

# FT Weekend

Asia edition

INTERNATIONAL NEWSPAPER OF THE YEAR

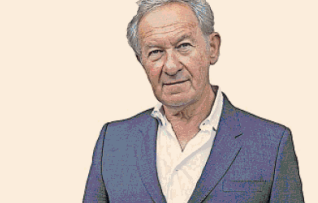
SATURDAY 12 NOVEMBER / SUNDAY 13 NOVEMBER 2022



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How to win the ultimate prize  
LIFE & ARTS



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OPINION



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HOUSE & HOME



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THE LONG VIEW



## Crypto world rocked by fall of FTX empire

- \$32bn group files for bankruptcy
- Founder Bankman-Fried resigns

JOSHUA OLIVER, SCOTT CHIPOLINA  
AND NIKOU ASGARI — LONDON

The once high-flying cryptocurrency group FTX has filed for bankruptcy protection in the US, marking a stunning collapse of the \$32bn empire built by the colourful 30-year-old entrepreneur Sam Bankman-Fried.

The filing in Delaware federal court yesterday included the main FTX international exchange, its US crypto marketplace, Bankman-Fried's proprietary trading group Alameda Research and about 130 affiliated companies.

FTX's failure came after Bankman-Fried desperately sought billions of dollars this week to save the exchange after it was unable to meet a torrent of customer withdrawals in a run prompted by concerns over its financial health and links to Alameda.

The collapse of such a prominent group, which advertised during the US Super Bowl and whose shorts-sporting, charismatic founder was a leading donor to the Democratic party, has rocked the volatile crypto industry.

Bitcoin dropped 5 per cent to a fresh two-year low of \$16,492 after the FTX bankruptcy was announced.

Changpeng Zhao, chief executive of rival exchange Binance, which first offered to rescue FTX then pulled out,

said the fall of FTX left crypto facing a financial crisis akin to 2008 and that more businesses could fail in its wake.

Bankman-Fried, who had boasted a \$24bn personal fortune and close links with Wall Street, resigned as FTX chief executive. John F. Ray, a restructuring specialist who oversaw the Enron and Nortel Networks bankruptcy cases, will take the reins. "The FTX group has valuable assets that can only be effectively administered in an organised, joint process," Ray said.

In just over three years, FTX had secured a \$32bn valuation and wooed a roster of blue-chip investors, including Paradigm, SoftBank, Sequoia Capital and Singapore's Temasek. Venture capital firms Sequoia and Paradigm marked down their investment to zero.

The sprawling business empire run by a tight-knit group of longtime associates around Bankman-Fried, many of whom lived together in a penthouse in Nassau, Bahamas, has about 100,000 creditors and \$10bn-\$50bn of assets and liabilities, according to the filing.

The US Securities and Exchange Commission is investigating FTX, according to a person familiar with the matter.

Person in the news page 11

FTX collapse pages 14 & 15

Lex & Katie Martin page 20

## Taste of freedom Kherson citizens rejoice in Russian troops' departure



Residents in Kherson celebrate the liberation of the city yesterday by posing for a Ukrainian soldier's selfie after Russian forces completed their withdrawal across the river Dnipro, sealing one of Kyiv's biggest victories since the February invasion. *Report, page 6; FT View, page 10*

## China relaxes quarantine rules even as new Covid cases hit highest since April

FT REPORTERS

China has eased coronavirus quarantine rules for close contacts and international travellers in the first relaxation of Xi Jinping's zero-Covid policy since the policy was reaffirmed at the Communist party congress last month.

The State Council, China's cabinet, pared the mandatory quarantine for close contacts of positive Covid-19 cases and overseas arrivals from seven days to five, while maintaining three further days of home isolation.

The latest changes also included ending the tracing of second-degree close contacts of confirmed positive cases.

China has remained an outlier on pandemic restrictions, persevering with Xi's zero-Covid playbook of locking down buildings, suburbs or entire cities,

as well as mass testing, quarantine and electronic contact tracing.

Speculation surged in recent weeks that Beijing was considering a more significant relaxation, despite Xi's administration consistently signalling that it would prioritise protecting the health of China's 1.4bn people over the damage wrought by the curbs on the world's second-biggest economy.

China reported more than 10,000 new Covid-19 cases yesterday, the highest daily tally since late April when Shanghai was in the throes of a heavy-handed two-month lockdown.

Guangzhou, the capital of the southern manufacturing hub Guangdong, is now teetering on the brink of a citywide lockdown with millions of residents subject to mass testing and home isolation to try to curb a worsening outbreak. The city of almost 19m people reported

2,824 new local cases for Thursday.

The policy tweaks came after the Politburo Standing Committee, led by Xi, met on Thursday and reaffirmed the zero-Covid strategy while promising to optimise its implementation.

Bruce Pang, chief economist for greater China at JLL, warned against a "too optimistic" reading of Beijing's easing. "China's Covid policy will only be fine-tuned in the short term with the focus shifting between eliminating cases and making more precise measures," he said, adding that China's leaders had reiterated that the policy changes should not be "misread" as a reopening.

In June, China halved the quarantine requirement for international arrivals to one week and reduced the home self-isolation period to three days.

Edward White in Seoul, William Langley in Hong Kong and Ryan Mc Morrow in Beijing



**Murdoch sours on Trump for new favourite DeSantis**

Ways part — PAGE 3 Big Read — PAGE 8

Australia	AS10000inc GST
Brunei	B58.00
China	RMB50
Hong Kong	HK\$45
India	INR260
Indonesia	RP48,000
Japan	¥6500inc JCT
Malaysia	MYR2.50
Korea	₩5,000
Philippines	PHP160
Singapore	S\$70inc GST
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Thailand	฿160
Vietnam	US\$5

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### World Markets

STOCK MARKETS				CURRENCIES				GOVERNMENT BONDS			
	Nov 11	Prev	%chg	Pair	Nov 11	Prev	%chg	Yield (%)	Nov 11	Prev	%chg
S&P 500	3960.17	3956.37	0.10	\$/£	1.033	1.018	1.5%	US 2 yr	4.32	4.34	-0.02
Nasdaq Composite	11202.03	11114.15	0.79	\$/¥	1.178	1.168	0.8%	US 10 yr	3.82	3.85	-0.03
Dow Jones Ind	33476.46	33715.37	-0.71	€/£	0.877	0.872	0.6%	UK 10 yr	4.06	4.11	-0.06
FTSE100	1703.62	1704.26	-0.04	\$/¥	139.065	141.595	-1.8%	UK 2 yr	3.19	3.14	0.05
Euro Stoxx 50	3870.59	3846.56	0.62	\$/¥	163.777	165.357	-0.9%	UK 10 yr	3.35	3.29	0.06
FTSE All-Share	7318.04	7375.34	-0.78	\$/¥	0.977	0.985	-0.8%	JPN 2 yr	3.49	3.40	0.09
CAC 40	6594.62	6596.03	-0.02	\$/¥	1.114	1.130	-1.4%	JPN 10 yr	0.07	0.06	-0.01
Xetra Dax	14224.86	14146.09	0.56						0.23	0.24	-0.01
									1.43	1.51	-0.08

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Hong Kong	17225.66	16881.04	7.74
MSCI World \$	2636.55	2508.77	5.05
MSCI EM \$	889.60	900.32	-1.19
MSCI ACWI \$	607.66	582.21	4.37
FT Wilshire 2500	5149.63	4871.89	5.70
FT Wilshire 5000	40226.27	38060.17	5.70

COMMODITIES	Nov 11	Prev	%chg
Oil WTI \$	88.46	86.47	2.30
Oil Brent \$	95.54	93.67	2.00
Gold \$	1744.75	1715.25	1.72

GER 2 yr	2.18	1.98	0.20
GER 10 yr	2.15	2.01	0.15
GER 30 yr	2.11	1.99	0.12

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## INTERNATIONAL

## Summit

## US climate promises get cool reception

President urged to show 'more leadership' in committing new funds

CAMILLA HODGSON — SHARM EL-SHEIKH  
AIME WILLIAMS — WASHINGTON

Joe Biden insisted every nation should do its part on climate change and promised the UN climate summit the US would meet its own targets, while disappointing those looking for further funding for the developing world.

The day trip to Egypt designed to "showcase" US leadership on climate change featured its involvement in a \$500mn agreement to help the summit host nation shift to renewable energy. The US also announced new methane rules to crack down on "super emitters" among other measures.

"I can stand here as president of the United States of America and say, with confidence, the United States of America will meet our emissions targets by 2050," Biden told the COP27 gathering, on his way to the G20.

Calling for world leaders to "double down" on their response to global warming, he touted the US's recent climate achievements and pledged further funds to help Egypt phase out gas following a friendly meeting with Egyptian president Abdel Fattah el-Sisi that referenced the 40-year strategic and defence relationship between the countries.

After the meeting, Biden was asked if the leaders had discussed Alaa Abdel Fattah, one of the highest-profile political prisoners among thousands detained in Egypt. "What we talked about is the relationship between the United States and Egypt," Biden said.

In his address to the climate summit in Sharm el-Sheikh, the president held up his flagship climate and tax legislation that commits \$369bn to clean energy initiatives, known as the Inflation Reduction Act, among a host of domestic climate initiatives.

But his promise of more adaptation funds for developing countries, which included a doubling of a previous pledge to \$100mn and a further \$150mn for efforts across Africa, received a lukewarm reception.

'He couldn't deliver what the developing world most wants — enough money to adapt to climate extremes'

Henry Kofuku, Ghanaian president of the coalition of countries known as the Climate Vulnerable Forum, said that while it was positive the US under Biden had rejoined the Paris Agreement to tackle global warming, "we expect the US president to show more leadership in committing dedicated new funds" to help poorer nations cope.

US climate envoy John Kerry will remain at the conference through to its concluding second week, when world leaders begin to negotiate in earnest over their future commitments.

The EU yesterday signed an agreement with the US, Japan, Canada, Norway, Singapore and the UK to develop "an international market for fossil energy that minimises flaring, methane and CO<sub>2</sub> emissions across the value chain to the fullest extent practicable". See Opinion



## Fed officials back less aggressive rate rises after inflation slows

Federal Reserve officials voiced support for slowing the pace of future interest rate rises.

Patrick Harker, president of the Philadelphia Fed, joined counterparts at the Boston, Chicago and Richmond branches in expressing that view. Lorie Logan, president of the Dallas Fed, also endorsed a shift down from 0.75 percentage point rises, which the Fed has implemented at every meeting since June.

Traders have been placing higher odds on the Fed opting for a smaller move next month.

The shift in expectations, accompanied by a sharp rally in the S&P 500, was propelled by October's consumer price index showing prices rising by 0.4 per cent for the month, in line with September's increase, the smallest annual rise since January.

## Germany bars Chinese purchase of Bavarian semiconductor company

Germany blocked another Chinese acquisition of a domestic semiconductor company. Robert Habeck, economy minister, declined to name the company affected, but a person familiar with the matter said it was ERS Electronic, a tech group based in Bavaria.

