adviser to the Indian government, in a co-authored column in the Mint newspaper.

He said developing countries need support in financing the transition costs of moving towards low-carbon intensive production in a shorter period than their developed peers.

"The role of the latter in mobilising capital at reasonable or concessional terms for enabling this transition of developing countries is a sine qua non, and, quite frankly, part of their promise made at the Earth Summit in 1992 and as part of the Paris Agreement in 2015," he added.

The inflation Reduction Act may be a breakthrough in the US for climate change but the burden of adjustment falls over more heavily on many cash-strapped emerging markets.

Henny Sender is a managing director at BlackRock

the \$3.1bn impact of Amazon's fourth-quarter outlook, said the broker, which suggested just \$7bn in quarter-on-quarter revenue growth, far short of the \$27bn rise that it achieved last year.

In a rare bright spot for tech names this week, Pinterest rallied after generating better than expected user growth and revenue.

For the third quarter, revenue rose 8 per cent year on year to reach \$685m, beating UBS's estimate of \$655m, while total monthly active users hit 455m, again topping Wall Street's 436m estimate.

An upgrade to its subscriber numbers lifted T-Mobile, with the telecoms operator expecting to add between 6.2m and 6.4m net bill-paying users in 2022, up from a previous forecast of 6.2m to 6.3m.

Oil major ExxonMobil rose off the back of a record quarterly profit of \$19.7bn supported by elevated energy prices.

Insurance group Arch Capital surged in anticipation of replacing social media platform Twitter in the benchmark S&P 500 index, Ray Douglas

in the third quarter, subscription and streaming revenue grew 77 per cent on a constant currency basis, well short of the 12.5 per cent analysts had expected, noted Citi.

"This will cause concern in part because of what it potentially implies about broad cyclicality of ad-funded revenue streams," warned the broker.

Druck gym operator Bank Fit slid after trimming its full-year outlook.

Forecast revenue for 2023, at the lower end of the \$400m to \$450m estimate stated in July. The pullback was partly due to delays in obtaining permits, which meant around 50 clubs that were planned to be launched in the second half of 2022 would now be opened in January.

Franco-Dutch airline Air France-KLM fell sharply despite posting operating income of €1.03bn in the third quarter, which comfortably beat the company's consensus of €820m.

Unlevered investors saw the airline's capacity outlook — forecasting 85 per cent of pre-pandemic capacity in the fourth quarter, down from an earlier range of 85 to 90 per cent, Ray Douglas

engineering upgrades during the summer.

Rough, which was operating at about 20 per cent of its capacity, should help to balance the domestic gas market, said the operator.

At the tail end of the blue-chip benchmark was NatWest, the high street bank that is part-owned by the UK government.

Pre-tax operating profits climbed to €1.1bn in the third quarter, missing the Refinitiv-computed estimates of €1.2bn, while a £247m provision against the risk of bad loans soured sentiment.

IT services group Capgemini retreated following the release of a third-quarter update described as "muted" by Jefferies, in which the company forecast "modest" pre-tax profit growth in 2022.

A profit warning sent Likewise down sharply, the floor coverings distributor expecting "lower than originally anticipated" profitability.

If bladed the downgrade on "unfavourable market conditions caused by the terrible war in Ukraine, political instability in the UK and a particularly hot summer," Ray Douglas

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29 October/30 October 2022

PT Weekend

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## MARKET DATA

### WORLD MARKETS AT A GLANCE

Change during previous day's trading (%)



Stock Market movements over last 30 days, with the FTSE All-World in the same currency as a comparison

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	Oct 26	Oct 27	Oct 28	Oct 29	Oct 30	Nov 1
Order Book Turnover (m)	50.25	130.44	463.10	108.94	115.25	111.11
Order Book Size (m)	617426.00	170877.00	208370.00	741370.00	684500.00	698200.00
Order Book Depth (m)	1720.00	1710.00	1469.00	1235.00	1345.00	1300.00
Total Equity Turnover (m)	175.00	724.55	1257.66	525.81	545.41	545.41
Total Equity Turnover (m)	175.00	724.55	1257.66	525.81	545.41	545.41
Total Equity Turnover (m)	175.00	724.55	1257.66	525.81	545.41	545.41
Total Equity Turnover (m)	175.00	724.55	1257.66	525.81	545.41	545.41

Source: Inter-market and overnight turnover. \*UK only total of all UK plus inter-market turnover. (c) Downloaded from [www.bse.co.uk](http://www.bse.co.uk)

All data provided by Morningstar unless otherwise noted. All elements listed are indicative and based on data available at the time of publication. No liability is assumed by Morningstar or the FT. The data does not warrant the accuracy of the data.

Data provided by Morningstar | [www.morningstar.co.uk](http://www.morningstar.co.uk)



Stock	Class	High	Low	Cap
Unicom Mineral Resource PLC	12.50	18.00	13.00	
ATN	0.96	4.00	0.90	99
DMO	50.50	50.00	51.50	171
ACS	9.00	10.10	9.00	100
MLI	1.00	1.30	1.00	10

Annual report/prospectus available at [www.ft.com/ir](http://www.ft.com/ir)  
 For a closer look at London Stock Exchange, please visit [www.lse.co.uk](http://www.lse.co.uk)

29 October/30 October 2011

City	2010				City	2010			
	Rank	Pop.	Med.	Min/Max		Rank	Pop.	Med.	Min/Max
204	118	62	10.5	8.0/18.0	118	89	59	10.0	8.0/14.0
205	119	62	10.5	8.0/18.0	119	90	59	10.0	8.0/14.0
206	120	62	10.5	8.0/18.0	120	91	59	10.0	8.0/14.0
207	121	62	10.5	8.0/18.0	121	92	59	10.0	8.0/14.0
208	122	62	10.5	8.0/18.0	122	93	59	10.0	8.0/14.0
209	123	62	10.5	8.0/18.0	123	94	59	10.0	8.0/14.0
210	124	62	10.5	8.0/18.0	124	95	59	10.0	8.0/14.0
211	125	62	10.5	8.0/18.0	125	96	59	10.0	8.0/14.0
212	126	62	10.5	8.0/18.0	126	97	59	10.0	8.0/14.0
213	127	62	10.5	8.0/18.0	127	98	59	10.0	8.0/14.0
214	128	62	10.5	8.0/18.0	128	99	59	10.0	8.0/14.0
215	129	62	10.5	8.0/18.0	129	100	59	10.0	8.0/14.0
216	130	62	10.5	8.0/18.0	130	101	59	10.0	8.0/14.0
217	131	62	10.5	8.0/18.0	131	102	59	10.0	8.0/14.0
218	132	62	10.5	8.0/18.0	132	103	59	10.0	8.0/14.0
219	133	62	10.5	8.0/18.0	133	104	59	10.0	8.0/14.0
220	134	62	10.5	8.0/18.0	134	105	59	10.0	8.0/14.0
221	135	62	10.5	8.0/18.0	135	106	59	10.0	8.0/14.0
222	136	62	10.5	8.0/18.0	136	107	59	10.0	8.0/14.0
223	137	62	10.5	8.0/18.0	137	108	59	10.0	8.0/14.0
224	138	62	10.5	8.0/18.0	138	109	59	10.0	8.0/14.0
225	139	62	10.5	8.0/18.0	139	110	59	10.0	8.0/14.0
226	140	62	10.5	8.0/18.0	140	111	59	10.0	8.0/14.0
227	141	62	10.5	8.0/18.0	141	112	59	10.0	8.0/14.0
228	142	62	10.5	8.0/18.0	142	113	59	10.0	8.0/14.0
229	143	62	10.5	8.0/18.0	143	114	59	10.0	8.0/14.0
230	144	62	10.5	8.0/18.0	144	115	59	10.0	8.0/14.0
231	145	62	10.5	8.0/18.0	145	116	59	10.0	8.0/14.0
232	146	62	10.5	8.0/18.0	146	117	59	10.0	8.0/14.0
233	147	62	10.5	8.0/18.0	147	118	59	10.0	8.0/14.0
234	148	62	10.5	8.0/18.0	148	119	59	10.0	8.0/14.0
235	149	62	10.5	8.0/18.0	149	120	59	10.0	8.0/14.0
236	150	62	10.5	8.0/18.0	150	121	59	10.0	8.0/14.0
237	151	62	10.5	8.0/18.0	151	122	59	10.0	8.0/14.0
238	152	62	10.5	8.0/18.0	152	123	59	10.0	8.0/14.0
239	153	62	10.5	8.0/18.0	153	124	59	10.0	8.0/14.0
240	154	62	10.5	8.0/18.0	154	125	59	10.0	8.0/14.0
241	155	62	10.5	8.0/18.0	155	126	59	10.0	8.0/14.0
242	156	62	10.5	8.0/18.0	156	127	59	10.0	8.0/14.0
243	157	62	10.5	8.0/18.0	157	128	59	10.0	8.0/14.0
244	158	62	10.5	8.0/18.0	158	129	59	10.0	8.0/14.0

15.99	15.22	-	0.84	2012.40	• Price of bond at expiration
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[illegible]

Interactive Data Pricing and Performance Data LLC, an IDC Data Services company. US\$ denominated bonds NY close, all other London close. \*S - Standard & Poor's, M - Moody's, F - Fitch

GILTS: UK CASH MARKET									
	Rate	Yld	Change in Yield			12 Month			
Settle	Price %	Yld %	Day	Week	Month	High	Low	Vol	Av
2.5 Apr '92	96.66	7.30	0.34	-0.41	-0.23	439.00	136.00	11.34	34.4
2.5 May '92	96.66	7.28	0.32	-0.30	-0.42	439.00	136.00	11.34	34.4
2.5 Jun '92	96.30	7.18	0.63	-0.40	-0.48	425.00	135.00	11.31	38.0
2.5 Sep '92	96.10	7.08	0.00	-0.48	-0.25	400.00	96.77	10.87	35.0
2.5 Oct '92	96.10	7.08	0.00	-0.48	-0.25	400.00	96.77	10.87	35.0
2.5 Nov '92	95.80	6.98	0.00	-0.36	-0.22	390.00	134.00	10.85	40.0
2.5 Dec '92	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Jan '93	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Apr '93	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 May '93	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Jun '93	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Sep '93	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Oct '93	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Nov '93	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Dec '93	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Jan '94	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Feb '94	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Mar '94	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Apr '94	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 May '94	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Jun '94	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Sep '94	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Oct '94	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Nov '94	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Dec '94	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Jan '95	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Feb '95	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Mar '95	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Apr '95	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 May '95	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Jun '95	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Sep '95	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Oct '95	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Nov '95	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Dec '95	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Jan '96	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Feb '96	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Mar '96	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Apr '96	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 May '96	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Jun '96	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Sep '96	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Oct '96	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Nov '96	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Dec '96	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Jan '97	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Feb '97	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Mar '97	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Apr '97	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 May '97	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Jun '97	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Sep '97	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Oct '97	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Nov '97	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Dec '97	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Jan '98	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Feb '98	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Mar '98	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Apr '98	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 May '98	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Jun '98	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Sep '98	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Oct '98	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Nov '98	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Dec '98	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Jan '99	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Feb '99	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Mar '99	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Apr '99	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 May '99	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Jun '99	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Sep '99	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Oct '99	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Nov '99	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Dec '99	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Jan '00	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Feb '00	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Mar '00	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Apr '00	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 May '00	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Jun '00	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Sep '00	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Oct '00	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Nov '00	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Dec '00	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Jan '01	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Feb '01	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Mar '01	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Apr '01	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 May '01	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Jun '01	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Sep '01	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Oct '01	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Nov '01	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Dec '01	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Jan '02	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Feb '02	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Mar '02	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Apr '02	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 May '02	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Jun '02	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Sep '02	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Oct '02	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Nov '02	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Dec '02	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Jan '03	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Feb '03	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Mar '03	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Apr '03	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 May '03	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Jun '03	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Sep '03	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Oct '03	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
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2.5 Dec '03	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Jan '04	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Feb '04	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Mar '04	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87	40.0
2.5 Apr '04	95.80	6.98	0.00	-0.36	-0.40	390.00	132.76	10.87</	



Price Indices	Oct 20	Oct's chg %	Total Return	Return 1 month	Return 1 year
<b>Fixed Coupon</b>					
1 Up to 5 Years	81.42	0.00	251.43	2.57	4.55
2.5 - 10 Years	146.42	0.27	313.74	4.04	-14.54
3.16 - 15 Years	166.61	0.51	365.45	5.04	-21.81
4 - 15 Years	166.05	0.34	320.85	4.07	-18.75
5 Over 15 Years	228.85	1.49	391.50	6.76	-38.85
7 All Stocks	138.77	0.62	369.18	4.76	-22.34

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FTSE 100	7,855.50	+100.00	+1.3%
NASDAQ	14,100.00	+100.00	+0.7%
DAX	17,100.00	+100.00	+0.6%
Hang Seng	26,100.00	+100.00	+0.4%
Nikkei 225	33,100.00	+100.00	+0.3%
Shanghai	3,310.00	+10.00	+0.3%
ASX	7,855.50	+100.00	+1.3%
BSE	33,100.00	+100.00	+0.3%
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#### NatWest: worth the worry

State support for NatWest has taken on a new meaning these days. While the UK Treasury holds just under half the shares, the Bank of England partly controls its profitability. Higher interest rates set by the central bank bolster NatWest's net interest income, which accounts for much of the bank's top line.

In essence, NII results from the bank earning more interest than it pays out to its customers. About 40 per cent of its accounts earn no interest. A healthy, spread income could, however, attract attention from a revenue-starved government. According to third-quarter figures reported yesterday, the year-on-year boost to NII was £771m, an increase of 41 per cent.

Handily, the bank found adjustments to reduce this out-turn. First, it decided to provision for possible bad debts, though chief executive Alison Rose has said repeatedly that she sees no problems in its loan book. Mortgages make up more than half of that.

But, noting the volatility in bond markets, Rose chose to revise down the bank's economic outlook. It now expects gross domestic product to drop 1.4 per cent next year. Just three months ago that growth estimate was roughly flat. Inflation expectations leapt by more than half to 6.2 per cent. Last quarter, there was no provision charge. This time the bank tacked on a total of £247m. It also produced one-off losses due to gilt sales and early redemptions of some bonds, which totalled another £261m. That offset a good part of the NII increase.

Still, NatWest's more bearish macro view, especially on inflation, might have backfired. Its share price plummeted 8 per cent by midday. In fact, not of the one-offs and provisions, the bank's results were better than expected. Costs for the bank are now the worry for next year, says Numis. A little bad news helped smooth out NatWest's NII surge. Yet, the bank

#### Germany/cannabis: what spliffs

Legalisation is no game-changer

Use in previous 12 months in Colorado where recreational marijuana was legalised in 2012 (OD)

12 to 17 18 to 25 Over 18 Over 26



Source: Deutscher Handelsverband, NSDUH

The German government this week outlined its plans to legalise cannabis for recreational use. The move was preceded by a flurry of deals, including the biggest financing round in the European cannabis industry. If the US and Canada are any guide, investors should be wary. The first US states legalised cannabis for recreational use in 2012. Canada followed in 2018. Both attracted a flood of investment and both have disappointed. The AdvisorShares Pure US Cannabis ETF peaked after its launch two years at \$55. It is now at \$10.35.

The US market is a regulatory mess. Recreational use is allowed in 19 states but is against federal law. Canada has one nationwide law but also suffers from overregulation. Both markets attracted early stage over-

investment, leading to oversupply and consolidation.

Germany risks going the same way. The German Hemp Association, a lobby group, says investment will go into building supply quickly. Last month, RAT joined a \$37.6m financing round in Berlin cannabis company Sanity Group.

The GHIA predicts demand for 400 tonnes a year of marijuana and hashish, with sales of €4bn. Other estimates suggest half that amount. The lower estimate is more plausible. Europe reckons 22m Europeans spend €9bn a year on illegal cannabis. Survey data from Colorado suggest only a mild increase in use after legalisation. If Germany does legalise recreational use – a big if – investors will certainly get involved. But they should not let it go to their heads.

Source: Reuters

– are too myopic to allow the kind of radical change drifting companies can require. Just this week, Mark Zuckerberg clung to his vision of turning Facebook away from social media towards artificial intelligence. The \$140bn he pledged to spend next year in capital and operating costs led to public investors wiping \$86bn off its

market capitalisation on Thursday.

### Daring to believe the energy crisis has been resolved is dangerous

David Sheppard  
The Long View



Europe suddenly winning the gas war with Russia? Prices have dropped almost 65 per cent since hitting an all-time peak in August. Storage caverns across the continent are filled to bursting point ready to supply homes and industry this winter. Even seaborne liquefied natural gas tankers, which desperate buyers had to fight to pry away from Asia, are so plentiful that there are jams forming outside European terminals as they wait to unload.

After months of fearing a winter beset by shortages and misery caused by Russia's weaponisation of gas supplies, most traders will cautiously concede that Europe's fortunes have improved. Warmer-than-normal weather in the past few weeks has delayed the start of the heating season, leaving a bigger buffer of gas for the winter months, while European businesses have cut consumption sharply.

But a heavy note of caution still hangs in the air. Daring to believe that the energy crisis has somehow been resolved is dangerous given the scale of the remaining challenge. Prices remain eye-wateringly high, particularly for early next year, and when the cold weather hits, there remain concerns that Europe could quickly burn through its gas reserves, potentially leading to extreme tightness in supplies after Christmas. Gas at about €115 per megawatt hour is still equivalent to almost \$180 a barrel in oil terms. Contracts in December and January are above \$250 a barrel equivalent.

"The picture in Europe is that people are a bit complacent. Prices have dropped this week; storage is full. But it is too early to say it is going to be fine,"

Others are more optimistic. Henning Gloystein at Eurasia Group argues that Europe can afford to be a little more confident, having successfully filled its storage facilities – enough to meet about two months of gas demand – over the summer, though at a painfully high price. "Full storage tanks make severe winter energy rationing or even blackouts less likely, potentially lessening, though not preventing, an expected recession," Gloystein said.

But weather's dominance over the gas market means he's not quite prepared to say the worst is definitely over. If the winter is mild, then Germany, Europe's biggest economy, could end the season with its storage facilities almost half full.

States are still going to be on the hook for significant support to households over the next 18 months

But if it is just slightly colder than normal, "German gas inventories would be virtually depleted by end-March, possibly requiring late winter rationing or supply cuts," Gloystein said.

That leads to one of the biggest fears: even if Europe can scrape through this winter, next year might be worse. Spring will bring a reprieve from the immediate crisis. But the gas market does not stop. When heating demand drops, the race to refill storage starts all over again.

But, unlike during the first six months of 2022, when Russian supplies were still largely flowing into Europe despite Moscow's invasion of Ukraine, the assumption has to be that this time, flows will be close to zero. So the continent will face a much harder time

LNG imports to asking Norway to maximise production for months. There's little in the way of supply additions expected until the middle of this decade. The EU will boost its ability to import LNG through floating terminals in Germany and the Netherlands, but they will be competing for the same limited pool of supply. Without Russian gas, the EU will need even more LNG over the next 12 months.

So the current relatively low (ish) gas price might be as good as it gets for a while. The futures market is reflecting these concerns, with contracts trading above \$200 a barrel equivalent even for the first quarter of 2024.

Lower prices might still materialise. Energy executives in Europe think the full extent of demand destruction is yet to be seen, as some companies are still shielded by long-term contracts supplying them with gas at prices well below market rates.

As the contracts roll off in the coming months, we should expect more businesses vulnerable to energy price shocks to fold. It's the market's classic way of lowering demand. But don't expect those who lose their incomes to cheer that gas might get a bit cheaper as a result.

If France can sort out its maintenance-racked nuclear fleet, there might be a more positive reprieve, as less gas will need to be burnt for electricity across the continent. But the most likely outcome remains that governments are still going to be on the hook for significant support to households over the next 18 months. Tightening of middle-class household budgets also is likely to add to economic pressures.

Is Europe winning? Long-term, it is



perhaps underestimated the market's reception to its intensifying pessimism.

## Exxon/Chevron: tech's foil

Big Tech's pain has been Big Oil's gain. High oil and gas prices have squeezed consumer wallets. Large companies' cuts to cloud and advertising budgets are causing tech sector angst. But for energy producers, it has been another quarter of record-busting profits.

US supermajors ExxonMobil and Chevron raked in nearly \$31bn in combined net income during the third quarter. That is more than twice what they brought in a year ago. Exxon posted the highest profit in its 152-year history, while Chevron announced its second-best quarterly result ever. Their earnings follow a string of similarly strong results from European energy groups earlier this week.

At Exxon and Chevron, the windfalls were driven by higher oil production and natural gas prices, along with strong earnings from their "downstream" oil refining businesses. Both now have their best balance sheets since at least 2014, when crude prices also traded in triple digits.

Energy stocks have outpaced the wider market this year. The S&P 500

Joe Moon, who in June accused Exxon of making "more money than God", blames oil companies for fanning inflation. In Europe and the US, calls grow for a windfall tax. Meanwhile, costs should swell as oil service companies look to pass on higher operating expenses to their clients.

Even so, Chevron and Exxon still look good bets. Their strict capital discipline stands in stark contrast to the tech sector's profligate ways. Assuming oil prices hold up given the boycott of Russian oil and Opec's production cuts, they will remain reliable cash gushers for another year.

## Twitter/Musk: private reservations

The alleged superiority of the private market is to get its ultimate test. Elon Musk on Thursday night finally fulfilled the contract he signed in April, closing his \$44bn deal to take Twitter private. The past few months of melodrama aside, the Tesla boss has consistently stated that public Twitter was mismanaged both as a "public square" and as a commercial enterprise.

Entrepreneurs have long lamented that public shareholders – mutual funds and mom-and-pop retail buyers

market capitalism on a Thursday alone.

Musk's vision for Twitter has been scattered between such ideas as loosening content moderation and creating a master portal app known as X. Musk later said Twitter was overrun with fake accounts and phony user metrics. He portrayed these flaws as big enough to justify his withdrawal. On Wednesday, Musk was reduced to appealing to advertisers about how welcoming he believed that platform could be.

One feature of private markets Musk has already mastered is heavy financial leverage. In the summer days of April, he persuaded Morgan Stanley and several other Wall Street banks to lend him \$13bn to supplement the \$33bn in cash he and co-investors were stumping up. Whatever creative ideas the Tesla chief has will have to be balanced against \$1bn of annual interest costs, about equivalent to annual profits. With Snap and Facebook shares down more than 70 per cent this year, Twitter's standalone enterprise value may even be below the \$13bn in debt it is shouldering.

There will be no more quarterly earnings calls. But expect Musk to find ways to keep the world apprised of his progress. Public markets remain ideal for realising liquidity. Before we know it, Twitter may be back with Musk peddling his shares to the rest of us.

Said Alex Trickett, head of economics at CRU Group, a consultancy. "You don't know how cold the winter will be – we are not in the heating season. The big variable is the weather."

dem will face an uphill battle to start winter in 2023-24 in as strong a position as it is today.

Europe has tapped almost every available source of gas, from increased

demonstrating that market economies can find a way through. But, sadly, there's a lot of pain to come.

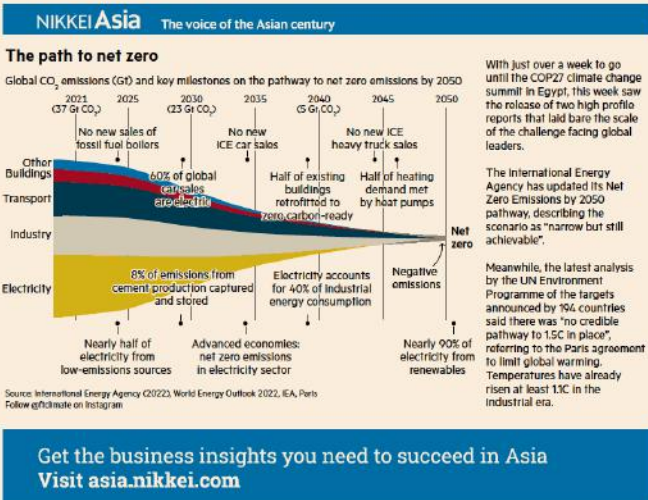
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STYLE | TRAVEL | BOOKS | ARTS | FOOD & DRINK



# Life&Arts

SUPPLEMENT OF THE YEAR

**Return to Dust** Why has the hit film vanished from China's cinemas? — PAGE 12

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As 6pm dining takes hold in restaurants, **Tim Hayward** makes a principled case for the late, boozy dinner...

I'm going to let you in on one of the secrets of restaurant reviewing. If the place you want to visit is ridiculously popular, and declared smoking hot by every other critic, you can still get a table by ringing up and asking for a six o'clock booking. That's how it's done.

At least... that's how it used to be done. Because since we returned from the last lockdowns, the early slots have been filling up. Now, at six, you find it's not just another solitary critic on the other side of the room, silently scratching a critique into their Moleksine, but couples having a drink or a meal without a by-your-leave. And worse, the Twitterati are asking: "Is six the new eight?"

It seems to have started, as so many things do, in New York, a city where the









Our Arts and Books coverage has certainly addressed the latter quest. We have an outstanding books essay by Brooke Masters on page 8 on the issues rolling US universities that includes the extraordinary – dispiriting? – statistic that 63 per cent of Harvard's 2020 graduates went into finance, consulting or technology. In our Arts lead piece on page 12, our film reviewer Danny Leigh takes you to the heart of the other global superpower and looks at the sudden and somewhat chilling disappearance from China's cinemas of the hit Chinese film *Return to Dust*.

I am also so pleased to have Andrey Kurkov again in the FTW, reminding us gently yet urgently of the one story which really matters. Thank you as ever for reading us. **Alec Russell**

Square. It is underground and could well serve as a bomb shelter. This is a private museum and contains the largest, if not the only, collection of rare live jellyfish in Ukraine. I never visited this museum for what might seem like an absurd reason. Its location – a big underground space in the very centre of the city – used to be the main public toilet. When it was closed, I was outraged. And when a private museum of jellyfish was opened in its place, I took it to be some kind of joke.

Since then, two large public toilets have appeared nearby, so my indignation has lost all its puff. When the Museum of Jellyfish announced that admission for combatants and soldiers was free, my negative feelings I might have retained evaporated.

My son Theo recently spent almost two hours there, in the semi-darkness, looking at the backlit rare jellyfish swimming in large aquariums. I imagine that the military folk would like this museum. For a short while, they can immerse themselves in a world a million miles from war.

Strange, I associate jellyfish with autumn, like mushrooms and yellowed leaves. I don't know why such associations arise. Maybe it is just because it is autumn now and the leaves – yellow and red – are already falling from the trees and covering the ground in villages and cities.



The last Iranian drone flew over the roof of our rural house almost 10 days ago. Since then, life in the village has returned to its usual rut

apples still hang on trees. There are also a lot of them in our garden and, because of their weight, the branches have broken. We have a lot of apples and walnuts in our garden this year. The oldest son sent me photos of apple trees and buckets of nuts. The garden has become overgrown during our absence. My wife Elisabeth bottles apple purée for the winter from morning to evening. We also have an electric fruit dryer to make apple slices for the special Ukrainian drink, *uzvar*, which is important at Christmas time. Last week, the village children started to go to the local school for lessons again. They had been studying online for two weeks. The last Iranian drone flew over the roof of our rural house almost 10 days ago. Since then, life in the village has returned to its usual rut. All four of the village's shops are well stocked and fresh bread is delivered every day.

Recently, funeral music could be heard in the neighbouring villages. In Kostivtsi, Stavishche, and Morozivka, Ukrainian soldiers killed while defending their country were brought home to be buried.

Twenty-five men from our village are fighting in the war with Russia; all are alive. Fellow villagers often talk about this, and cross themselves, silently praying that it stays that way – that they all come back alive. I know some of the soldiers from our village but I

during the pandemic. After the recent shelling of Kyiv, life in the village seems safer. Children from Kyiv study online. Few parents are thinking of returning to the city in the near future.

In a strange way, the proof of the normalisation of life in the village and throughout the region is the restoration of the previous level of crime. It seems to be happening all over the country. Once more there are carjackings, an increase in thefts, and robberies. There was even a police raid in our Lazariivka recently and arrests were made.

Twelve young guys from the area were arrested for organising a fake recruitment agency. They pretended to be arranging work abroad for Ukrainians. They asked for an upfront fee and then disappeared. The most surprising thing was that the alleged organiser of this criminal scheme was the son of our friend, not a poor man, the owner of one of the village grocery stores. Several of the suspects were released on bail, but the alleged main organisers – including the son of the store owner – are sitting in a pre-trial detention centre, awaiting the end of the investigation and the trial. They could get up to 12 years in prison.

If that had been the case, those arrested would probably have been offered the option of going to fight in Ukraine. That's not happening in Ukraine right now, but there have been

at the centre of ethnographic culture, *Manusheva Sloboda*.

This blacksmithing workshop has suddenly become popular perhaps because of its association with the defence of Mariupol and, especially, the Azovstal steel plant. Since then, the words steel and metal have become synonymous with the determination of Ukrainians to defend their country from Russian aggression. Many buy bracelets made from steel produced at the huge Azovstal plant – destroyed by the Russian army. The money goes to the Ukrainian army. Everything goes to the army now. And the army feels it. Ukrainians, even those who live as refugees abroad, have also become part of the Ukrainian army. Every Ukrainian has a vision of their own front line and how far this front line is from him or her personally. Each advance of the Ukrainian army towards the borders with Russia gives hope for a speedy end to the war.

Only TV pundits regularly try to temper that hope. They don't want these people to believe in a quick and easy victory. After all, if such a victory does not come, disappointment could drive a person into depression and then even three hours in the Museum of Jellyfish will not help them return to a normal state of mind.

Andrey Kurkov's most recent novel is 'Grey Bees'

## How we eat now

Continued from page 1

martini and I really can't get through sufficient wines and after-dinner drinks to make it worth going out unless we can continue past midnight. Getting swept out at closing time used to be what defined a grown-up. Now, apparently, it's your ticket to rehab.

Sam Hart, whose restaurant group includes Quo Vadis, Barradina, Parillon and El Pastor, has seen an early dining trend coming over the last decade. "It might be something to do with us adopting more American working hours, getting into work earlier compared to what used to be the usual 10am start, and consequently making it less palatable to be dining late into the night."

For Gemma Bell, doyenne of the industry and woman-about-town, the situation varies by postcode. She believes the phenomenon is a legacy of the pandemic and working from home, which mostly affects central London restaurants. Knightsbridge/Mayfair, she adds however, are "immune because of the 'international set', who generally dine much later."

It doesn't seem outlandish that the work-from-home phenomenon that has so affected life in the City might also have affected the West End. But Hart highlights something more worrying: "We used to have a great trade in 'post-theatre' dining, but that magic third service has become more elusive, whereas the early third sitting is rocking." This, then, might be the dark reality behind a frothy trend. The hospitality industry, despite keeping a cheerful smile going for every customer, is facing staff shortages and rising prices for food and power, and is functioning in a world where guests have to celebrate and



From above: diners at Duck & Waffle take a selfie; a canine customer at Café Cecilia – Henry Mance

Getting swept out at closing time used to be what defined a grown-up. Now, apparently, it's your ticket to rehab



less money to spend. An industry that was unsustainable before the pandemic now looks in even worse shape. While it's exciting that dining rooms might be getting busier earlier, pray God they're not getting quieter later.

The latest Hospitality Market Monitor (from CGA and AlixPartners) shows the loss of 2,250 licensed hospitality premises since June, which represents an average of just over 24 closures a day. We are already in a situation where remaining venues are closing for lunch. It's hard to find anywhere open at all on a Monday or Tuesday evening, and a full dining room is a rarity at any time. Restaurants are not in a position to take an additional, culture-driven net reduction in "bums on seats".