ERS makes thermal chips, used to hold semiconductor wafers in place while they are being probed.

Berlin also stopped the sale of Dortmund-based Elmos's semiconductor plant to Chinese-owned Silix Microsystems. The moves highlight increasing government concerns over the security of western chip technology and supply chains. In October, the US introduced far-reaching controls on the export of high-end chips, in a move designed to make it harder for China to manufacture advanced semiconductors.

## Protesters support Khan claim of Pakistan conspiracy to kill him



Supporters of Imran Khan, the former Pakistan prime minister who survived an assassination attempt, stop traffic on roads into Islamabad. Khan alleges there was a conspiracy involving senior civilian and military officials to kill him, claims which were denied.

## Czech minister criticises Brussels over progress on gas price cap

Brussels is acting too slowly to forestall a worsening energy crisis, said the Czech energy minister whose country holds the six-month rotating EU presidency. Jozef Sikela said he was "disappointed" that despite repeated requests from member states, the commission had still not presented details for how a ceiling on gas prices could work.

Balmy weather has benefited Europe by keeping gas demand low. But, in a meeting of EU ambassadors, several member states declared impatience with European Commission efforts. Greece, Italy and Poland want a cap on gas prices but Germany and the Netherlands worry it would lead to increased consumption or in traders sending gas elsewhere.

## Event gives rights activists global platform to publicise Abdel Fattah's predicament

HEBA SALEH — SHARM EL-SHEIKH

The Egyptian resort of Sharm el-Sheikh, which is hosting this month's COP27 climate summit, is a favourite venue for international gatherings. Wedged between the mountains and sea near the southern tip of Sinai with a tiny local population, it is easy to seal off and secure — a place where the country's harsh realities can be kept at bay.

But as world leaders descended on the enclave for the climate gathering this week, Egypt's human rights record — and in particular the plight of political dissident Alaa Abdel Fattah — has become the focus of intense attention, at times overshadowing the official business of the conference.

UK prime minister Rishi Sunak, French president Emmanuel Macron, German chancellor Olaf Scholz and Volker Türk, UN high commissioner for human rights, have all urged Egypt's President Abdel Fattah el-Sisi to release Abdel Fattah, who is serving a five-year jail sentence over a social media post.

But COP27 has also given Egypt's human rights defenders, long vilified and banned from the country's airwaves, an exceptional global platform. Enjoying the solidarity of international climate activists and with unfettered access to the press, the conference has created an unprecedented opportunity to make their voices heard.

This was underlined at a COP meeting on Tuesday, when Egyptian MP Amr Darwish criticised Sanaa Seif, Abdel Fattah's sister who has been conducting a campaign in the UK on his behalf and who was addressing the audience. After he accused her of "summoning foreign powers to pressure Egypt", he was ushered out by UN security officers.

"A moment that should have been a showcase for Egyptian diplomacy has been overshadowed by all the focus on human rights," said Michael Hanna, of the International Crisis Group.

Sisi, a former general, overthrew his elected Islamist predecessor Mohamed Morsi, in a popularly backed coup in 2013. Since then, he has presided over



Release plea: supporters of Alaa Abdel Fattah, below, stage a protest in Sharm el-Sheikh on Tuesday

Norman El-Hachimi/AP

one of the harshest crackdowns on dissent in modern Egyptian history.

Tens of thousands of Islamists have been detained, with arrests extended to the regime's secular critics. Protesters are banned and rights groups, who are often accused of being paid agents of foreign governments, face severe restrictions.

Abdel Fattah, 40, came to public attention during the 2011 revolution that ended the authoritarian rule of veteran president Hosni Mubarak. He has been on a partial hunger strike since April and had warned he would stop taking water on Sunday, the day COP27 began. His family say he is convinced that the Egyptian authorities have no intention of ever freeing him and that his actions are driven by despair.

The dissident, who was granted British citizenship last year, has spent eight of the past 10 years in Egyptian jails. His family has had no news of him for days and fear he will die. "In a day or two, or three at the most, what Alaa's going through will be over," said his

mother, Laila Soueif. "If he is released, he will be free. If he dies, he will be free."

The government has refused to acknowledge Abdel Fattah's hunger strike or to allow a British consular visit. But Macron said this week that Sisi was committed to ensuring the activist's health was "preserved", comments that alarmed his family. "Are they force-feeding my brother right now? Is he handcuffed on a bed and put on [intravenous drips] against his will?" asked Seif. "If that's the case, then he's been plunged into an even worse nightmare than he was already in."

Khaled Ali, Abdel Fattah's lawyer, was told that he could visit his client on Thursday, but said that when he arrived at the prison, he had been refused entry.

Egyptian human rights groups have welcomed the publicity from COP27. Hossam Bahgat, director of the Egyptian Initiative for Personal Rights, said that when Egypt was selected as the summit's host, "some people wanted to campaign against that, to choose a different location. We said 'no, don't do

that'. We needed the attention, we needed the solidarity [and] we needed the comradeship," he told a COP panel discussion on the country's human rights situation. Speakers at the panel warned that climate justice and human rights were interlinked. Bahgat said communities in Egypt threatened with environmental damage were too scared to talk to human rights groups or resist projects that threatened to have a negative impact on their lives.

It is also unclear how Cairo will react once COP27 has ended. "The risk of reprisals is very much there and that's the decision that we had to make," Bahgat said. "This is a huge opportunity: Egypt has been forgotten for the past few years because there is a degree of normalisation of repression and because it appears to be a stable country in the middle of a very unstable region."

Abdel Fattah's condition remains unknown. "The regime doesn't want to be seen as succumbing to pressure," said Hanna. "But if he dies, it will be a black eye for Egypt."

## Brazil

## Lula seeks constitutional change to fund campaign pledges

BRYAN HARRIS — SÃO PAULO

Luiz Inácio Lula da Silva faces his first test less than two months before he takes office as Brazil's president, pushing for a constitutional amendment that would allow him to fund his multi-billion dollar campaign pledges.

While on the stump, the leftwing veteran pledged to increase the minimum wage, create a new cash stimulus for poor

his social welfare plans outside the cap, thereby circumventing its limitations.

It is a risky strategy that will inevitably involve political compromises, even before the 77-year-old takes office on January 1. It also appears to be causing unease among some investors. The Brazilian real has fallen about 5 per cent against the US dollar over the past week, while the stock index is down 7 per cent and the cost of government borrowing

lengthy process that Lula's team would need completed by the middle of December in order to maintain the R\$600 payment in January.

Politically, the move would hand leverage to congressional leaders. Arthur Lira, Speaker of the House, and Rodrigo Pacheco, president of the Senate, are both seeking re-election in February and will use the PEC as a bargaining chip to secure support for

Under the proposed amendment, R\$105bn worth of current social welfare expenditure, including the monthly R\$400 Auxílio Brasil cash payment, would be placed outside the spending cap. An additional R\$70bn would be allocated to maintain Auxílio Brasil at its current R\$600 level and create a new R\$150 handout to poor families with children under six. Voting on the amendment is expected to begin later

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Wages, which are a key cash subject for poor families with children under the age of six, as well as maintain the flagship social welfare payment at R\$600 (\$110) from January. Under current budget rules, the payment should fall to R\$405. However, Lula has little room to manoeuvre with much of next year's budget already earmarked by Congress and incumbent Jair Bolsonaro's administration. He is further constrained by Brazil's constitutionally mandated spending cap, known as the *teto*, which limits budget increases to inflation.

After meeting with congressional leaders this week Lula, who narrowly defeated the rightwing Bolsonaro in elections last month, has opted to pursue a constitutional amendment that would put R\$175bn (\$32bn) of funds for

the use of the government's borrowing

has risen. Many economists remain concerned about Lula's commitment to fiscal responsibility, particularly as he has yet to signal the economic direction of his administration with the appointment of a finance minister.

"The amendment is being negotiated without the appointment of a finance minister and numbers being quoted are quite high," said Rafaela Vitoria, chief economist at Banco Inter. "It appears that politicians are once again seizing the opportunity to increase expenses without accountability."

Known as PECs, amendments to the constitution must be passed by three-fifths of lawmakers in two consecutive votes in each house of Congress, a

getting help to generate support for their candidacies.

Lula, a one-time close ally of Bolsonaro, quickly embraced Lula following his electoral victory on October 30.



Luiz Inácio Lula da Silva: currently limited by mandated spending cap

amendment is expected to begin later this month.

Lula's allies say they want to keep the social welfare programme permanently outside the *teto*, although this possibility has raised concerns about fiscal slip-slide and would probably complicate the amendment's passage through Congress.

Before choosing the PEC, Lula had considered issuing an executive order as soon as he takes office that would allow him to maintain elevated social welfare payments. This, however, would occur too late for the month's payroll, meaning recipients would receive reduced payments during his first few weeks in office.

Additional reporting by Carolina Inizua and Michael Pooler

12 November/13 November 2022

★

FT Weekend

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## INTERNATIONAL

# Murdoch affections stray from Trump to DeSantis

Magnate is known for his ability to pick a winner and his media outlets are lavishing praise on the Florida governor

ANNA NICOLAOU AND JOSHUA CHAFFIN  
NEW YORK

A marriage of convenience that paid huge political and financial dividends has ruptured after Rupert Murdoch's media outlets branded Donald Trump a "loser" and the former US president hit back with a blistering statement accusing the media mogul of going "all in" for his rival Ron DeSantis.

The abrupt break-up came after the Republican party's disappointing performance in this week's midterm elections, which many rightwing pundits attributed to Trump, and amounts to an earthquake in the landscape of conservative media and politics.

Using his publications as his stationery, Murdoch moved first. The New York Post's front page on Thursday featured an oversized picture of Trump tumbling from a brick wall, an allusion to the Humpty Dumpty nursery rhyme, with the tagline: "Don (who couldn't build a great wall) had a great fall."

The Wall Street Journal, also owned by Murdoch's News Corp, published an editorial on the same day with the strapline: "He has now flopped in 2018, 2020, 2021 and 2022." The paper's leader writers wrote: "Trump has botched the 2022 elections... he has led Republicans into one political fiasco after another."

Even Fox News, the cable channel that has held Trump in a tight embrace for years, published a story on its website quoting conservatives calling for the party to "move on" from the former president.

On Thursday night, Trump berated the "no longer great New York Post" and other Murdoch outlets for lining up behind DeSantis, the Florida governor who appears to be the new object of

Murdoch's attention. The eruption came days before Trump is expected to announce whether he intends to run for the White House in 2024.

"News Corp, which is Fox, the Wall Street Journal, and the no longer great New York Post... is all in for Governor Ron DeSantis," Trump wrote. He said DeSantis was disloyal and "playing games" and criticised the governor's management of the coronavirus pandemic, which brought him to national attention among conservatives.

One former News Corp employee said of Murdoch's apparent shift to DeSantis: "Rupert likes to pick political winners and he's got it."

Rodney Tiffen, a University of Sydney professor and Murdoch biographer, said: "A lot of the commentators at Fox were very keen on Trump, and some probably still are, but what [do] the Murdochs feel in their heart of hearts? I'm not sure they have a heart of hearts. They have a calculating machine about what's best pragmatically."

The pre-eminent media tycoon of his era and the developer turned politician have never had much of a rapport. Murdoch's support for Trump has been inconsistent and at times reluctant.

Over a lunch arranged by Ivanka Trump in 2015, Trump told Murdoch he planned to run for president and the magnate "didn't even look up from his soup", the New York Times reported. In July 2015, when Trump entered the Republican primary with a speech complaining about Mexican rapists, Murdoch wrote on Twitter: "When is Donald Trump going to stop embarrassing his friends, let alone the whole country?"

In *Fire and Fury*, Michael Wolff's account of the Trump White House, he quotes Murdoch in 2016, shortly after the presidential election, calling the incoming president a "fucking idiot".

But as Trump's rise became inevitable, the alliance formed. In his book, Jared Kushner, Trump's son-in-law and adviser, claims to have smoothed the tensions between the pair.

With Fox News, in particular, Trump found a conduit to a conservative base. The network, in turn, gained access to the star of a populist movement that overtook traditional Republicans. In 2016, Fox News became the most-watched basic cable channel on US tele-



Jilted: Donald Trump with guests at Mar-a-Lago on election day — Andrew Harnik/AP

vision, outperforming even primetime drama and entertainment shows.

Relations soured during the 2020 election when Fox projected — days before other networks — that Joe Biden would beat Trump in Arizona. Suzanne Scott, Fox News chief, called Lachlan Murdoch, Fox Corp chief executive, to say it was making the call and the magnate's son did not interfere, said people familiar with the matter.

Lachlan, Rupert's apparent successor, was "never a fan" of Trump, said a person close to him. The Arizona call infuriated Trump, prompting him to ask friends: "Why do you think Rupert attacks me so often?"

But this time is different. A day before the Trumpy Dumpty edition, the New York Post front page declared the governor "DeFuture". And an opinion column published by Fox this week argued "Ron DeSantis is the new Republican party leader". Even before the midterms, one DeSantis associate said Murdoch was among a group of rightwing power players who appeared to be shifting allegiances.

"If [Murdoch] feels like the future is

going to be DeSantis you're going to see more and more of his properties... start to showcase [him]," said the former News Corp executive. The key to decoding the relationship will be how Fox News responds if and when Trump hits out at the network, the person added: "That will be a tell-tale sign."



Support by Rupert Murdoch, right, for ex-president Donald Trump has been inconsistent and at times reluctant

Tiffen said: "They've jumped ship to someone with a very similar set of appeals that Trump has, without all the baggage. And someone who looks like a winner. Which is always very important for Murdoch."

In his Thursday night broadside, Trump insisted he would prevail with or without Murdoch: "This is just like 2015 and 2016, a Media Assault (Collusion!), when Fox News fought me to the end until I won, and then they couldn't have been nicer or more supportive."



## US midterms

# Young turn out in numbers to shore up Democrats' vote

KIRAN STACEY — WASHINGTON  
CAITLIN GILBERT — NEW YORK

As Jack Lobel canvassed young Americans' opinions last month, he realised how fired up they were to vote in the midterm elections — and how much politicians and pollsters had underestimated their potential turnout.

"We did a poll of college students in October and found 67 per cent said they were definitely going to vote," he said. "I just thought, 'Wow! It was much higher than we were expecting.'"

Lobel is a spokesperson for Voters of Tomorrow, one of several youth voter groups that worked to boost turnout among 18- to 29-year-olds and may have saved the election for the Democrats.

"Biden has done really well in getting moving on issues that are very important to young people"

throughout this entire election cycle was that young people and black voters would stay at home," said Chris Jackson, senior vice-president at polling company Ipsos. "Those are the two pillars of the Democratic base and they both showed up on Tuesday."

Campaigners say younger voters were motivated by several issues. Principal among them was the Supreme Court's decision earlier this summer to overturn Roe vs Wade, the legal decision that enshrined the constitutional right to an abortion. Three-quarters of voters under 30 believe abortion should be legal, according to Pew Research.

Other issues also played a role. Many benefited from Biden's decision this year to cancel a large portion of outstanding student debt. That decision was struck down as illegal by a Trump-appointed federal judge on Thursday night, though the administration plans to appeal. Others said they were impressed by the climate change aspects of the Inflation Reduction Act.

Biden's order pardoned thousands of



ARCEAU LE TEMPS VOYAGEUR

With votes still being counted yesterday, control of both houses of Congress hangs in the balance. But the result was a far cry from the "red wave" of sweeping Republican victories that many pundits predicted. Speaking the day after Tuesday's polls, President Joe Biden said: "I want to thank the young people of this nation who I am told... voted in historic numbers again, just as they did two years ago."

Some 27 per cent of 18- to 29-year-olds voted, according to polling data, the second highest turnout on record for a midterm election, according to analysis by Tufts University.

This age group heavily backed the Democrats, by two to one, and appears to have been decisive in several races.

In Georgia, Raphael Warnock would have lost his Senate race decisively to his Republican opponent, Herschel Walker, without 116,000 votes from 18- to 29-year-olds, the Tufts analysis found. In Arizona, where counting continues, the Democrats' Katie Hobbs has a slim lead in the gubernatorial contest over Republican Kari Lake thanks to more than 400,000 votes from young people.

"The big risk for the Democrats

people convicted of marijuana possession also played a role.

"The Biden administration has done really well in getting moving on issues that are very important to young people, whether that is climate, student loans or marijuana," said Quentin Wathum-Ocama, the president of Young Democrats of America.

Lobel said that for him and many of his friends, several issues came together — from school safety to climate change and reproductive rights — to give them a sense of political danger. "Gen Z [the cohort born between the mid-1990s and early 2010s] is under attack in so many different ways," he said. "Our rights and our safety are being threatened."

In several states, young people were also motivated to turn out to vote on separate state legislation, such as to guarantee abortion access, raise the minimum wage or protect voting rights.

Lobel, who at 18 cast his vote for the first time on Tuesday, said: "Gen Z are very political, but they are also better connected with each other than any other generation of voters. For that reason we are a force to be reckoned with." See FT Big Read and Opinion



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## INTERNATIONAL

# Indonesia leader takes to world stage as G20 host

President prepares for summit against background of geopolitical tension

MERCEDES RUEHL — SINGAPORE  
HENRY FOY — BRUSSELS

Getting from Jakarta to Kyiv is not a straightforward journey. Making the trip when Ukraine is a war zone is even more complex.

Yet Joko Widodo, Indonesia's president and host of the G20 summit next week, not only embarked with his wife on an 11-hour overnight train journey to Ukraine's capital from Poland in the middle of a war to deliver an invitation to his Ukrainian counterpart, Volodymyr Zelenskyy, he also squeezed in the G7 summit in Germany and a trip to Russia to invite Vladimir Putin to Bali as part of a five-day diplomatic drive this summer.

In office since 2014, "Jokowi", as he is known in his country, had seldom been seen on the world stage. But his determination to pull off a successful G20 on the tropical holiday island has propelled the former small-town furniture maker, known for his outsider-style politics, away from his customary reticence.

Weeks after the Europe trip, Widodo became the first leader to visit China since the Beijing Winter Olympics in February, inviting President Xi Jinping to the summit. The trip included stops in Japan and South Korea.

The diplomatic flurry heralded a new era of global participation for the world's fourth-most populous country. "Indonesia will come out of this process as a much more astute player in foreign policy," says Kevin O'Rourke, a Jakarta-based analyst on domestic politics and economics and principal at consultancy Reformasi Information Services.

While Putin decided to send his foreign minister in his place, Widodo's non-confrontational footwork has achieved

what pundits said few other leaders could have, at a time of war and unprecedented geopolitical tension. Seventeen leaders are expected next week in Bali, after telling Widodo they would be there even if the Russian president attended.

That marked a turnaround from the weeks following Putin's invasion, when some western officials suggested banning Russia from the G20 or boycotting the forum if Moscow sent a delegation.

Widodo's decision not to exclude Putin but also to invite Zelenskyy helped convince western leaders. In June, European Commission president Ursula von der Leyen said she opposed "paralysing the entire G20" as a result of the war.

"The G20 is too important, also for developing countries and emerging countries, that we should let this body be broken by Putin," she said.

But Widodo's care to not take sides also poses obstacles. "For Indonesia, it will be a nightmare as they don't want to hurt anybody," said Christoph Heussen, chair of the Munich Security Conference. "There is a lot of pressure on the role of the host with regard to managing all the different expectations."

"And for Indonesia, as a country that has always been proud of being part of the non-aligned group, it's going to be difficult," added Heussen, who has attended G20 summits and was an adviser to former German chancellor Angela Merkel.

In an interview with the Financial Times this week, Widodo, who is in his second and final term as president, also expressed frustration with the G20 being treated as a political arena instead of an economic and development one.

"The idea that they can somehow separate geopolitics from geoeconomics



Shuttle diplomacy: Joko Widodo attends an Asean meeting in Phnom Penh, Cambodia, yesterday ahead of next week's G20 summit in Bali  
Anupam Nath/AP

feels a bit naive," said one western policymaker. Others were more blunt.

"The Indonesians are really pissed off with us," said one senior official from a western G20 delegation. "They feel they stood with us at the UN on Russia, but that we're not allowing the other parts of [Widodo's] agenda to move through the G20 because of a focus on Russia."

Indonesia has highlighted issues such as food security and creation of a pandemic preparedness fund as summit priorities.

While Widodo's fastidiousness about not taking sides has served the purpose of getting most member countries to the G20, it also has risks — and may even prove damaging to Indonesia.

"The narrative will be 'we tried'. But in our effort to not be seen as taking a stand, we are sleepwalking into alignment with China and Russia," said Evan Laksmana, a senior research fellow at the National University of Singapore.

Widodo's headaches echo challenges faced by previous G20 hosts. At the November 2014 summit in Brisbane,

'Indonesia will come out of this process as a much more astute player in foreign policy'

the first after Russia invaded Crimea that February, Putin went home a day early after being harangued by some western leaders in bilateral meetings and given the cold shoulder by others.

Five years later in Osaka, then US president Donald Trump provided a litany of awkward moments, including praising Putin for being tough on journalists and insulting Germany and his Japanese hosts for relying on the US for defence and security.

Ultimately, the success of next week's summit will lie in geopolitics. Widodo's energetic foreign politicking has set the scene for a historic meeting and earned Indonesia long-sought global prestige.

But the chances of a joint communiqué are far from assured. So, too, is any outcome of a discussion between US president Joe Biden and Xi, their first meeting as leaders, ahead of the summit. "I think they would love to have conclusions come out... This is not in their hands," said Heussen. "It is in the hands of the Americans and the Chinese and the Russians."