If customers are filling early tables that would otherwise stand empty, that's terrific news, but if they are looking to eat cheaper or quicker, or drink less booze, or they are an ageing demographic, pushing off back home to watch the telly with a bottle of their own wine, then they are canaries in the coal mine for the restaurant world and we are looking at grim times ahead, no matter what time we sit down to eat.

Tim Hayward is the winner of best food writer at the Fortnum & Mason Food & Drink Awards 2022; tim.hayward@ft.com

## Restaurant dramas

Continued from page 1

specialisation. In my "brigades" – he had served as an army chef during the Franco-Prussian war – the chefs were divided into teams who could carry out their tasks in parallel.

Shouting and raging was not Escoffier's style, according to his biographer Kenneth James. He banned alcohol in the kitchen, and resented customers who smoked in the dining room – having what he called "dinner à la nicotine". He was sympathetic to socialist ideas, particularly pensions for retired staff.

Escoffier, in other words, did not see the art of cooking and the bad-boy antics as a natural pairing. But his recipes were followed more faithfully than his ethos. Escoffier-loving chefs such as Marco Pierre White bawled out their underlings. Kitchens have been notoriously unpleasant.

"If you put anyone from an office into a kitchen, I don't think they'd survive," says Poppy O'Toole, an English chef who trained in a Michelin-starred restaurant in Birmingham. "It is like a family – a very unhinged family." O'Toole was often expected to work 70 hours a week, and subjected to sexist comments. (Women make up 28 per cent of UK chefs, up from 20 per cent pre-pandemic.) "There were unwritten rules: you can't ask for holiday, you can't ask to leave early, if you're unsure you can't ask for instruction," she recalls.

But bad practices were not universal. "I've worked in kitchens ruled by fear and kitchens ruled by encouragement," says O'Toole. The latter approach works better. For it to prevail, more young chefs need to speak up, she says.

Since lockdown, she has left restaurants and now publishes cooking videos online, amassing millions of fans. She is happier. "We have the image [of the rock-star chef on the brink] and we think it's cool. But it's not cool?"

It's obvious why kitchens might be stressful: too little space, too little time, too much heat. The staff care about doing things right. The head chef's mind is full of rotas, suppliers, waiters, customers, bills.

I spent some hours this week observing the kitchens of two Islington eateries: Kipferl, an Austrian restaurant off Upper Street, and Westerns Laundry, a modern European place near the Arsenal football stadium. Every chef and server I spoke to said they had worked in at least one awful kitchen. Every one insisted this old style was not necessary. Owners don't want the bad vibes. More younger chefs don't see the point in shouting. Dice the potatoes wrong, and it's OK, they can be made into soup. Start a fight because someone touched your knives and you no longer last long. "If someone screws up the meat, I'm not going to do anything about it. Just explain," shrugged Damian, head chef at Kipferl. (He admitted this hadn't always been his approach.)

"The troubled chef thing – it's a bit of a bullshit excuse for being horrible to people," said Jack Williams, the 32-year-old head chef at Westerns Laundry. Williams had enjoyed *The Bear*, but thought it lacked action: "It's just a lot of people standing around doing nothing, and there isn't time to do nothing in a kitchen."

The Kitchens of Kipferl and Westerns Laundry were kindred. But they were not explosive. The spooning of sauces, the slicing of onion, the wiping clean of plates and mistakes – it seemed to happen with smiles or silence.

Staff shortages have shifted the power. When Williams was a young chef, if you couldn't stand the pressure, you got out of the kitchen – there were 20 people ready to replace you. Brexit and Covid-19 changed the equation. "So many people after lockdown were just like: 'I don't want to work in a kitchen again.' There's not 20 other people who want that job now."

Restaurants have to pay more. They have to offer their staff lives outside the restaurant. Work/life balance makes people better chefs, Williams said. "We still lose people because of the hours, but not because of the kitchen environment." (In some places, however, lack of staff has increased the stress for those who remain.)

In recent years, food has become something to look at – a trend epitomised by the sunglasses-wearing salt scatterer, who is too ridiculous to name here. *The Bear* took the focus back on the production line. It validates itself with its kitchen dialect: "Hands!", "Behind!", "Yes, chef." But Carmen's lesson is not that you have to be a tortured genius to run a kitchen. No, his lesson is that the restaurant business is so hard it probably helps if you aren't.

On the day I was at Kipferl, three pastry chefs had to turn out 40 cakes. They were stressed, but distinctly unshouty. "If you are in a bad mood, you won't make good cakes," said one. "The chocolate feast" she was only half-joking. I guessed she was an excellent chef, no expletive caveat required.

Henry Mance is the FT's chief features writer. *The Bear* is on Disney Plus

Staff at Westerns Laundry, London

Staff at Westerns Laundry, London

Staff at Westerns Laundry, London

Staff at Westerns Laundry, London

Staff at Westerns Laundry, London

Staff at Westerns Laundry, London

## Lunch with the FT Jon Stewart

# 'Ain't nothing as agile as authoritarian regimes'

As the host of 'The Daily Show' he was the scourge of political hypocrisy and the rightwing media. Over vegetarian pizza in Greenwich Village, the comedian once voted 'America's most trusted newsman' talks to Matthew Garrahan about his 'quiet activism', returning to the screen – and Donald Trump's knife-and-fork faux pas



they were still young and was keen to try new things. Staying would have meant "following the redundant US news cycle, which as you know from living here is soul-crushing in and of itself".

His new show for Apple is not as wedded to that cycle – episodes in the latest season explore taxes, globalisation and the midterm elections. He has also continued to critique the media: in the first series, he took aim at cable news channels for their breathless over-selling of the 2019 report by former FBI director Robert Mueller into Russian interference in the 2016 US election – and the likelihood that devastating evidence of collusion with the Trump campaign would be found (it wasn't). An early episode last year was devoted to the struggle of military veterans suffering with health problems after being exposed to "burn pits", the noxious waste-disposal areas next to US bases in Afghanistan and Iraq, where all types of toxic material are burnt and destroyed. It was an attempt to get the head of the Department of Veterans Affairs on the record about the issue, setting off a chain of events that, Stewart and fellow campaigners hoped, would lead to new legislation.

"I opened for him in West Palm Beach and it was one of the best experiences of my stand-up life," he says. Hicks was famously censored by CBS the year before his death, when a stand-up piece that poked fun at the pro-life lobby was yanked without warning from David Letterman's late-night chat show. Hicks had an "internal moral compass, a barometer" that meant never compromising on what he believed, Stewart says. "The audience? Glad they're there. Hope they like it. But they're not the most important thing."

He invokes Hicks again when we discuss cancel culture – a relatively recent phenomenon, at least since he left *The Daily Show* – and the perils inherent in falling foul of public opinion. He has stood by his good friend and fellow comic Dave Chappelle, who sparked controversy and anger with jokes about trans people on a stand-up show for Netflix, recently saying: "I know his intention is never hurtful." (Stewart himself devoted an entire episode of his new show to a thoughtful discussion on gender, apologising for "shitty and reductive jokes" he told in the 1990s.)

The instant feedback loop of social media has gathered pace since he left *The Daily Show*: criticism is "so much more immediate and vociferous and



Along with watching the Knicks lose at basketball, riding the subway, getting yelled at in the street (or on the subway) and seeing a rat — usually on the subway — is there a more New York experience than eating pizza? This I ponder while I wait for Jon Stewart at John's of Bleecker Street, a Greenwich Village institution that looks as old as its 93 years. A sign over the door says "No Slices", inside, dark paneled walls are adorned with graffiti scratched by diners down the decades. There are also framed photographs of various celebrity guests, including Nicolas Cage, the formerly famous and not very good rapper Vanilla Ice and, by my table, a young Billy Crystal.

But more on the pictures later. Pizza is a fitting choice for a lunch with one of New York's most beloved sons, a former stand-up comedian who became America's pre-eminent satirist over 16 years as the host of *The Daily Show*, and who was this year awarded the Mark Twain prize for comedy. He spoke for many in the city in an emotional on-air monologue shortly after 9/11, and in subsequent years his hometown's affection for him grew because of his campaigning for the rights of emergency workers who survived the attack, culminating three years ago in a landmark law that permanently funds medical care for 9/11 first responders.

I got to my table first and he arrives a few minutes later, a baseball cap pulled over a mop of silver hair — a change since he was last a regular on TV screens in 2015, when he broadcast his final episode of *The Daily Show*. When he reappeared last year behind the presenter's desk of his new Apple TV series, *The Problem with Jon Stewart*, he acknowledged the length of time he'd been away. "I really want to address the elephant in the room. This is what I look like now," he solemnly told his studio audience, to much laughter. "I'm not happy about it either. Very few people would be happy about looking like an anti-smoking poster."

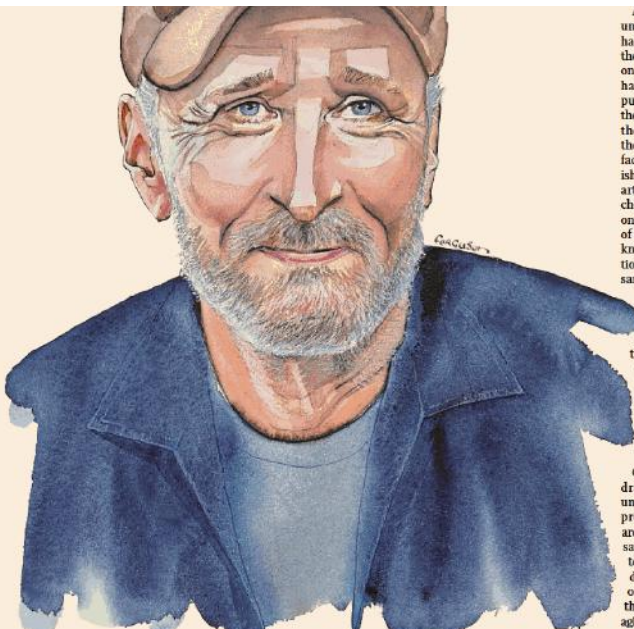
From 1999 to 2015, Stewart and his team of writers pushed the boundaries of satire, creating an extraordinary nightly synthesis of comedy, political comment and news. From his devastating interview with CNBC's Jim Cramer, where Stewart methodically took the presenter and business network to task for their failings in the 2008 financial crisis, to his endless skewering of George W. Bush and the misadventure of his administration in Iraq, the show became a fixture in American society and culture.

I want to know why he quit just as US politics veered into surrealism with the rise of Donald Trump, and about his return to television via his new Apple show, which has just started its second season. But first we have to order some pizza: pepperoni and mushrooms for me, black olives and mushrooms for the vegetarian Stewart.

"I was more corned beef than man for many years," he says of his life before giving up meat, which he eventually did because "I got tired of my wife staring at me". The Stewarts decamped from Manhattan a few years ago and now live on a farm in New Jersey. "I don't think I could do it any more," he says of eating meat, before adding, in a nod to his animals: "Once you learn their personalities, it fucks everything up." Now I'm wondering if I should have ordered the sausage on my pizza, but he tells me not to worry. "I don't have a pet pepperoni. So you should be OK."

It is odd, sitting opposite him, and for a moment I feel strangely old, for reasons unconnected to his snowy beard, sixteen years ago I moved to the US, and my wife and I would regularly watch Stewart's show and *The Colbert Report*, which starred *Daily Show* alumnus Stephen Colbert, when trying to get our then baby son to sleep.

"That's lovely to hear," he says politely. "Because a lot of times we'll



JOHN'S OF BLEECKER STREET  
278 Bleecker St, New York, NY 10014

Medium pizza with mushrooms and olives	\$28
Medium pizza with pepperoni and mushrooms	\$29
Coca-Cola	\$2.50
Total Incl tax and service	\$70.54

hear like, 'Yeah, we would have sex and you guys would be on in the background.' which, he says, 'is fine too'.

His new series is as funny as *The Daily Show* but has a more meditative pace. The slice of satire each weeknight hit the mark during the Iraq war years as US media became ever more polarised, fuelled by the surging popularity of Rupert Murdoch's Fox News, whose often hysterical hosts were regularly in Stewart's sights. This led to a couple of appearances by Stewart on Fox itself: on one occasion, he sparred with the presenter Bill O'Reilly on air and then met the late Roger Ailes, formerly Murdoch's most trusted lieutenant.

The Fox News chief executive told him in a private meeting that Stewart owed him "big" and also owed him his career. "I said, 'Roger, I'm sure if you went away tomorrow I'd find other shit to make fun of. It kind of went downhill from there.' Ailes also asked after Stewart's children, mentioning them by name. "It was said like, 'I know things about you.' Thrice stating, in a weird way. And we basically spent an hour just yelling at each other."

The goal of Fox News, Stewart says, is "to dismantle and de-authorise the credentials of voices of mainstream democracy". The right in America, he goes on, has created a "code of conduct that they don't have to abide by, but that if you run afoul of it you will be attacked relentlessly". He gives an example: former White House press secretary Jen Psaki was recently pilloried on air by Fox's Sean Hannity for taking a job in the media. "Meanwhile, the day before, this motherfucker is on the golf course with Trump discussing legal strategies. He's an adviser to that campaign. But they don't care, because hypocrisy and shame mean nothing to them. Power is the only currency."

We are making good progress with the pizzas but other diners have clocked that Stewart is in the house. Two men nearby have stood up to leave and are hovering by our table, one nervously asks for a picture, gushing that he loves Stewart's work. He points to the celebrity photograph on the wall of his booth: it is of Stewart himself with his daughter from a previous visit several years ago.

A man with a beard and glasses who introduces himself as Scott then stops at the table, thanking Stewart "for everything you do, especially with pizza". He reveals that he runs pizza tours around Manhattan.

"You do not," says Stewart.

"For the last 15 years," he says proudly. He tells us that he designs his tours around where his guests are from. "I'll try to take them to places that will fill in the blanks of their life," he says, almost mystically.

"You're a fucking artist," says Stewart, admiringly. "A pizza artist."

"I'll take people here [to John's]," Scott continues. "And when they realise the sauce is on top of the cheese..." (I look at a pizza: he's right about the sauce.) "...then their mind is blown and then they reconsider everything leading up to that day."

"You're a philosopher king?" cries Stewart.

Scott departs — after an obligatory selfie — and we talk about *The Daily Show* segment that cemented Stewart's place in New York pizza folklore. It was an eight-minute diatribe from a decade ago, when a pre-White House Trump, then fashioning himself as a Republican kingmaker, had a New York pizza dinner — in front of the cameras, naturally — with a visiting Sarah Palin. "And he ate it with a knife and fork!" Stewart says — a strict no-no in these parts.

Which other native New Yorkers would elicit the sort of reaction Stewart gets from his fans if spotted in this part of Manhattan? An FT colleague later suggests former New York Yankees star Derek Jeter and I wonder about Bruce Springsteen too, though they were both born in New Jersey so don't really count. Donald Trump? OK, maybe not him.

Stewart's popularity is clearly undimmed from *The Daily Show*'s pomp, when, in the eyes of many viewers, he was as much truth-telling journalist as comedian. In 2009, shortly after the death of the revered CBS anchor Walter Cronkite, he even topped a Time magazine poll to find the most trusted newsman in America.

He won 25 primetime Emmys on the show and could have made hay in the Trump years, so why did he ever leave? "I didn't feel as though I could evolve it in meaningful ways any more," he says, taking a sip of water. He says he wanted to spend more time with his kids while

All was progressing well this summer until several Senate Republicans who had already supported the bill changed their positions when it was resubmitted on a technicality. There the bill would have died had Stewart not set out to publicly shame those who changed their votes, chief among them Ted Cruz, the Texas Republican senator who these days has impressively sculpted facial hair. "As an antiquated beard fetishist I find him to be top-notch," Stewart says, drolly. "Fair play to mutton chops, that's what I say." Cruz, he goes on, "is the epitome of the derangement of a political cause. Not particularly knowledgeable about the actual legislation that he voted for and against in the same week. Well-heeled in trolling. Lacking of principle or shame. So how do you shame him?"

The answer was a short video Stewart made for social media that quickly went viral, notching up close to 9m views on Twitter alone. In it, he dismantled Cruz's claims about the bill; Cruz would go on to vote in favour of it and it would pass into law — only for him to call Stewart a "wild-eyed, leftist demagogue" a few days later.

Getting the bill passed was clearly a draining experience. "The way to understand the American legislative process is that it's so complex and arcane that nothing is possible," Stewart says. "It's a remarkably inefficient system that's not agile, and I think it's why democracy, not to get too fucking philosophical about it, is in some ways on the wane in the world. Ain't nothing as agile as authoritarian regimes."

We've been talking throughout lunch about bill tricks, a comedian who launched a trail on both sides of the Atlantic but who died of cancer in 1994 at just 32. In style, tone and material that poured scorn on political hypocrisy, he had much in common with Stewart, whose eyes light up when I mention his name.

relentless", which can be "hard to navigate", Stewart says. "I'm fortunate enough to be established enough to not have to really factor it in," he says. "I do

Criticism "is so much more immediate and vociferous and relentless... I'm fortunate enough to be established enough to not have to really factor it in"

feel for people who have to factor it in, but I would encourage them to not do that. I would encourage them to be bill Hicks so that what they do, they believe. And if people come at you, fucking let them come at you."

His critics on the right, among them Fox's Tucker Carlson, certainly came for him in the summer during the burn-pit campaign. Stewart did plenty of right-wing media appearances to rally support for the law and says he was given a fair hearing. "They were in a bit of a pickle. It was for veterans... and we were right."

Given this and his other legislative successes, does his future lie in Washington? A Politico op-ed this summer said Democrats would have a better chance of retaining the White House in 2024 if Stewart ran on the ticket. The piece drew a quick "Ummm... No thank you" response from him on Twitter.

Politics still seems like a natural progression. "I don't know that it does," he says. "There's value in using whatever capital you've built up to effect real legislative change when the opportunity arises." So he will stick to the course he is on, for now. "The quiet activism of living pleasantly," he says, philosophically. "And everything else is additive."

Matthew Garrahan is the FT's news editor

## RICHARD MILLE

RM 72-01  
Intense, exhilarating automatic winding satires  
50mm steel case (18K)  
Rotating bezel with 18K gold diamonds  
Patek Philippe movement  
Patek Philippe and Rolex logos  
Patek Philippe  
Case in white gold and onyx and diamonds

### A Racing Machine On The Wrist

## Style

Accessories | A well-made pair of chaussettes can be warming and jazz up an outfit, writes *Ellie Pithers*

Let them wear cashmere. That's the message in chilly France, where President Emmanuel Macron has switched out his customary shirt and tie in favour of a rollneck sweater, apparently at the suggestion of his finance minister, Bruno Le Maire.

In September, Le Maire told France



metallic foil coating that shimmers dramatically. Pictured: Maria La Rosa Laminated One socks, £39, mariarosa.it

### The everyday sock

In a country that is semi-religious about socks, Japanese sock company Tabio is the undisputed leader, with hundreds of styles made in traditional methods. "The fabric is good quality and they have cute designs," says Tokyo-based

stylist Reina Ogawa Clarke. One of its signature shapes is the Banner, which features a sleek silk upper and cotton footbed for better cushioning, but it skews fun too, with argyle, daisy-print and bow-adorned styles. Pictured: Tabio Sheer Mellow Top Flower Crew Socks, £14, tabio.co.uk



other radio that, in time with plans to reduce France's energy consumption by 10 per cent by 2034, beginning with the lowering of thermostats in government offices, "you will no longer see me with a tie but with a turtleneck. And I think it will be very good, it will allow us to save energy."

Don't forget the socks, I found myself thinking. While some might scoff at appropriating the uniform of the Left Bank intellectual to conform to the new mood of "sobriété énérgétique" (energy sobriety), with others such as prime minister Elisabeth Borne resorting to holding official meetings in her puffer jacket, a really good pair of chaussettes is an essential piece of keeping warm kit.

'An ankle sock makes me feel a bit cooler and is more individual than tights. It's a small investment that packs a punch'

Fortunately for aesthetes, socks are having a high-fashion moment, too, having been rolled out with ladylike ensembles on the Dior, Hermès and Chanel catwalks for autumn. The Paris Fashion Week pavements this past October were chock-full of show attendees forgoing invisible sockettes or sheer tights in favour of ankle socks with their penny loafers and pointed toe pumps.

Having been something to conceal, socks are now a Sunday-best accessory. As the former British Vogue fashion director Lucinda Chambers (rarely seen without a colourful pair of Maria La Rosa socks teamed with sandals or platform sneakers) says: "An ankle sock just makes me feel a bit cooler and a bit more individual than a pair of tights. It's a small investment that packs a punch."

But where to get good socks, if your budget doesn't stretch to Chanel's £700 thigh-high cashmere iterations? Socks might seem like an afterthought, thrown in the trolley along with the weekly groceries, but it's worth spend-



## Where to find good socks



ing a bit more – say upwards of £15 for a well-made pair – and more thought on what can frequently act as a polished punctuation mark on a straightforward outfit. Trust me, as you slip on your cosy, durable, breathable socks – and may I recommend Falke's "cosy wool" ankle style in chocolate brown (£18, falke.com) – you'll wonder why for years you've neglected one of the wardrobe staples you spend the most amount of time wearing. That said, not all socks are created equal. Here is a handy guide.

### The Insta-worthy sock

Jenni Lee founded her cool-girl sock brand Comme Si in New York in 2019, frustrated by the lack of quality options for women. "Yes, it's a practical item. But there is no better luxury than putting on a nice pair of socks," she says. Comme Si's cashmere, silk, merino

wool and cotton styles are made on traditional knitting machines where, until Lee showed up, they were only making old-fashioned dress socks for men. She's borrowed that old-school aesthetic – most of Comme Si's designs are ribbed, and in muted colours that work well with boyish brogues, loafers and sneakers. Pictured: Comme Si Yves cotton socks, £25, [comme-si.com](http://comme-si.com)

Left: designer Miuccia Prada at a Prada show in Milan, 2020

Above: a guest outside Chanel's Paris Fashion Week show in crunched-up socks with loafers

### The after dark sock

Italian accessories label Maria La Rosa began in the 1990s with a line of woven handbags, then expanded into handmade Italian socks at the behest of a buyer from Barneys New York. The socks were an instant hit and became the bulk of the business; over the years the company has supplied Victoria Beckham and Louis Vuitton, among others. A favourite with stylists, Maria La Rosa's best-selling sock is a silk style with a



From above: Toast's chunky socks and Chelsea boots; a colourful option from Tabio

Below: blue Comme Si socks; black knee-length Dior socks with yellow detail, autumn/winter 2022 – Getty Images



A BUNNAGE.COM

### The chunky sock

For super-chunky, remote-work-appropriate socks, try Mauna Kea's ribbed cotton-hemp style. They're not cheap at £18 a pair, but Toast's head of design

Laura Shippey insists the attention to detail is worth it. "Both Nishiguchi Kutsushita and Mauna Kea work with vintage-knitting machines that give their socks the characteristic texture. They produce socks of exceptional quality with an emphasis on comfort and longevity," she says. Your other options? The Japanese outdoor apparel company Montbell's trekking socks, which stylist Ogawa Clarke insists will last for ages, and Wright & Doyle's alpaca walking socks, which are made in England and favoured by designer Erica Toogood. Pictured: Toast Mauna Kea socks, £18, [toast.com](http://toast.com)

### The eco-aware sock

Those looking for socks free of animal fibres will be hard-pressed to find pairs that don't contain a small percentage of polyester or recycled polyester to aid with springiness. Then there's weighing up the relative merits of water-intensive cotton versus less water-intensive bamboo. Hemp has a low impact on the environment, water-wise, as well as natural odour-resistant properties; Patagonia's hemp-blend socks, which are a mix of hemp, recycled cotton and recycled polyester, also tick the vegan box. Or you can opt for Arket's ribbed recycled cashmere socks, made of recycled wool, recycled polyamide, viscose from sustainable forestry, and elastane, in a shade of oatmeal. Pictured: Arket Recycled cashmere-blend socks, £25, [arket.com](http://arket.com)

## Not all slogan tees are bad

Fashion Long before memes, designers and activists used T-shirts to make a point, writes Mark O'Flaherty



A few days before Kanye West's "White Lives Matter" shirt made its unwelcome debut at Paris Fashion Week, Cher was photographed at dinner with Rick Owens wearing a vintage Stephen Sprouse blazer emblazoned with "God Save N.Y.C." – a reminder that a slogan on fabric can be a creative, sophisticated form of communication decades after it was first conceived.

Sprouse, who died in 2004, created Cher's blazer as part of his punk-inspired relaunch in 1987. Monochrome photos of the singer wearing it the first time around are regularly cited as one of the most significant fashion moments of her career. Sprouse was obsessed with the legacy and aesthetic of punk, but

also in love with his city. He was fascinated by the links between religion and rock – a year later he created prints bearing a crucified Iggy Pop. Sprouse used text on clothing with nuance.

Decades before MACA was plastered over red baseball hats, slogan T-shirts were conceived as powerful walking billboards. They got a message across directly and the detail of the typeface could add beauty and extra levels of meaning. They were content before the concept of "content" and their message is only amplified by social media.

Slogans on clothing predate memes by decades and are wholly distinct from branding. Many of the most classic examples of the slogan T-shirt come from agitprop movements. "Silence = Death" became part of the iconography of the fight against AIDS. Similarly, photographs of the artist David Wojnarowicz wearing a leather jacket in 1988 with the legend "IF I DIE OF AIDS – FORGET BURYAL – JUST DROP MY BODY ON THE STEPS OF THE FDA" have passed from being fury-fuelled direct action into poignant social history.

The technique that Wojnarowicz used as a one-off, as part of the harsh reality he was living and indeed dying through, was turned into a phenomenon by Katharine Hammett. She created a series of slogan tees with a suspended typeface that would read clearly when reproduced in newspapers and on TV. When she unfasted her coat to meet Margaret Thatcher in 1984, to reveal a "58% DON'T WANT PERSHING" slogan to protest the proliferation of nuclear weapons, it was intended to make headlines. And did. When she relaunched her label in 2017, it included her "CANCEL BREXIT" shirt. "It was a cry from the heart," says Hammett. "Three- or four-letter sentences work so well on a garment. They are perfect propaganda tools. You can't not read them. Anything you see written, it's inside your brain. You have no filter that defends you." Hammett decamped to Mallorca when Brexit wasn't cancelled, and a subsequent design fests melancholy: "WHY BREXIT, MY FRIEND?"



The medium of the slogan in high fashion has its roots in Chelsea in London. Mr Freedom, run by Tommy Roberts and Trevor Myles in the late 1960s, was one of the first labels to produce slogan tees and tops, with kitsch Pop art mantras such as "GOD BLESS Woolworth's". Malcolm McLaren and Vivienne Westwood would use text in more radical ways. Their 1976 T-shirt "You're Gonna Wake Up One Morning" includes a list of what they liked and did not like

(Simone de Beauvoir and Joe Orton appear on the former list, The Archers and Mars bars make it on to the second). "The interplay of text, imagery and the materiality of the garment that it's printed on, which resemble relics from a lost civilisation, transformed the everyday slogan T-shirt into something more subversive and poetic," says professor Andrew Groves, director of the University of Westminster's Menswear Archive. "Unlike Hammett's T-shirt, the

Clockwise from far left: Cher in a Stephen Sprouse 'God Save N.Y.C.' blazer, 1988; a subtle slogan on a Yohji Yamamoto blazer from spring 2023; tulle gown by Viktor & Rolf; Katharine Hammett wears a slogan T-shirt in 1984 to meet Margaret Thatcher; Hammett with a 'Fashion Hates Brexit' T-shirt in 2019 – Getty Images/Alamy

use of tiny typewriter text makes it a more intimate garment, requiring you to get closer to the person wearing it in order to read it, thus drawing you in on a much more physical, intimate level."

Done skilfully, writing on clothes can become an integral part of a designer's aesthetic, aligning it with their values. Take Raf Simons paying homage to Peter Saville's album covers, or the text-based artwork of Philippe Vandenberg that he incorporated in his recent London show, including a piece reading "Let's drink the sea and dance". Look too at the penmanship of Yohji Yamamoto in his spring 2023 menswear collection: "What are you made of?" and "I'm so bored with rules".

The use of text in fashion doesn't have to be political to have value. It can be lyrical or witty. "It's my birthday and all I got was this overpriced T-shirt from Vetements" is, to me, satirical and amusing. When Viktor & Rolf created voluminous tulle gowns in 2019, they went viral because of the slogans: "SORRY I'M LATE I DIDN'T WANT TO COME" and "I'M NOT SHY I JUST DON'T LIKE YOU" are both wearable memes. Then there's Bella Freud's "Godard is Dog" sweater, which takes its cue from the 1970s "Clapton is God" T-shirt and is a modern classic.

One of the most interesting young designers working with slogans today is Willie Norris, of Willie Norris Workshop in New York. Norris creates dynamic androgynous modern fashion and has created T-shirts that read "PROMOTE HOMOSEXUALITY" and "PROMOTE TRANSEXUALITY". In an increasingly right-tilting landscape, these are provocative and earnest statements.

Sloganeering is alive and kicking. If anything, with social media, its agency has increased. "I see a slogan as an insurance plan," says Norris. "It is thinking for the long haul. The world changes around a slogan and each change adds new value to the words. A slogan morphs from catchy to resonant to vital to spent to reminder to nostalgic to reborn. It's a friend to have along the way."

### Modern Menswear



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TRUNK



## Why men's trousers so rarely fit well

Most men – certainly me, and almost certainly you, if you happen to be a man – spend most of our days in trousers that do not fit very well and are not particularly flattering. This is partly unavoidable. The area of the body running from the belly button and lower back to the knees is oddly shaped on the most well-formed

of it. Clothes can't look good if they look uncomfortable. When you are standing up straight, trouser legs, however slender, should hang down, not cling. Accordingly, stretch fabrics are out.

The same aspirational modernity may have driven the falling waistbands of recent years. We should have listened to our female friends who, forced into low-rise jeans 20 years ago, told horror stories of underwear riding

And so to leg bottoms. Thom Browne tried valiantly to make us all show our socks, even when we were standing up straight. It almost worked, for a while. His legacy may be that more men – well-dressed men, anyway – wear their trousers without a break, and with a slightly narrower leg opening. This does, in fact, look pleasingly modern, with turn-ups or without. Trousers should not bunch up around the ankles. Why does this so



laper the leg and adjust the rise to suit your preferences. As Guy pointed out to me, the only part that can't be adjusted easily is the thigh. They should fit so that the pleats, if any, lie flat (and, with a higher rise, a single pleat improves the fit).

Trousers that look good are more important than ever now because men rarely wear jackets any more (a regrettable fact, but here we are). We see more trousers now. Good idea.





Robert Armstrong

## Men's style

the male body will have noticed) varies a lot from man to man. It's hard to wrap cloth around this stuff and have the result feature elegant lines and smooth planes.

But avoidable mistakes are made, as well. Most of them involve one or more of the three deadly sins: too tight a leg, too low a waist, or slouchy leg-bottoms.

At some point we, as a culture, decided that tight trousers were a youthful, contemporary look. Perhaps they are. Certainly encouraging men to show off their leg shape strikes a blow for sexual equality. But there is a wide, perhaps unbridgeable gap between idea and execution here.

Cutting trousers that are skinny but don't bunch up awkwardly and ripple at the seams must require devilish cunning if even the people who dress James Bond failed spectacularly to pull

up and discomfort while sitting down. A longer rise, placing the top of the waistband an inch above the hip bones, has a lot of good effects. It can accentuate that one does, in fact, have a waist, thereby making the shoulders appear wider. It holds a tucked-in shirt tidily in place. It makes the leg look longer. If one is wearing a tie (remember those?), a higher waist means the tie can be a bit shorter and not flop all over the damn place.

Find a photo of Miles Davis or Clark Gable from the middle of the last century to see what a longer waist can do for a man. Fred Astaire knew that a high waist provided freedom to move, as well. And yet it is very difficult to find trousers off the rack that sit high on the waist. Somebody please do something about this (Gucci, for one, seems to have gotten the message).

often happen? The style writer Derek Guy has proposed the following explanation: when trying on pants, men are worried about feeling comfortable in the rear — they don't want a wedge, in short. So they prefer a long back rise (the distance from the top of the inseam to the rear waist). This extra fabric is not pulled up, though. Instead, it hangs down, creating a feeling of ample space. But this sends ripples down the leg and bunches up at the back of the cuff. The lesson: don't be afraid of a fitted seat. It makes the legs fit better.

Shorter men have to be extra-cautious about their trousers pooling at the bottom. This not only looks sloppy but makes the short appear shorter still. Buy off the rack (bespoke trousers have become idiotically expensive) but get thee to a tailor. While you are there,



From top: Joaquin Phoenix wears high-waisted trousers on the set of Spike Jonze's 'Her'; musician Miles Davis showing what a longer waist can do for a man — Capital Pictures/Getty Images

then, to not only find a few pairs that fit, but to spend a little money on them. Most men want cotton clothes that they can throw in the wash without worrying and put on right out of the dryer. Fair enough. We all have to get up and go to work every day, and we all have other things to spend our money on.

But good wool cloth that takes a crease — dark flannel, whipcord twill, Donegal tweed — is interesting and still looks up to date. It wears well and can go a while between washings, especially if strategically darker shades are selected. In a jacketless world it introduces the right note of formality. We should all spend a little more money on our trousers.

Robert Armstrong is the FT's US financial commentator

Joaquin Phoenix was "wicked-looking — shiny black hair that hung down over the curve of slender hips, drooping lashes, partly raised". A cook in a Greenwich Village café had "a fleshy, hard-bitten face, bulging cheeks, scars on his face like the marks of claws — thought of himself as a ladies' man".

In *Chronicles: Volume One*, his 2004 memoir, Bob Dylan recalls in lyrical detail the appearance of people he met 40 years beforehand. It demonstrates an acute visual sensibility, though rarely does he turn that lens on himself.

Dylan, now 81, has returned to the UK from October 19 to November 5 for a 12-date tour. He remains an enigma and gives few interviews, which leaves Dylanologists to study and debate his 60-year musical career (there is even an Institute for Bob Dylan Studies at the University of Tulsa). But rarely is Dylan



Above: Dylan (with his manager Albert Grossman) at the Newport Folk Festival in Rhode Island in 1965; far left in trademark shades in London the same year — David Cohen/Getty Images; Doug McKinnon/Getty Images

considered in the context of his clothes, costume and visual identity.

And yet, argues Lucas Hare, actor, Dylan superfan and co-host of the *Is It Rolling, Bob? Talking Dylan* podcast, it was Dylan who invented the rock-star look. "He was always at the centre of high fashion and yet existed outside of it," says Hare. "Keith Richards, John Lennon, Jim Morrison — they all copied Dylan. And when that happened, he moved on pretty sharply."

Paul Gorman, author of *The Look: Adventures in Rock & Pop Fashion*, points to Dylan's abrupt style change in the mid-1960s as the exact moment of invention. "Take Dylan's earnest, acoustic 'spokesman of a generation' style on his 1962 debut album *Bob Dylan* — autumnal coat, peaked cap, a look borrowed from Woody Guthrie and quickly emulated by The Beatles.

When, in his early twenties, Dylan felt the pressure to lead a social movement was too great, that folksiness was swiftly replaced with the wiry, surreal and enigmatic creature he transformed himself into to mark 1965's *Bringing It All Back Home* and his swerve to an electric backing band. "He's saying, I'm no longer scuttling around in the American Dust Bowl because I'm not wearing the right clothes," says Gorman.

At his first appearance with that electric band at the Newport Folk Festival in 1965, Dylan is suddenly a rock star, an entirely different character, in polka-dot shirt, with crazy tall hair and hiding behind permanent sunglasses. Here was a Dylan who was hard-edged and cartoonish, certainly Warhol-like (Dylan met the artist at roughly the same time), all served with a trace of the English dandy. It was not only a radical look, it was also hard to emulate. In the mid-1960s, there were few places to buy futuristic menswear.

Richard Young is now a well-known photographer, but in 1965 he was a teenage sales assistant in what was, he says, "the most elegant, campiest menswear shop in London" — Sportique on Soho's Old Compton Street, owned by the British menswear designer John Michael Ingram. It was, he says, one of just a handful of such boutiques in London.

Young remembers serving Dylan and his entourage, who were on a visit to London and in search of Sportique's

## Bob Dylan still gets it right

Menswear | He invented the rock-star look in

the 1960s — and even in his eighties the enigmatic

performer looks elegant, writes Helen Barrett



Clockwise from left: Dylan during his UK tour in 1965; performing in Paris this month; on his first visit to the UK in 1962, wearing the cap-and-jacket look seen on the cover of his debut album *Bob Dylan* — Getty Images; *Bob Dylan* — Getty Images; *Bob Dylan* — Getty Images; *Bob Dylan* — Getty Images



shirts: colourful Swiss voile lace, or fly-front styles (as worn by Dirk Bogarde in the 1965 film *Darling*).

Sportique's shirts were expensive and handmade by a tailor upstairs. The boutique also stocked sharp, covetable Italian and French imports not found elsewhere in London.

"Dylan bought a suede maroon jacket made by a French fine leatherwear company called Mac Douglas," Young recalls. "The minute these jackets came into stock, they went." (Young also says that, on the same day, he sold Bob Newirth, Dylan's friend and assistant, the orange-and-white striped T-shirt he can be seen wearing behind Dylan on the cover of 1965's *Highway 61 Revisited*.)

Young was part of a generation of Londoners in awe of Dylan's mid-1960s aesthetic. It was, he says, "a look that couldn't be broken. Everyone tried to copy it. No one got it right."

Hare points out that Dylan's mid-1960s look lasted long after Dylan ditched it, widely copied a decade later by punk-era performers such as John Cooper Clarke, among others.

But Hare and Young are still in awe of the epochal, electric Dylan look. "When I was at drama school I'd just seen *Bob Dylan: Dont Look Back* [the documentary about Dylan's 1965 tour of the UK] and I started wearing an old leather jacket I found in a charity shop, trying to get the same attitude," says Hare. "But I looked nothing like Bob. My hair wouldn't stand up." The look was also highly androgynous. "It's interesting that there is no jarring quality to Todd Haynes's casting of Cate Blanchett as Dylan in that period in [the 2007 biopic] *I'm Not There*," says Hare.

In the 1970s, Dylan switched again, with various guises: backwoodsman-style, cowboy aesthetics, Native Ameri-

can paraphernalia, even experiments with Marcel Marceau-like white make-up and eyeliner, as on the cover of 1976's *Hard Rain*.

Hare describes Dylan's latter-day stage look — creole-style suits, pencil moustache, even spats — as "respectable country gentleman with roots in Nashville, a little carnivalesque, a little Clark Gable". Says Young: "The way he dresses now is unique — a very stylish man in his eighties who knows about clothes and how to look and present himself on stage. I've never seen him in anything baggy. He's always slim and he's always elegant."

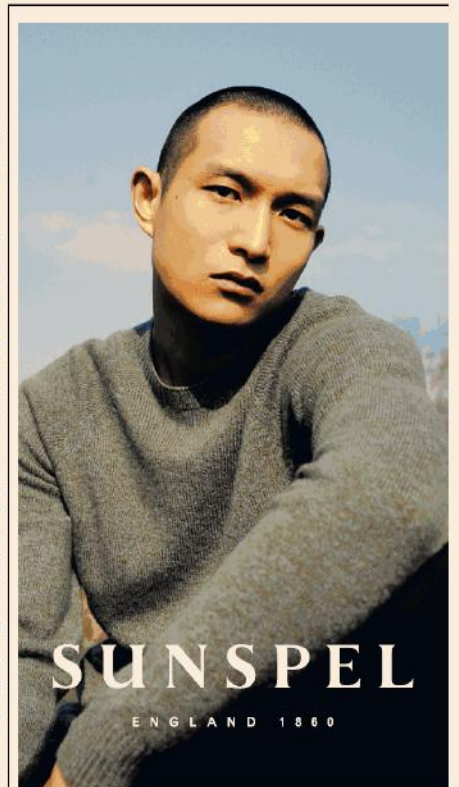
"There are few road maps for the older performer," says Hare. "But he still gets it right."

The folksiness was replaced with the wiry, surreal creature he transformed himself into

Of course, Dylan is not there — he is a construct and a phantom. His real name is Robert Allen Zimmerman, a Jewish-American from Minnesota in the Midwest, not the southern Dust Bowl nor the streets of London or New York. The real man remains largely an enigma.

In Martin Scorsese's 2019 film *Rolling Thunder Revisited: A Bob Dylan Story*, which explores Dylan's 1975 tour of small US venues, Dylan says: "When somebody's wearing a mask, he's gonna tell you the truth. When he's not wearing a mask, it's highly unlikely."

says Hare: "In that case, the only time he's telling us the truth is on stage. Everything else is smoke and mirrors."





## Italy | Set to be twin Capitals

of Culture, overlooked gems

Bergamo and Brescia are in the spotlight. By Julia Buckley

She is, they say, Brescia's most beautiful woman. The Vittoria Alata, or Winged Victory: a statue two metres high, modelled in wax about 2,000 years ago, then cast in bronze and frozen in time, standing in her new home, she looks as if she might spring back to life. The folds of her toga, rumpled in the breeze, could unravel as she takes a step; the material clings to her flesh, hinting at the swell of her hip as it slides down her shoulder. Arms stretched out, she seems to proffer something lost long ago, staring past me as inscrutable as the Mona Lisa.

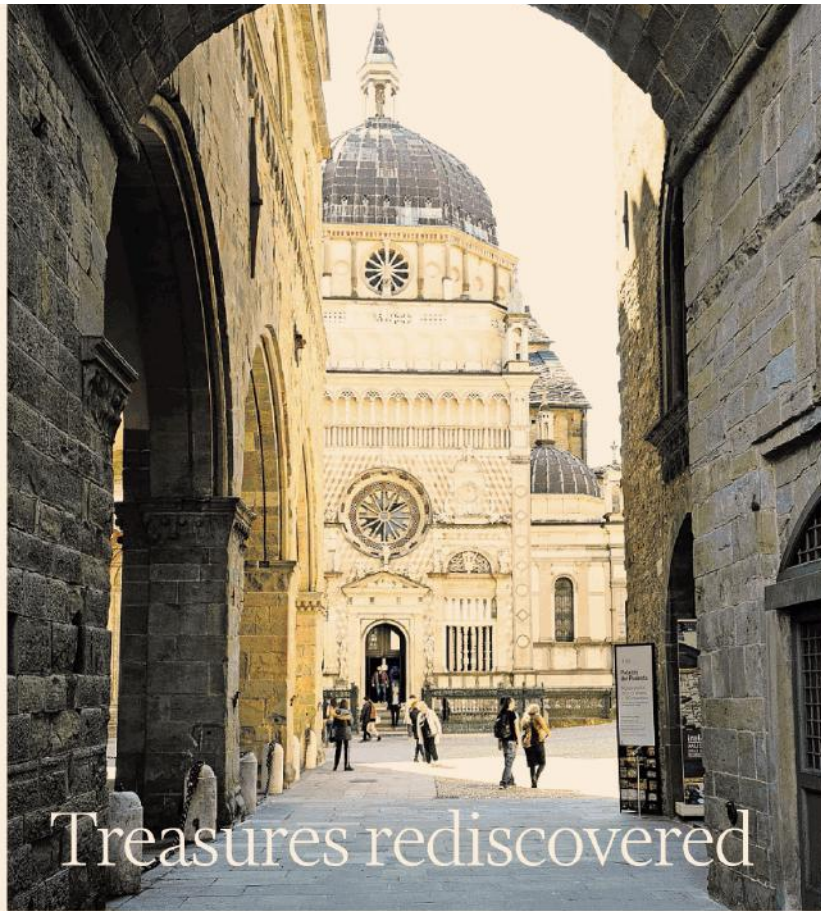
It feels new to be seeing beauty in Brescia. In spring 2020, pictures coming out of the city and nearby Bergamo silenced the world. Coffins were piled high in warehouses and loaded on to army trucks; priests held mass funerals. This was Italy's pandemic epicentre, and it was terrifying.

More than two years on from those incredible scenes, I want to see a different side of Brescia and Bergamo. The two – north-east of Milan, about 50 miles apart – have been named twin Italian Capitals of Culture for 2023. A pity vote, you might think, until you get there. Brescia has the kind of Roman remains that rarely exist north of Rome itself; Bergamo is a time capsule of the medieval and Renaissance periods. Together, they offer Italian history in a nutshell.

Not that tourists knew this until relatively recently – because not even the Bresciani themselves were too bothered. "We've always been an industrial city – it took a while to turn towards culture," says guide Dario Cuzzovaglia, showing me around the Capitolium, or Capitoline Temple. Not for nothing does the name echo Rome. Ancient Britia's sprawling forum was set on a slope, crowned by this colossal temple built in gleaming local stone. That it is as impressive as those in the capital is thanks to Vespasian. In AD69, the Britians supported the would-be emperor in his civil war for power. He won.

"As thanks, he told them, 'I'll give you a forum worthy of Rome,'" says Cuzzovaglia, gesturing to what today is a vast cobbled square, ringed by Renaissance palazzos on three sides and topped by the temple complex and a huge Roman theatre. Fluted columns rear up from an excavated patch on one side; below one of those buildings, Palazzo Martinengo, lie a Roman home and baths, and beyond the modern square is a building with Corinthian columns embedded in its walls and marble paving in the basement – the Roman basilica, or heart of government, now the headquarters of Brescia's heritage ministry. Both buildings are open for visits.

Since December 2020, when she was moved from the sprawling Santa Giulia Museum nearby, the Vittoria Alata has



stood in the Vespasian-built temple complex – in one of the three 'chapels' dedicated to Jupiter, Juno and Minerva. In the opposite chapel is what Cuzzovaglia calls "the most precious floor in northern Italy": diamond-shaped slabs of marble from across the empire, a lavish checkerboard of green, red, black and cream. But beneath that is another temple – an earlier, Republican-era one, built over by Vespasian. This had four chapels – the standard Roman triumvirate plus one dedicated to (presumably) a local goddess. In 2015, the latter was opened to the public.

Down a staircase and across a terrazzo-style floor that wouldn't look out of place in a modern Italian home, we enter the temple. On the outer wall are sculpted friezes of ox heads and garlands – pine cones and bunches of grapes – signifying sacrifices. Later, I

notice those same pagan motifs on the Renaissance cathedral facade.

Two thousand years ago, this was as far as the public could go; but we glide through to the priests' inner sanctum, where Brescia suddenly becomes Pompeii. We stand in a frescoed corridor, colours as bright as the day they were painted. Each faux marble panel has a different palette: violet-to-purple, rose-to-oxblood, lemon to mustard. Below them are fringed turquoise tassels hanging adorned with ribbons and flowers. Thin, barely visible white streaks along panel borders would have reflected candlelight as the priests paced the corridor, says Cuzzovaglia. The intimacy across the centuries is almost overwhelming.

The Bresciani may only recently have realised the value of their heritage but now they're embracing it. Down cobbled medieval alleyways, I find Massenzio, a Roman-themed cocktail bar named after emperor Maximian, which blends mixology with mythology. My cocktail flight is called Chiron, and the drinks arrive in a little wooden boat, echoing the mythical one that transported the Roman dead across the River Styx.

Where Brescia is at its most fascinating underground, Bergamo dazzles from on high. The two cities have similar histories: founded by Celts, conquered by Romans and, later, part of Venice's Stato da Terra, or inland empire.



Main: Bergamo's Basilica of Santa Maria Maggiore

From left: the Capitoline Temple in Brescia; a restaurant in Bergamo's Via Bartolomeo Colleoni; the Vittoria Alata, or Winged Victory; the view over the Basilica of Santa Maria Maggiore – Eugenio Pignatelli/Alamy; a view of the town of Bergamo from the top of the hill – Getty Images

But while Brescia sits at the foot of its hill, Bergamo's historic centre, the Città Alta (High City), floats on a slim ridge overlooking the Po Valley and the Città Bassa (Low City), its modern overspill.

And while Brescia preserved much of its Roman heritage by shifting the city centre west, Bergamo's space-limiting location means that it is layered like a lasagna. A staircase under the Venetian loggia in the main square leads me beneath the cathedral, where two Roman houses were discovered by workmen installing a new heating system. On Via Bartolomeo Colleoni – Bergamo's main street since Roman times and now sprinkled with artisan shops



beneath my feet.

Above ground, however, Bergamo is largely as it was in its Venetian period. La Serenissima acquired the city in 1428 – two years after Brescia entered the republic – ruling both settlements until Venice fell in 1797. In their Stato da Mar, along the Adriatic, the Venetians used the sea itself to defend their conquests, building a clutch of mini-Venices along the coast. Here, at the western edge of their territory, they constructed something equally impressive: gargantuan walls, up to 23 metres high, rippling up, down and around the hillside, clasping the city in a 5km embrace.

Those walls, now Unesco-protected, are still standing – so indomitable are they that the city launched tuk-tuk tours around them last summer. Inside them stand grand palazzos, loggias, a Venetian-style clock tower and a fountain guarded by snarling Venetian lions. The main street, Via Colleoni, is named after a legendary mercenary – a Bergamasco who led the Venetians to many victories. In Venice, his 1475 death was marked with a king-size bronze statue; here, he knocked down an entire portion of the Basilica of Santa Maria Maggiore to build his enormous funerary chapel, essentially leaving Bergamo with three churches in its main square: the Renaissance basilica, his Renaissance resting place and the Neoclassical-Baroque cathedral.

Bergamo's artistic legacy is entwined with that of Venice, too. Lorenzo Lotto came here from Venice: "There was too much competition there, but in Bergamo he became part of his class," says guide Matteo Scaccabarozzi in Santa Maria Maggiore. Down in the Città Bassa, the Accademia Carrara is packed with even more Venetian big-hitters: Titian,



Tiempo and Bellini. Bergamo is busier than Brescia, yet even on a bank holiday I find myself alone among the Mantegnas and Carpaccios.

At Palazzo Moroni, I climb a wildly frescoed staircase into rose-scented gardens, opened to the public in 2020, when the Bergamaschi needed to stay outside. Despite those dark pandemic images, Bergamo is one of Italy's great outdoor cities. I realise as we chug past the vineyards and outcrops filled fields of the Valle d'Astico, west of the Città Alta, on one of the new tuk-tuks.

"It was a tragedy that we'll carry inside us for ever," says Scaccabarozzi of the pandemic, as we pass cherry trees, hops and blackcurrant bushes, the Venetian walls beyond the palm trees up the hill. We change the subject to the Capital of Culture. "Maybe it's recognition of what we went through," he says. This time, I can reassure him, he's absolutely wrong.

## DETAILS

Julia Buckley was a guest of Visit Brescia (visitbrescia.it) and Visit Bergamo (visitbergamo.it). In Brescia, Locanda delle Mercanzie (locandadellemercanzie.com) has double rooms from €105 (£90) per night. In Bergamo's Città Alta, Le Fanti Hotel (lefantihotel.it) has doubles from €132 (£93). Private tuk-tuk tours around Bergamo's walls cost €48 (£38) per hour for up to four people (tuktukbergamo.com).



## POSTCARD FROM... YORKSHIRE

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legend has it that the ghost of James Tinkerley, a rector buried in front of the chapter house at Byland Abbey, once blinded a woman as it

roamed the North Yorkshire countryside one night. The abbot had his body dug up and hauled to Gornile Lake, where, as they attempted to dispose of the body, the oxen carrying it nearly drowned from fear.

This tale was copied, along with eleven others, into the blank pages of a manuscript by a monk at Byland Abbey around the year 1400. On the 100th anniversary of their translation by the medievalist scholar MR James, historian Michael Carter is leading us through the ruined remains of the monastery to the threshold of that same chapter house for a reading. The sky is a patchwork of dark grey punctured here and there by the sunlight, casting dramatic shadows through the empty arches. A rabbit bounds across the hall in the direction of the graveyard. "A familiar?" he suggests hopefully.

As Halloween nears and the nights draw in, English Heritage, the ordinarily strait-laced charity responsible for 400 historic buildings and sites, is using the Byland stories to form the basis for a series of ghostly tours in northern England. Led by Carter, they aim to place ghosts back



into their rightful home; the monastery. The two may not seem like natural bedfellows, but the importance of intercessory prayer, through which monks and nuns would appeal to the heavens on behalf of the recently deceased (often spurred by a healthy bequest, of course), meant that death was the business of religious orders.

And business was good: almost all the gifts to the abbey recorded in a 15th-century manuscript specified salvation of the soul as the motivation behind them. And what Carter refers to as the monastery's "geography of death" was a layout designed such that graves blocked lines of sight to remind you to say prayers for their occupants.

Byland and Rievaulx are fitting homes for ghosts, themselves shadows of their former selves, victims of the dissolution of the monasteries in the 1530s

"This is a landscape soaked in blood," says Carter, as we skulk around the cloister of the abbey. Robert the Bruce's Great Raid of 1322 pillaged the abbey and the surrounding area; two decades later they were beset by the Black Death.

Those who needed prayers saying for them were often those who died with unresolved business on earth, and so minor were potential infractions in the eyes of the church that stories of guilt-laden ghosts were bound to spread. One of the Byland tales tells of a former canon, tormented in death because he had stolen some silver spoons; only upon their return did his haunting cease.

Ghost stories they may be, but Carter is keen to stress their grounding in history. Remains found at nearby Wharfedale, a medieval village deserted at the turn of the 16th century, show evidence of postmortem decapitation, burning and hearts being removed from bodies ranging from infants to the middle aged. It all points towards attempts from the village to ward off revenants, reanimated corpses returning to haunt or attack the living.

"We have fearsome ghost stories of young children committing terrifying acts," says Carter. "And we've only got a fraction of the stories." The fear of spirits and the undead, regardless of whether they actually

existed, was clearly very real. At Rievaulx Abbey, where Carter will also lead tours, the devil is supposed to have visited two monks in their dormitory one night. One wonders if they had, in a moment of weakness, broken their vows of abstinence. They would have been disturbed regardless at two in the morning for matins prayers, processing past an image of St Christopher (himself something of a historical ghost) in the transept, thought to provide protection against a bad death and against tiredness in toll.

The Rievaulx ruins today are even more spectacular than those at Byland Abbey. You may find yourself colouring in the missing windows or rebuilding its many chapels in your mind. In the 12th century, the abbot Waldef thought he saw a ghost in the cloister one afternoon, a white-clad former abbot sporting strings of jewels, each of which represented a soul saved from damnation.

Byland and Rievaulx are fitting homes for ghosts, themselves shadows of their former selves, victims of the dissolution of the monasteries in the 1530s. But they are beautiful still, and vividly reconstructed by Carter's narration. Whether or not the stories of the dead are true, the medieval monastery has never seemed more alive.

Chris Allnutt

## DETAILS

Chris Allnutt was a guest of English Heritage (english-heritage.org.uk). It is running its ghost-tours "Revenants and Remains" talks at Byland Abbey on November 5 and 6, Lanercost Priory on November 12 and 19 and Rievaulx Abbey on November 26 and 27.





# Fantastic beasts and where to find them

Kenya | Cantering alongside giraffes, camping among lions and fleeing a charging elephant – *Sophy Roberts* crosses the Maasai Mara on horseback

The air vibrates with the grunts and shuffling hooves. The beards of wildebeest glint silver in the morning light. Hyenas skulk in the fringes of the herds, their smiles dip-dyed in blood, while crocodiles float in the Mara River after easy kills. The wildebeest migration is a remarkable annual event when more than a million of these animals leave Tanzania's Serengeti behind them to unfurl into Kenya's Maasai Mara – a slow invasion smudging the horizon in charcoal black.

It lives up to every cliché: telephone lenses whirling, hot air balloons sweeping by for a better view, zebras blazing brightly against the streaks of rain. But should you pull away from this legendary attraction towards the outskirts of Kenya's Maasai Mara National Reserve, there's another kind of safari that's less about looking at the "big show", and more about moving in and among the wildlife, travelling at a pace in tune with the animals.

The region flanking the national reserve is made up of a number of contiguous conservancies, including Mara Naboisho, Olare Motorogi and Mara North. There are no fences dividing any of these zones from each other, nor from the reserve. The wildlife is free to spill.

Unlike the reserve, the conservancies have villages. They also have looser rules: you're allowed to meander off the designated roads, and walking and horseriding safaris are permitted. Maasai pastoralists, who own the conservancy land, grant access to safari companies in return for annual fees, as well as levies on overnight guests. It encourages sustainable coexistence, with herders minding their goats and sheep as giraffes wander by. This brings you closer to the authentic pulse of the greater Mara ecosystem, especially when you're travelling by horseback.

I've joined a week's trip operated by Offbeat Riding Safaris, a company founded in 1990 by Tristan and Cindy Voorspuys for guests who need to be both competent and confident on a horse. Tristan was one of the earliest supporters of Mara North Conservancy, and a kind of cult figure in equestrian circles, with a reputation for riding hard and fast. His collarbone had been broken so many times, remembers one of the guides, he wasn't able to look behind him. If you fell off, you had to get back on quickly (assuming you weren't injured), and crack on at the pace Voors-

ranch in northern Kenya during a violent flare-up linked to the 2017 national elections. Simon Kenyon, who'd started out with Voorspuys aged 18, took on the role of guide, logistician and camp manager for Voorspuys' widow, Cindy. While Voorspuys' charisma is clearly missed by numerous staff who were with him from the beginning, the company has retained its founding idea: rather than ride out from the same lodge each day, which is much easier operationally, you move through the landscape on a multi-day journey supported by a mobile camp.

We are a group of four riders. For our first meeting with the safari crew, we gather in the mess tent for a formal briefing from one of Kenyon's team, who explains the route. We're starting at the feet of the Loita Hills. We'll travel on a northwesterly line along the edge of the reserve, through various conservancies, up to the Olololo Escarpment, which overlooks the Mara Triangle where the migration is beginning to seep in from the Serengeti. We might catch it on our penultimate day. But the possibility of that seasonal highlight is already of

Above: safari guide Daisy Soames on the long traverse up to the Olololo Escarpment; clockwise from below: enjoying the shade at one of the campsites; Austrian horseman and tour guide Jakob von Plessen; migrating wildebeest; a team of up to 26 moves the camp each day; 'Elephants smell you before they see you'; Maasai pastoralists

Photographs by Sophy Roberts



diminishing consequence: a smaller migration (the Loita) is in flow right where we are, with wildebeest scattered across the plains.

The crew explains that because of the significant concentrations of game, we need to be ready to turn on a dime, to gallop out of trouble into open ground, and not to flinch at the crack of the bullwhip. The horses are trained to stand quiet if they hear the guide's "shot" – a circus trainer's technique of snapping a long leather thong into the air, which goes off like the sound of a bullet. It's used to scare wildlife that shows any sign of approaching.

We ride out from our first camp, which sits among a dappled forest of yellow fever trees on a bend of a shallow riverbed, or *lugga*. Before long, our slow, three-beat canter falls into a kind of syncopated rhythm with the lolling, much longer stride of giraffes we're riding alongside. We head out ready to hurt from what lies ahead, riding as softly in the saddle as we can for one of the longest days, which covers 50km. It's a hard eight-hour journey, broken up with a two-hour siesta resting out of the sizzling midday sun on red Maasai *dhukas*.

The next night, we sleep in the Olare Orok Valley, our tents tucked inside a riverine forest presided over by a noisy pride of lions. It is an intensely lively darkness, the cries of animals – both predator and prey – sometimes feeling so close, I don't want to step out of my tent. On our early morning safari, we find cheetahs, and a leopard.

When we break camp, it is to head west for the Olololo Escarpment – it's here on the boundary of the so-called Mara Triangle that we catch the wildebeest migration – before looping back on ourselves for a second crossing of the Mara river. We wait for the crocodiles to swim off, and then at Kenyon's command, we proceed through the water, our knees tucked up like a jockey's to stay dry. We gallop across the plain, leaving behind the spreading streaks of wildebeest to sleep our last night beside chocolate river pools full of burling hippos.

In seven days, we're covered close to two hundred kilometres – endurance riding, softened by extremely well-oiled logistics. A team of up to 26, including two chefs and a farrier, moves the camp each time, setting up the long-drop loos, bush showers, campfire, and horse quarters where our mounts are watered, re-shod and checked over for any nascent lameness. The camp is always somehow ready just as we ride in, giving us an hour of the dying sun to wash off the dust.

Dinner is by candlelight – flame-grilled meats, generous curries, comforting bowls of spaghetti bolognese. We sleep on comfortable camp beds in khaki canvas tents. The style is simple: a bowl of heated fresh river water to splash ourselves awake for the early morning rises, and oil lanterns for light at night. Campfires burn through the small hours to ward off lions as the horses rest on long leashes hung from the picket line strung between two trees, guarded by a night watchman.

But it's not all romance. I'm an experi-



warthog surprised from its den. Sometimes I feel as if I'm being watched. Sometimes I worry that the movement in the long grass isn't the breeze. Sometimes I find myself asking to move further downwind. Elephants smell you before they see you – an attribute I've learned to respect and fear.

It happens, when a female elephant trumpets and runs towards us because we've ridden too close to a breeding herd. One of our two guides gives the command; we have to move off fast. In that heart-pounding moment, my horse does a flying change – an equestrian term for when a horse switches its leading leg mid-canter, literally missing a beat. My horse – so reliable I've nicknamed him "Tripod" because I can shoot photos from the saddle – knows what he's doing, finding his footing on the uneven ground. I have to trust him, and lean into the encompassing risk.

As my pulse begins to steady, the sensation of hearing every rustle, of seeing every movement, endures. I'm now more aware than ever of what *could* happen, including the worst. I feel vulnerable, but also part of something larger than myself. It's a connection I've been missing – a sensation you just don't get when you're looking at a tableau of wildebeest from a safari vehicle. I'm high on adrenaline, in sync with a horse finding its breath.

Why is that feeling new to me? I belong to a culture that's lost touch with what it means to be in natural proximity to wild animals. The gaze that binds predator and prey has disappeared. In his brilliant 1980 essay, "Why Look at Animals?", John Berger describes zoos as the ultimate representation of this degeneration. Zoos – a loaded symbol of colonial power – sever all connection, or feeling: "Nowhere in a zoo can a stranger encounter the look of an animal. At the most, the animal's gaze flickers and passes on. They look sideways. They look blindly beyond... Therein lies the ultimate consequence of their marginalisation."

The Mara wildlife is not yet behind fences, but the animals have become so used to tourist vehicles, the wildebeest herds only scatter when you drive right through them. If an elephant makes a charge, there's no urgent need to start up the engine. Out on horseback, on this conservancy safari, where I encountered no other tourists for days, the relationship is different. Berger's comments resonate. I find it easier to see animals as they really are, including myself. I'm emotionally conscious of instinct and risk, with a sense of mortality bringing me one step closer to the essence of being part of the natural order of life.

## 1 / DETAILS

Sophy Roberts travelled as a guest of Ride World Wide ([rideworldwide.com](http://rideworldwide.com)) and Offbeat Safaris. A seven-night Maasai Mara riding safari following the same route as the author costs from \$8,970 per person all inclusive (out with international flights) on a set group departure (up to 12 guests), or from \$12,331 for a bespoke seven-night safari (based on four guests). The best chances of encountering the wildebeest migration in this area is July through to October.