## War fallout

## Germany set to pull EU into recession this winter

SAM FLEMING — BRUSSELS  
MARTIN ARNOLD — FRANKFURT

A steep drop in German output will help drag the EU into recession this winter, as higher inflation and the Ukraine war take a heavy toll on the bloc's economy, the European Commission has predicted.

Output across the union will contract in the current quarter and the first three months of 2023, with Germany suffering one of the biggest falls in activity as surging energy costs curtail household spending power and force factories to curb production.

Inflation in the EU will be higher than the commission forecast in the summer, running at 7 per cent over the course of 2023, down only modestly from this year's expected 9.3 per cent.

The predictions add up to a grim period for the EU's economy, which had bounced back following the worst of the pandemic before the Russian invasion of Ukraine and ensuing energy price crisis. Germany, the union's largest economy, has been particularly hard hit because of the importance of its energy-intensive industry.

Output growth in the 27-member EU will decelerate to just 0.3 per cent in 2023, far below a prior forecast of 1.5 per cent published this summer, the commission projections showed. Germany is on course for a 0.6 per cent full-year decline in real gross domestic product in 2023, according to the outlook, the worst performance in the euro area.

While EU output growth is predicted to remain positive over the current year, at 3.3 per cent, the economy will begin contracting in the final three months of the year, shrinking 0.5 per cent, before declining by a further 0.1 per cent during the first quarter of 2023.

Nevertheless, rapid price growth will probably leave the European Central Bank on course for a further rate rise to at least 2 per cent.

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## INTERNATIONAL

## Reclaimed territory

# Zelenskyy hails 'historic day' as Ukrainian forces enter Kherson

Loss of only provincial capital captured in war is big setback for Putin

ROMAN OLEARCHYK — KYIV  
MAX SEDDON — RIGA

Ukrainian forces advanced into Kherson yesterday after Russia said its forces had completed their withdrawal from the southern city, sealing one of the biggest setbacks to President Vladimir Putin's invasion.

Kyiv's progress and Moscow's chaotic retreat across the Dnipro river, conducted under Ukrainian artillery fire, means Russia has surrendered the only provincial capital it had captured in the war, as well as ceding key strategic positions. It comes just weeks after Putin announced the annexation of Kherson and three other south-eastern Ukrainian provinces in a lavish Kremlin ceremony.

Ukraine president Volodymyr Zelenskyy yesterday described the retreat by Russia from Kherson and Ukrainian troops' liberation of the city as "a historic day".

"Special units are already in the city," he said in his daily video evening address to nation. "The people of Kherson were waiting. They never gave up on Ukraine. Hope for Ukraine is always justified and Ukraine always returns its own," he said.

Photos and videos appeared on social media of Ukrainian troops in the centre of Kherson and civilians waving the blue and yellow Ukrainian flag on city streets to greet government soldiers.

The Ukrainian military said: "Kherson returns under the control of Ukraine, units of the Armed Forces of Ukraine enter the city."

A video posted yesterday afternoon on the Ukrainian military's social media app Telegram showed a Ukrainian soldier in the city's main square, standing above a cheering crowd and saying: "We



On guard: a Ukrainian soldier stands next to Russian ammunition left in a village retaken this week — Volodymyr Olyshchuk/Reuters

greet you from Kherson." People then hugged him and chanted: "Glory to the armed forces of Ukraine."

Video footage posted by Russian military bloggers on Telegram showed the Antonivsky bridge, the main crossing over the Dnipro, had plunged into the river, forcing some Russian troops to cross on pontoons.

Igor Konashenkov, Russia's defence ministry spokesman, said the army had completed the "redeployment" in the early hours of yesterday, without leaving any equipment behind or suffering any casualties and had helped civilians who wanted to accompany them across the river.

However, Oleksiy Arestovych, a Ukrainian government adviser, said that "thousands" of Russian troops had

failed to retreat in time and that some units had left their equipment behind.

"The Antonivsky bridge is no longer there, according to preliminary data — there is no pontoon bridge under it," Arestovych tweeted, adding: "Now, thousands of people, with their resources cut off and the possibility of retreat, are looking at a kilometre of water in front of them."

As of yesterday, neither Ukraine nor Russia had taken credit for conducting a strike on the bridge. Kyiv's forces had previously hit the bridge using precision western missiles to disrupt Russian supply lines supporting its occupation of Kherson.

Located on a delta where the Dnipro flows into the Black Sea, Kherson is a strategically important region that links

Crimea, which Putin annexed in 2014, and controls the peninsula's water supply. Losing control of the city — where occupation authorities had put up billboards proclaiming that "Russia is here forever!" — is the latest in a string of failures for the Russian military, outnumbered in the face of a Ukrainian counteroffensive armed with advanced western weapons.

After Ukraine first began pushing Russian forces back in September, Putin attempted to escalate the conflict further by mobilising Russia's reserves, annexing the regions and threatening to use nuclear weapons.

But Ukraine has steadily pressed on to reclaim swathes of territory that the Kremlin still claims is part of Russia.

See The FT View

## Military supplies

## Kyiv wary of midterms' impact on US aid policy

FELICIA SCHWARTZ AND  
ROMAN OLEARCHYK — KYIV

It was not just Democrats who breathed a sigh of relief that the Republican "red wave" failed to materialise in this week's US midterm elections.

In Kyiv, officials said they hoped the provisional results indicating a better than expected performance by President Joe Biden's party would ensure continuation of the US military aid that has been crucial to Ukraine's successes in the war with Russia.

"We're pretty confident it will remain, although we may expect more discussions about accountability and transparency," said David Arakhamia, head of President Volodymyr Zelenskyy's party in Ukraine's parliament.

He and other Ukrainian officials had watched with concern after Kevin McCarthy, the Republican leader in the US House of Representatives, suggested in the run-up to the vote that there would be no "blank cheque" for Kyiv if his party gained the upper hand after the midterm elections.

Republicans look set to win a narrow House majority, but control of the Senate remains up in the air. The outcome could be delayed until next month's runoff vote in the crucial state of Georgia.

The US has pledged more than \$52bn in military, humanitarian and financial assistance since Russia's invasion in February, according to the Kiel Institute for the World Economy, which tracks global commitments. This includes advanced rocket systems, air defences and heavy artillery.

Yet many in Ukraine remain on edge, aware of how debate over future help for their country plays into the US political discourse, as former president Donald Trump and others consider 2024 bids for the White House. "If Republicans decide to go after the Democrats and Biden, Ukraine will be an issue of debate in US politics. This could hamper our position," said Arseniy Yatseniuk, a former Ukraine prime minister.

A recent Wall Street Journal poll found that the majority of Americans

supported continued assistance to Ukraine, but Republican opposition was growing. About 30 per cent of respondents said they believed the US was doing too much to help Ukraine. When broken down by party, the figure for Republican voters was 48 per cent.

Republican lawmakers, particularly in the House, where the Republican caucus is more closely aligned with Trump and his America First policies, have questioned whether to provide assistance at current levels while American voters face high inflation. They also make the point that European countries have committed much smaller sums.

Arakhamia said Ukraine was ready to answer any questions about the aid, including how it was tracked, pointing

<b>\$52bn</b> Value of the US aid pledged to Ukraine since Putin's invasion	<b>48%</b> Proportion of Republicans in a poll who said it was too much
--	--

to a parliamentary commission and new digital tracking system to ensure everything was properly accounted for. "We invite every Republican with doubts about Ukraine to see what's going on with their own eyes," he said.

The decline in support among Republicans, and some on the Democrats' left wing, comes as Ukraine gears up for a tough winter, with weeks of Russian air strikes on electricity infrastructure triggering regular blackouts. At the same time, Ukrainian forces are looking to cement recent gains on the ground in the south of the country, where Russian president Vladimir Putin this week ordered his troops to retreat from the strategically important city of Kherson.

Serhiy Leschenko, an adviser to Zelenskyy's chief of staff, said a pullback by the US would send a signal to wavering European countries that this was acceptable. He said he understood that people around the world were tired of what felt like a never-ending war. "We're also tired. We're paying the price every day," he said.

## Court ruling

## Biden student debt relief plan blocked

STEFANIA PALMA — WASHINGTON

A US federal judge has blocked Joe

the necessary information to be considered for debt relief — 16mn of whom have already been covered for

\$10,000 in debt for individuals earning up to \$125,000. The non-partisan Congressional Budget Office has estimated

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Biden's scheme to forgive thousands of dollars in student loan debt for millions of Americans, dealing a blow to a White House policy targeting a primary concern of younger voters.

In an order handed down on Thursday, Mark Pittman, a judge in the northern district court of Texas, ruled that Biden's plan to forgive student loan debt was "unlawful".

Pittman, who was nominated by former president Donald Trump, said the programme was "either one of the largest delegations of legislative power to the executive branch, or one of the largest exercises of legislative power without congressional authority in the history of the United States".

The US Department of Justice said the government would appeal against the decision.

"For the 26mn borrowers who have already given the Department of Educa-

tion money already been approved for relief – the department will hold on to their information so it can quickly process their relief once we prevail in court," White House spokesperson Karine Jean-Pierre said.

"We will never stop fighting for hard-working Americans most in need, no matter how many roadblocks our opponents and special interests try to put in our way."

The decision comes as the Democratic party celebrates a stronger than anticipated performance in midterm elections on Tuesday, when an overwhelming Republican "red wave" predicted by pollsters did not materialise.

Young voters turned out in force, helping to boost Democrats in some important races, and campaigners have said that the student debt relief was one of several issues that motivated them.

The plan proposed by the Biden administration would scrap up to

gressional budget office has estimated it will cost more than \$400bn.

Elaine Parker, president of Job Creators Network Foundation, the organisation that filed the Texas lawsuit on the plaintiffs' behalf, said that the court had "correctly ruled" in its favour and that the decision "protects the rule of law". Job Creators Network was founded by Republican donor Bernie Marcus.

The case in Texas stems from a challenge brought against the US Department of Education by two people who attended universities in that state.

The plaintiffs argued the debt forgiveness programme violated US law because the government agency made "arbitrary decisions" on matters, including which individuals, as well as what type and quantity of debt, would be included in the programme, without seeking public comment.

*Additional reporting by Kiran Stacey in Washington*

### Contingency planning

## US warns of global shock from Taiwan conflict

KATHRIN HILLE — BRUSSELS  
DEMETRI SEVASTOPOULOS — WASHINGTON

The US has warned European countries that a conflict over Taiwan would trigger a huge global economic shock, in an effort to step up contingency planning amid rising concern about military action in the Indo-Pacific.

The state department has shared research with partners and allies that estimates a Chinese blockade of Taiwan would spark \$2.5tn in annual economic losses, according to six people familiar with the material, commissioned from the research firm Rhodium Group.

The warning has been shared with European Commission and European government officials, as the US and partners begin to think how they could use sanctions against China over any military action against Taiwan. Washington is using the report to stress to Europe that a Taiwan conflict would have significant implications for them.