## RED SAVANNAH





splay set.

For many, the gallop was the thrill. For others, the lure became the suave Austrian horseman, Jakob von Plessen, whom Voorspuys hired as his number two. Then five years ago, Voorspuys was killed, shot by Pokot pastoralists at his



enced horse rider. But experience also comes with awareness; anything can happen, and my nerves are raw. I could be unseated by a mundane trip on a hidden hole. Any one of our horses could be spooked by a dik-dik sleeping under a bush, a covey of doves taking flight, or a

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PT Weekend

29 October/30 October 2022

## Books

Life&Arts

America's elite universities have long been the envy of the world. US institutions have the five largest endowments, held 8 of the top 10 positions in The Times Higher Education ranking of world universities and dominate many of the subject listings put out by Shanghai ranking.

But closer to home, the US higher education system is under attack from many quarters. Conservatives charge that college campuses have become hotbeds of "woke" ideology; liberals complain that low-income and minority students are still poorly served and shunted away from good schools and top degrees that qualify them for lucrative jobs. So many students leave university laden with crippling debt that President Joe Biden recently announced a \$20,000 loan forgiveness programme that has become a central issue in next month's midterm elections for Congress.

In a country at war with itself, universities are ground zero. Their research and cultural influence have been building blocks of the west's success, but now critics argue that the sector is rotting American society from within.

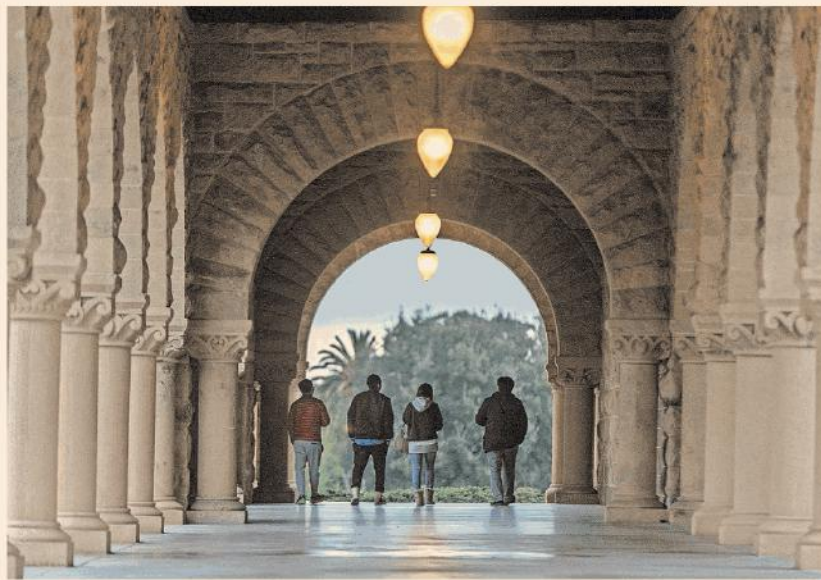
On Monday, Harvard University, the country's oldest and probably best known institution, will be in the dock at the Supreme Court, facing a legal challenge to the way it selects its undergraduates. The plaintiffs contend that the university illegally favours black and Hispanic students at the expense of Asian-American applicants in a misguided attempt to promote diversity. They want the justices to ban Harvard and higher education more broadly from considering race at all.

On the other side, the university's affirmative action programme has drawn dozens of supporting briefs from big companies, other educational institutions and the Biden administration. They contend that society benefits when students are exposed to people from different backgrounds and when businesses can draw from a racially diverse pool of university graduates.

What both sides share is a belief that access to an elite university education is critical for anyone who wants to climb the ladder to social and corporate success. This assumption is mirrored across the world. My parents bought into it — they delayed saving for their retirement to send me to the Ivy League debt-free. It is why middle-class British parents are obsessed with Oxbridge admissions, and why French populists decry the power of the *grandes écoles*.

Now several new and thoughtful books are asking whether it is fair that ostensibly meritocratic societies have handed such extensive power to a small clutch of academic institutions. Though each comes at the question differently, they all conclude that the winner take all approach to tertiary education must change.

Evian Mandery, author of *Poison Ivy*, focuses primarily on class. A contemporary of mine at Harvard, he now teaches at John Jay College within the publicly funded City University of New York, which gives him insight to both America's elite and its striving lower and middle classes. His book attempts to demolish claims by the most prestigious US schools that they dedicate their tax breaks, gigantic endowments and selective admissions for the greater good.



Essay | American higher education leads the world — yet at home it feeds social inequality and economic stress, according to three new books. What can be done to fix it? By Brooke Masters

# Tunnel visions

Above: students on the campus of Stanford university, California  
New York Times/Robyn Aronson

**Poison Ivy: How Elite Colleges Divide Us**  
by Evian Mandery  
The New Press \$27.99, 304 pages

**The State Must Provide: Why America's Colleges Have Always Been Unequal — And How to Set Them Right**  
by Adam Harris  
Ecco \$27.99/\$22.99, 272 pages

**After the Ivory Tower Falls: How College Broke the American Dream and Blew Up Our Politics — and How to Fix It**  
by Will Bunch  
William Morrow \$28.99, 320 pages

He marshals statistics and personal stories to show that the top schools mostly educate rich people and steer them into lucrative careers that equip them to send their children and donations back to their alma maters. Sixty-three per cent of Harvard's 2020 graduates went into finance, consulting or technology, he reports. By contrast, about 60 per cent of John Jay students work for the government or a not-for-profit organisation. "Elite colleges are exceptionally good at keeping rich kids rich," writes Mandery.

While the few poor students who attend rich colleges see an increase in social mobility, the impact is small. Three CUNY colleges lead the nation in economic mobility: at least 10 per cent of graduates move from the lowest quintile in income to the top quintile; Harvard and Princeton fail to crack 2 per cent. Mandery also explores the struggles of low-income students who do win admission to the elite schools. Among them is Brianna Suslovic, who spends most of freshman year "frantic about how we'd get cash" and then is pilloried on social media for "wealth shaming" after she refers to a class-

mate's conversation about her "British air" as "bougie".

He argues that US parents choose everything from where to live to the sports their children play with one eye on college admission prospects. By the time Americans reach age 18, many have already fallen off what Mandery calls "the escalator" to economic advancement.

Addressing the resulting inequalities requires more than the racial considerations now before the Supreme Court, Mandery contends. Real harm is being done by the preferences that most universities give to the children of donors and alumni, and to students who play elite sports. Giving those who strip affluent whites of their familial advantages and force them to confront the injustices they perpetuate with monster donations to already rich institutions, Mandery argues.

"Donating \$1.5bn to Johns Hopkins University is generous but not just. Helping the smart kid from your Yale freshman seminar land a summer internship is generous but not just," he writes. "It's impossible to preach charity while hoarding."

Adam Harris, a staff writer for The Atlantic, is also concerned about inequality within higher education but his focus is on race rather than economics in *The State Must Provide*, which has just come out in paperback. This vividly written history of segregation in US higher education includes the story of Lloyd Gaines, the sharecropper's son who disappeared without a trace after fighting to the Supreme Court for the right to go to law school in Missouri. It also delves into the 19th century founding of integrated colleges such as Oberlin and Berea, and the lengths to which southern states and their flagship institutions went to avoid giving equal access to black students.

Harris documents the myriad ways racism continues to limit educational opportunities for most black Americans, those who cannot squeeze through the narrow keyhole into the Ivy League. The lasting impact of skewed funding formulas and other chicanery are made visible through Harris's experiences as a student in the 2010s. While his historically black campus, Alabama A&M, was so starved of funds that potholes went unfilled and broken elevators unfixed,

the mainly white campus across town, the University of Alabama at Huntsville, had up-to-date dormitories, libraries that stayed open three hours longer and periodicals that Harris had never heard of, let alone read.

Like the other two authors, Will Bunch doesn't pull punches about the disturbing links between higher education and inequality. In *After the Ivory Tower Falls*, he calls the current structure "a fake meritocracy rigged to make half of America hate it". A left-leaning columnist for the Philadelphia Inquirer, he focuses on how the vast expansion of educational opportunity after the second world war went badly wrong, leaving Americans saddled with student loans. Some economists blame the \$1.7tn debt pile for slowing growth, delayed family formation as well as populist anger.

His punchy narrative argues that the rising share of Americans who went to college and its failure to pay off for many of them is the root of many important US developments of the past 75 years. Bunch pulls in events from across the political spectrum, from the 1960s civil rights movement and the 1980s rise of rightwing radio to the Occupy Wall Street demonstrations of the 2010s and

What both sides share is a belief that access to an elite college is critical for social and corporate success

recent scepticism of vaccines.

Some of it feels a bit overdone but Bunch, convincingly, drills into the betrayal felt by people who took on debt to pay for "beer and criscues" at state universities but failed to land solid middle-class jobs. Their anger at being talked down to by "experts" with better degrees is palpable and dangerous. "We missed the moment to make higher education a public trust that would benefit all American society through economic invention, civic engagement and general enlightenment. Instead, we privatised college and called it a meritocracy so that it could be rigged for the winners while the perceived losers are mocked and ridiculed," Bunch laments.

All three authors argue that the only fair solution would be a major redistribution of higher education wealth, either through massive government intervention or a decision by donors to redirect their largesse. Philanthropists such as Mackenzie Scott have weighed in with substantial grants to historically black universities, and Amherst College recently scrapped admissions preferences for alumni children.

But I am not sure that will spread nearly far or fast enough to make a difference. Exclusivity sells, as anyone who has ever walked around an Ivy League campus and seen the famous names slapped on every building knows. And most people will do just about anything to gain an advantage for their children — who could forget the dozens of wealthy parents who pleaded guilty in the Versy Blues scandal to using bribery to get their children into Stanford, Georgetown and other top schools?

Brooke Masters is the FT's US investment and industries editor

## Misremembering Mussolini

Italian views of the wartime fascist leader's crimes can help us to understand the country's current political situation, writes Tony Barber

One hundred years after Benito Mussolini was appointed Italy's prime minister, the job has now gone to a politician whose party traces its roots to the post-fascist activists who emerged after the Duce's ignominious death in 1945. Yet, to describe Giorgio Meloni, sworn in last weekend, and the brothers of Italy as

direct descendants of Mussolini and the fascists is misleading. They have won in free, competitive elections; they do not murder or use mass violence against their opponents; they do not intend to create a one-party dictatorship; and they have no plans to invade foreign countries and build an Italian empire in the Mediterranean and east Africa.

Still, they are clearly on the hard-right, nationalist wing of the Italian political spectrum. The snap parliamentary elections of September 25 marked the first time in the postwar era that a party of this type had become the most popular party not only on the right, but in the country at large. Two new books, *Mussolini in Myth and Memory* by Paul Corner and *Blood and Power* by John Foot, retell the familiar story of fascism in ways that help us understand

**Mussolini in Myth and Memory**  
by Paul Corner  
Oxford University Press £20, 179 pages

**Blood and Power: The Rise and Fall of Italian Fascism**  
by John Foot  
Bloomsbury £25, 432 pages

several fine books on the fascist era, starting with his regional study *Fascism in Ferrara 1915-1925* (1975). *Mussolini in Myth and Memory* is up to his highest standards — timely, balanced, succinctly argued and thoroughly convincing. The book sets out the case that, in the collective Italian memory, some supposedly benign aspects of fascism have been remembered since 1945 and others — such central features of Musso-

over the historian Renzo De Felice's assertion in the 1970s that fascism had benefited from "mass consensus" in Italian society, at least from 1929 to 1934. For modern Italians, this did not induce "consternation and soul-searching on the German model but indulgence, complacency and a kind of national self-absolution". Why? Because Italians had an image of themselves as *brava gente* — good, decent people. As such, they would surely not have supported an evil regime — and so Mussolini's dictatorship could not have been that bad.

Like Corner, Foot, who is professor of modern Italian history at the University

Every time the fascists attacked the political left, officials and the police

son why Mussolini's so-called March on Rome swept him to power in October 1922 lay in the craven complicity of the political establishment, monarchy and other organs of state authority. Every time the fascists attacked the political left, government officials and the police stood by and watched — or even helped them. "The line between the state and the fascists had become blurred."

As Foot reminds us, the legacy of fascism remains visible in Italy, sometimes literally so. Bologna's football stadium, opened in 1927, still has its Marathon Tower, though thankfully not the statue of Mussolini on a horse that once rose above it. Some buildings have markings like "Anno X E.R.", meaning "1932, the 10th year of the fascist era".

But the main problem, described so well by Corner and Foot, is that many

CONTEMPORARY FINE ART GALLERY





why the hard right is riding high in contemporary Italy.

One explanation is that, although Mussolini has certainly not been officially rehabilitated, many Italians view his rule with tolerance and qualified admiration. This tendency is by no means limited to rightwing politicians, and the question is why. Or, as Corner puts it: "How is it that a man executed by Italians, reviled by Italians, a man whose body was strung up from the gantry of a petrol pump for public execration by Italians, has become a figure of whom people speak with some regard, even nostalgia?"

Corner is emeritus professor at the University of Siena and the author of

lini's regime as state violence, the repression of liberties, the secret police, colonial atrocities and the constant march towards war – have been conveniently forgotten.

This happened partly because, with the encouragement of the Allies, Italians in effect exonerated themselves after the war of any guilt or responsibility for the crimes of fascism. They were victims, not perpetrators. A 1946 amnesty allowed many former fascists to stay in public life. As the cold war created an imperative to keep Italy in the western camp, awkward questions about the fascist past were allowed to fade away.

Corner makes a perceptive point when he discusses the controversy that arose

## stood by and watched

of Bristol, stresses that violence was the organising theme of Mussolini's rise to power. "Fascism was built on a mound of dead bodies, cracked heads, traumatised victims of violence, burnt books and smashed up co-operatives and union headquarters," he writes.

Foot, author of books such as *Calico: A History of Italian Football* (2007), builds up his case city by city, region by region, as he documents horrifying examples of fascist violence from Bologna and Ravenna in the north to the great landed estates of Apulia in the south. One rea-

Italians either do not know or have a gravely distorted picture of their country's 20th-century history. Even though Meloni has distanced herself from favourable comments she once made about Mussolini, this deeper problem of Italian historical memory shows no sign of being rectified.

In fairness, it is hard to find many countries that have a proper understanding of their past, wars and all. Full self-knowledge is painful and perhaps impossible to attain. But there is a price to be paid for that in terms of the quality of democracy and public life.

Tony Barber is the FT's European comment editor

29 October/30 October 2022

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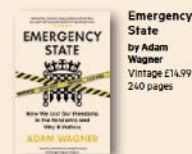
FT Weekend

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## Books

# Taking liberties

Stephen Bush on a warning cry about governments assuming pandemic lockdown powers unchecked



**Emergency State**  
by Adam Wagner  
Vintage £14.99  
240 pages

Everyone who is born holds dual citizenship, in the kingdom of the well and in the kingdom of the sick," wrote Susan Sontag in *Illness as Metaphor*. "Although we all prefer to use the good passport, sooner or later each of us is obliged, at least for a spell, to identify ourselves as citizens of that other place."

One important difference between the kingdom of the sick and, say, Japan, is that no one really likes to think about their time in the land of ill-health once they have left it. Small wonder that *Emergency State*, Adam Wagner's account of the legal process whereby the British state stripped its citizens of all but a handful of its freedoms during lockdown, comes with the somewhat plaintive subtitle *How We Lost our Freedoms in the Pandemic and Why It Matters*.

Wagner, a human rights lawyer, compares lockdown to a painful game of "musical chairs": it fell heavily on people in cramped housing, unpleasant relationships or who could not work from home – while the people who enjoyed lockdown without any ill effects were surely in a minority.

Yet as this compelling short book makes clear, the age of lockdown is worth thinking about, because the circumstances that gave rise to the "Covid state" are near-certain to happen again. This was a period when, as Wagner reminds us, the state made "criminal offences of socialising, worshipping, singing, dancing, exercising, even having sex".

But it was not without precedent. Far from it. What Wagner dubs "emergency states" – what happens when the machinery of government "reorganises itself to tackle an existential threat" – have come into being before.

While almost all of the UK's coronavirus laws have expired or been repealed, legislation passed by Margaret Thatcher during the early days of the HIV/Aids pandemic in the 1980s remains in place, and as Wagner writes, has since been "turbocharged".

Whether in response to war or famine or an energy crisis, the heavily centralised, powerful and at times unscrutinised features of these emergency states are just features of the modern age. As Wagner sets out, the measures deployed to stop the spread of Covid-19 have familiar echoes in the

measures that Queen Elizabeth I and the Byzantine emperor took to combat the spread of plague and which endured longer.

Compared with those historic lockdowns, the global response to the pandemic was, broadly speaking, successful. Lockdowns, stay-at-home orders and voluntary action helped stem the spread of the disease and avoided overwhelming healthcare capacity, as lockdowns and voluntary action always have done. Effective vaccines, deployed at scale, allowed a comparatively swift end to lockdowns across the world.

But lockdowns left their own mark. They have had a dire impact on children's schooling, on mental health outcomes and on the global economy. And in many cases, "emergency states" have led to countries becoming less free than they were before the pandemic.

China has mandated an ultra-repressive zero-Covid strategy, much to the cost of its economy, while Xi Jinping's consolidation of power has prompted a fall in Chinese stocks. Although the forces that have helped both Xi and Russia's Vladimir Putin to entrench and deepen their personal dictatorships predate the pandemic, they can't be cleanly separated from it either.

Wagner's focus in *Emergency State* is largely on the implement-

The circumstances that gave rise to the 'Covid state' are near-certain to happen again

ation of the UK's emergency state, but the lessons are clear to any democratic nation. If the book has a flaw, it is that Wagner largely ducks making the case for lockdowns. Lockdown sceptics have a simple and superficially attractive answer to the problems Wagner uncovers: don't have lockdowns.

Of course, the reason why states have traditionally reached for lockdown measures is because they work. Their success is the core of germ theory and it is a basic truism that the best way to avoid a disease is to avoid coming into contact with it.

Unchecked, the novel coronavirus could have wrecked healthcare capacity and with it threatened the democratic and social fabric of countries. It was not the first new disease and it won't be the last. States and individuals will, inevitably, reach for lockdown and repressive measures to trigger it. Wagner's book is a vital contribution to a debate we need to have: how to ensure that the biggest casualty of the next pandemic is not the democratic model.

Stephen Bush is an FT columnist and associate editor



German soldiers in Lower Saxony launch a reconnaissance drone earlier this year – Philipp Schuster/DAZN/Reuters/Photo

# Iron in the soul?

A groundbreaking history of European conflict challenges established

beliefs about the militarism of German-speaking lands. By Robert Gerwarth

In February 1947, less than two years after the second world war had drawn to a close, the Allied Control Council in occupied Germany abolished the state of Prussia. Deemed a "bearer of militarism and reaction", Germany's "Iron Kingdom" and its military elite had come to be seen as the instigators of two global wars of historically unprecedented scale and brutality. The Allies were not alone in this assessment. For many decades following the second world war, German military history was written through the prism of Prussia's rise and fall, culminating in the Nazis' crushing defeat in 1945. In this popular and long unquestioned interpretation, Prussian militarism – allegedly encapsulated in Bismarck's infamous 1862 quote that the great decisions of the day were to be decided by "iron and blood" – made Germans particularly predisposed to fighting aggressive wars.

Peter H Wilson challenges this narrative in his groundbreaking and accessible new book, *Iron and Blood*. For Wilson, the author of critically acclaimed books on the Thirty Years War and the Holy Roman Empire, the narrow focus on Prussian militarism has "stunted debate and frozen German military history" for too long. Without wanting to gloss over German history or deny the horrors unleashed by the Nazis, he takes a more nuanced view of military developments in German-speaking Europe.

Germany has, of course, been at the heart of public debates about military leadership within the EU ever since Brexit and Donald Trump's repeated calls for Europe to step up its own



**Iron and Blood: A Military History of the German-Speaking Peoples Since 1500**  
by Peter H Wilson  
Allen Lane £40  
915 pages

defence expenditure. While for decades after the second world war, the idea of Germany leading Europe's defensive capabilities would have been soundly rejected by Germans and Europeans alike, Vladimir Putin's war in Ukraine has changed the conversation. There is no better time therefore to try to understand the long history of military thought and practice that Wilson analyses here.

Wilson's book is not a conventional military history of battlefields and generals. Since the 1980s, military historians have become more attuned to the wider social, political and economic contexts in which wars take place, and Wilson is a prominent proponent of such an inclusive approach. The author, professor of the history of war at Oxford University, takes us through five centuries of political, military, technological and economic change to tell the story of the German-speaking lands, from the Rhine to the Balkan frontier, from Switzerland to the North Sea.

In each chapter, the reader learns about evolving military tactics, the recruitment and social backgrounds of soldiers and officers, and their weapons

and deployment, from 1500 to the present day. This longer perspective serves as an important corrective to existing books on German militarism, which commonly portray the centuries before the 19th century as little more than a pre-history to the rise of Prussia and the unification of Germany in 1871.

The book takes as its starting point the consolidation of the Holy Roman Empire around 1500, when European warfare changed profoundly. While wars have always been part of human history, the nature of mobilising troops and directing resources became more co-ordinated at this point, as did the mechanisms for resolving disputes by diplomatic means. For many centuries, the German-speaking lands remained

The swift defeat of France gave rise to the myth of a uniquely Prussian-German gift for warfare

divided into numerous smaller states, each with their own armed forces. Austria and Prussia eventually emerged as the two dominant states within the German-speaking world. Wilson reminds us that for much of the period covered in his book, the primary aggression in central Europe was not Prussia, but the Austrian Habsburg monarchy.

Only after Prussia's lightning victories in the wars of unification against Denmark (1864), Austria (1866) and France (1870-71) did the "Iron Kingdom" begin to dominate central Europe. The swift

defeat of France in particular gave rise to the myth of a uniquely Prussian-German gift for warfare and an allegedly unsurpassed ability to conduct military campaigns at whirlwind speed. Admiration for German blitzkrieg tactics even survived Germany's defeat in two world wars and still remains a reference point in US military circles today.

Wilson's resistance to accepted narratives of national exceptionalism reinforces the scholarship of other historians of modern Germany, who have long argued against the existence of a Sonderweg, or special German path, towards modernity. Throughout the book, he compares German military practices, doctrines and budgets with those of other countries in order to refute the idea that the German-speaking lands were fundamentally different from the rest of Europe.

Even today, Wilson argues, Germany's strategic position is commonly misunderstood. The country is now widely seen as a bastion of peace, but in actual fact spends more heavily on defence than most other European countries, albeit without adopting an aggressive foreign policy. Prompted by Russia's invasion of Ukraine, Germany's ruling centre-left coalition has committed to an unprecedented €100bn additional spending on its military capabilities on top of an increase in the annual defence budget. That additional funding will be used for shoring up the country's defences against a possible Russian attack on NATO territory.

At times the sheer scale of material analysed in the book might be difficult to digest for a general reader, but it is still an insightful and timely work.

Wilson finished writing *Iron and Blood* before February this year, and it was never intended to be a commentary on current affairs. However, the return of conventional warfare to Europe's shores undoubtedly gives his astute historical reflections on the conduct of war in central Europe an unforeseen, and unhelped, topicality.

Robert Gerwarth is professor of modern history at University College Dublin and director of UCD's Centre for War Studies

# Nick Cave, in conversation

The rock star reflects on tragedy and recovery in a collection of interviews. By Ludovic Hunter-Tilney

harisma is a kind of magic,

now they want to touch and hug him. The reason why is threaded throughout the pages of this book. It is grief, principally caused by the accidental death of his teenage son Arthur in 2015. He fell from a cliff outside Brighton, the English south-coast city where Cave was living with his family. Having had a "huge appetite for mayhem" in his



**Faith, Hope and Carnage**  
by Nick Cave and Sean O'Hagan  
Canongate £20  
304 pages

one of them, the strange sense of freedom that he has come to feel, "where I am no longer tied up, in any way, by the expectations of others – a sweet sort of unbounded freedom – where literally anything can happen".

Christianity also recurs. Always present in his songwriting, it is increasingly explicit in his language: there is

be put to service in trying to make the world a better place.

The choice to go for a question-and-answer format rather than a more fully written approach clearly chimes with Cave's wishes. "I don't like biography as a form," he says at one point, and elsewhere he speaks of losing faith in fiction. "Arthur lives there," he says of the

heightened imaginative state that he enters when he writes songs. But the best books are also able to carry an intimation of other places and other consciousnesses; that is their charisma, or magic. It is also the quality lacking here.

Ludovic Hunter-Tilney is the FT's rock critic



and Nick Cave possesses it in abundance. He casts his spell on records, declaiming handsomely wrought lyrics in a deep voice amid a particularly visceral strain of rock music, and he casts an even more powerful spell on stage, which he bestrides as one of rock's most arresting frontmen.

The Australian came to notice in the late 1970s with the post-punk band The Birthday Party, a dangerously chaotic outfit driven by violence and drug use. At gigs, people either came to punch Cave in the head or to watch it happen, he semi-jokingly recalls in *Faith, Hope and Carnage*, a book of interviews conducted with the critic Sean O'Hagan.

Since 1983, he has led The Bad Seeds, a no less intense but more expressive group. His magnetism has changed character over the passing decades. These days his shows resemble evangelical gatherings. "You come to understand that this wayward energy you've always had, directed in the right way, can actually help people," he tells O'Hagan. "If his audiences wanted to punch him in the old days,

birthday party days, the awful loss of his child cast him into a different dimension of disorder – "a chaos that was also a kind of incapacitation".

Since then, he applied himself to his work with renewed vigour, not so much finding solace in it as using it to examine the very concept of solace. His songs have lost their structural moorings and become open-ended and improvisatory.



Abundant charisma: Nick Cave

Having been highly theatrical and aggressive in his self-presentation in the past, he now espouses a non-macho philosophy of openness and vulnerability.

It is illustrated by his Red Right Hand blog on which he invites followers to "ask me anything". No subject is out of bounds and only Cave sees the questions. "Let's see what happens," is his motto for this unusual exercise in rock star candour.

*Faith, Hope and Carnage* opens with a similar sentiment. "Let's see, shall we?" he says to O'Hagan, referring to the unplanned outcome of their conversations. Comprising over 40 hours of talk, the interviews began over the telephone during Covid lockdown in 2020. They are arranged by chapter in a question-and-answer format.

Like the songs on his last album with the Bad Seeds, 2019's *Ghosteen*, or last year's *Carnage*, which he made with Warren Ellis, the interviews loop around motifs and topics. His altered artistic outlook since his son's death is

much talk of music as a "sacred" activity that exalts people's lives. There are glimpses of his delinquent youth in Australia; other ghosts materialise, too, including his mother, Dawn, and his former collaborator and lover Anita Lane, who both died recently.

Detailing is scanty; the reader is assumed to know a lot about Cave's life. There are some droll reminiscences – including the reason why combustible guitarist Blixa Bargeld quit The Bad Seeds in 2003, which improbably involves The Muppets – but the tone is mostly grave. Although Cave's phrasing can be tentative ("I'm not sure I can really articulate it yet"), he speaks very well about the mournful process of recovery that he and his fashion-designer wife Susie have improvised in both their work and personal life.

*Faith, Hope and Carnage* is depicted as a branch of that work. "For me, conversation, at its best, is a form of advancement and course correction," Cave says. But the results represent a thinner reiteration of his impressive project to reimagine grief as "a gift", a "defiant, sometimes mischievous energy" that can



"Thank you, again, for everything you and Vitsœ have done for us over the years. If only each shelf could talk..."

From Marta N

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VITSÖE

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PTWeekend

29 October/30 October 2022

## Books



David M. Corcoran

Barbara Kingsolver, best known for her 1998 best-seller *The Poisonwood Bible*, admires writers who "aim a little higher than just the domestic drama". Since the late 1980s, her fiction, nonfiction and poetry have bitten off big themes including Trump's America (*Unsheltered*, 2018), climate change (*Flight Behavior*, 2012), McCarthyism (*The Lacuna*, 2009) and colonialism (*The Poisonwood Bible*).

*Demon Copperhead*, her 10th novel, takes on opioid addiction, child poverty and the foster care system, with a side order of hillbilly prejudice. These issues hit close to home: Kingsolver lives in rural Appalachia, a region exploited by the coal and tobacco industries and disproportionately devastated by the opioid epidemic.

Set in the 1990s and early 2000s, *Demon Copperhead* is a contemporary take on David Copperfield, Dickens' autobiographically inspired novel. Damon Fields (nicknamed Demon Copperhead for his red hair) is born to a teenage single mother in Virginia, who, after marrying an abusive man, dies of an overdose on Demon's 11th birthday.

"At the time, I thought my life couldn't get any worse," Demon tells us. "Here's some advice: don't ever think that." Placed in foster care, his first carer forces him into picking tobacco; the next pockets the allowance for Demon's care, leaving the boy hungry, and takes the wages he earns working at a junkyard-cum-meth lab.

Like David Copperfield, who tracks down his great aunt after being orphaned, Demon runs away and hitchhikes to Tennessee to find his paternal grandmother, getting robbed blind en route. His luck takes a turn for the better when his grandmother finds a home for him with a beloved high school football coach and his daughter. As a popular athlete, and encouraged by an art teacher to draw comics, Demon enjoys an interlude of happiness.

Readers are primed to know it won't

## A dose of Dickens

Barbara Kingsolver's Appalachian take on 'David Copperfield' is an indictment of child poverty, foster care and Big Pharma. By Mia Levitin



**Demon Copperhead**  
by Barbara Kingsolver  
Faber £20.99/harper  
\$32.50  
560 pages

last: "Anybody will tell you the born of this world are marked from the get-out, win or lose." Demon had warned on page two. After sustaining a football injury, a doctor prescribes painkillers, getting him hooked on opioids, fulfilling the prophecy that a "kid born to the junkie is a junkie". His relationship with Dori, a school friend modelled on David Copperfield's naïve "child-wife" Dora, ends in tragedy, and other losses ensue.

Kingsolver begins writing each novel with a theme in mind and then finds a suitable setting to create "a world in which the right questions will be asked"; the characters evolve in service of a plot. At her best, she has a keen eye for illustrative detail: when the trailer in which Demon lived with his mother is scrubbed clean, he laments the loss of "the two pencil lines on the kitchen wall that proved I once stood taller by a hair than my mom. Her life left no mark on anything."

The risk of a thematic approach, however, is that complex subjects get

overly simplified and characters remain one-dimensional. At times, the cast of *Demon Copperhead* acts as a mouthpiece for a message, with the expository dialogue detracting from the story.

A family friend "said Purdue looked at data and everything with their computers, and hand-picked targets like Lee County that were gold mines", relays Demon. "They actually looked up which doctors had the most pain patients on disability, and sent out their drug reps for the full effense."

Just as Dickens revealed the appalling conditions of workhouses and schools

**Demon admires the 'old guy' who gets the picture 'on kids and orphans getting screwed over and nobody giving a rat's ass'**

In Victorian England, *Demon Copperhead* is an indictment of child poverty and the foster care system in the US. Reading Dickens for school, Demon admires the "seriously old guy" who gets the picture "on kids and orphans getting screwed over and nobody giving a rat's ass".

Kingsolver's opioid plotline is less affecting – in part because the crisis has been covered so well in nonfiction

books such as Beth Macy's *Dopesick* (2018) and Patrick Radden Keefe's *Empire of Pain* (2021). But *Demon Copperhead* also misses the poignancy of portrayals of addiction in novels such as Douglas Stuart's *Shuggie Bain* (2020) or Susie Boyt's *Loved and Missed* (2021). By making us care deeply about characters, sometimes it's the "domestic dramas" that best elucidate societal ills after all.

David Copperfield famously opens with David asking whether the book will show him to be the "hero of [his] own life", despite having been augured as unlucky "in consideration of the day and hour of [his] birth". Given how closely the plot of *Demon Copperhead* mostly mirrors the original, it's no spoiler to say that Demon, too, beats overwhelming odds to master his fate.

As George Orwell noted in a 1946 essay, Dickens was not as much of a social reformer as is often thought. He advocated for "a change of spirit rather than a change of structure", with criticisms that were "almost exclusively moral". If only David Copperfield's stepfather had been kinder, say, things would have turned out differently.

In *Demon Copperhead*, Kingsolver draws attention to the shame of child poverty, the systemic problems with foster care and the responsibilities of Big Pharma. But the bigger question at stake is just how likely is it for someone to become the hero of their life when the chips are stacked so heavily against it?

## Chinese influence



Russia is the weather and China is the climate was the formulation adopted by Jeremy Fleming, a senior British intelligence official, to explain why – even in the midst of a war launched by Russia – western security services are increasingly focused on China.

In a recent speech, Fleming, who heads GCHQ – the branch of the British intelligence services that specialises in cyber space – pointed to Chinese advances in satellite navigation, digital currencies, AI and a range of other cutting-edge technologies. Collectively, these could give China the ability to monitor and manipulate much of the world.

It is this threat that underpinned the recent American decision to place severe restrictions on the ability of US companies or individuals, or even foreign companies using American technology, to work with the Chinese semiconductor industry. These measures are so far reaching that some see them as a declaration of economic war on China.

The origins of the transformation in the west's approach to China are explained in Andrew Small's fast-paced and deeply researched book *The Rupture: China and the Global Race for the Future* (Hurst £20). As Small reminds us, just four years ago the UK was still intending to let Huawei, a Chinese company, play a central role in the provision of 5G telecoms to Britain. GCHQ at the time argued that Huawei's involvement posed no real threat to British security. But, under intense US pressure, the British reversed course.

The battle over Huawei was a turning point, signalling a much tougher and more united western response to the technological and security challenges posed by China. The EU and India have also recently taken a more wary approach to Chinese technology. Using his extensive contacts, Small shows how Beijing's own mistakes have contributed to this backlash, including China's handling of Covid-19 and its border dispute with India.

It is tempting to pin the deterioration in China's political and economic relationship with the west on President Xi Jinping, who has adopted more aggressive policies and rhetoric, both at home and abroad, since coming to power in 2012. But, as Susan Shirk shows in *Overreach: How China Derailed Its Peaceful Rise* (Oxford University Press £19.99), things had begun to sour well before Xi took power.

In Beijing, just as in Moscow, the

"colour revolutions" that shook the former Soviet bloc from 2003 to 2005 were seen as evidence of an American conspiracy that could pose a direct threat to the Chinese and Russian political regimes. The financial crisis of 2008, which began in the US, then created a sense in China that the west was in decline, and therefore easier to confront.

The question of when and how things went wrong in China is also the focus of Julian Gewirtz's important new book, *Never Turn Back: China and the Forbidden History of the 1980s* (Harvard University Press £26.95/\$32.95). As Gewirtz shows, the "reform and opening" associated with Deng Xiaoping led not just to an economic transformation but to a period of intellectual turmoil, in which all sorts of hitherto forbidden ideas were debated.

At times, this had its comic side. In 1982, the Communist party leadership was fretting about people's newly acquired tastes both for pornography and for the works of Jean-Paul Sartre. What emerged over that decade was a Chinese version of the glasnost, or openness, that flourished in Mikhail Gorbachev's Soviet Union. Wan Li, a vice-premier, gave a speech in 1986 arguing: "We should remove the ban on free expression and encourage the free airing of views." But that period of intellectual freedom was brought to an abrupt end with the crushing of the student protest movement in Tiananmen Square in 1989.

Deng's embrace of reform and openness never extended to allowing a challenge to the Communist party's monopoly on power. Zhao Ziyang, the party's general secretary, who also played a key role in the reform drive of the 1980s, was more sympathetic to the student movement. He was placed under house arrest, for the rest of his life, after the crushing of the Tiananmen movement.

As Gewirtz shows, even in the 1980s, China's leadership had an "intensive fixation on advanced technology". That fixation has now paid off so spectacularly that China is now ahead of the west in some key technologies, such as 5G.

A particular focus of western anxiety is cyber space, where both China and Russia have been active in a variety of ways, ranging from Russia's hacking and release of Democratic party internal emails during the 2016 US presidential election, to China's extensive industrial and political espionage.

In his new book *Striking Back: The End of Peace in Cyber Space – and How to Restore It* (Yale University Press £20/\$28), Lucas Kello of Oxford University argues that western governments have been slow to develop new doctrines and forms of deterrence to deal with the growing anarchy in cyber space. In a work that is sure to be closely studied, Kello makes proposals to increase the west's deterrence power and restore "peace in cyber space".

Gideon Rachman is the FT's chief foreign affairs commentator

# The land speaks

# Like mother, like daughter



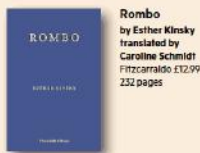
## An oral history of a 1976 earthquake in northern Italy artfully blends fact and fiction. By Matthew Janney

**R**ombo, the title of German author Esther Kinsky's latest novel, refers to the "curious subterranean sound" that pre-empted an earthquake. It was this thunderous trembling that the inhabitants of Friuli in north-eastern Italy heard first on May 6 1976, before a disastrous earthquake left a thousand dead, tens of thousands displaced and the landscape transformed.

In this book, Kinsky – whose previous novels include *Summer Resort* (2011), *River* (2018) and *Grove* (2020) – attempts to recover and reassemble the trauma of 1976 and follow the tremors left in its wake, adopting her characteristically lyrical blend of fact and fiction.

"A scar has remained that will never go away," one inhabitant says of the seismic event. Just as the earthquake has imprinted itself on the memory of a community, it remains written into the disturbed terrain of a region. "The earthquake is everywhere," writes Kinsky. The trembling may have ceased, but the "rombo" murmurs on.

Combining oral history – in the style of Nobel Prize-winner Svetlana Alexievich – and keenly observed topographical description, *Rombo* concerns itself



chiefly with the task of remembrance, while acknowledging the impossibility of that very task. "You couldn't even say whether the stones and boulders in the river had been there always, or only since the earthquake," says Gigi, one of seven fictional eyewitness narrators in the novel. "Sometimes it seems to me that memory is a heap of shards," says

**Memory, like landscape, is history's most trusted and most unreliable narrator**

Silvia. Memory, like landscape, is forever reconstituting itself into new patterns and contours. Memory, like landscape, is history's most trusted and most unreliable narrator.

In Kinsky's novel, the land speaks. The river "describes", and rivulets "write themselves into the valley". Kinsky expertly animates the natural world around her while removing her

human hand. Written in short entries with titles such as "Stone", "Burning bush", "Devil's claw", the narrative charts a disjointed path, a refusal perhaps of humanity's desire for order. Kinsky lets nature uphold its own intractable logic. We don't so much read the hypnotic descriptions of Monte San Simone and the Tagliamento river as listen to them, guided by Caroline Schmidt's elegant translation.

Kinsky is similarly absent from the oral histories of the seven inhabitants who describe their memory of 1976; we hear their stories as if directly from their mouths. Their where-were-you-when testimony details the practical and the psychological: Anselmo recalls sleeping in the car with his children after their house was destroyed, while Olga speaks of her ongoing night terrors where she wakes with the feeling of dust in her mouth. Kinsky's narrators, like the wistful characters of WG Sebald's novels, move through the world in step with the shadow of their past. Fittingly, *Rombo* won the inaugural WG Sebald Literaturpreis in 2020.

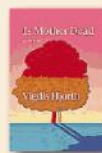
Another earthquake would hit the Friuli region in September of the same year, destroying what had only just begun to be rebuilt. Change is the only permanence, the rombo bellows from below. If trauma is the inability to redescribe, *Rombo* offers a powerful antidote in language and the infinite possibilities of description; like the trembling Friulian landscape, forever writing itself anew.

## Catherine Taylor is impressed by an intense, thriller-like novel that excavates a painful family estrangement

In her memoir *I Remain in Darkness*, the 2022 Nobel literature laureate Annie Ernaux acutely summed up the parallel destinies of mothers and daughters in her description of her own mother in old age. "She is the personification of me. She is also pushing me towards death."

Vigdis Hjorth, whose lacerating new novel is uncompromisingly titled *Is Mother Dead*, makes a similar observation: "The mother is a mirror in which the daughter sees her future self and the daughter is a mirror through which the mother sees her lost self."

Hjorth's novel, which has been translated by Catherine Taylor, is a bestseller in her native Norway, and something of a controversy. Rather like her literary comrade Karl Ove Knausgaard, Hjorth's fictional assertions – in this case, of an adult woman's recollections of sexual abuse by her father, which are denied by her mother and sister – sparked an angry response from her real-life family. (Hjorth's sister promptly rebutted the claims in a novel of her own.) As with *Will and Testament*, Hjorth has subtitled *Is Mother Dead* "A Novel", lest there be any confusion. Readers will make of this what they will.



**Is Mother Dead**  
by Vigdis Hjorth  
translated by Catherine Taylor  
Verso £14.99/\$26.95  
352 pages

What Hjorth has written (here in a lucid, delicate translation by Catherine Taylor) is a troubling and stunningly accomplished excavation into the past of her protagonist, Johanna Hauk. Told in chapters alternating between long recalls of memory and caustic or plaintive one-line observations, the story follows Johanna, a successful painter nearing 60, who has returned to a wintry Oslo, where she grew up, following the death of her American husband and the marriage of her sister.

Johanna has been semi-estranged from her parents and younger sister Ruth for 30 years, since she left a previous marriage and her law degree – a move of which had been sanctioned, if not ordered, by her controlling father – and moved to the US to pursue her artistic dreams. Now her father is dead, Johanna did not return for the funeral, as a result of which her sister texted to say that she and her mother were cutting off contact. But Johanna hasn't finished with her mother yet.

During the course of this intense and

thriller-like novel, Johanna stalks – both literally and in her imagination – her mother, who is now in her eighties, living alone, and cared for daily by a devoted euth.

She vividly conjures her mother's interior world, both in the present and the past, and, as the book draws ever closer to confrontation, so too do Johanna's own memories of her unhappy childhood, one in which, according to her version, she was dominated and disliked by her parents.

These sections, set in an apparently idyllic yellow house in which the child's mounting dread is matched by that of the reader, are as darkly claustrophobic as other passages in the book are redeemed by light and nature.

The adult Johanna retreats to a cabin in the forest, complete with resident elk, after her exhausting forays into the city where people have "dark rings under their eyes and dark hearts under their clothes". Here "the world rests, it feels like I am of the earth and not of Mum".

Johanna's final reckoning with her mother is not simple, or tidy, but it accords her a kind of peace. Self-doubt, denial, what is inherited and what is instilled – all are questioned in this often tormenting but utterly clear-eyed work about making an uneasy accommodation with what has gone before. "I had to abandon all hope, shed my antlers, become so heavy to carry," Johanna explains as the novel ends. "I had to meet all of my own needs."

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## Books



## Knowledge and power

Stories behind the keepers of medieval manuscripts. By Richard Ovenden

**M**anuscript books are one of the most engaging treasures to survive from the Middle Ages. They bear the marks of the people who made them: the scribes, bookbinders, parchment makers and, most famously, the illuminators and other individuals who decorated the pages of these very personal objects.

What is most surprising about them is that they are not especially rare. Hundreds of thousands of medieval books survive, which means there are many millions of pages that show not only the work – the texts and images – of the mind but the traces of those individuals who made them. Go into most research libraries or into many antiquarian bookshops and you will see one or more on display or for sale. They don't seem to go out of fashion.

A small subset are truly spectacular pieces that excite the imagination and wonder, and leave a sense of an art and craft that have been lost. These illuminated manuscripts have been the specialism of Christopher de Hamel, for decades the medieval manuscript expert at Sotheby's and then fellow



**The Posthumous Papers of the Manuscripts Club**  
by Christopher de Hamel  
Allen Lane £40, 624 pages

**Detail of a leaf from the medieval manuscript 'Ruskin Hours', c1300**  
No. 100/101 The British Library

librarian at Corpus Christi College Cambridge. In 2016, he published a surprising best-seller, *Meetings with Remarkable Manuscripts*, in which he investigated 12 manuscript books, weaving a series of highly engaging stories to take the general reader deep inside a world normally reserved for wealthy collectors, erudite scholars and lucky librarians.

*The Posthumous Papers of the Manuscripts Club* follows a similar format, this time focusing not on the books but on a dozen individuals who had some intimate connection with these extraordinary works.

Among the 12, only a single woman, Belle da Costa Greene, makes the cut. She was a remarkable individual who developed JPMorgan's personal library, but surely a bibliophilic sister or two could have joined the throng?

There are similarities between the two books, not least in the same brick-like dimensions: just over 600 pages copiously illustrated in colour. One quibble is that the relatively diminutive format of the book renders the images frustratingly small, often hiding the power of the originals, and making the very qualities that made them so entic-

ing to the individuals who are de Hamel's subjects less obvious.

The writing, however, is as gloriously engaging and readable as the earlier work. De Hamel wears his erudition lightly, and the reader is once again taken deeply into the worlds of individuals who lived across almost a thousand years of history from St Anselm in the 11th century to Greene in the 20th.

Highlights include the court of the famous French patron and collector Jean, Duc de Berry, to that of David Oppenheim, rabbi of Prague, who accumulated a vast library of manuscripts and printed books that shows us Jewish intellectual and religious life of Mitteleuropa in the late 17th century.

**They excite the imagination, and leave a sense of an art and craft that have been lost**

Each of the people have been chosen for a different relationship to manuscripts. Sometimes these are loose descriptors. St Anselm, the great theologian and philosopher, is here as "monk", but really his role is one of author. Sir Sydney Cockfield, director of the Fitzwilliam Museum in Cambridge, is here as "collector", but could be described as a curator, dealer or connoisseur.

But these are minor gripes as one of de Hamel's talents is to make the lives and passions of rather obscure figures intelligible to a general reader. These include Sir Robert Cotton, a man whose collection was closely associated with the formation of the institution that became the British Library, but whose life was entwined with national historical events, especially with the tumultuous period of the civil wars of the 17th century with all its political and religious wranglings and rigidity. It is a useful reminder of the interplay between knowledge and power.

*The Posthumous Papers of the Manuscripts Club* reminds me of one of those fantasy dinner parties. An eclectic but highly interesting and enjoyable assemblage of people, personally curated, and all the better for the individual touch. The reader is able to sample 12 different worlds where manuscripts mattered deeply. As we type our endless emails and "likes", we can only swoon at these astonishing books, and the remarkable people who cared so much about them.

*Richard Ovenden is Bodley's Librarian and author of 'Burning the Books: A History of Knowledge Under Attack' (John Murray)*

## A post-prison redemption song

James Hannanham's new novel combines serious issues with profanity, slang and a distinctive voice, says Houman Baramkati



**Didn't Nobody Give a Shit What Happened to Carlotta**  
by James Hannanham  
Simon & Schuster £14.99, 352 pages

look like some birds once opened up a disco on her face." Reunited with her estranged son, she is pained by the unwelcome awkwardness with which he carries himself. "It's like walking like somebody who's trying to look as if he doesn't care, but he's too... too... chafant. I can tell he's totally chafant!"

She is similarly dismayed to find her morbidly obese brother ensconced in his bedroom, scoffing junk food and playing Nintendo all day long, having all but given up on real life. "The aliens got find his skeleton right there in five million years, watch. His hand gon be petrified to the joystick."

Alongside this levity is a deep moral seriousness: the novel conveys an implicitly withering commentary on the US prison system.

**The novel conveys an implicitly withering commentary on the US prison system**

how any physical pain is actually overshadowed by the feeling of powerlessness and inability to act "when it go on, an not afterward neither".

Hannanham is hitherto best known for his PES/Faulkner Award-winning 2015 novel *Delicious Foods*, which explored drug addiction and human trafficking with a similar blend of lively storytelling and Dickensian social conscience.

Notwithstanding its mildly experimental prose style and unrelentingly vulgar language, *Didn't Nobody Give a Shit What Happened to Carlotta* is a relatively conventional work of fiction – a tale of personal redemption and perseverance in the face of adversity. Its irreverent humour militates against mawkishness, and gives it a winning charm. The formula is by no means original, but Hannanham has breathed fresh life into it.

## Diversions

### CHESS LEONARD BARDEN

Hans Niemann's \$100m lawsuit against world chess champion Magnus Carlsen and others has already sparked many comments and evaluations of his chances of success.

Meanwhile, Fide's Fair Play Commission report is expected to be critical of Carlsen's withdrawal from last month's Sinquefeld Cup after his third round

that the teenager was cheating over the board as well as online.

Niemann tied fifth place, amid beefed-up security at the US Championship last week, significantly boosted his credibility as a genuine 2700-rated grandmaster in the world top 40 and, by implication, his 250-point surge in two years, recently questioned by the largest



report, and could have a knock-on effect on the court

claims that his chess career will in effect be over if his action fails, but this argument seems dubious.

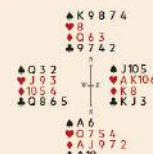
Meanwhile, Carlsen began play on Tuesday (5pm GMT start, live and free to watch online) in the World Fischer Random Championship in Reykjavik.

2492 Zaven Andrianis vs Artem

### BRIDGE PAUL MENDELSON

A hand where almost the entire field were in the wrong contract provided an opportunity for one declarer to shine.

Most good players would respond 1S on North's hand but, here, it led to trouble. South's double indicated a strong NT hand with no more than one stopper in hearts. North rebid 2S – to play, unless South is



perhaps forgetting that this would be forcing, and so

prevail by playing East to the doubleton K♠ but, one declarer faced instead ♠ lead. Realising that his 10♠ and ♠ offered a second stopper, he beat East's K♠ with A♠, crossed to dummy's K♠ and led a low diamond.

K♠ and declarer was up to eight tricks. He played a diamond to Q♠, and exited with 10♠, won by East's ♠. East cashed A♥ and switched back to ♠, taken by West's Q♠. Now, only leading a spade from ♠Q3 will defeat declarer. Perhaps West should find it not, but, after some thought, West played a second heart. Now, declarer



loss to Niemann, and of his subsequent statements implying that he believed

chess website chess.com. That in turn could influence the tone of Fide's

decision whether to dismiss the case or send it for trial. Niemann's lawsuit also

Gilyevich, PRO league 2019. White to move and win. *Solution, back page*

extra strong — and 28 is the best contract here. However, many North players bid 3D,

South bid 3NT. If East-West lead hearts and cash ♥AK, declarer can

When East followed small, he finessed with ♠, which held. A ♠ then felled East's

scores (♥♥, A♠, and two more diamonds. A bad contract deftly handled.

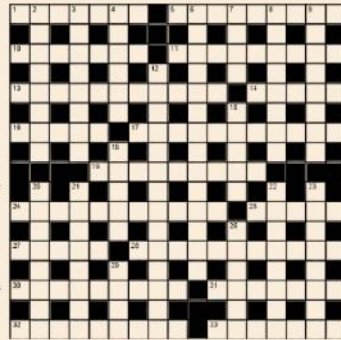
## POLYMATH 1,202 SET BY HAMILTON

### ACROSS

- 1 Dutch art movement also known as Neoplasticism (2,5)
- 5 Vegetable that is also called sparrow grass (9)
- 10 A smaller scale, preparatory study for a work of art or architecture (7)
- 11 Character played by Helena Bonham Carter in four Harry Potter films (9)
- 13 Fast-growing North American trees of the genus *Populus* (11)
- 14 See 27
- 16 An enclosed, four-wheeled carriage for two people plus a driver (5)
- 17 Type of old calendar made by cutting notches and figures on the four edges of a wooden square (4,7)
- 19 North American slang for an interfering person (9)
- 24 Name given to the Wall Street crash of 19 October 1987 (5,6)
- 25 Entrepreneur whose autobiography was *It's not sin to make a profit* (5)
- 27/28 Links golf course that last hosted the Open Championship in 2006 (5,5)
- 28 Term coined by Gide to describe utterly unprovoked behaviour that defies normal expectations (4,7)
- 30 Scottish football club, home ground Easter Road (9)
- 31 Cover, especially for a sewer (7)
- 32 In computing, something capable of review, amendment or further input (4,5)
- 33 Welsh footballer who scored 157 goals for Leeds United between 1949-57 (7)

### DOWN

- 2 In North America, a car that is small and economical (8)
- 3 Hotel where Princess Elizabeth was staying when she learned of her father's death (8)
- 4 Dolly Parton single and album released in 1973 (6)
- 6 Cartoon character: Pat Boone hit in 1962 (6,8)
- 7 Archaic word meaning to give a preliminary payment for something (4)
- 8 Denoting an important route within a particular road system (8)
- 9 Having only one possible meaning (8)
- 12 English author and philosopher (1759-97) (14)
- 15 Character played by Gareth Thomas in a BBC sci-fi series (1979-80) (5)
- 18 Popular card game where players form sets and sequences (5)
- 20 Poisonous gas of the halogen series, atomic number 9 (8)
- 21 A cheap cut of meat from a neck of mutton (5,3)
- 22 Kelvin, actor, winner of the 17th series of *Strictly Come Dancing* (8)
- 23 Cockney rhyming slang for the cup that cheers (5,3)
- 26 In old Irish law, recompense paid to relatives by a murderer (6)
- 29 A hard ball or knot of wood (4)



Solution 1,201



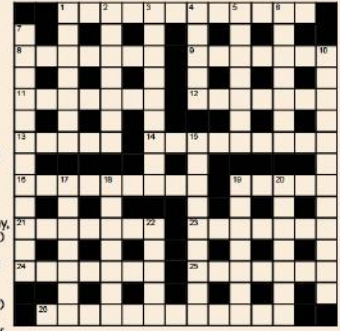
## CROSSWORD 17,238 SET BY BUCCANEER

### ACROSS

- 1 Irritable to catch terrible ruler time travelling for fun (12)
- 8 Voguish women ejected from mature clique (2-5)
- 9 Old-fashioned retort discomfited male writer (7)
- 11 Current case for lay-off accepted by weak, bad rep (3,4)
- 12 Crook's loud partying in residence, dropping ecstasy (7)
- 13 Overworked painter finally drew borders (5)
- 14 Place, one around green ground in national park (9)
- 16 Poles from Poland wanting land in Barking instead (9)
- 19 M&S skirts mostly available for Eeyorish people (5)
- 21 In Spain, what stops this month's legal process (7)
- 23 No end of cereal and toast (7)
- 24 Scot returned garment greener than the rest (7)
- 25 Heated home maybe perfect (7)
- 26 Tight, religious clothes are cut by simple fellow (12)

### DOWN

- 1 One tickled extremely graceful royal behind carriage (7)
- 2 Pope with curse about clingy garment (7)
- 3 Forced into service, Buccaneer has to hurry (9)
- 4 Disconcert leader of air strike (5)
- 5 Fix diet, getting mashed bananas now (3,4)
- 6 Hill rising for all to see above oddly leaden clouds (7)
- 7 Little Queen Victoria, say, welcomes assistance (12)
- 10 Official is going both ways, hugged by man in the street? (12)
- 15 In theatre, removal of clothing for rude part (9)
- 17 Old writer briefly tucks into one drink or another (7)
- 18 Lady, second to none, shedding pounds (7)
- 19 Ace communist leader snatching rest at work (7)
- 20 Rears about to be covered by underwear (7)
- 22 Carry on *Matron's* opening? It has symbolic value (5)



Solution 17,232



Jotter pad

12

★

FT Weekend

29 October/30 October 2022

## Arts

Life & Arts



What you are now reading should have been an interview with Li Ruijun. The acclaimed Chinese director has a fine new film being released in the UK, *Return to Dust*, a stark and tender love story between a peasant couple in Gansu province, near the Mongolian border. The Financial Times had long planned to talk to Li about it. Instead, it is left to Eve Gabereau of UK distributor Modern Films to fill the space left by Li and his producers. "They're not speaking," she says. "But they aren't saying why not, either."

This much is a pity. There is a lot to discuss. The quality of the movie aside, a conversation would explore how a low-budget art-house film became a deeply unlikely commercial smash, topping the Chinese box office ahead of various blockbusters. But then there would also

Film | Li Ruijun's hit rural drama 'Return to Dust' abruptly vanished from Chinese cinemas. Danny Leigh asks what prompts such drastic examples of state censorship



vulnerability of art. You could start both stories this February, with a premiere at the Berlin Film Festival.

Li, 59, had already made a name in art-house circles with five previous films, but *Return to Dust* suggested a breakthrough. Shot in his home county of Gaotai, it starred highly regarded actress Hai Qing as a disabled, middle-aged spinster. The rest of the cast were non-professionals, including Wu Renlin as the sturdy farmer wed to her in a marriage arranged by their families. With lyrical realism giving life to the growing bond between the pair, critics

Yet the idyll would not last. Two weeks after becoming the most popular movie in China, *Return to Dust* disappeared without warning from cinemas across the country. The streaming sites on which it had also been released no longer carried it, either.

No explanation was provided. Indeed, it has never been officially confirmed that the film was banned. But ever since it has remained impossible to see legally in China. Amid an online outcry, a hashtag related to the film was briefly disabled on social media platform Weibo. (Critical comments about the episode

Main: Hai Qing and Wu Renlin in Li Ruijun's 'Return to Dust'

Right: 'Confetti' (2021) by Ann Hu

Below: Yufei Xing and Yu Xia in Hu's 'Shadow Magic' (2000); Wu and Hai in 'Return to Dust';



Gabereau knows the situation must now be difficult for Li. "He obviously wants to stay living and working there," she says. Yet the story of the film's treatment has been seized on by China hawks. And *Return to Dust* is not the only film to have faced such problems, despite scarcely seeming openly subversive.

Recently released in British cinemas, *Confetti* was directed by Chinese-American



be the equally strange, far sadder tale of how it vanished from cinemas. Seemingly banned merely for spotlighting the hard lives of the rural poor, the sleeper hit appears a snapshot of an airless political climate – and a symbol of the



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Jewelled 'Ladybirds' by Cartier, Paris, circa 1930, P.O.A.

were impressed.

Western distributors too. Aside from the respected Modern, deals were soon signed with companies across Europe and North America. (A US release is pending.) Gabereau felt hopeful the film might become China's nominee for the 2023 Best International Feature Film Oscar. Plans were made for a release this autumn, with Li to undertake press interviews. Though Chinese pandemic regulations stopped him travelling to Germany, he had spoken to journalists remotely to support the Berlin screening.

In China, all this barely registered. A domestic release took place in July. Xiaoning Lu of London's School of Oriental and African Studies is a film scholar with a long specialism in Chi-

'Had "Return to Dust" not won such a big audience, it would not have attracted government attention'

nese cinema. "In the beginning," she says, "Return to Dust" attracted almost no attention. An art-house film about poverty among rural peasants? Honestly, neither the government nor mainstream Chinese audiences would normally care."

But then came fateful quirks of timing. Over the summer, an online short, *Second Uncle*, became a Chinese viral hit, telling the story of a kindly rural carpenter. On social media, the little-known *Return to Dust* was mooted as a companion piece. From such small acorns sprang word-of-mouth success. Week by week, the movie built an audience.

Finally, in the first weekend of September, it became the most successful film in Chinese cinemas. The original budget was reported to have been Rmb2mn (about £245,000). On September 9, the government-published Beijing Review reported a national box office gross as more than Rmb100mn.

For Gabereau, the unexpected good news fuelled her optimism. It also made an upbeat story for Chinese film, which a fortnight earlier had drawn sardonic coverage in western media when children's animation *Minions: The Rise of Gru* was given a wholesome postscript by government censors.

are now visible again.)

The lack of clarity could be read as deliberate. But the sudden, public removal of such a high-profile success story may also have reflected confusion among authorities as to when and how to bring films into line with Chinese power. "Return to Dust was a victim of its own success," Lu says. "Had it not won such a big audience, it would also not have attracted government attention."

moviegoers at a cinema in Shenyang

Left: Hu (top) and Li (bottom) speaking about their films

On China's film industry, see also: *China's film industry: A new era of growth* (Shanghai, 2022)



can film-maker Ann Hu. In the 2000s, Hu made two Chinese box-office hits, *Shadow Magic* and *Beauty Remains*. (*Shadow Magic* also won Best Co-production film at the Golden Roosters, the county's equivalent of the Oscars.) Then living in China, she discovered her young daughter was dyslexic, a condition under-recognised in the national education system. Relocating to America to find a solution, that experience is now the stuff of her new film. It calls for China to improve awareness of childhood dyslexia – but is frank, too, about the pitfalls of US schools. And Hu remained well-connected enough both to film in China and prepare a wide cinema release there.

It did not happen. "Between making the film and trying to put it out, the atmosphere changed," Hu says. One-off screenings took place in Beijing, Changchun and Guangzhou, but plans to release on 3,000 Chinese screens proved unworkable, despite partnering with established local distributors. Covid was a factor. Hu says restrictions also became a convenient roadblock.

"The feeling was, this film doesn't belong here."

She is aware her success in the 2000s now belongs to a different moment. "At that point, China had matured into openness," she says. "Now there is no room to breathe."

Gabereau, too, speaks wistfully of a time when releasing world cinema did not involve directors falling silent. "We're still open to distributing Chinese films. But this situation makes us fear for the creative expression of Chinese film-makers."

The heart of the story would seem to be CCP priorities. At one point, western acclaim for a film such as *Return to Dust* would have been seen as a valuable commodity, global soft power in action. Now such benefits appear irrelevant – or outweighed by the demands of the domestic order. For all the focus on last week's congress, Lu says the role of film-makers in China remains unchanged since Xi spoke on the duty of culture in 2014. The message then – of the need to convey gleaming national progress – has only grown louder.

"The party expects a lot of artists," she says.

'Return to Dust' is released on November 4 in the UK; modernfilms.com

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★

FT Weekend

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## Arts

Television | James Corden

and co-stars tell Gabriel Tate

about 'Mammals', a comedy-drama that delves into the state of matrimony today

Marriage has been a staple subject of scripted television almost since the form was established. For decades, it was played mostly for laughs, with any marital rifts treated with censorious moralising. But recently, as the nature of marriage itself has broadened, so too has TV's depiction of the institution. Its complexities have become a focal point rather than a subplot filtered through courtroom thriller (*The Undoing*), lurid melodrama (*The Affair*) or flippant comedy (too many sitcoms to mention).

This year alone has offered several series demonstrating this evolution. The latest seasons of the Martin Freeman-led comedy-drama *Breeders* and Nick Hornby's chamber piece *State of the Union* have followed Sharon Horgan and Rob Delaney's superb *Catastrophe* in intelligently probing the attritional impact of time and children on long-term partnerships.

Amazon Prime's new comedy-drama *Mammals* offers an alternative take on a newer but still imperilled relationship, picking apart the union of Michelin-starred chef Jamie (James Corden) and market researcher Amandine (Melia Kreiling).

The show's creator, playwright Jez Butterworth, made no bones about its clear-eyed appraisal at the outset: "A good marriage is the most magical thing. In a world of eight billion, you've found the one who gets you, ignites your body and soul... You're also never going to have sex with anyone else, ever, and then you're going to die."