Two officials said the US and EU had begun talks about how to prepare for a possible conflict over Taiwan. The Financial Times this year reported that the US had held contingency planning

talks with the UK for the first time.

Two people familiar with the US-EU discussions said some officials believed preparing contingency plans, and communicating them publicly, could become part of a strategy to deter China.

Some US and European officials believe the spectre of huge global economic damage from a Taiwan conflict is necessary to rally international support for deterring China. The US has also used the example of the Russian invasion of Ukraine to stress the need to consider contingencies.

The sharing of the Rhodium research



Air threat: Chinese military jets join a combat exercise near Taiwan

comes as senior US officials and military officers have increasingly talked about the threat to Taiwan. Secretary of state Antony Blinken has said twice in the past month that the US believed China had moved up its timeline for "reunification" with Taiwan.

Joe Biden and Xi Jinping are expected to discuss Taiwan when the US and Chinese presidents meet in Bali on Monday on the sidelines of the G20 summit. Over the past year, Biden has said on four occasions the US would defend Taiwan from an unprovoked attack.

The state department declined to comment on the report. It said the US had "an abiding interest in peace and stability across the Taiwan Strait, which is an issue of international concern".

The report said Taiwan would suffer the biggest hit but the economic blow to China would also be immense, and that the fallout would reverberate throughout the global economy.

Supply chains dependent on semiconductors led by the automobile, server and computer, and mobile phone sectors would suffer the biggest disruption, the report forecast.

*Additional reporting: Henry Foy, Brussels*

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FT BIG READ. US POLITICS

The battle for the 2024 Republican presidential nomination has already begun as the former president lashes out at the popular Florida governor after many of Trump's midterm election candidates lost.

*By James Politi, Lauren Fedor and Kiran Stacey*

After storming to re-election as Florida governor on Tuesday night, Ron DeSantis gave his supporters in Tampa an unmistakable hint about a run for the White House.

"We've got so much more to do," he said, with a giant US flag towering behind him and his wife Casey. "And I have only begun to fight."

Just over 200 miles away at his Mar-a-Lago resort in Palm Beach, Donald Trump – DeSantis' most high-profile constituent – was brooding.

The former president helped propel DeSantis' political career, but the governor is now shaping up to be Trump's chief rival for the Republican presidential nomination in 2024.

By the end of the week, Trump was openly railing against DeSantis, giving him the kind of bullying treatment he has reserved for his biggest political opponents, including a nickname.

"Ron DeSantimonious is playing games!", Trump thundered. He suggested DeSantis would meet the same fate as "Low Energy Jeb Bush", the former Florida governor who ran for president in 2016 only to be crushed by Trump in the Republican primary.

"[I] easily knocked them out, one by one. We're in exactly the same position now," said Trump. "They will keep coming after us, MAGA, but ultimately, we will win."

The votes have not all been counted after Tuesday's midterms and control of both houses of Congress has yet to be decided, but a ferocious battle for the leadership of the party has already broken out – one that could define Republicans for years to come.



Ron DeSantis is the choice of some Republicans who fear voters will refuse to back Donald Trump

AP/AF/Getty Images

# Ron vs Don

Trump has been gearing up to announce his next bid for the White House next week. But after Republicans failed to win the huge number of seats in the midterms they had expected, many are now blaming Trump for spoiling their chances.

Trump backed some extreme, election-denying candidates who stumbled on Tuesday, such as Don Bolduc, a losing Senate candidate in New Hampshire, a seat the party had hoped to win. He also held a series of large rallies, including last Saturday with Mehmet Oz, the defeated Republican Senate candidate in Pennsylvania, that may have backfired by reminding voters of the turmoil of the Trump years.

Republicans who were seen as more distant from Trump, or more moderate, performed far better – such as Brian Kemp, a Republican who was re-elected as Georgia governor. He won the wrath of hardcore Trump supporters by insisting that Joe Biden fairly won the 2020 presidential election in the state.

## Time for a change?

With some in the party turning on Trump and searching for an alternative candidate to support for 2024, DeSantis has emerged as the most potent early challenger. Not only did he win the governor's race in Florida – a state that has seen razor-tight elections in recent decades – by almost 20 percentage points, but he even won in the Democratic stronghold of Miami-Dade county.

"I think below the surface, there is a sort of coming-to-Jesus moment among some Republicans that Trump is just not going to get it done in 2024, and they need to go in a new direction," says Brad Coker, the Florida pollster and managing director of Mason-Dixon Polling and Strategy. "DeSantis offers them a pretty solid choice".

However, DeSantis' success on Tuesday means that he is immediately in the line of fire for an angry, resentful

'Below the

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Trump. Party leaders do not know if DeSantis will have the fortitude to weather the ferocious and personal attacks that could come his way as the former president tries to regain the initiative among Republican voters.

"He will have to deal with Trump in the coming months," says Carlos Curbelo, a former Republican member of Congress from Florida. "There's no question that given Trump's ego and his vindictiveness, that he will do everything in his power to destroy DeSantis and make sure that he is buried as quickly as possible, the way Trump deals with anyone who he perceives as a competitor."

There have been many other moments during the former president's political career when his grip on the Republican party appeared to be weakening, only for Trump to find ways to reassert himself. Just this year, the combination of the revelations of the congressional hearings into the January 6 attack, which showed Trump fuelling the deadly riot at the Capitol, as well as the criminal investigation into his handling of classified documents, triggered unease within some in the party.

However, the backlash over the past few days against Trump has been more widespread and deeper, because many in the party believe he spoiled what might have otherwise been a big Republican victory given the anxiety about inflation and president Biden's low approval ratings.

"The swing voters in the suburbs cared about the cost of living and crime, but then in the final days of the campaign Trump started holding rallies and talking about running again," says Josh

Novotney, a Republican strategist. "He just reminded them of why they didn't vote Republican in 2020."

The final outcome of the midterm elections was still undecided on Friday, with Republicans likely to win a very narrow majority in the House of Representatives and control of the Senate depending on final results in close races in Arizona, Nevada and a run-off in Georgia set for early December.

But Republicans underperformed dramatically compared to the expectations of many pollsters and strategists.

"Where Republicans faltered it often had to do with the Trump-infused character of the party. Republicans don't have to change much, but they do have to give up on Trump and that's not easy for the party to do," says Yuval Levin, director of social, cultural and constitutional studies at the American Enterprise Institute, a think-tank.

George Gunning, a longtime Trump supporter since 2016 and an elected Republican official in Philadelphia, adds: "I think it would be a good idea for Republicans, regardless of what they think of the former president, to turn the page and move on. . . what we have done so far has not worked."

Mike Lawler, a Republican who defeated incumbent Democrat Sean Patrick Maloney in New York's Hudson Valley, told CNN: "I would like to see the party move forward. I think any time you are focused on the future, you can't do so much go to the past."

Some prominent voices in conservative media have also been heavily critical. Karl Rove, former president George W. Bush's senior adviser, called on Republicans to "reject nuts" in a Wall

Street Journal column on Thursday and "focus on improving the lives of ordinary Americans, rather than remaining mired in one man's grievances".

## Loyal support

Whether Trump can actually be defeated in a Republican primary is questionable: his support has dropped but remains high. According to a Morning Consult survey, 48 per cent of Republicans favour Trump for the 2024 White House race, compared to 26 per cent favouring DeSantis, and another 26 per cent backing other candidates.

Whit Ayres, a Republican strategist, says that Trump's base of support might be weaker than polls suggest, with up to half of the party's voters potentially open to a switch. "These are people who voted for him twice. They approved of his job performance. They would vote for him again in a heartbeat against Biden," he says. "But they are not at all sure that they want to go back to all the drama and the divisions."

Mike Pompeo, the former secretary of state and CIA director who is considered a possible rival for the White House, took a swipe at Trump without mentioning him on Thursday in a Twitter post that criticised the party's performance in the midterms. "Conservatives are elected when we deliver. Not when we just rail on social media," he said.

For now, DeSantis is the favourite to take on Trump, even though he has so far been hesitant to either declare his intention to run or criticise the former president. The governor's office declined to comment for this article.

"He just had a seismic victory in Florida. It speaks volumes about his leader-

"Trump is kind of like Teflon, he has a lot thrown at him . . . and he always maintains strong approval ratings with voters"

ship, people are very happy with him," says Lillian Rodriguez Baz, co-chair of Ready for Ron, a group fundraising to support a possible DeSantis run in 2024. "We don't want to get into commentary about something Trump related, that's not the focus [but] I think he definitely has national appeal," says Rodriguez Baz. "I think it's transcendent".

But although DeSantis is known for a combative style similar to the former president, he is largely untested outside Florida politics and it is unclear how he will handle the scuffles with Trump; this week, he did not respond to the barbs from the former president.

One former White House official who served under Trump says the former president will be hard to take on. "Trump is kind of like Teflon, he has a lot thrown at him, there's a lot of finger-pointing, it always comes back to him, and he always maintains strong approval ratings with voters," he says.

Some Republicans have been pushing Trump to delay his 2024 announcement until after the Senate run-off in Georgia between his preferred candidate Herschel Walker and Democrat Raphael Warnock. But so far Trump is sticking to his plan. "We had tremendous success," he told Fox News this week. "Why would anything change?"

Whatever the final results of the midterms, Republicans know they face a fateful choice about Trump.

"We have seen moments like this before, where we thought the party was going to turn against him," says Doug Heye, a Republican strategist. "But now for the first time with DeSantis we have another option."

## Obituary India's 'gentle revolutionary' helped women out of poverty

### Ela Ramesh Bhatt

Activist  
1933-2022

It was 1989, and police had come to clear a women's sit-in. The protesters worked as vendors and Ahmedabad's municipal corporation wanted them off the street, a move that would jeopardise their livelihoods. But the officers had not reckoned with a petite union leader who argued for two hours – until they finally gave in.

The policemen had come up against India's 'gentle revolutionary'. An activist who championed collective power, Ela Ramesh Bhatt, affectionately called *Elaben* (*ben* means sister), died earlier this month. Pioneering financial services for poor women, Bhatt fought tirelessly against poverty, and became a global feminist icon with admirers from Nelson Mandela to Hillary Clinton.

Born to a well-off family in Gujarat in 1933, Bhatt's early life was steeped in India's freedom struggle against British colonialism. She attended school and college in Surat, before studying law in regional capital Ahmedabad, dubbed the "Manchester of India" for its textile mills. She later married fellow student leader Ramesh Bhatt.

Bhatt joined the Textile Labour Association's legal team soon after university and began battling for unionised workers' rights. At that time, "we were

rebuilding the nation, looking to a more just society," the lawyer recalled in 2010.

In fighting for the union, Bhatt realised most workers were not unionised, and had neither protection from exploitation nor regular salaries. This so-called informal sector, which most female workers belonged to, spanned home-based craftspeople, street vendors and small-scale farmers.

Determined to change this, Bhatt started the Self-Employed Women's Association (SEWA) in 1972, India's first working women's movement. "As individual workers they were invisible, isolated, and totally powerless," she said in 2017. "By creating the union they laid claim to their status as workers for the first time".

The first 6,000 members took a decade to recruit. Today SEWA is India's biggest union – it counts 2.1m members and provides services from healthcare to training. Bhatt was general secretary for over two decades. SEWA members flocked to Ahmedabad in their thousands for her funeral.

But what Bhatt described as "changing the balance of power in favour of the poor" was not accepted by the rich and powerful, and SEWA met with "constant

tension, with big farmers, moneylenders, contractors, big traders, government". Bhatt also clashed with the male-dominated unions, confronting their refusal to recognise informal workers.

Bhatt knew finance was critical to eradicating poverty. Loan sharks preyed on self-employed workers, without bank accounts or health insurance, whenever they suffered mishaps from crop-ruining storms to injuries. So in 1974, SEWA started a women's bank.

"Poor women are economically active," the microfinancing pioneer argued, and "should not be considered unbankable". Bhatt insisted on putting money in their hands rather than their husbands'. Women were more prudent and productive with money, she contended; SEWA's loan recovery rates supported her thesis, at well over 90 per cent. She became a founding member of global microfinancing network Women's World Banking in 1979.

In the mid-1980s, Bhatt had a brief parliamentary foray when she chaired a national commission on self-employed women, forcing the cause into the spotlight. Poverty "is man-made", said Bhatt years later, "and therefore always a political question."



Bhatt started the SEWA union and pioneered microfinancing for women

'As individuals they were invisible, isolated, and powerless. By creating the union they laid claim to their status as workers'

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FT Weekend

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## The FT View



**FINANCIAL TIMES**

'Without fear and without favour'

[ft.com/opinion](https://ft.com/opinion)

## War in Ukraine has displayed the power of the drone

*The use of unmanned spy and attack vehicles is further evolution of conflict*

The noisy buzzing of the Iranian-made drones Russia has been using to smash power and water facilities in Ukraine is said to have earned them the nickname "flying lawnmowers of death". Noisy, but effective. Russia's use of these kamikaze flying bombs against infrastructure is recent, but both sides have been using unmanned spying and attack vehicles — Ukraine to largely greater effect — ever since the invasion by Moscow's forces in February. The large-scale deployment makes this not the first, but the biggest and most visible "drone war" the world has yet seen.

That has brought to wider attention an evolution in warfare under way for some years. The US has used drones in Iraq and Afghanistan in surveillance and counter-terrorist operations. They

have featured in conflicts in Libya, Syria, and Ethiopia; Azerbaijan used them decisively against Armenian forces in Nagorno-Karabakh in 2020.

Their proliferation is also shifting the dynamics of the defence industry. Military advances long tended to emerge from within the military-industrial complexes of leading powers. Some of today's drones come instead from private start-ups and countries, such as Iran and Turkey, that are not historically big arms exporters. Military-use drones can be cobbled together, too, from commercial products. A maritime drone that washed up in Crimea in September, similar to those later used to attack Russia's Black Sea fleet in Sevastopol, appeared to be equipped with a Canadian jet ski engine and a Soviet-era detonator. One unproven theory behind recent, mysterious thefts of dozens of roadside speed cameras in Sweden is that they ended up in homemade Russian drones in Ukraine.

Flows of such weapons are difficult to

track. They are also a comparatively cheap way of acquiring airborne reconnaissance and combat abilities not just for poorer countries but for non-state actors such as militias or insurgent groups, terrorists and organised crime. Air defences to shoot them down are relatively expensive, and the ability to deploy "swarms" of drones means they can evade such systems by creating more targets than can be intercepted.

Advanced militaries are starting to see the technological edge their superior surveillance capabilities have long given them being eroded. They also need to rethink how they equip their forces. Russia's assault on Ukraine has shown the age of mass tank battles is not past. But armies must be able to fight many different types of war, and provide more extensive and decentralised air defences for their troops. "If the 2003 invasion of Iraq were to happen today," says Sam Cranny-Evans of the Royal United Services Institute think-tank, "British armed forces would be very

Drone technology is already starting to be married with artificial intelligence, opening up a nightmarish future of armies of 'killer robots'

hard pushed to resist the drone attacks they would be likely to face."

One Rubicon not so far crossed in Ukraine is to use drones autonomously, allowing them to identify and destroy targets without human command. They are not the biggest cause of deaths, artillery and tanks are. But drone technology is already starting to be married with artificial intelligence, opening up a nightmarish future of armies of "killer robots". A UN body has drawn up guidelines and worked on a potential embargo on such weapons.

China, the US and others seem unlikely ever to accept a ban, fearing their adversaries would press on with such technologies regardless. The best hope may be for conventions that limit how they may be used, just as anti-personnel landmines are officially banned but anti-tank mines are not. Sadly, Russia's war crimes in Ukraine are only the latest demonstration that conventions in warfare are often honoured more in the breach than the observance.

## Opinion Society

## Borders are holding back the world's eight billion



Parag Khanna

**T**he three salient facts of human life on Earth today are that we are about to number 8bn people, we face enormous demographic imbalances between the old and the young, and climate change is upon us.

This calls for nothing less than a new human geography. We must shift away from the sovereignty that dictates our distribution across the planet towards a more dynamic equilibrium that favours collective human survival and productivity.

Since the 1970s, the global fertility curve has flattened. Where once we feared runaway overpopulation, the news that we will cross the 8bn milestone next week now seems almost anticlimactic. Some parts of Africa and south Asia remain densely populated but, even there, fertility is plummeting.

**Mobility should be a cardinal human right, yet increasingly rubs against the inertia of sovereignty**

meting. No country was spared the twin "baby busts" of the global financial crisis just over a decade ago and the Covid-19 pandemic, whose total economic impact on fertility is still to be seen.

On top of that, climate change sounds the death knell for fertility, with almost half of the world's youth expressing concern about having children for fear of the apocalyptic hellscapes they may grow up in. Once our children stop having children, "peak humanity" is just around the corner.

And there's little reason to be confident that the usual proportion of those 8bn of us alive today will make it to the mid 2030s, when current forecasts suggest we may hit 9bn. Covid, conflict and climate change could hasten our demographic demise. The pandemic has already claimed just over 6.5m lives. Conflicts and state failure from Myanmar to Syria to Ukraine to Venezuela have killed and displaced millions of people in just the past decade, stunning entire societies. And we have witnessed mass deaths from heatwaves that stretch from Canada to India – all before the world heats up to levels that are now considered inevitable.

It is a tragic irony that the majority of young people – the demographic future of our species – are trapped in

sweltering geographies from the Horn of Africa and the Levant to south and south-east Asia. A failure to offer them a means of escape will accelerate ecocide on a scale that ultimately impoverishes us all.

In the west, infrastructure is decaying and we lack the labour to rebuild it, our elderly are perishing without enough medical staff, home values will sag amid depressed demand and stagflation will persist as frictions rise in accessing cheap labour and resources.

Since the industrial revolution, western civilisation has been dismal at safeguarding geopolitical stability, reducing economic inequality and protecting the ecological commons. Yet it has been spectacularly successful at assimilating hundreds of millions of migrants from around the world. This, as much as any technological advance, has bolstered its edge.

It is time to recall that collecting people is collecting power, for the decimal place of migration is inevitably shifting to the right. The 21st century will feature more than 1bn people on the move, whether climate refugees, political asylum seekers or young workers seeking a better life. It is better to attract and harness human capital as Canada is doing than to squander and scare it away like Russia.

Mobility should be the cardinal human right of the 21st century. Yet this aspiration increasingly rubs against the inertia of sovereignty in a world with more borders than ever before. No forum appears less suited to co-ordinating mass migration than the UN, with its 193 states jealously guarding the right to protect their boundaries.

At no COP summit does climate adaptation – to say nothing of migration – get the attention it immediately deserves. Attendees continue to pine for climate mitigation through decarbonisation, something better accomplished through technological innovation than emissions-spewing air travel to big-tent meetings.

More habitable regions need to think about how to reprogramme themselves into an archipelago of centres for our future civilisation. This enlightened scenario urges us towards a world of demographic mobility combined with sustainable infrastructure.

The other scenarios on offer portend a neo-medieval world of warring fortresses, fending off at the gates those who both need and could offer help. Whether the human population peaks at 10bn or collapses suddenly to only 5bn or 6bn may well depend on the path we choose now. Either way, for the inhabitants of the future, mobility will be destiny.

*The writer is founder and chief executive of Climate Alpha and author of 'Move'*

## Letters

## Withdrawing ENO funding risks alienating other arts donors

The withdrawal of Arts Council funding for English National Opera (ENO) presents a moral dilemma regarding public benefit and the use of charitable funds ("Stage fright: Arts Council cuts hit capital", Report, FT Weekend, November 5).

On the day in 1992 when the government announced the purchase of London Coliseum for the nation, and as a home for ENO, I remember Sir Peter Jonas, the opera company's general director, receiving a call from Garry Weston inviting him to meet first

the next morning. Weston presented Jonas with a cheque for £1m to acknowledge and celebrate the government's purchase and to demonstrate his family's commitment to ENO's mission to provide affordable and accessible opera. The Weston donation was the first of many from donors and together with the Lottery amounted to £41m. This enabled the restoration of the Coliseum for the benefit of ENO and the public.

The Arts Council has now proposed that ENO relocates outside London and

that the Coliseum should be used for commercial hire. That was not the intention of the government in 1992 and not the motivation of those who gave £41m in good faith, that the building would be used for the benefit of the public.

Using public money and charitable donations for commercial hire will be a breach of trust and make a mockery of what constitutes the "public benefit". The Coliseum should be sold to private operators and the funds generated reinvested in opera and music.

More public funding and access to the arts across the nation is to be welcomed but not at any price. The removal of public funding from ENO will mean the end of the company as we know it and diminish access to opera. Government says it wishes to encourage more philanthropic support for culture but donors will not be inclined to support organisations that are defunded by the state.

**John Nickson**  
*Director of Development, ENO, 1989-1992*  
London W9, UK

## Your deglobalisation guide was missing just one thing

Rana Foroohar's guide to a deglobalising world (Life & Arts, October 22) is insightful and thought-provoking. What I did miss was any description of the profound impact technology is having on the workplace, potentially creating new employment and economic trends.

Video conferencing has already enabled us to work globally from home. Augmented reality and remote-control technologies will accelerate this trend and create even more possibilities.

As employees and employers recognise the economic, social and environmental benefits, local communities will probably thrive. If a surgeon based in Cairo can perform a heart operation in London today, why can't a line manager living on the outskirts of Treviso in northern Italy supervise the production of coffee machines in Seattle (barring the fact local politicians have a problem with it)?

Double espresso with a sprinkle of cinnamon, anyone?