Corden reflects on one of the things that makes the series universal. "It's a story about four characters who are all flawed, how they react to each other's flaws and mistakes and to their



## Marriage licence



Above: James Corden and Melia Kreiling in 'Mammals'

Left: Oscar Isaac and Jessica Chastain in 'Scenes from a Marriage'

Seen Taylor/NEO

own," says the actor and talk-show host. He says of his character: "Jamie is at peak happiness. He's on a babymoon with his wife in Cornwall, the weather's amazing and he feels like he's winning in life. Then, five minutes later, his entire world changes thanks to two catastrophes," his wife's affair and subsequent miscarriage.

Butterworth's previous series *Britania*, a hallucinatory reimagining of a nation torn between Celtic tradition and Roman power, showed that he is as comfortable demolishing conventional thinking and narrative on screen as he is on stage. *Mammals* does something similar with the romcom, weaving in magic realism and thriller elements.

Every narrative strand interrogates an aspect of relationships and monogamy as Jamie and Amandine's relationship unravels alongside that of his sister Lue (Sally Hawkins) and brother-in-law Jeff (Colin Morgan). She seeks refuge in a fantasy world while he immerses himself in his work as a professor of veterinary neurology, specialising in the sexual habits of prairie and mountain voles.

"The show examines marriage as a standardised form of a relationship," says Morgan. "Prairie voles essentially do the same thing without that construct – they mate for life. Yet, in Jeff's experiments, if one of them has alcohol, it becomes promiscuous. Put that into our world and promiscuity is a crime to

a marriage. But to prairie voles, it's natural behaviour. So is it natural behaviour that we label as wrong?"

Kreiling emphasises that *Mammals* takes a non-judgmental approach. "I grew up in a very contradictory environment," she says. "There were divorcees and half-siblings, it was very extended, so this felt very natural. There is so much room to start exploring other ways of existing – they may not be comfortable, but they do happen. Instead of hiding things away, Amandine is creating confrontation... It is not necessarily easy, but it is healthy."

Along with voles, whales are another recurring motif in the series, not least when Amandine gives Jamie a copy of her favourite book, *Moby-Dick*, early in their courtship. Marital bliss as the great white whale? Does all of this – the depiction in *Mammals* and the other recent series – add up to a cynical take on marriage?

"I don't personally have a jaundiced view of it and I'm not sure I'd want to watch something that did," says Butterworth. "Something numinous and magical occurs if you break the bonds of the

"There is so much room to start exploring other ways of existing – they may not be comfortable"

tawdry, soap-opera qualities of somebody discovering that their wife's been unfaithful."

*Mammals* director Stephanie Laing acknowledges HBO's 2021 series *Scenes from a Marriage* as one of TV's smartest and most incisive relationship dramas. An update of Ingmar Bergman's 1973 mini-series, it used a variety of candid-to-camera conversations to pitilessly dissect a failing partnership.

Laing argues *Mammals* offers a continuing evolution of marriage on TV, driven by the flexibility and ambition of streaming services. "It's refreshing to not have to tell a story in a box," she says. "Audiences are smart, they're out there having these relationships... I don't think directing *Mammals* has turned me against marriage, rather it's reinforced the idea that love is important, however rocky and scary it gets."

'Mammals' is on Amazon Prime from November 11





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## Arts

# Myth and majesty

**Tudors | A survey of the dynasty at**

**New York's Met reveals how these**

**royals had a sophisticated command**

**of their own image. By Ariella Budick**

**Y**ou probably know what at least two of the Tudor monarchs looked like — how they stood, glared, dressed and wore their hair. As the longest-reigning emblems of their clan, Henry VIII and Elizabeth I deployed their own likenesses with the flair of great brand strategists. More than 400 years after the dynasty died out, their look remains instantly recognisable, which could be why, on a first visit to the Metropolitan Museum's *The Tudors*, you may feel like you've seen it before. You may even feel like you've experienced more vivid versions.

The show aspires to marry the Met's own marvel from a year ago, *The Tudors: Portraits and Politics, 1512-1570*, with the Morgan Library's *Holbein: Capturing Character* to produce a widescreen, in-depth multimedia portrait of the dynasty's 118-year sojourn at the apex of British power. Unfortunately, *The Tudors* lacks the rigour and sensitivity of those models, and so comes off more as a collection of memorabilia than an insightful analysis of the relationship between power and image-making.

The museum does have some good paintings and sumptuous artefacts to work with, including fabrics, jewels, candlesticks, manuscript and table

Clockwise from main: 'Rainbow Portrait' of Elizabeth I (c1602); Nicholas Hilliard's 'Heiress' (or 'Armada') Jewel' (c1595-1600); Hans Holbein the Younger's portrait of Henry VIII (c1537); Edward VI, attributed to Guillim Scrots (c1550) — *Painted by Hans Holbein the Younger; Victoria and Albert Museum; Museum National Thyssen-Bornemisza; Madrid; Jansz; Woodhead; London; Victoria and Albert Museum; Paris*

of one Elizabethan era from the aftermath of another. The recent death of Hilary Mantel has sent readers back to the *Wolf Hall* series' intimate panoramas of the 1530s and its scents of roses, beer and blood. And the topic itself promises drama, with a family saga that overflows with enough betrayals, beheadings, conversions and funerals to furnish a HBO miniseries.

Somehow, though, these ingredients fail to combine into an interesting whole. Rather than compete with either history or fiction, the Met's curators came up with a weak-tea survey, presented with prim neutrality. Bloody Mary makes barely a cameo. Lady Jane Grey, the nine-day queen, gets erased — again. Her cousin, Edward VI, leaves scant traces, except for one stunning Holbein portrait of the child prince.

Instead, the Met focuses on the Tudor monarchs' tiresome obsession with legitimacy. They compensated for their insecure claims to the throne by emblazoning every available surface with the Tudor rose, an amalgamation of the red Lancaster and white York varieties. But that's hardly why we remember them, or why we should continue to care.

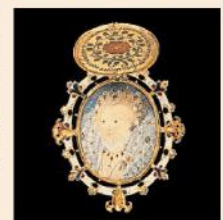
Amid all this assertiveness, two absences loom large. For one thing, the most famous full-length portrait of Henry VIII doesn't actually exist. You know the one: the sovereign in his wide stance, arms akimbs, chin felted in that



Adam Eaker, take an oddly defensive posture about that fact. The catalogue quotes the physician and engraver Richard Haydock lamenting that painting "never attained any great perfection amongst us".

Cleland and Eaker argue that Haydock judged his countrymen's technique by Italian standards rather than assessing homegrown creations on their own terms. English art wasn't humdrum; it was just supremely English. That argument might be stronger if 16th-century connoisseurs hadn't formed their tastes by gazing across the Channel and bringing in all their highest-quality tapestries, carvings and carpets from abroad.

Foreigners and immigrants supplied the official mythology of Elizabeth I. Marcus Gheeraerts the Younger arrived in London from Bruges as a child, but he nurtured the Flemish eye for opulent detail. He is presumed to have lavished it on the flamboyant (and tentatively attributed) "Rainbow Portrait", in which the queen appears costumed in a collection of symbols, with serpents of wisdom entwined on her sleeves and a cloak festooned with dis-



ginger beard, broad torso made even more massive by layers of velvet and fur.

Hans Holbein the Younger, a Swiss-German émigré who got himself appointed king's painter, applied that personification of royal might on to a wall of the Privy Chamber in Whitehall. In 1544, the Dutch writer Erasmus

recounted the playwright John Bale in 1549. "Some they sold to the grossers and soap-sellers." The illustrated manuscripts at the Met are among the few that survived.

The Tudors used material goods, ornament and art to give their version of Britishness a concrete form, but their

embodied eyes and ears, emblems of an omniscient sovereign.

When the exiled English goldsmith and miniaturist Nicholas Hilliard looked at Elizabeth, he saw a pure collection of attributes, shorn of personality. The "Phoenix Portrait" gets its name from the fact that it depicted her as a phoenix, a mythical bird that is reborn from its own ashes.



ware. The ever-imposing XXI suit of armour smithed for Henry VIII and beloved by children who visit the Arms and Armour gallery provides physical bulk, if not much intellectual heft.

The exhibition is serendipitously timed, allowing us to view the expanse



under the heavy, dark, velvet canopy. Mander noted its uncanny realism, calling it "so lifelike that anyone who sees it is afraid".

That may have been true, but nobody alive today has seen it or even a photograph because the work was destroyed by fire in 1698. All that remains are sketches and interior copies.

The other void in the Met's celebration of Tudor visual culture is anything more than a passing acknowledgment of the mountain of works that were pulverised and burnt in attacks on the religious establishment. In 1536, Henry ordered the dissolution of all monasteries in England and Wales, triggering spasms of destruction that left the countryside dotted with picturesquely ruined abbeys. Henry's faithful ransacked libraries and ripped pages out of books – "some to serve their jakes [jokes], some to scour candlesticks, and some to rubbe their booties",

depended heavily on imported talent. The curators, Elizabeth Cleland and



nonexistent breasts. The bird speaks of the Virgin Queen's chastity and her implausible promise to regenerate the Tudor line. (It didn't work.)

For Hilliard, flesh, light, modelling and shadow could only get in the way of the portrait as shrine to authority. Flatness was all, the better to read the meanings encoded in the queen's outfit and to memorialise the mask-like precision of her face – that ghostly skin, long nose and bladelike jaw. The portrait is more a devotional icon than a close study of a fellow human being.

Perhaps it is the Tudors who doomed *The Tudors*. First the artists and now the museum found themselves conforming to a blinkered insistence on splendour and the projection of absolute power. All these centuries later, their Majesties are still calling the shots.

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### LIFE OF A SONG

#### THE PASSENGER

Iggy Pop is the most carnal and primal of rock stars, a human dynamo straining every sinew to burst out of his restrictive skin. It could thus hardly be more ironic that one of his best – and best known – songs is an exquisite paean to beatific, serene passivity.

In 1976, Pop and his close friend and musical collaborator David Bowie fled the US for Berlin to fight their crippling cocaine habits. There, they entered into a period of intense creative productivity that saw the pair, between them, release four solo albums in 1977 alone. (Iggy Pop had previously been credited as a key influence in the creation of Bowie's Ziggy Stardust character.)

Pop's first solo album, *The Idiot*, saw the wily Bowie smuggle melodies, tunes and studio sass into his pal's trademark animal intensity. Irked by critics' focus on this influence, Pop insisted that its follow-up, *Last for Life*, have a harder edge in the manner of his proto-punk band, The Stooges.

This rekindled sonic violence was evident in songs such as "Success" and the album's title track, but "The Passenger" was something else entirely. The song's origins lay in a loping, circular guitar riff created by Ricky Gardiner, a frequent Bowie guitarist.

Given that the song is so quintessentially urban, it's ironic that Gardiner claimed bucolic inspiration for the riff, saying it had come to him as he wandered "in a field beside an orchard on a glorious spring day with the trees in full blossom". Pop seized on it as soon as he heard it and, as was his habit, scribbled down lyrics on the spot.

For Pop, the guitar line's sprang

rhythms summoned up the hypnotic, mesmeric experience of travelling around Berlin at night, either on the city's S-Bahn overground Metro system or as a passenger in Bowie's car.

Pop conjured up the experience of being transported through a nocturnal metropolis: he drank in the sights, thrilling at the stars in "the bright and hollow sky" above.

Gardiner's glorious repetitive riff suggested a car engine's hum, or the rhythm of a train passing over tracks. Producer (and keyboard player) Bowie entered, high in the mix, on the song's euphoric chorus: he was anything but a low-profile backing singer.



Iggy Pop in New York in 1977 — Getty Images

"We'll see the city's ripped backside," drawled Pop. This was a direct steal from a musical hero, Jim Morrison, who had used the phrase in an untitled poem comparing life to a car journey through a city's "ripped backside... a moving picture of windows, signs, streets, buildings..."

Yet Iggy Pop doesn't really do passivity: his sense of personal exceptionalism convinced him that the theatre of life unfolding around him was for him alone. "So, let's take a ride and see what's mine".

The song's ease and grace made "The Passenger" an instant classic, yet Pop's label, RCA, inexplicably declined to release it as a single. It had to wait until its inevitable use in a TV car advert in 1998 (for the Toyota Avensis) to become a top 50 UK hit.

The song's lustre attracted a range of covers. They're a motley bunch, though. PJ Proby husked through a bizarre spoken-word version in 1986. Goth/post-punk icons Siouxsie and the Banshees saw fit to add parps of brass (oddly, this met with Pop's approval).

Britpop indie metallers Terrorvision reduced the tune to a punky thrash, as did female US grunge rockers Lunachicks. On the soundtrack album of 1995's *Batman Forever*, Michael Hutchence's industrial-techno reworking had novelty value, if nothing else.

Alison Mosshart's brood through the song for US TV crime drama *Sons of Anarchy* channelled Iggy's louché insouciance. Want a comedy turn? Try David Hasselhoff's karaoke cover last year, complete with a video of the actor peering at L.A.'s night streets from a Greyhound bus.

Yet for any music fan, this imperious tune always equals the mean and magnificent Iggy Pop out on the prowl, with David Bowie, through the dark straits of 1977 Berlin. He is the passenger. And he rides, and he rides.

Ian Gittins

More in the series at [ft.com/life-of-a-song](http://ft.com/life-of-a-song)

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★

PT Weekend

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## Arts

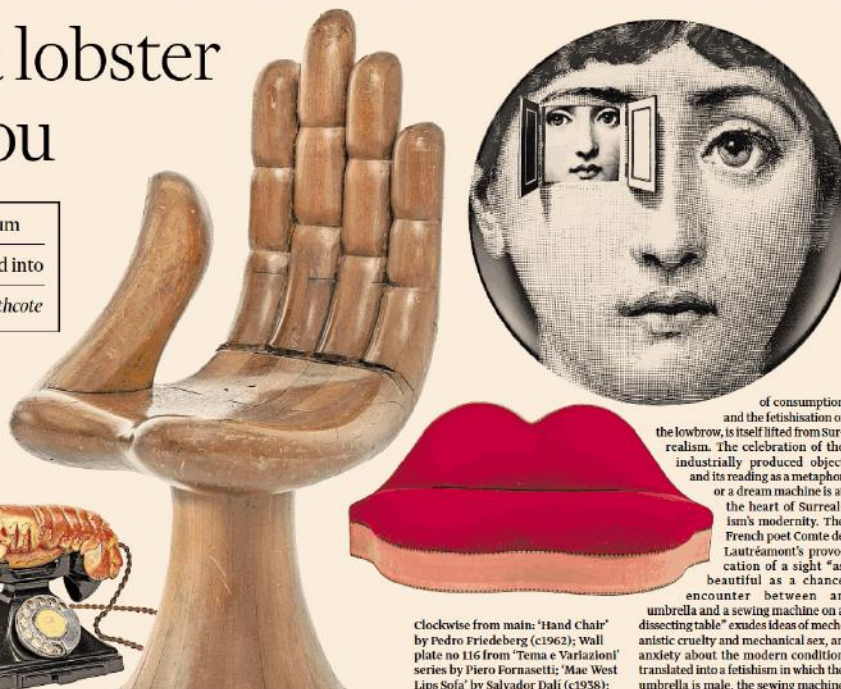
# There's a lobster beside you

Surrealism | The Design Museum

explores how the surreal seeped into the mainstream. By Edwin Heathcote

One of art's "isms", only surrealism ever made a real impact on design. From Meret Oppenheim's furry teacup to Salvador Dalí's Mae West-lips sofa, the joy in sex and subversion oozes through its artefacts, some intended for use, others for provocation, most for both. The problem for a design curator, however, is the sheer success and ubiquity of the surreal. No other art term has become such an easy cliché: it has shifted from its original sense of the uncanny and the *unheimlich* to the strange, spectacular or slightly odd.

It is, in its way, the perfect word for our age. With unseen technology monitoring and interpreting our desires, our cyborg world with its vaudevillian AI art experi-



stuffed with strikingly Surrealist covers and spreads of mid-century magazines, with gorgeous dresses by designers from Schiaparelli to Katrantzou and then into more mainstream Modernism, until there was very little telling where one began and the other ended. By the 1960s – think of the interiors from Stanley Kubrick's *Clockwork Orange* (not featured here) or the Pop modernism of Joe Colombo or Allen Jones (also not here), the surreal had become the language of the corporate interior, the department-store window and the perfume ad.

The essence of Surrealist design might seem to be its sacrifice of function for form, but perhaps that is the most modern thing about it. Now that most of our interactions with design have been reduced to carressing a black screen, the world of objects can be freed to retreat into dreams. The broader problem is that Surrealism has so successfully infiltrated design with its ideas of storytelling, subversion and surprise that, effectively, almost all top-end design has become surreal, a play with scale and sense, with material, message and desire. What the London show adds to its Vitra predecessor is a section on

It became the language of the corporate interior, the department-store window, the perfume ad

the Afro-Surreal, bringing a re-enchantment of the ideas from the source, the cultures that inspired so many of the original Surrealists a century ago. A clip from Djibril Diop Mambette's 1973 film *Touki Boudi* is a magical reflection on the

Clockwise from main: 'Hand Chair' by Pedro Friedeberg (c1962); Wall plate no 116 from 'Tema e Variazioni' series by Piero Fornasetti; 'Mae West Lins Sofa' by Salvador Dalí (c1938);



ments and its augmented realities, Surrealism has infected the algorithm and the everyday. Susan Sontag dismissed Surrealism as a bourgeois disaffection ("That its militants thought it universal," she wrote, "is only one of the signs that it is typically bourgeois"). But its values have seeped into the mainstream. Or perhaps they were always there?

*Objects of Desire: Surrealism and Design, 1924-Today*, an exhibition at London's Design Museum (instigated, originally, at the Vitra Design Museum in Germany), does what design museums do every decade or so and revisits the surreal as a key influence in design, updating and reassessing it. It is a terrific-looking show, with a hint of David Lynch

in its theatrically spot-lit red velvet curtains and dark rooms, and the exhibits are, from the first moment, the absolute lodestones of the movement, from Dali's paintings to Man Ray's spiky iron. Best of all is a podium of objects from eccentric poet Edward James's house, with its Dali-designed champagne glass lamp, that sofa and a carpet woven with his wife's footprints. But another roomset, illustrated only with a few small photos and a magazine profile, suggests something else about Surrealism. Le Corbusier's designs for Charles de Beistegui's roof garden, conceived as a

room with fireplace and overmantel mirror (along with a parrot), begin to suggest that Surrealism was not a rebellion, a distinct movement, but instead was shot through the whole history of Modernism. Think of the theatre performances from the Bauhaus, the cabaret of Weimar or the paintings of Klee and Kandinsky, Picasso and the rest. Then you might suggest that the whole history of Pop Art, the stealing from the shop window, the celebration

"Tour table" by Gae Aulenti (1955); "Lobster Telephone" by Dali (1938)  
Vitra Design Museum; Fortnum & Mason; Archive; Salvador Dali; ODCS

female, the dissecting table a bed. It is an interior tableau that prompted reaction from artists from André Breton to Andy Warhol.

More than any other idea in art, the surreal is embedded in the object and it was instantly subsumed into design. At first, it was only for the interiors of Sontag's intellectual bourgeoisie, but through the movies it reached a wider constituency, from Luis Buñuel to Walt Disney. It spread through the pages of fashion magazines (one vitrine here is

strangeness of migration, and beside it the periodically flapping wings of Yasmine Atta's bodysuit bring a touch of steampunk juju to the show.

The early objects here are almost too familiar, the newer ones too diverse, a net spread too wide. None of this, however, makes it less enjoyable. There is none of the subversive challenge of the original ideas any more but it remains a seductive display of kitsch. Despite its instigators' insistence on Surrealism's political intent, its degeneration into high camp is everywhere. Sontag's dismissal of Surrealism looks more trenchant with each passing year.

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16

★

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## Arts | Collecting

# Rubens tops winter sales

### The Art Market | Perrotin

opens gallery in Dubai;

tipping point for Kentridge's

market; Dallas art gala raises

\$9.4mn. By Melanie Gerlis

The salerooms will soon be dominated by November's Modern and contemporary auction season in New York, but there are some forthcoming Old Master sales of note too. Sotheby's latest consignment is a group of 10 works from the Baroque art collection of the divorcing couple Mark Fisch and Rachel Davidson, to be offered in January 2023. The group is topped



## Review

### MUSICAL

**Tammy Faye**  
Almeida Theatre, London  
★★★★

The Lord moves in mysterious ways – and so it comes to pass that we have this divinely delirious glitz-bomb of a musical from James Graham and Elton John.

Together with the lyricist Jake Shears of Scissor Sisters, playwright and songwriter measure up to the phenomenal rise and fall of televangelist Tammy Faye Bakker. "If I hadn't lived it, I wouldn't believe it," she declares early in the action – a comment that by the end feels like an understatement.

But while Rupert Gould's production barrels along with all the ungovernable energy of a roller disco high on hair-spray, at its heart is a serious point about an ungodly mix of populism, politics and preaching that remains with us today.

In the beginning are Tammy Faye

famously sympathetic interview with a gay pastor who had Aids – both enraging the Christian right and gives them ammunition.

Graham, our leading political playwright, spies in this gaudy saga the roots of contemporary culture wars, with conservatives and fundamentalists raging over "woke" values and infiltrating the body politic to chilling effect. This is the Graham of *Ink and Best of Enemies*, offering shrewd analysis of the interplay between politics and popular culture. But it's also the Graham of television series *Sherwood*, favouring forgiveness over revenge. Key to the drama is Tammy Faye's observation that in the Bible love is mentioned 489 times, hate 89 times.

All this comes packaged in a larger-than-life narrative style, which fills this one-time church with a blend of zinging dialogue, religious frenzy and Lynne Page's wildly camp dance routines. John and Spears bowl events forwards with a combination of daft pastiche rock, glam-rock and rousingly genuine bal-

Graham, our leading political playwright, spies



by Peter Paul Rubens' suitably gory "Salome presented with the severed head of Saint John the Baptist" (c1609), estimated between \$25m and \$35m. Works by Orazio Gentileschi and Guercino also feature, with a total estimate of \$40m-\$60m.

Separately, for London in December, the auction house has a version of "Venus and Adonis" painted by Titian and his workshop around 1555-57 and estimated at between £8m and £12m. The racy work failed to sell at auction in 1998 but previous concerns over its wartime provenance have since been assuaged and subsequent technical examination found "clear evidence of the artist's hand", according to Sotheby's.

The French gallerist Emmanuel Perrotin is about to open his first permanent space in the Middle East in the Dubai International Financial Centre. The gallery, which marks Perrotin's sixth city outside its Paris headquarters, is just 100 square metres but is well located "in between Christie's and [restaurant] Cipriani", Perrotin says. "It is a small space but I hope it is going to be sexy." The gallery opens with a group show while Perrotin has also joined forces with the nearby, swanky KCB Brookfield place for temporary solo shows by his artists Jason Boyd Kinsella and Takashi Murakami (November 25-January 28 2023).

Perrotin describes Dubai as "a real hub, just a [maximum] six-hour flight away from half of the world's population". He notes that activity turns to the Middle East next month with events beyond the art world including the Abu Dhabi Grand Prix and the football World Cup in Qatar. The recent influx of wealthy Russians and Ukrainians to Dubai is, he says, unrelated to his plans to open there



Above: 'Salome presented with the severed head of Saint John the Baptist' (c1609) by Peter Paul Rubens; below: 'DOB (pink)' (2020) by Takashi Murakami

The French gallerist Emmanuel Perrotin is about to open his first permanent space in the Middle East in the Dubai International Financial Centre. The gallery, which marks Perrotin's sixth city outside its Paris headquarters, is just 100 square metres but is well located "in between Christie's and [restaurant] Cipriani", Perrotin says. "It is a small space but I hope it is going to be sexy." The gallery opens with a group show while Perrotin has also joined forces with the nearby, swanky KCB Brookfield place for temporary solo shows by his artists Jason Boyd Kinsella and Takashi Murakami (November 25-January 28 2023).



as these were finalised before Russia's invasion. Perrotin's Dubai gallery director is the art collector and adviser Massine Benouki.

The market for work by William Kentridge, who has an acclaimed retrospective at London's Royal Academy at the moment, is relatively modest compared with his artist peers, according to a September report by ArtTactic. The report wonders though if the RA show and a separate sweep at IAA's The Broad museum, opening November 12, could prove a "tipping point" for the South African artist.

Kentridge's top five auction prices were made in New York and London, led by his 25-part sculpture "Procession" (1999-2000), which sold for \$1.3m in 2013. But ArtTactic finds that there is a "healthy balance" between his international and domestic sales, with 76 per cent of lots and 54 per cent of value made in South Africa since 2016, led by Strauss & Co auction house. Next month, Strauss in Johannesburg offers key works by Kentridge, including his two-metre-square woodblock print "Mantegna" (2017, est. R800,000-R1.2m, or \$44,000-\$66,000, November 7).

Kentridge's multimedia practice likely accounts for his more modest auction results – paintings, drawing and prints are always easier sells. But his South Africa and London representative, Goodman Gallery,

confirms a near-sellout show in London with acquisitions in train for all three editions of his latest major film, the five-channel "Oh To Believe in Another World" (2022), priced at \$600,000 each.

In Dallas, this year's Two x Two charitable gala raised \$94m, including from an auction of about 150 pieces of contemporary art, in support of AMFAR, The Foundation for AIDS Research, and the Dallas Museum of Art. The bulk of the work was sold through a silent auction, with a live sale of six works held at a black tie dinner on October 22, in the home of the collecting couple Cindy and Howard Rachofsky.

The London gallerist Josh Lilley was among those who, with his artists, donated to the auction, including "Untitled" (2022) by Spencer Lewis, a live-auction lot that was valued at \$120,000 and sold for about three times more. Lilley was also in town to open a show of his artists at the five-star Jule hotel, joining forces with the hotel's owner, oil tycoon, film financier and art collector Tim Headington. "The quality of people out here is incredible, in terms of their intellectual and economic investment," Lilley says. His exhibition at the Jule runs until January 2023 with work by seven artists including Martine Gutierrez, Nicholas Tsafiri and Rebecca Hanson – who has proved particularly popular with Dallas collectors. Prices for the 14 works range from \$8,000 to \$80,000.

(Katie Brayben) and Jim Bakker (Andrew Rannells), earnest small-town evangelists spreading the word through the uncertain medium of puppet theatre. Inter satellites TV and the electric church. By some miracle, they get themselves a religious channel, with Tammy Faye acting as sidekick to her husband.

But it's she who grasps the essence of the medium, blending Christian ministry with homely tips. Her instinctive understanding that television, in a lonely world, thrives on the illusion of intimacy, on reaching out through the screen, shoots the ratings heavenwards and fills the coffers with cash.

But in any Eden there are snakes in the grass and forbidden fruit. The couple's "prosperity gospel", extravagant lifestyle and fraudulently amassed fortune can't survive contact with cold reality – or the FBI. (Plus there is the scandal of Bakker's sexual misconduct.)

Meanwhile, Tammy Faye's belief that Christian love extends to all – she did a

in this saga the roots of contemporary culture wars

lads. Best of these is "Empty Hands" before the interval, a soul-baring torch song that Brayben delivers with rafter-raising passion. And she is superb, bringing both warmth and beady intelligence to Tammy Faye, nicely contrasted by Rannells' Bakker, uncomfortable in his own skin. Slithering around them is Zubin Varla as acrepitlan Jerry Falwell.

It all gets a bit bogged down and bitty in act two and not many songs follow you home. What goes missing in the frenzy is the character depth, and tougher scrutiny that would make this truly illuminating. But it is a riot of show, at its heart a timely, defiant message about love and tolerance.

Sarah Hemming

To December 5, almeida.co.uk



Andrew Rannells and Katie Brayben in 'Tammy Faye' – Marc Brenner

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## Silver glimpses of northern life

Chris Killip His photos are intimate, complex and touching. By Joshua Gabert-Doyon

Chris Killip's portrayals of working-class life in the 1970s and 1980s have become classics of British documentary photography. He spent 15 years living in and photographing communities in the north-east of England, producing images that were the result of well-forged relationships and intimate knowledge of place. They match complex representations of a political era with a mythological, almost timeless, quality to the scenes suspended in golden silver.

Take "Cookie in the snow" (1984), on display at the Photographers' Gallery in London. Shot on a large-format camera, we see distant smokestacks, a makeshift camp and a caped man trudging through the snow with a bucket and heavy canvas bag. His body is contorted and his face hidden, with the viewer a few paces ahead of him, close enough to share in his plight yet far enough away to contemplate the strange anachronism of the scene.

The exhibition is the first major full career retrospective of Killip's work, and it focuses on his deeply embedded documentary practice. It took Killip eight years to gain access to a group of transient sea-coal harvesters in Lyne-mouth, Northumberland, the series that includes "Cookie in the snow". The pictures are among the most memorable of the exhibition: men scavenge for coal and drive horse-drawn carts through crashing waves, an evocative symbol of the region's declining coal indus-

try. Killip captures coy smiles, anxious looks and the striking picture of "Motra hand-picking in the very good fur coat".

Elsewhere, Killip's photos are humorous and soft in a way that belies the stark black and white: a man with false teeth watching a parade; half-eaten sandwiches and cakes left out after a royal wedding street party; crabs piled in a pushcart beside a baby's carriage. Thatcherite policies and economic decline bind the compositions, but they never overwhelm the work. Decades on, Killip's photos tell a complicated story of resilience, drudgery and life in flux.

Killip's prints are also on display at Augusta Edwards Fine Art, hanging next to the work of Graham Smith – another stalwart of British documentary photography. They share a fondness for titling: "Brian at the disputed fence" and "Glue sniffers" turn Killip's work into momentary fables. Smith's titles are just as shrewd: an old man sits

amid crumbling institutional decor in a work titled "Thirty Eight Eastward Years on the Furnace Front, Furnace Keeper, Mess Room for No 4 and No 5 Furnaces".

But where Smith's work is about small worlds – the private, claustrophobic spaces of pubs, homes and tight street scenes – Killip's work is concerned with the expanse of sea, crowds and open air. On display at Augusta Edwards is his phenomenal "Coalmine and housing" (1976), a delicately composed photo of an infant peering from behind face curtains in a house sat squarely next to a colliery. Splitting the middle of the scene is a well-worn path running into the smog. There's an unguarded intimacy to the depiction of banality and childhood wonder in an industrial town.

The achievement of these photos comes from the way Killip's quiet attachment to the north of England elevates the images beyond archival document. Yet they still carry a sense of loss.

Smith gave up photography in the 1990s, frustrated by newspaper reviewers' sneering descriptions of the working-class subjects in his work. That he organised the exhibition with his friend Killip before the latter's death in 2020 gives an understated poignancy to the work.

"Chris Killip runs at The Photographers' Gallery to February 19 2023, the photographersgallery.org.uk. Chris Killip/Graham Smith runs at Augusta Edwards Fine Art to November 6, augustaedswards.com



'Helen and her Hula-hoop' (1984) – Chris Killip/Photogram

## Spectrum

Life&Arts

LONG READS | INTERVIEWS | IDEAS







Johannes Vermeer's 'Girl with a Pearl Earring', left, and a Dall-E 2 'outpainting' of Vermeer's painting by August Kamp, right

What is the face of the man behind the apple? For almost 60 years, the figure wearing a sombre suit and bowler hat in René Magritte's painting 'The Son of Man' has been obscured by a polished green apple. His facial features were intended to remain a mystery, the fruit an artistic provocation. Today, using new technology, 25-year-old digital artist Josephine Müller can roll the apple away.

Müller tilts her laptop towards me in the hushed café of the British Library in London to show how she used Dall-E 2, software that generates images using artificial intelligence (AI), to remove the fruit. Behind it is a man who looks startled to be suddenly revealed, eyebrows raised and piercing blue eyes staring out over an expertly waxed moustache. The face is painted in Magritte's somewhat flat style and signature palette, as if the two images were painted by the same hand, side by side.