**David Massumi**  
*Maennedorf, Switzerland*

## Chalk and cheese: Benin Bronzes and Elgin Marbles

The revelatory piece by Josh Spero and Anna Adey on the restitution of the Benin Bronzes ("The road to restitution", The Weekend Express, Life & Arts, November 5) actually weakens its otherwise unanswerable case by linking them to the Parthenon Marbles.

The theft of the Benin Bronzes was a war crime by any standard. But Lord Elgin in the 1800s was honestly and conscientiously doing his best to rescue the Marbles which might otherwise have been lost for good. He got permission from the authorities and spent a lot of his own money on the rescue. And the Bronzes were torn out of their place as a living part of the culture of Benin. But the Parthenon Marbles lost their cultural significance about 1500 years before Lord Elgin turned up.

The British government and the British army should have known much better in the 1800s. Their actions in Nigeria are a stain on our history.

The two cases are very different.

**Tim Johnson**  
*London N7, UK*

## Balfour misplayed his hand by resigning in 1905

Tim Bale ("The Conservatives have come back from oblivion before", Opinion, FT Weekend, October 22) refers to Arthur Balfour as having been prime minister from 1902 to 1906. In fact he resigned in December 1905, following a series of defeats in the House of Commons and in



Jimi Hendrix at his Mayfair flat, once the home of George Frideric Handel

by-elections, and disputes within his party over protection and the free trade issue. He resigned in the expectation that the Liberal leader, Sir Henry Campbell-Bannerman, would be unable to form a strong government, and that a general election would ensue, at which Balfour hoped to be returned.

On Balfour's resignation, King Edward VII immediately invited Campbell-Bannerman to form a minority government. Campbell-Bannerman promptly called a general election in January 1906, at which the Liberals were returned with a landslide, and in which Balfour lost his seat in Manchester.

This was the last time that anything like this happened: all subsequent changes in the party of government have followed general elections.

**Angela Ellis-Jones**  
*London SMI, UK*

## Some second home energy saving tips

Further to Henry Mance's article "How to save energy and stop worrying about the lights" (Opinion, November 5), when we lived in Norway, from 1974 to 1977, our kitchen had an ammeter built in just above the light switch. A red line indicated additional costs should we go over that. It was a huge incentive to switch something off.

Our second home in France still has a tariff which gives us a discounted rate, apart from some days of peak demand between November and the end of March, although that may no longer be available for new contracts. We can check beforehand on potential peak days and have an alarm to warn us before the higher rate starts.

Smart meters that show actual power usage and costs, including off peak rates, would incentivise better power usage for all.

**Georgina Parmenter**  
*London SW4, UK*

## Keeping half the Earth free of humans – that's an idea!

Simon Kuper's column on the Netherlands and the limits to growth (Opinion, FT Magazine, October 29) suggested the idea of reaching an impasse. But on the contrary it may demonstrate a way forward for the world. The Netherlands – and Israel – show that an advanced robust economy, including agriculture, can be successfully built up at great density in a small space around an urban core.

With this model we could follow the proposal of the American naturalist EO Wilson in his book *Half-Earth* to put half of the Earth under protection – no humans – providing coexistence to the great benefit of humans and the rest of Earth's natural world.

**Robert Johnston**  
*New York, NY, US*

## Remember those living day to day, dollar to dollar

I too know exactly what I want in life ("Knowing what you want is the ultimate life skill", Opinion, Life & Arts, October 22) and it also involves a house, on one of a handful of (Georgian) streets in Dublin. I too feel lucky to know this.

I also happen to be a corporate lawyer, who "ended up" as one. Fortunately I am acutely aware of the traps such a career – and the lifestyle that it creates – can foster.

What is missing from Janan Ganesh's article is that this sort of luck is a privilege that shouldn't be taken for granted. The world is full of people who are denied that privilege, whose life is very much lived day to day, dollar to dollar.

As such, my sympathy is limited for those crippled with indecisiveness, but limitless for those crippled with lack of opportunities.

**Peter Mallon**  
*Dublin, Ireland*

## Victorian-era litter pickers didn't need risk assessment

In his letter "Harking back to the good old days of productivity" (FT Weekend, November 5) John Warren summarises the impressive achievements of Victorian times.

Rightly so. But it was done mostly with cheap and often indentured immigrant labour, no health and safety, few planning rules and little alternative employment options for those workers. Other readers may know the rate of workplace deaths during this era. However, if unnecessary obstacles are removed from current regulations perhaps we could return to this level of productivity.

We could start by not having to undergo a risk assessment before we volunteer to pick up litter.

**Irene Munday**  
*Shaldon, Devon, UK*

## The complex story of Bonnie Prince Charlie

Charlotte Eagar's whistle-stop tour of the Scottish Highlands (Travel, Life & Arts, November 5) was interesting, but failed to explain fully the complex legacy of Charles Edward Stuart, who, as Bonnie Prince Charlie, sits atop many a shortbread tin.

Eagar's claim that "in the Highlands and Islands... the bonnie prince is still loved" is not a universal truth. Charles was a monarchical absolutist who believed not in supporting a strong parliament, but in the divine right of kings. His supporters were not – as this article implied – wholly Highlanders, nor did all Highland clans support him. More Scots fought against the Jacobites at Culloden than for the prince, including Highland clans such as the Sinclairs. The Hanoverian victory was met with wild celebrations across Scotland, with bonfires lit and the freedom of Glasgow and Edinburgh extended to the victorious Duke of Cumberland. Charles left his defeated troops to their grisly fate and ended his days a sad drunk in Italy. His story may be romantic, but heroic? No.

**Randal Smith**  
*Musselburgh, East Lothian, UK*

## Why the Dutch East India Company broke the mould

In his review of Jacob Soll's *Free Market: The History of an Idea* ("Trade, tax and animal spirits", Books, Life & Arts, October 22) Philip Coggan overlooks the invention of the first joint-stock company in the world. The Dutch East India Company (Vereenigde Oostindische Compagnie), known as the VOC, wasn't state-owned as he suggests. It was the first limited liability company. With stocks traded on the world's first stock exchange in Amsterdam. Maybe it was this first non-state, early 17th-century company that led the way. The success of the Dutch East India Company might have been the clear boundary it created between state and private enterprise. Unfortunately past performance does not guarantee future success.

**Berend Rosenboom**  
*The Hague, The Netherlands*

## GI Jimi and his hospital corners

Being a US army vet, Jimi Hendrix was by all accounts an accomplished and habitual bed-maker – in reference to cillian Teti's excellent column touching on the issue of national service ("How making your bed can change the world", Opinion, FT Weekend, October 8).

It is no coincidence that Hendrix's disciplined musical genius still shines when many of his contemporaries have not escaped time's tarnishment.

**Patrick M Dransfield**  
*Kowloon, Hong Kong*

## Opinion

## American democracy surprises us all again

POLITICS  
Simon Schama

**F**or many of us, Wednesday November 9th was never going to bring good news. And that was before KFC in Germany announced it would commemo-

And then as the 8th turned into the 9th, the Curious Incident unfolded whereby the Republican dog failed to bark in the night and many of us, doggedly attached to that battered old thing, American democracy, found ourselves ambushed by the one outcome for which we were entirely unprepared: the shock of optimism. For weeks, commentators had been warning that no incumbent presidents, let alone one encumbered by 8 per cent inflation and a challenge with consonants, escaped midterm elections without a drubbing.

— Nevada and Arizona – whose votes helped to tip the election to Biden. This won't be decided until Saturday when mail-in ballots will have been tallied. In Arizona, the incumbent ex-astronaut Mark Kelly seems likely to beat Trump-appointed election-denier Blake Masters. But in Nevada, where the hospitality industry was brutally punished by the pandemic, Democrat Catherine Cortez Masto may have a harder time prevailing against Adam Laxalt, a son and grandson of previous senators.

Should those states be snubbed between

"holding his own". In any case, a silver tongue is not necessarily an asset in American politics. At the time of its delivery, the Gettysburg Address had mixed reviews.

But if you want to understand the most compelling aspect of this astonishing election, look at the state houses and legislatures where much of the manage-

*The only wave going on was the bye-bye to*

children's attendance at a Jewish school.

The most spectacular victory in the electorally crucial midwest belonged to Michigan Governor Gretchen Whitmer who, in 2020, survived a rightwing terrorist plot. Whitmer's victory had cost-tails, flipping the state senate to the Democrats and thus cutting off any route to electoral college shenanigans whereby the legislature could overturn the popular vote. Elsewhere, the far-right strategy of electing secretaries of state, who control the management of elections, failed in New Mexico and Min-

democracy posed by the refusal to accept electoral realities. In fact, both drove voters to the polls. Wherever there were referendums on abortion, including deep red Kentucky, anti-abortionists lost. Likewise, the most fanatical agitators about a stolen election were almost all defeated. Second, a note to anti-wake warriors: beware of the culture wars lest they come back to bite you. In 2023, the first openly lesbian governors will be installed in Oregon and Massachusetts; Maryland will have its first African-American governor; the first Generation

orate the Kristallnacht anniversary with a special offer of extra crispy cheese with their chicken. (An apologetic retraction was later offered). But then matters began to look up. Sergei Surovkin, commander of Russian forces in Ukraine – vast, bull-like, baleful and an apt personification of their entire Special Military Euphemism – announced a “manoeuvre” backwards over the Dni-pro river, abandoning the city of Kherson, which Vladimir Putin had recently proclaimed would stay Russian forever.

Polls and pollsters reinforced the prophecy. But come the early hours of the 9th, the only wave going on was the by-bye to assumptions about a massacre of Democrats, both in Congress and State Houses. As of writing, the House of Representatives will have a small Republican majority, and it might not even have managed that, had not four districts in – wait for it, New York state – flipped, including the one where I live.

In a rerun of 2020, control of the Senate turns on the same two western states

the parties, the Groundhog Day election will continue with a run-off in Georgia between the incumbent Raphael Warnock, pastor of Martin Luther King's Ebenezer Baptist Church in Atlanta, and the Heisman trophy-winning footballer Herschel Walker. During the 2008 election, I heard Warnock deliver an Easter Sunday sermon which was a tour de force of social-evangelical rhetoric. But in their only television debate, expectations for Walker were so low that his completion of sentences was judged

## assumptions about a massacre of Democrats

ment of elections lies. Expected to fall like ninepins, Democrats will end up with a net gain of governors. In Wisconsin, Tony Evers beat the Trump-backed Tim Michels. In Pennsylvania, Josh Shapiro routed the January ether, Doug Mastriano, whose campaign went beyond conspiracy theories to anti-Semitic digs at his opponent's

nesota. In Arizona, the Secretary of State election is emblematic. Mark Finchem, the mastermind of this campaign, is trailing (though not by much) Adrian Fontes, the Recorder of Maricopa County. Maricopa is the state's most populous county and one relentlessly audited by deniers of the 2020 result. Whatever else emerges from this election, two pieties of the pundits will have bitten the dust. First, that the Democrats were foolhardy in not campaigning more on abortion and the threat to

Z candidate will enter Congress. The first native Alaskan Representative has taken her seat in the House.