It's a neat trick. Then Müller shows me she has generated not one but 200 possible faces. Magritte, a trickster at heart, probably would have approved. The technology, which can create near-infinite artistic combinations in response to a few words or images, has enabled Müller to do work that would have either taken months with previous tools or might not have been possible at all. It is dizzying in both its capabilities and its ethical implications. I ask if she finds it overwhelming. "No," she says immediately. "Well, maybe it is for some people, but I'm just excited."

Dall-E 2 is just one of several AI image-generation tools that have become available to the public this year. Since the spring, the internet has experienced a Cambrian explosion of every conceivable application of the technology. The only thing more amazing than the tech itself is the wild leaps of imagination of its users. Noferrati in *RunPaul's Drag Race*, Da Vinci's 'The Last Supper' but the apostles are crowding round to take a selfie, the French revolution as seen from the perspective of a helmet-mounted GoPro camera, a bottle of ranch dressing testifying in court. All of these can be produced in less than a minute without much technical expertise.

And the technology is advancing swiftly. Six months ago most tools struggled to create human faces, usually offering grotesque combinations of eyes, teeth and stray limbs; today you can ask for a "photorealistic version of Jafar from Disney's *Aladdin* sunbathing on Hampstead Heath" and get almost exactly what you're looking for.

All of which is to say this is a pivotal moment in the history of art. AI-generated imagery is a major disruptive force, and there will be both democratic and oppressive aspects to it," says British artist Matthew Stone, who used Dall-E 2 in the process of creating artworks for his latest exhibition. Millions of images swarm out of this Pandora's Box every day and, with them, a number of difficult questions about plagiarism, authorship and labour. Perhaps the biggest of all: is this the end of human creativity?

One of the first things any evangelist will tell you about AI image generation is how easy it is to do. You describe an

# You won't believe your eyes

Super-advanced software that can create almost any image imaginable from just a few words will transform the face of human creativity for ever – and raise many more mind-bending questions. *Tom Faber reports*

image using natural language, as you would when talking to another person, and the software serves up several results in a matter of seconds.

Midjourney, a Dall-E rival, offers a free trial accessible via the chat application Discord. Hearing that it excels at images that have a more painterly style, I decide to try and make illustrations for a children's book I'm working on, about a cat adventuring around the Mediterranean seeking its missing owner. I type in the prompt for my first idea:

**/IMAGINE: GINGER CAT AT THE TOP OF A MINARET IN ISTANBUL**

The image develops before my eyes like a photograph in a chemical bath, starting out as a blur and gradually gaining definition and coherence.

The first result is not great. The AI has given me a generic tower rather than a recognisable minaret. There is no sense that we are in Istanbul and, worst of all, the cat's face is grotesquely embedded into the brickwork of the tower itself. 'This is my first lesson of AI image generation: although the pictures shared on social media often look fantastic, in-progress results can be terrible – ugly, generic or barely resembling an even simple prompt.'

Since the free trial is located on a public chat server, my cat-minaret is quickly lost in a ceaseless flow of other people's prompts and images. I watch what they are trying to type to glean some tips. It seems that the more detailed your prompt, the better the results. Several users keep returning to the same idea, tweaking words and phrasing to

improve their results. One person keeps iterating on the idea of an "emotional support limpet" and, with each new version, the aquatic snail gets cuter.

I return to my cat prompt and add more detail:

**/IMAGINE: GINGER CAT LOOKING WESTFULLY OVER A VIEW OF ISTANBUL FROM THE TOP OF A MINARET WHILE THE SUNSETS, ANIME STYLE**

This generates a marked improvement – there's a gorgeous contrast between rusty orange and deep indigo in the sky, with pointed minarets like needles scratching the rose-hued clouds. Yet the cat is still not right. In one version, it towers over the architecture like an adorable Godzilla. In another, it is normal sized but for some reason white, as if the sunset has leached out all of its colour.

I scrap the cat and go for something more artistic:

**/IMAGINE: CARNIVAL CELEBRATION, BEAUTIFUL, GEORGES SEURAT**

This composition has a real sense of festivity, but the AI didn't get the pointillist style I was hoping to draw from the "Seurat" reference. I try the same prompt with the word "pointillism" and strike gold, with a soft-hued abstraction of clown-like figures at a fairground. There is a clicky, game-like satisfaction to plucking a random sentence from your imagination and seeing how the AI deals with it, and I spend hours testing out all manner of prompts.

Everyone I show Dall-E 2 and Midjourney is amazed. This technology

has an immediate, visceral impact, especially when people get to see their own ideas being conjured out of abstract mathematical space. "For there to be no gap between doing something and then seeing something, just waiting seconds like a webpage loading, and unexpected imagery simply arises rather than being the output of a long, arduous process," says Stone. "It feels close to dreaming."

It also feels like magic, but it isn't. Joanne Jung, the product manager for Dall-E 2, explains how the AI works. Dall-E 2 is trained on 650m images and their descriptive captions. It learns con-

problems, he says: How does language relate to images? What should the images actually look like? Finally, and most difficult, is a more human question: What do people want to see? The ability to answer these questions was brought about primarily by the confluence of two technologies. One was a neural network called CLIP which could grasp the relationship between language and images. The other was a series of image-generation models that are improving at a rapid rate.

The first public outing for images generated by AI in response to a language prompt was the announcement of the original Dall-E in January 2021 by OpenAI, a research company based in Silicon Valley with close links to Microsoft and which counts Elon Musk among its founders. Dall-E generated images using technology that functioned like autocomplete on smartphones, creating pictures by using probability to decide which pixels should come next based on what came before. Dall-E 2, its successor, takes a different approach called a diffusion model, which generates pictures from image noise (essentially, a field of random pixels like static on a television) that are far more accurate, coherent and beautiful than before.

Other companies and independent developers began to use the diffusion model to make their own AI image-generation tools, each with its own quirks. Dall-E 2, whose name is a portmanteau of Pixar's WALL-E robot and the artist Salvador Dalí, has one million active users and is generally thought to excel at

One of the first things any evangelist will tell you about AI image generation is how easy it is to do

cepts from them like an infant looking at flashcards. If you show the AI enough photos of yoga, it will infer that the practice includes various poses as well as common accompanying objects, yoga mats, cork blocks and so on. If you show it giraffes, it will understand that these animals have long necks and patterned skin. Once the concepts are understood, you can ask it to generate an image of "a giraffe doing yoga" and it can do it, even if such an image has never existed before.

David Holz, Midjourney's founder, explains the technology in more granular detail. The tool needs to solve three

realistic images and photographs. Midjourney has a more abstract, artistic style that users have found particularly good for making fantasy-, sci-fi- and horror-themed images. An open source alternative called Stable Diffusion is one of the most popular among designers and artists; there is also Craiyon, a free public tool with a lower-quality output largely used for making memes, and ruDall-E, aimed at Russian users.

Several of the big tech companies have announced that they are working on their own versions, but the majority are not publicly available. Google has a tool called Imagen, Meta has Make-A-Scene, which allows users to upload a sketch to guide the AI, and Microsoft has NUVIA-Infinity, which boasts a remarkable feature that can transform a still image into a video.

Many people will first encounter AI-generated images in the form of memes on social media. For professional artists, Holz says the main application of Midjourney is to supplement areas in which they feel weak, backgrounds, colour choice or composition, for instance. On the Discord server many users are, like me, not artistically gifted but feel overjoyed to participate in the creation of something beautiful, even if it's just a Rubik's Cube made of a peanut butter and jelly sandwich. Some are creating art for personal projects for which they would never have been able to afford a concept artist. Several users told me they felt the technology democratised the creation of professional images, no longer held back by lack of funding or technical skill.

Diego Conte Peralta is a computer graphics artist based in Madrid who has used Dall-E 2, Midjourney and Stable Diffusion, as well as training his own customised models. He shares his screen over Zoom to show me the digital whiteboard where he meticulously annotates his experiments. Each set of generated images is neatly labelled with the prompts used to create them. At first glance, it resembles a TV detective's corkboard of suspects and clues.

As we move rightward across the board, I can see how he iterates prompts and how the images change accordingly. One image resembles a painting of a man with his eyes closed wrapped in plastic sheeting. The prompt for this was "expressive face of a sleeping young male model wrapped in translucent plastics, dark background, dramatic lighting, 50mm". Peralta describes the prompt's evolution, which first gave him generic-looking figures bearing sterile expressions. He experimented with giving the man different ethnicities with interesting results, but it was only when he thought of adding the word "sleeping" that he got the serene, slightly eerie expression that he wanted.

Peralta then edits the results rather than treating the AI-generated image as a finished product. "That's much more interesting for me because you can go places that even the AI cannot, and the output still has a human element," he says. Next, he shows me a series of smudged, ominous portraits created by an AI model that he trained on paintings by Velázquez and Rembrandt. He has taken elements of their work and used them as textures in his own digital crea-

Continued on page 18



NOVEL WAYS TO EMPLOY IMAGE-MAKING AI

#### MEMES

Left: security cam footage of Jesus trying to steal a pizza. By Patrik Unterhauser, using Midjourney

#### PORTRAITS

Right: a photograph of a woman made by the FT with Dall-E2, using a prompt written by Reddit user AnyTup5656

#### LANDSCAPES

Left: an imaginary Armenian landscape. By Ben Southam, using Midjourney



## Spectrum

### The Netherlands may have hit the limits of growth

The other morning I cycled around the Dutch town where I grew up. Behind our old house, the field where I spent half my childhood is now covered with homes. So is my old football club. My high school is now in a built-up area. At the local railway station, the bike shed was full on a Saturday afternoon. When I got to Amsterdam, the business-traveller economy appeared to have

trading nation with Europe's biggest port experienced 26 years of unbroken economic growth until 2008, then a world record. Now it tops ETH Zurich's KOF Globalisation Index as the world's most globalised country.

Its population mushroomed. When it hit 14m in 1979, Queen Juliana said, "Our country is full." In 2010, Statistics Netherlands said the population would probably never reach 18m. Today it's 17.7m and rising. The country has

assuming they can get served. Why give up your *relax* life and permanent contract to alleviate understaffing in old-age homes? Importing more migrant workers isn't a popular idea. In June, the far right shouted down the minister who suggested recruiting youths from poor French suburbs.

And so every opportunity for growth hits capacity constraints. I recently queued for three hours at Schiphol airport, global aviation's second-biggest hub, because it cannot find enough



live next to protected natural areas, so their nitrogen emissions break EU laws. The government is enraging farmers by closing farms. In theory, that frees space for new homes, but who will build them and where would the builders stay? In short, to use Lia Truss's language, Dutch reality is an anti-growth coalition.

Even automation wouldn't fix sectors such as old-age care and construction. Eventually the country will have to accept a radical reduction





Simon Kuper

## World view

broken down: endless waits for orders, nobody at hotel reception, restaurants closed at lunchtime for want of waiters. I know that over-construction and understaffing are now global problems, but they are especially acute in the Netherlands. The country has run out of space and staff. Sure, a recession may temporarily loosen the jobs market, but the problem was acute pre-pandemic and will simply resurface whenever growth resumes. The Netherlands is probably the first country to hit the limits of growth.

Other overdeveloped places such as New York, San Francisco's Bay Area and Singapore may follow, running out of room for new workers and businesses. This raises the question: can a rich place be happy if its economy stops growing?

With hindsight, the Netherlands was too well-suited to globalisation. The

300 people per sq km, nearly five times the EU's average. Worse, the quantity of liveable land will shrink due to a paradoxical mix of rising seas and droughts damaging the foundations of houses.

But the Dutch economy's demand for new workers seems insatiable. Eighty-four per cent of employers report labour shortages, one government study found. Recruitment signs are almost standard in shop windows. Employers even offer new recruits free holidays.

One constraint on growth is that the Dutch enjoy the developed world's shortest average working week, at just 30.3 hours. Six workers in 10 – predominantly women – are part-timers or temps. The government plans to offer a bonus for anyone going full-time, but many people prefer their daytime cappuccinos in the local café –

into, because it cannot find enough security guards. The foreign students flooding Dutch universities cannot find housing. Amid an energy crisis, the Dutch are closing Europe's largest natural gas reserve because, in a packed country, drilling induced earthquakes upset the neighbours.

Or take ASML, the global leader in chipmaking equipment. Based in a small town in the relatively quiet Dutch south-east, it's a pillar of the western alliance in the budding confrontation with China. ASML hires hundreds of new employees every month, but just trying to find them homes and babysitters. And local tree-huggers have delayed ASML's dream of bike path to its headquarters.

Fantastically productive Dutch farms have made this tiny country the world's second-largest agricultural exporter. But many of its 15m pigs and cows

In short, to use Liz Truss's language, the Dutch reality is an anti-growth coalition

might have to target "stagnation or population size" by limiting labour migration, advised the head of the Dutch labour inspectorate. The new State Commission Demographic Developments 2050 – and Dutch state commissions shape policy – may agree.

Does a rich country need more carbon-emitting growth? "We focus far too much on purchasing power, but purchasing power barely makes us happier," says Sandra Philippen, chief economist at ABRN Amro Bank. However, she notes, we've seen in recent years how people in stagnant economies "become angry and unsatisfied".

So if the limits of growth are in sight, watch out.

simon.kuper@ft.com; @KuperSimon  
More columns at ft.com/kuper

## Your eyes deceive you

Continued from page 17

tions. "The AI gives me a sample so good that it's almost a song," he says.

Recently he has been asking the AI to make portraits in the style of an oil painting, then using those as sketches to paint with real oils on canvas. Studying the output of Midjourney and Dall-E 2 has taught him new painting techniques, helping him to perfect the nuances of blending colours or showing lighting on faces. "I see it as something between a tool and a resource," Peralta says. He finds the technology liberating in how it allows him to iterate so quickly. Even if the results are not all good, he says he can find something he wants to move forward with. "It's a small universe where you can do anything you want without production costs or limitations."

Peralta's artworks, made by AI trained on millions of human-created images, raise the question: Who is really the artist? Is it the person using the AI tool? The people who programmed it? Or is the creator now a distributed entity, spread among the countless artists and photographers who made the pictures that trained the AI? Most artists I spoke to who use AI image generation seem happy to call the output their own, but critics argue that this is not art in any sense we have previously understood the term.

This year the prize for digital art at the Colorado State Fair went to Jason M. Allen, who made his work "Théâtre D'opéra Spatial" on Midjourney. The piece evokes a fantasy throne room where women in ochre robes sit before a portal to a wintry mountainscape. The award sparked uproar among artists, many of whom claimed he didn't actually make the work. But Allen was unrepentant, arguing that he had clearly disclosed how he generated the image and that he had broken no rules. The event was an early test of how the wider art world might view AI images in the future.

Back in London, Stone has been asking Dall-E 2 to generate variations on his own artworks, using images as prompts rather than text. He says that the AI is not yet good enough to create art that he would happily share or sell without doing a lot of work to it. Yet when I ask whether he would consider even the raw output his own art, he is unwavering. "I claim it as such, then yeah," he says. "If there is a grand narrative of art history, then it's about freedom and artists establishing that they can do whatever they want to whatever way."

Situating AI image generation in this lineage brings to mind Marcel Duchamp and Andy Warhol, who revolutionised contemporary art by appropriating objects designed by other people, recontextualising them and claiming them as their own. They shifted the need of what constitutes artistic value away from what you made with your hands or how much time and skill you put into it. Their artistic currencies were concept and storytelling.

Still, most of the creativity in AI image generation is in crafting your prompt. This has prompted the suggestion that making AI art is a process of curation rather than creation. But there has always been an editorial component at the core of the artistic process. "Even if I start with a clear intention for what I want to create, usually in the process of doing that something happens that throws up an unexpected outcome," says Stone. "So I feel my role is reconfiguring those moments, zooming in and understanding why a particular image has become exciting, then choosing to



repeat, explore and go deeper with it. It's almost like true creativity is [an] accident, and AI helps us become accident-prone by throwing up things that we may not have expected."

It's hard to get away from the humanity in all this. None of these tools can be operated without a human user (for now, at least). They have no will, agency or even meanness. The same prompt will get a different result each time. "We need to promote the idea that when we use the digital – because... it's very much part of our lives – there's the potential for it to hold all the subjective, wonderful messiness of being human," says Stone.

In AI-generated images, much of this "wonderful messiness" comes from the verbal prompts people input to create pictures. Where we once communicated with computers using code; now they are increasingly learning our language. Speak to them as you would another human, and they are more and more likely to understand what you mean. But we're not quite there yet, and each tool still has a particular way of understanding words, which is why many people's first experiments fall flat.

Learning the somewhat warped language of image generators has given birth to a new field called "prompt engineering" or "prompt craft". Miller, the artist I met at the British Library, says you have to be specific with prompts to get the best out of the tools. She made a short guide for herself to include the following details: "What? Inspired by? Describe the environment? Feels like? What colours? Any adjectives? Which medium?"

Crafting good prompts is a learning curve, partially because the AI is trained on image captions known as "alt text", which are detailed literal descriptions of web images provided for visually impaired internet users and used by search engines. The result is that sometimes you have to get more specific than you would with a human interlocutor.

On Midjourney, I see a prompt that reads: "a majestic throne room, at the dawn of time, glass paint, overglaze,

ornament, time-lapse, photojournalism, wide angle, perspective, double exposure, light, tones of black in background, ultra-HD, super-resolution, massive scale, perfectionism, soft lighting, ray tracing global illumination, translucent luminescence, crystalline, lumen reflections, in a symbolic and meaningful style, symmetrical -q 5 -s 4975 -chaos 15 -ar 16:9". As language, this is absolute nonsense. But the results are stunning.

There's a knack to writing good prompts. On a website called PromptBase, people are buying and selling

There's no way that companies are going to prioritise the value of artists over capital

them as a new creative service. "I think consulting for prompts is going to be a job in the future," says Miller. "I already know people who have made money from it." But the creators of both Midjourney and Dall-E 2 tell me they want to move away from garbled unnatural language, that these tools should learn to understand humans better, not the other way around.

The fact that language is at the heart of a visual tool might seem surprising, but AI image generation is actually about communication as much as it is about pictures. Teaching computers to understand human language is central to all of OpenAI's projects. The company's first two commercial products before Dall-E were GPT-3, a language model which can generate coherent text, and Codex, which generates computer code in response to natural language prompts.

Midjourney's founder Holz tells me that AI researchers are beginning to suspect that computers might learn to understand languages and images better in tandem than separately. "Language is very intimately connected to images because it was created... to

SELFIES  
Right, from top to bottom: soldiers of the first world war taking a selfie in the trenches; Mongols taking a selfie while the Sack of Baghdad in 1281; Roman soldiers taking a selfie while Rome burns. All by Reddit user Diamond-is-Not-Crash using Midjourney

MYTHICAL CREATURES  
Top left: the skeleton of a griffin. By Christopher R McLean, using Midjourney

PAINTINGS  
Bottom left: the universe with a black hole in the style of a Bauhaus painting. By Andreas Strandmann, using Midjourney



describe the world around us," he says. "So when you talk to AI and make images, you're converting spoken language into visual language. Rather than creating art, you're converting from one language to another, like Google Translate."

While he is careful always to refer to Midjourney as a tool rather than a conscious entity, I note that he occasionally uses verbs like "understands", "thinks" or "talks" when referring to the AI, words that imply consciousness, as if we lack a language to describe this new relationship. (Midjourney deliberately avoids personification, choosing a brand icon that is a boat rather than a robot face.)

Peralta takes a similar view. "AI right now is all about statistics," he says, as he shows me some of his AI-generated portraits. "This noise is a statistical feature, not a nose. When you understand that as an artist, you use the tool in a more profound way than when you try to talk to it like a human being. Through the prompt, you're accessing a specific sample of possible features and getting a random distribution of them in an image."

Even if we treat AI as nothing more than a tool, it can still play an emotive role in our lives. Holz and Jang were both surprised by how many people use AI image generation as a form of therapy, making pictures of their dog in heaven after losing a pet or entering lines from a deceased family member's poetry to explore what their inner visual world might have looked like.

Most intriguing is the technology's capacity to serve people with aphasia, a condition which connotes an absence of mental imagery, thought to affect up to 5 per cent of the world's population. Several aphasics have contacted Jang at OpenAI to say that Dall-E has been invaluable for them in finally understanding how most people see the world.

Since the AI is trained on images pulled from the Internet, it learns from a store of pictures that people have chosen to replicate and share because they

are deemed meaningful or useful. One thing this reveals is just how deeply social bias is baked into our data sets. OpenAI noted that if you type in the word "nurse", Dall-E 2 would always show a picture of a woman, while a "CEO" would always be a white man.

In a recent update, the company tried to increase the diversity in generated images by randomly adding race and gender descriptions in prompts where they are not already specified by the user. When Midjourney surveyed users about whether they wanted the tool to randomly change the ethnicity and gender of humans in generated images to maximise diversity, the answer was overwhelmingly negative. Respondents said this would feel like their authorial control was being taken away.

Another minifield is content moderation. OpenAI forbids the generation of nudity, violence, political campaigning and public figures. (Prompting Dall-E 2 with "Liz Truss and Boris Johnson hugging it out" yields an error message.) Midjourney has banned certain prompt words to stop people from making violent images.

More concerning in the long term is the power these tools have to generate misinformation. The general visual literacy of the public is not high. In a test of about 600 respondents, 80 per cent of respondents were unable to recognise an AI-generated photograph, and 60 per cent failed to identify an AI-generated artwork, according to Tidlo, a customer service platform. As it becomes easier to create convincing photographs for the purposes of misinformation, the value placed in images as proof in courtrooms or the media may be forced to shift.

Aside from the more theoretical concerns around misinformation, there are more tangible threats this technology is already posing to the lives of working artists and designers. Copyright first and foremost. These models were trained on human creations, but those creators were never asked for consent or compensated. A group called Spanning have already launched a tool, Have I

Been Trained?, which allows artists to see if their images have been used to train AI systems.

Several services, including Dall-E and Midjourney, are now giving premium subscribers the commercial rights to the images they create. And some digital libraries, such as Getty Images, have banned the sale and upload of AI-generated pictures, citing legal concerns. Over the coming years, we can expect court cases to set precedents on these questions as the law scurries to catch up with the pace of technological development.

More of an existential threat is the question of what this AI will mean for the already precarious livelihoods of artists and designers. The optimistic take is that it might automate the mundane side of graphic design work, allowing artists more space to focus on their creative projects. Miller is philosophical on the topic: "Yes, it's going to kill jobs but, at the same time, jobs have been dying out since the industrial revolution. Jobs evolve because of technology. My job didn't exist five years ago."

Several artists are less positive. I hear numerous stories of designers whose work was rejected when their client found out that they could use Dall-E 2 to get a much cheaper result that might not be as good, but was good enough. Even OpenAI chief executive Sam Altman wrote in a blog post that, while AI will create new jobs, "I think it's important to be honest that it's increasingly going to make some jobs not very relevant."

"I had an existential crisis for the first two weeks when I started using Dall-E," says Los Angeles-based digital artist Don Allen Stevenson III. The technology prompted him and his fiancée, who is also an artist, to rethink their life plans so they would not be financially dependent on their art. "I think it's over for the old ways. There's no way that companies are going to prioritise the value of artists over capital. Artists have to get themselves into a position where they can change and adapt or else they're going to get extinct."

Meanwhile, the technology is developing apace. "AI in its infancy," says musician and digital artist August Kamp, "and it's a very smart baby." Within a year, Holz expects we will see tools that can create 3D models and video as easily as Dall-E 2 and Midjourney create images.

He calls this "a technological certainty". Over the following decade, these tools will become better, cheaper and more accessible until they are "a seamless part of our everyday lives". It's easy to imagine that AI image generation could be embedded into social networks to become a new unit of communication between friends, as commonplace as emojis or gifs. There's already a basic AI art filter available on TikTok.

All this disruption does not necessarily spell the death of human creativity. When the camera was invented, some declared it the end of art, arguing that since taking a photo required less effort and skill than painting, it was the device, not the human, that was responsible for the final image. Today most people acknowledge that fine art photographers are fine artists by dint of the choices they make and how they use their tools.

The history of art is intertwined with the history of technology. Oil painting was a new technology once, as were recorded sound, cinema and electronic music synthesizers. Each threatened to make a previous art form irrelevant, but this never really happened. People still paint with oils and learn to play the guitar. Copyright and payments will cause arguments, jobs will come and go, ethics will provide endless fuel for debate, but art itself is too vital to be killed by new technology. Whenever it seems threatened, it's only a matter of time before it generates something new.





## it all – and that's the painful truth

Tim Harford

### Undercover economist

You can't always get what you want, a young man once sang. It's a simple aphorism, but one that's worth remembering. Boris Johnson was widely – and rightly – mocked for announcing that "our policy is having our cake and eating it". That was a dishonest refusal to admit that the Brexit referendum had obliged the UK government to make some painful decisions.

But it is not always so easy to see when Mick Jagger's maxim is in play. Consider the question of whether algorithms make fair decisions. In 2016, a team of reporters at ProPublica, led by Julia Angwin, published an article titled "Machine bias". It was the result of more than a year's investigation into an algorithm called Compas, which was being widely used in the US justice system to make recommendations concerning parole, pre-trial detention, and sentencing.

Angwin's team concluded that Compas was much more likely to rate white defendants as being lower risk than black defendants. What's more, "black defendants were twice as likely to be rated as higher-risk but not reoffend. And white defendants were twice as likely to be charged with new crimes after being released as low-risk."

That seems bad. However, Northpointe, the makers of Compas, pointed out that black and white defendants given a risk rating of (say) 3 had an equal chance of being rearrested. The same was true for black and white defendants with a risk rating of 7, or any other rating. The risk scores meant the same thing, irrespective of race.

Shortly after ProPublica and Northpointe produced their findings, rebuttals and counter-rebuttals, several teams of academics published papers making a simple but surprising point: there are several different definitions of what it means to be "fair" or "unbiased", and it is arithmetically impossible to be fair in all these ways at once. An algorithm could satisfy ProPublica's definition of fairness or it could satisfy Northpointe's, but not both.

Here's Corbett Davies, Pierson, Feller and Goei: "It's actually impossible for a risk score to satisfy both fairness criteria at the same time." Or Kleinberg, Mullainathan and Raghavan: "We formalise three fairness conditions... and we prove that except in highly contrived special cases, there is no method that can satisfy these three conditions simultaneously."

This is not just a fact about algorithms: whether decisions about parole are made by human judges, robots or dart-throwing chimps, the same relentless arithmetic would apply.

We need more scrutiny and less credibility about the life-changing magic of algorithmic decision-making, so for shining a spotlight on the automation of the gravest judgments, ProPublica's analysis was invaluable.

But if we are to improve algorithmic decision-making,

we need to remember Jagger's aphorism. These decisions cannot be "fair" on every possible metric. When it is impossible to have it all, we will have to choose what really matters.

Painful choices are, of course, the bread and butter of economics. There is a particular type that seems to fascinate economists: the "impossible trinity". The wisest of all impossible trinities will be well known to fans of Armistead Maupin's *More Tales of the City* (1980). It's "Mona's Law": you can have a hot job, a hot lover and a hot apartment, but you can't have all three at once.

In economics, impossible trinities are more prosaic. The most famous is that while you might want a fixed exchange rate, free movement of capital across borders and an independent monetary policy, at best you must pick two. Another, coined by the economist Dani Rodrik, is more informal: you can set rules at a national level, you can be highly economically integrated or you can let the market determine policy, but you can't do all three at once. An economically integrated national technocracy is possible; so is democratic policymaking at a supranational level, if you don't fancy either of those, you need to set limits to economic globalisation.

Much like Mona's Law, these impossible trinities are more like rules of thumb than mathematical proofs. There might be exceptions, but don't get your hopes up. Mathematics can't catch such findings "proof of impossibility", or just "impossibility results". Some of them are elementary: we'll never find the largest prime number, because there is no largest prime number to be found; nor can we express the square root of two as a fraction.

Others are deeper and more mind-bending. Perhaps the most profound is Gödel's incompleteness theorem, which in 1931 demonstrated that for any mathematical system, there will be true statements in that system that cannot be proved. Mathematics is therefore incomplete – and the legions of mathematicians trying to develop a complete, consistent mathematical system have been wasting their time. At the end of the seminar in which Gödel detonated this intellectual bombshell, the great John von Neumann laconically remarked, "It's all over".

Nobody likes to be told that they can't have it all, but a painful truth is more useful than a comforting falsehood. Gödel's incompleteness theorem was one of the painful truths I studied as a young logician alongside Liz Truss. Perhaps she has finally absorbed the lesson. It is important to understand when something is impossible. That truth frees us from fruitlessly trying to always get what we want and lets us focus instead on getting what we need.

Tim Harford's latest book is *'How to Make the World Add Up'*

Giving devotees by appointment. A succession of smartly dressed people who desired his blessing and had travelled to the outskirts of Bangalore knelt before him as they asked for help, bending their faces to his neatly kept toes in respect and submission. Gayatri, a management consultant, had waited a year for this moment. She was determined to get Shankar's blessing before opening a new subsidiary in Dubai with her business partner. "I can tell you very confidently, not even [becoming] a mother got me this feeling," she said, after the guru had given his endorsement.

When it was all over, Shankar, dressed in pristine white robes that bunched over his waist, was bundled into a white SUV with a small entourage and driven deeper into his ashram to greet more fans. As his car bumped along the pot-holed roads, devotees hailed the man they call "the master", a saint in a Kirtan Mod.

Thousands of people across the world have renounced the traps of everyday life – alcohol, deadlines, commuting to volunteer full time with Shankar's Art of Living organisation, a meditation empire stretching over more than 180 countries, which markets its courses as a cure for stress. Shankar claims that eliminating anxiety is the path to world peace. By the guru's own estimation, the largely volunteer-run organisation has amassed assets worth more than \$120m since it began in 1981.

Beyond its power to shape hundreds of thousands of lives, Shankar's magnetic influence is, like that of other modern gurus, a magnet for money and power. That happens by design, according to R. Gopalakrishnan, a former business executive and management writer, "Without influence, the godman is just another hermit in some little place."

Some misuse their influence. In the past decade, abuses by powerful godmen have shown how vulnerable people can fall prey to charlatans. Several spiritualists in India have been jailed, charged with rape, murder, even forced caste conversions. They have been accused of creating cults, one godman lays claim to founding a brand-new Hindu nation. Influential yogi and businessman Baba Ramdev was reprimanded by India's securities regulator in 2021 for telling followers that investing in his company, then called Ruchi Soma, would make them a *crorepati* (millionaire).

Shankar has not been liable to criminal activity, but he's no stranger to controversy. Art of Living has denied several accusations of land encroachment and is battling a fine imposed by an environmental court for alleged damage caused by a festival it hosted for 3.5m people on the Yamuna river plain near New Delhi in 2016. Yet the guru remains a favourite of India's middle classes, his constantly expanding empire the result of a spiritual celebrity living in the real world.

As the Kia pulled up outside the ashram's yoga school, security guards held back the crowd. Shankar removed his rectangular Ray-Ban sunglasses and got ready to run the gauntlet of adoring fans. One group snatched at me angrily when I inadvertently obscured their view. A grid of family members were trying to watch via video call. Meanwhile, a band of aides scurried about, relieving Shankar of the offerings being thrust into his hands: flowers, silk scarves, sweets, money, letters. By the time he'd finished, the boot of the SUV was crammed. In the midst of everything, the long-haired, bearded Shankar smiled and blessed, not with the hand-shaking gusto of a politician but with a kind of flowing motion, like a Tai Chi practitioner.

The term "guru" is often used to mean expert. In India your guru is your spiritual guide and teacher, and possibly someone with whom you have a deeply emotional relationship. Regions across



Gurudev Sri Sri Ravi Shankar meeting devotees at his ashram in Bangalore, India. — Parvitha Singh

## The godman cometh

Gurudev Sri Sri Ravi Shankar is among the most

influential gurus in India. But how worldly does

a spiritual leader need to be? By Chloe Cornish

the 1.4bn-strong nation have their own local gurus. But celebrity godmen like Shankar and the motorcycle spiritualist Sadhguru have become an industry since India liberalised its economy 30 years ago, creating new wealth and deepening inequality. Rikha Perwal, an Art of Living meditation teacher, told me that the crowd that day included more than 2,000 villagers from rural parts of West Bengal, "who've literally been saving up everything to be able to come here and meet him for a few seconds". They're here to seek his advice on everything from getting their children married to helping their farm through a crisis, she said.

The web in general and social media in particular have helped the godmen grow their reach exponentially. Shankar, who was dictating a tweet when I first met him earlier in the day, is constantly accompanied by an aide whose job is to curate his social media presence. He has 5.5m Facebook and 4.2m Twitter followers, to whom he broadcasts advice and teachings, ancient philosophy for the burnt-out middle classes, in both English and Hindi. His Art of Living podcasts appear exclusively on Spotify, thanks to an audio partnership with the streaming service signed in 2021 for an undisclosed sum.

Darkness had fallen by the time Shankar reached a lady with bobbed hair who was visibly distraught. She was going through a bitter divorce, a media co-ordinator explained to me, and her husband had taken their children. Shankar lingered, instructing her to tell her husband to come and talk with him, and that she should get a job and stand on her own feet. She was still crying when he left. Shankar's advice is not always comforting. He once remarked, "When you get hurt, it is not only the other person at fault. If you had been strong and skilful, nobody could have abused you."

That doesn't always sit well, even with those in Shankar's close orbit. In the early 2000s, critics began publishing anonymous posts, accusing Art of Living of misappropriating funds, pushy

sales tactics, brainwashing, running a cult and psychological harm. Art of Living strongly denied the allegations at the time and later sued two of the bloggers in a US court, alleging libel and publication of trade secrets. A settlement was reached, but Art of Living paid both sides' legal fees and the case was dismissed with prejudice, meaning the defendants cannot be retried and should therefore not be considered guilty. The bloggers' criticism stayed online.

For his biggest event of the day, Shankar addressed thousands crammed into a meditation hall for *satsang*, a communal prayer that includes music and dancing and ends in a surprise entertainment. Today, it was a performance by a sword-wielding martial

There's a hypnotic quality to his voice, a tone that has ushered millions into a meditative stupor

artist. "People don't have to bring me flowers, shawls, nothing," Shankar told the gathered faithful via a microphone, with a touch of remonstrance. "Just come with your smiles."

There's a hypnotic quality to his voice, a high-pitched yet cooling, honeyed, singsong tone that has ushered millions into a meditative stupor. But there's also something unsettling. His sister and biographer Ramanuham Narasimhan has described how, as a young man, Shankar's voice seemed not to belong to his body but was "connected to a field that was beyond and unknown to us".

Then it was time for group meditation. Shankar's teachings have an army of supporters worldwide, and a handful of peer-reviewed studies have found his breathing techniques effective as part of treatment for depression. One course participant of a silent retreat tells me that although she found Shankar's ashram "a bit culty", the meditation and reflection had helped her through a tough time.

Today the guru leads meditation wordlessly. Lights go down and thousands of people disappear into themselves. Afterwards, a male voice belted from the crowd: "LOVE YOU, GURUJI!"

"I know," the guru replied coyly. Shankar had arranged to meet with me by the lake at the heart of his ashram. He sat leaning on the arm of a wooden chair that his aides carry from place to place for him. Shankar had joked earlier that one benefit of ageing is no longer being expected to jump up and greet followers. He wore an air of focused concentration but, up close, did not give off the high-wattage charisma he had exuded to the crowd the previous day. "Of course, when you do something good and when you inspire people, they really start loving you and following you," he said, explaining his influence.

The physical evidence of that love was all around. The ashram, built on land in Shankar's home state originally leased by the government, is far bigger than I expected. Situated on 450 acres, it is a permanent home to about 3,000 devotees and can host 100,000 people for major events. There are facilities for detoxing, an ayurveda spa, a research institute and a hospital offering everything from emergency care to "zone therapy". Followers noted this land was bare and rocky before Shankar arrived.

The grandson of a clairvoyant, Shankar was born to a religious, middle-class, south-Indian family in 1956. His father worked in the car industry. Like many godmen, stories of Shankar's childhood have a distinct whiff of the fantastical. In one, he miraculously avoids being crushed by iron chains as a baby. Another claims that by the age of four he was able to recite from the holy text *The Bhagavad Gita*, a 700-verse poem written in Sanskrit. What's certain is that as a teenager he stumbled upon transcendental meditation and it changed his life.

In the 1980s, Shankar claimed to have developed a novel form of meditation, which he trademarked as Sudarshan Kriya (Proper Visualization by Purifying Action). He broke away from his teacher at the time, Maharishi Mahesh Yogi, who had spread transcendental meditation internationally and taught The Beatles. One scientific paper describes Sudarshan Kriya's central breathing technique as "rhythmic hyperventilation", and hundreds of students at the Indian Institute of Science protested against a talk Shankar gave there, worried that it endorsed his "unscientific" views. Nonetheless, it was the method that helped him make his name.

Today, whenever he is in India, which is not really that often, Shankar receives a stream of followers from across the political spectrum at his ashram. He denies they are after his followers' votes and says he will never endorse any individual or party. He has met with prime minister Modi several times and Gopalakrishnan counts him among the

Continued on page 20

### NOTES FROM THE CUTTING EDGE

BY YUAN YANG

## Surveillance states are stuck on repeat

A visit to the Stasi Museum in Berlin reveals that while the technology may have changed, little else has...

Berlin's Stasi Museum sits inside the former HQ of the secret East German police. From this stark, brutalist compound, built in 1960 following the Soviet occupation, the Stasi conducted its surveillance of the city.

Months after the fall of the Berlin Wall in 1989, a huge crowd stormed the compound to stop the staff from destroying its records. The building has been preserved ever since, its interiors still decorated in mid-century shades of brown, rotary-dial telephones still on desks.

Having recently moved back to Europe from China, I'm used to more advanced methods of surveillance. Yet for all the digital leaps made today, there are parallels between Beijing now and Berlin then. The Stasi had vast numbers of human informants, one per 6.5 East German residents. Beijing, too, relies on a vast network of human sensors, outsourced to tech companies.

Surveillance fads also repeat themselves. Last month, the Stasi HQ hosted a Berlin Museum seminar on the "Digital Divide", where panelists discussed the ways in which old, disproven theories are recycled in modern surveil-

lance. Shazeda Ahmed, a post-doctorate at Princeton University, described the rise of emotion recognition technology in China. Parents have pressed schools there to give up emotion recognition in classrooms, but some police forces are investing in the technology, hoping a person's movements or gestures can signal their propensity to commit a crime.

Such methods fall under the umbrella of "predictive policing", but they are dangerously unproven. Academics doubt whether gestures can be analysed as discrete events that carry the same meaning from person to person.

Speaking at the Biennale, digital rights lawyer Ramak Molavi gave a historical perspective, comparing emotion-recognition trends today to phenology and physiognomy, the ideas that a person's skull shape and facial features indicate their character. Molavi described how the ideas had been dis-

credited, but enjoyed a renaissance during the Nazi regime. Now, he warns, "phenology is back".

Many institutions have a tendency to overextend the power of data to observe, appraise and control their subjects. Authoritarian states, in particular, like to extend surveillance even before they know what they can do with the data.

Thongs of Stasi agents would hang around petrol stations and embassies on the off-chance something might happen. After the Stasi fell, the Germans had difficulty deciding what to do with the records because of the sheer scale of them, most witnessing nothing of any importance.

Better to see all, goes the logic of the paranoid security state, and then decide what to do with the information. The act of seeing is itself a demonstration of power. Having to wonder if your neigh-

bour was a Stasi agent was another intended effect.

For the past six years, my life in Beijing was similarly visible to the intelligence services. When I visited the Stasi Museum, I walked through the chambers of former Stasi head Erich Mielke. I saw the couch he napped on, the note in his kitchenette describing the exact arrangement of his eggs and bread at breakfast. I felt moved by the power of the political change it represented.

Until then, such change must have seemed unimaginable to those Stasi workers, as it does to me today. So much so, that the protesters who once forcibly occupied the buildings showed their identity cards to the guards, as if they themselves could not comprehend what was about to happen.

Yuan Yang is the FT's Europe-China correspondent



## Spectrum | Food &amp; drink



Food photography: Patricia Brown

## Twice as rice

Cookery | Sarit Packer and Itamar Sruulovich serve up a warming dish for a chilly day – and the day after

This is a dish in two parts that will take you on a little trip to the Mediterranean. We start in Greece with *spanakorizo* – spinach rice – a dish that is considerably more than the sum of its parts. Brought together, these humble ingredients produce something that is not so much a rice dish as a thick soup or sloppy (in the best possible way) stew: an unctuous bowlful of pearly, yielding grains and silky strands of slow-cooked spinach suspended in a thick

starchy liquor that should not have much flavour but does, thanks to the simple but effective seasoning of onion, garlic, olive oil, dill and dried mint.

It all comes together without much effort and is best served in a deep bowl, handhold on a sofa, at the end of a chilly day. We suggest a few toppings you might like to add – though for us all are non-negotiable: a squeeze of lemon, a sprinkling of chilli flakes and a crumbling of tangy feta. We also recommend you resist the urge to go for seconds and

save the leftovers for the following day, which is the next leg of the journey.

Part two takes us across the Ionian Sea from Greece to Italy, and turns our *spanakorizo* into arancini. The leftover rice is now a sticky, gloopy mass (again, a good thing), and nothing is easier or makes more sense than rolling it into a ball with a chunk of cheese in the middle, coating it in egg and breadcrumbs and dunking the whole thing in hot oil until the shell is crisp, the rice is hot and the cheese inside melting and oozing.

You can serve with our current obsession – Dalmanara's Xianomavro from Paros, Greece – and maybe go for your favourite Nebbiolo the next night, to match the Italian theme.

Follow Sarit and Itamar on Instagram @Homeandco

## Recipe — spinach rice with feta

Dinner for four, or for two with the next day's rice ball dinner.

## Ingredients

4 tbs olive oil  
3 onions, peeled and finely diced (about 300g)  
2 garlic cloves, peeled and halved lengthways  
½ tsp salt  
400g baby spinach (yes, this much)  
60g dill, chopped  
1 tbs dried mint  
Black pepper, freshly ground  
300g risotto rice (or better still, Greek Carolina rice, if you can find it)  
1 tsp salt  
700ml boiling water  
Juice of one lemon  
100g pack of feta (chilli flakes optional)  
Lemon wedges, for serving

## Method

1) In a large, deep frying pan, heat the olive oil with the diced onions, garlic and salt. Sauté on a medium-low heat to soften the onions until they are translucent, then add 300g of spinach, saving 100g for later. Turn up the heat and add 40g of chopped dill (reserve 20g for later), dried mint and black pepper, and then cover the pan to wilt the spinach. If it all fits, cover and cook for four minutes. If it's too much in one go, add half the spinach, wait for two minutes and add the rest after that.  
2) Remove the lid and stir. The spinach should be completely wilted. Add the rice and salt, mix again, then pour over the boiling water and reduce to low heat. Cover and cook for 10 minutes.  
3) Remove the lid again and add the rest of the spinach, dill and lemon juice. Cover and cook for five minutes. Stir it

all again, then remove from the heat, cover and rest for 10 minutes.  
4) Serve with crumbled feta sprinkled over the top, some chilli flakes and lemon wedges. Leftovers should be chilled in the fridge for the next day.

## To make the rice balls

**Ingredients**  
Any leftover rice  
A few small cubes of feta or any cheese  
A little flour to coat  
Egg, lightly beaten  
Breadcrumbs or matza meal  
Vegetable oil for frying

The rice may need more salt after a night in the fridge. Divide it into walnut sized balls, push a small cube of cheese in the middle of each one and roll in the flour, then the egg, then breadcrumbs and fry in deep oil until crispy all over.

gious site Ayodhya, Uttar Pradesh, but became embroiled in controversy when he warned that India risked turning into a civil-war torn Syria. Muslim leaders took him to court over the remark, accusing him of threatening the community. It wasn't a threat, it's only airing a concern," said Shankar.

"We are an international organisation. We are not limited to *Hindutva*," he added. "We don't talk on the boundaries, country or cultural boundaries. No, we say the whole world is one family."

I asked him what his ambitions were for Art of Living. "See, if I had an ambition this could not happen. I can't take care of others. I have no ambition for myself," he said, not quite answering the question. He put the organisation's growth down to a snowball effect – one person learning meditation wants to teach three people, etc. Art of Living has "organically expanded," he said. "I don't make much effort to expand anything."

Shankar insists his "movement" doesn't have any connection with business. But commercial enterprise is a presence throughout the ashram. Devotees purchase his framed portraits

in addition to the huge kitchen serving free meals, there are cafes selling pizza, kombucha "brewed by meditators" and birthday cakes, popular for being blessed by Shankar, at ₹2,000 each.

There are so many places to spend money in the ashram that it feels a little like Disneyland for meditation. Bhargavi Harish, managing partner of Madhurya, a clothing and crafts retailer in the ashram, told me it "is an independent entity, it's just by policy that we support Art of Living's free schools."

Across the ashram, adverts extol Sri Sri Tattva's ayurvedic products, the biggest business in Shankar's orbit, which



sells everything from branded medicines to cleaning products to a high-end skincare range called *Shankara*. It's run by his nephew Arvind Varchaswi, who met in Sri Sri Tattva's boardroom, bringing ayurveda, a traditional Indian medicine based on the idea of balance, to the world has "been Gurudev [his Holiness]'s vision," said the softly spoken Varchaswi. He aims to make Sri Sri Tattva "really big and become a public company", along the lines of Baba Ramdev's Patanjali Foods, a household name and a publicly listed company worth \$50n. Varchaswi insisted his uncle was not involved in his business. But Shankar does endorse it, tweeting about Sri Sri Tattva's Covid therapeutic to his 4.2m followers, for example.

Shankar's greatest asset is his volunteers. Rahul Sejwani, 27, volunteers in the Art of Living's media team and was behind the Spotify deal. His parents are devotees, and he took his first meditation course as a small child. "When I joined, I wasn't very inclined to spirituality," said Sejwani. But his devotion to Shankar grew as he felt the guru's positive influence on his life. A journalist

crowd filed into an open amphitheatre around an artificial lake with a stage jutting into it. Some 5,000 people had arrived from Siddhim and West Bengal, according to the media team. As the music grew livelier, groups of young people jumped up and threw their arms about, evangelical superhero-style. When Shankar's SUV approached, he waved to the crowd under a cinematographically full moon.

A devotee had bought a white hat for the godman, which he obligingly parked on his head. In his commodious chair, surrounded by water and devotees, he had the air of a king. "Any excuse to celebrate life is good," Shankar told the crowd. "Today, when world is in such a gloomy mood, we must keep these traditions to uplift the spirit." "There are many divisive forces today. It is time for us to wake up," he continued, insisting that we must all come together to heal the social fabric. Just briefly, I wondered whether our interview had played on his mind.

As he spoke, Shankar kept blowing his nose. He seemed tired, asking that just one art perform this evening rather

## Once tasted, the Assyrtiko grape is never forgotten

Jancis Robinson  
Wine



Assyrtiko, the wine grape behind the hauntingly firm dry whites of the volcanic Greek island of Santorini, is a good example of a lesser-known grape that once tasted is never forgotten. It magically combines something saline and mineral with something citrus, as well as tension and a wondrous ability to develop even more complexity in the bottle. This despite the fact that growing seasons in its homeland are notoriously hot, almost impossibly dry and inhospitably windy.

Santorini, with its unforgettable sunsets and whitewashed towns that cling to cliffsides, is above all a holiday island. Each year, about half a million visitors arrive at the international airport apparently unfazed by the fact that the last eruption was barely 70 years ago. Vines have had to compete with developers to stay in the ground.

Australian winemaker Peter Barry of Jim Barry Wines in Clare Valley sipped his first Assyrtiko over a lunch on the island in 2006. He was not only taken by the taste but also convinced that

if the grape could produce such crisp, absorbing wine on Santorini, it would probably thrive back home in South Australia too. At the London Wine Fair the following year, he made it his business to taste as many Assyrtikos as possible. He was so impressed that the complicated business of getting the vine variety – completely new to Australia – through many years of quarantine before being planted there was no deterrent. The first commercial vintage of Jim Barry Assyrtiko was 2016, and the wine goes from strength to strength.

At more or less the same time, South Africa's famous vine nurseries Rosa Kruger toured Europe with a view to identifying Mediterranean grape varieties that thrive in a hot, dry climate. She brought back bottles of wines made from a range of grapes, including Assyrtiko and the Spanish varieties Mencía and Viura, to taste with the team at Vitteck, the official Cape vine nursery. They were sufficiently impressed by the Assyrtikos to import cuttings – better quality than the reference samples already in the national vine collection at Nietvoorbij in Stellenbosch – and, like Barry, to embark on a long quarantine process.

The eventual result is that South Africa's first commercial Assyrtikos have just been released by Jordan winery, and by Chris and Andrea Mullineux. According to Chris, they planted the Assyrtiko along with Macabeo, Verdeho, Vermentino and a few other varieties, and it has been the Assyrtiko that has excited them most so far as a standalone

variety. He says that the others have a lot of interest as components for blending, the Verdeho has an incredible acidity, for example. But "it's the Assyrtiko which was just beautiful, complete and complete on its own – textured and fresh with lovely aromatics at normal ripeness".

The Mullineux's Swartland neighbour Eben Sadie, arguably an even more famous new-wave producer, has also planted many of these Mediterranean imports. Sadie reports that the Assyrtiko he planted in the Paardeberg and on the west coast in St Helena Bay is "showing immense promise".

Elsewhere, Alois Lageder in Alto Adige, northern Italy, and the Tsilemon winery in Cyprus have both produced an Assyrtiko. While in the US, Assyrtiko was added to the University of California's vine variety collection as late as 1948 – but it has taken decades for it to catch on. Last year was the first harvest for both the Paicines vineyard in San Benito county, south of San Francisco, and Perlepos, the Greek grape grower to the north in Lodi.

About 60 per cent of the nearly 2,000 hectares of Assyrtiko grown in Greece is either on Santorini or Thera, the much smaller volcanic island off its north-west tip. Yields are tiny because of the age of the vines, not to mention the whipping winds and almost non-existent soils of pumice and lava, on a base of schist and limestone. Sometimes as little as 5hl per hectare is produced. A year in which yields reach 20hl per hectare is regarded as bounteous. Hence the prices.

I was on Santorini to witness the Vedema wine festival at Seleno restaurant. It's located in one of the many monasteries that have been converted into atmospheric hotels. On a Saturday afternoon, wine lovers assembled for a walk-round tasting of 68 Santorini wines in the arched white tunnel that had once been the monastery's *canava*, the local word for a winery or wine cellar.

Although most of the wines were searingly pure, dry, unadorned Assyrtikos, there were also examples of the oaked style called *nykteri* (not always as successful),

and the dark, sweet, traditional *vinisanto* made from sun-dried grapes. Some of the wines included small portions of the island's other best-known pale-skinned grapes Athiri and Aidani, and there were quite a few reds from the island's characteristic dark-skinned grape

Mavrotragano that were not bad at all but lacked the sheer class of Assyrtiko.

The day before there had been two very revealing masterclasses. In the morning German Master of Wine Caro Maurer showed a range of Rieslings alternating with Assyrtikos. Like Assyrtiko, Riesling is famous for its high acidity and ability to age. I have long held that it is the world's greatest white wine grape (to little effect on Riesling sales). At the end of each presentation, Maurer – joined by Greek Master of Wine Karakasis – served one Assyrtiko and one Riesling blind and asked tasters to work out which was which. They deliberately chose very similar styles; it was next to impossible to be sure of the correct answer.

In the afternoon, Karakasis presented 10 very lively, older dry white Assyrtikos – from 2016 back to 2012 – and a couple of *vinisantos*, one of which was made in 1947 and is still delicious. He even claims to have tasted a mid-19th-century Assyrtiko that was alive and kicking, I believe him.

For Jancis's recommendations of the best Assyrtikos wines, find this column and others online at [ft.com/jancis-robinson](http://ft.com/jancis-robinson)

For stockists, visit [wine-searcher.com](http://wine-searcher.com)

## The godman cometh

Continued from page 19

godmen who have a "mutually reinforcing relationship" with the government. Shankar says he has no political affiliations.

The rise of India's modern godmen has overlapped with the ascent of Hindu nationalism under Modi, who has promoted many of the ancient practices championed by the gurus alongside his ideology of *Hindutva*. It's a word that literally means Hindu-ness but has come to stand for Hindu nationalism.

In 2014, Shankar and other civic and spiritual figures were heading a national anti-corruption movement that felled the government of then-prime minister Manmohan Singh. If Singh's secular Congress party was the loser, its arch rival the Bharatiya Janata party (BJP), led by Modi, was one of the winners. Modi was elected premier that same year. "When we started this movement, it benefited certain parties," Shankar

human rights groups allege his state government failed to protect Muslims. Shankar said he was convinced that Modi was not responsible and publicly defended him at the time.

Yet outside his ashram, the deepening polarisation in India worries the guru. When I asked him if the BJP's *Hindutva* has made India more or less peaceful, Shankar said he believed there was less terrorism, but "I won't say all is very rosy... There are some people who are doing all this rhetoric, which is so painful. And there are people who create hate between the communities... wanting to divide and rule."

The perception that India under BJP rule is hostile to its roughly 14 per cent Muslim population was reinforced by a 2019 act passed by parliament, offering a pathway to Indian citizenship to people from minority religions in nearby Muslim-majority nations which excluded Muslims. "There were many wrong steps," said Shankar of the "cit-



acknowledged.

Modi was chief minister of Gujarat state in 2002 when it was wracked by bloody intercommunal violence that killed nearly 2,000 people, mostly Muslims. His role in these riots is contested;

zanship Amendment Act, which triggered protests in India. "Maybe with good intention, but I would say India can take a lot of help."

The same year, he mediated in a long-running interfaith dispute over a reli-

books, Art of Living-branded clothing and yoga mats in numerous shops. You can buy an audio version of the *Ibhavad Gita* in multiple languages for Rs12,000 (£120). A travel agency helps visitors book flights, cabs and holidays.



Shankar remains a favourite of India's middle classes — *Shantanu Singh*

graduate, he left Mumbai to volunteer full-time in 2017. "I don't think that I'm controlling my life, it's just happening... everything has been so easy, so happy since I've come here."

On my last night at the ashram, a

than the planned two. And the godman on the throne started to look perfectly human.

Chloe Cornish is the FT's Mumbai correspondent

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## Life&Arts

FT Weekend

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### SNAPSHOT

#### 'Comrade Sisters', by Stephen Shames

The Black Panther Party for Self-Defense was founded in Oakland, California, in 1966 by Huey P Newton and Bobby Seale. A revolutionary organisation grounded in ideologies of black nationalism and socialism, it espoused armed self-defence, particularly against police brutality.

But the Panthers were not simply a militia. They became a political party that emphasised black pride, community control and unification for civil rights. It is estimated that 66 per cent were women — a fact people

find "difficult to incorporate into the patriarchal frame that tends to define" the movement, writes activist Angela Davis in the foreword to a new book by American photojournalist Stephen Shames. From 1967 to 1975, Shames captured and "documented the positive power of the women of the Black Panther party as they served the people — body and soul".

Dylan Neri

'Comrade Sisters' is published by ACC Art Books

## Sunak puts the non-urban immigrant on the map

Janan Ganesh

Citizen of nowhere



A weak joke is doing the rounds whose basic structure is as follows. First, you exalt Rishi Sunak as a breakthrough for an overlooked minority. You then catch your nodding audience out by naming that minority. "Finally, a prime minister from... Goldman Sachs!" "Overdue recognition for... Wykehamists!"

Two things can be said for this Radio 4-grade banter. First, it is consolation. People are having to accept that Tories produced the first Jewish prime minister (by ancestry if not faith), the first woman, the second woman, the first woman and now the first Asian. The first Catholic was probably Boris Johnson. Prediction: the first black premier will be Tory. If humour helps to get folk through this, it shouldn't be denied them.

Second, the gag is half-right. The thing about Sunak is not (or not just) his race. But it is not his class, either. It is his region.

He is an advertisement for that most neglected of "demographics": the non-urban immigrant. He isn't from London. Or Manchester, Birmingham, Liverpool, Leeds, Bristol or Sheffield. Or even those towns — Luton, Blackburn, Wolverhampton — to which Asians came for work in the last century. No, home is Southampton, which is far from most homogenous but also far from most dramatisations of immigrant or ethnic-minority life. Nor are his school towns of Romsey and Winchester the setting of many Desi tales. *Bend It Like Beckham: The Hampshire Years* would have been a tough pitch even when

Netflix was flusher with cash.

I have known enough Asians from non-obvious places to sense, for good and bad, what a distinct experience it can be. You go without the psychic comforts that big cities confer on minorities: invisibility, safety in numbers. You are denied the more tangible ones, too. With critical mass in an area, a diaspora can approximate the taste of the old country (whichever that is) through cash and carries and the like. That is harder in Leighton Buzzard.

On the other hand — the one Sunak has played so well — you might have a better window into life as lived by the

hard to describe the non-London south of England to foreigners (and, at times, northerners). The loveliness of some of it is famous enough. Less well understood, even after *The Office*, are the places where middling living standards are compounded by a lack of identity. Southampton isn't one of these; too ancient, too large, too well-defined by its port and football club. But it is a better vector into that Costa Coffee side of England than the big immigrant cities. As a percentage, its white population is about in line with the average in England and Wales. It voted Brexit by about the same margin the UK did.

An ethnic determinist would count on me for special insight into the prime minister. You'd be better off asking someone from Maidstone. In fact, my Pakistan-born friend who grew up in non-DC-facing Virginia might be of more use. He will have felt conspicuous more often than I ever have. He will have had to learn the texture of life in a new country more abruptly and with less help than I did.

Worse, his story is rarely told. "I am an American, Chicago-born": the opening words of Saul Bellow's *The Adventures of Augie March* cemented the link in popular imagination between the migrant and the metropolis. It is through an already diverse city that a newcomer enters and becomes socialised into the nation. Except, very often, it isn't. I am more at home 400 miles away in Glasgow than in towns fractionally outside the M25. Not all minorities get to be so picky.

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You go without the psychic comforts big cities confer on minorities: invisibility, safety in numbers

median citizen. The first non-white leaders of large western democracies, he and Barack Obama, didn't grow up among many of their ethnic kin. Coincidence is the likeliest explanation here. The sample size is trifling. But I wonder: early awareness of his difference, that theme in Obama's biographical writing, might have brought insight as well as grief. There is still no one better at explaining to the left that whites of a certain age might fail to keep up with the protean language of identity.

It will have come to your notice that Sunak isn't Obama. But geographic upbringing might have given him an equally useful angle on his nation. It is

## A wealth of opportunity for rich-bashing

Jan Dalley

Trending



Wealth, or the lack of it, is never out of the news. Especially in an economic downturn when everyone feels threatened, there's always a lot of rich-bashing about: one UK newspaper railed at the UK's new prime minister Rishi Sunak for being "richer than the king".

I'm recovering from the excesses of the art market over past weeks — a magnificent, if overcrowded, edition of Frieze London, with its elegant sister Frieze Masters, followed by an assured newcomer in Art Basel's Paris+ fair. No one can spend long in these halls of cultural luxury without thinking about money, who has it and how, and the gulf between the very rich and the rest is never more glaring than when watching the apparent ease with which millions change hands in buying art. It does strange things to your head, I find. Not long ago at an auction viewing, going at a valuable work of art up for sale, the image of a street suddenly swam into my head. It's an ordinary east London street of two-bedroom terraced houses where my godson bought his first house not long ago. I realised that the square metre or two of canvas in front of me could "buy" the entire street, all 80 or so houses, and all the lives contained in them.

Houses whose occupants are now terrified that the current rises in mortgage rates will force them out of these homes. Love art though I do, I can't help feeling that picture really has a lot to prove.

At a moment when all but the richest feel financially wobbly, a distrust of uber-wealth can become an obsession. So, the second series of *The White Lotus*, whose first, set in the eponymous hotel in Hawaii, openly mocks a picaresque parade of egregiously moneyed characters, is well timed.

We see the staff plaster on fake smiles for their rich and whimsical

hilarious, nauseating and — yes — sometimes rather touching.

Yet throughout the course of a week's stay, every one of the guests is somehow changed by their experiences at the hotel; there are dramatic revelations, changes of direction and heart, glimmers of self-awareness. But writer-director Mike White's comedic satire has sharp teeth: the losers in this game of the rich at play are, inevitably, the staff, the servants, the islanders.

In the first series, a lonely, bored woman offers a deferential masseuse lavish backing for her business dream and, just as whimsically, withdraws it. A young guest lures her Hawaiian lover into a jewel theft: you can guess how well that turns out.

The manager, goaded beyond endurance by a particularly odious

The losers in this game of the rich at play are, inevitably, the staff, the servants, the islanders

frat-boy guest, lands up with a knife in his guts. The wealthy, says this series, leave havoc in their wake and take the flight home.

The new series is set on a different island, Sicily. The settings look more lavish than ever: besides ultra-luxury and spectacular scenery there will be vespas, pasta, ruins. And a whole new cast, with the exception of the middle-aged Tanya McQuoid (brilliantly played by Jennifer Coolidge), a wobbling, trout-lipped mess of neuroses, adipose tissue and self-obsession, a caricature subplot in series one now brought to the fore. Expect more rich guests, more horrible behaviour, chaos and heartbreak, and perhaps a little bit of comeuppance on the Italian island.

Another new film that takes aim at the wealthy and pretentious, *Triangle of*

fashionistas, the odd genuine toff. Director Ruben Östlund's comedy-satire explores wealth in all its forms, including beauty as a form of currency and a means of social movement; the social media currency of influencers. A drink-sozzled Marxist captain marshals crew, servants and skivvies in a rigid onboard hierarchy. But when the boat sinks and they all end up stranded on a remote island, social differences as well as barriers of wealth and education are upended, with a cleaning woman emerging as the competent, natural leader.

Writers of fiction have found remote islands useful for exploring issues of race, class, money and people's fundamental strength of character — right back to *Robinson Crusoe* and *Mutiny on the Bounty*.

In the US in the 1960s, a shipwreck story TV series called *Gilligan's Island* ran for 98 episodes. And the basic plot of *Triangle of Sadness* closely echoes that of a 1957 film *The Admirable Crichton*, with Kenneth More as the eponymous butler who rises to preside as undisputed autocrat over the desert island on which he and his aristocratic former employers are wrecked.

Given its era, *Crichton's* thrust was more about class than money. The running joke is that Crichton is in fact a terrific snob, devoted to the niceties of social order.

When asked (in pre-island days) by one of the grand family he serves whether he yearns for universal social equality, he replies: "Any satisfaction I might derive from being your equal, m'lady, would be ruined by the footman being equal to me."

The desert island, then, is no egalitarian paradise: it works with ruthless Darwinian logic. A fantasy place in which the natural superiority we all feel we possess will shine through. And where the wealthy will no longer be rich, in all the ways that matter.

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