Meanwhile, down in Mar-a-Lago, Donald Trump is said to be lathered up with rage, lashing out, bunker-style, at the losers who have so unforgettably betrayed him. But if 45 is not yet Thanksgiving turkey, the certainty of a re-election triumph is now pumpkin pie in the sky.

The writer is an FT contributing editor

Binance founder's actions left Bankman-Fried's FTX filing for bankruptcy, write *Joshua Oliver* and *Adam Samson*

On Tuesday afternoon Changpeng Zhao, chief executive of the world's largest crypto exchange, picked up the phone to his one-time partner turned arch rival Sam Bankman-Fried. He was ready to negotiate a \$600m truce in a public feud that had rocked the crypto industry.

But Zhao swiftly decided to throw a lifeline to FTX, Bankman-Fried's company and chief challenger to his own, Binance, in the fierce competition to dominate the offshore market in risky and complex digital asset trading. FTX had been swamped by customers demanding their money back, and urgently needed billions of dollars. Zhao agreed to rescue and acquire his rival.

But a day later, he abandoned the deal. Yesterday Bankman-Fried's \$32bn empire filed for bankruptcy in the US.

The collapse of FTX instantly tipped the balance of power in the \$1tn crypto market. “[Zhao] coming out and attacking the token I think will go down as one of the greatest corporate attacks that has ever happened,” said Jon de Wet, chief investment officer at digital wealth manager Zerocap. “It's private equity corporate raider stuff.” Zhao denies a “master plan” to take over FTX.

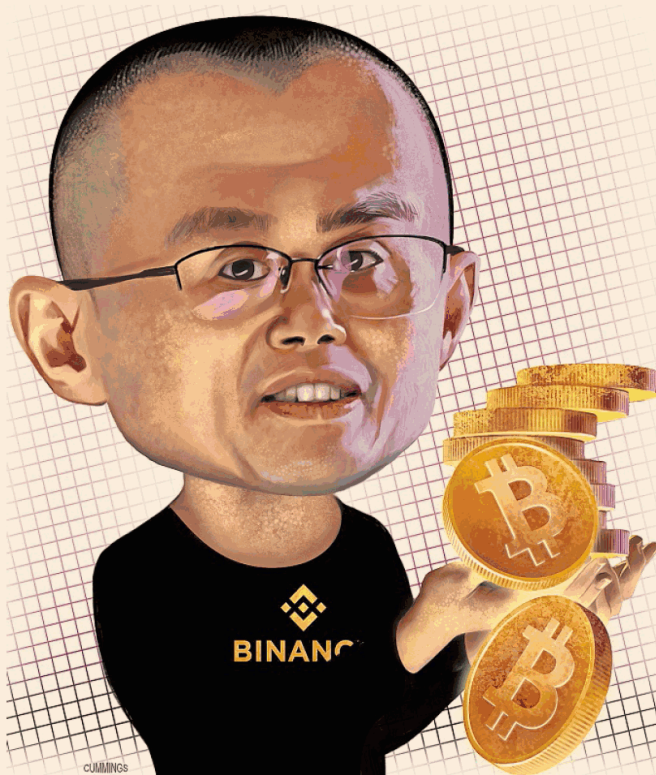
In just five years, Binance has boomed into an industry titan with a constellation of global affiliates – many in Zhao's name. Last month, it processed \$2.8tn in crypto coin and derivatives transactions, according to CryptoCompare. The 45-year-old, known as “CZ”, was estimated to be one of the world's richest people before the crypto crash cut his fortune to \$7bn, according to Forbes. Interviews paint a portrait of a divisive entrepreneur on a drive to grow at all costs. Several of those who worked with him said security and regulatory compliance were sacrificed in the race to dominate. Binance said: “In this fast-growing industry, we continually strive to evolve and ensure regulatory compliance and account holder protection.”

Zhao, who declined to be interviewed, is venerated by an army of have-a-go investors. But while “Binance Angels” spread the company gospel, opponents criticise the exchange for money they say was lost during technological outages in 2021's crypto market mayhem.

Several former employees described a driven leader who pushed them to the edges of their comfort zone. Zhao's tough character was on display this week when he said he would sell around \$600m in FTX, a token issued by FTX, which Binance had held since exiting an early equity investment. This move knocked the price, with FTX enduring a record \$5bn of customer withdrawals.

Bankman-Fried alluded to the tussle on Twitter: “At some point I might have more to say about a particular sparring partner, so to speak. But you know, glass houses. So for now, all I'll say is: well played; you won.”

Zhao says the sales were a prudent move to avoid losses and the abortive takeover a good-faith effort to prevent market panic. “Did CZ seize an opportunity? Yes. Did CZ orchestrate everything? No. FTX put themselves in this



Person in the News | Changpeng ‘CZ’ Zhao

# Crypto's last man standing digs in

position, ultimately,” said a senior executive at a trading firm.

Born in China, Zhao is a Canadian citizen who spent his teenage years in Vancouver where he worked at McDonald's.

After studying computer science, he worked on trading software, including for the Tokyo Stock Exchange. In 2017, he launched Binance. Early on, Zhao repeatedly insisted the company had no fixed headquarters, in line with crypto's decentralised ethos. In fact, staff who worked in its offices were warned not to wear clothes with the Binance logo, or reveal where they worked on LinkedIn.

After a 2019 security breach, staff complained in chat messages seen by the FT that users were “pointing out no clear negligence” and “extremely lax Know Your Customer security and procedures”. A former business partner said Binance “talked a big game” on anti-money laundering and KYC controls but was “resistant to throwing human resources at compliance issues”. Regulators have since censured

Binance in a string of financial capitals, including the UK, which warned last year that the crypto behemoth's “complex and high-risk financial products” posed “a significant risk to consumers”. Some viewed Zhao as a successor to Silicon Valley entrepreneurs. “Apple was selling computers, we were trying to

‘Coming out and attacking the token will go down as one of the greatest corporate attacks ever’

reinvent the financial system,” said a former employee. But a former business partner said internal rivalry made Binance unpredictable and, at times, chaotic. “There was a conscious decision to let people battle for supremacy. It's a very Machiavellian vision of leadership that I think CZ has embraced.” In a blog post about his leadership

style, CZ said: “Controlled chaos is a type of structure.”

After clashes with regulators, Zhao pledged to scrap “decentralised” organisation. “I am a technology entrepreneur and we are doing this pivot into a fully-regulated financial business,” he said last year. But his conversion to financial orthodoxy is yet to be completed. Binance said it has invested heavily and added 500 staff in compliance and law enforcement, but has not unveiled a regular corporate structure or headquarters.

The company has, however, secured oversight in several jurisdictions including a registration in France and a licence in Dubai, where Zhao lives. Zhao said this week that the demise of his chief rival was not “a win” for Binance, as it will sharpen regulatory attention on crypto. The question now is whether his company can put down roots and escape the traps that have ensnared its rivals.

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Stuart Kirk

Of all the claptrap forced upon me as head of responsible investment at a global asset manager, the most egregious was net zero targets. Indeed, my industry's response to the challenge of decarbonisation is one of the dumbest things I've seen in almost thirty years in finance.

Before I explain why, some background. From the 2015 Paris Agreement emerged the idea that investors must play their part in the energy transition. Damn right. From there came the concept of financed emissions – that providing funds to a belcher of carbon is basically akin to polluting itself, and hence capital should have net zero targets too.

Clearly there is a problem of knowing where to stop. Should accountants who audit dirty finance be net zero? What about the headhunters who recruited them? Even so, a framework where the owners and allocators of capital emulate real world objectives – and in doing so help to achieve them – appears logical and worthwhile.

Hence why almost 400 asset managers and owners – responsible for some \$70tn – have rushed to join the Net Zero Asset Managers Initiative and its asset owner equivalent. Signatories promise to reduce financed emissions by some percentage by a particular date. Robeco, for example, has committed to a 30 per cent reduction by 2025, and aims to reach 50 per cent by 2050.

That the numbers are hokum, which I'll show in a moment, is bad enough. So is the fact that pledges are made without many clients' knowledge or permission. Big institutions know what's up. But retail investors probably do not. Thought you were buying a European small cap fund? Sorry, you're now saving the planet. Except you're not. What ranks most is the claim that these initiatives help reduce emissions. No distinction is made between financing and trading. Sure, private equity assets can align with net zero goals, likewise direct loans or venture capital – you just stop giving money to polluting companies. But such primary sources of funding only make up a fraction of most manager and owner assets.

Mostly they own secondary market securities. Permanent capital such as equity cannot be withdrawn, it only changes hands. Real world impact: zero. And with traded asset classes, the Institutional Investors Group on Climate Change's demand for total industry alignment is a fallacy. If I've sold my oil shares, the buyer is now misaligned.

So these initiatives are pure virtue signalling. A bigger worry for some investors is that making money seems increasingly an afterthought too. The Net Zero Investment Framework

Implementation Guide is clear that financial objectives are to be “supplemented” with half a dozen climate change objectives. The word “return” only appears twice in 30 pages.

Back to the numbers. What does it mean when an asset manager commits to a 30 per cent reduction in financed emissions? Nothing. Signatories can choose what assets to include in their calculations. Money market funds? Too hard. Multi-asset? Let's worry about it later. Government bonds? No data, so exclude. Robeco, in the example above, is only subjecting 40 per cent of its assets to net zero alignment.

Headline-grabbing pledges are a fraction of a fraction, therefore. But it gets worse. Take equities, which account for the bulk of the assets aligned with net zero. How is it decided that, say, the financed emissions of US stocks will fall 100 per cent by 2050? Everyone has their own approach. One well-known asset manager argued that given the US government is committed to this target, then by extension all American companies will reach it too.

Other managers simply take a firm's public commitment at face value. A 25 per cent fall in emissions by 2025, says Coca-Cola? Good enough for us. To be fair, many are trying to calculate net zero pathways themselves. But there are so many assumptions behind these forecasts that comparisons between pledges are impossible. Last year, for example, you might have modelled a European

That the numbers are hokum is bad enough. So are pledges made without client knowledge

utility's transition from coal to gas to renewables, estimating the likelihood that it would reach net zero by 2050. Now that governments want energy security, these forecasts may be wide of the mark. Similarly, net zero pathways are hostage to pricing, competition and regulators. A large carbon tax would change the picture completely.

What is more, financed emissions not only reflect the decarbonisation efforts of the underlying companies, but their change in value, as targets are a function of asset under management. If technology stocks rebound, say, their lighter emissions mean that a portfolio's net zero alignment improves, even if a fund manager does nothing, and emissions stay the same.

You know an idea is flawed when it also makes sense the other way round. Why shouldn't capital go to the companies that need help with transitioning the most – that is, the high polluters? Perhaps a net zero misalignment of portfolios should be under consideration in Sharm el-Sheikh.

The writer is a former head of responsible investment at HSBC Asset Management and previous editor of *Lex*

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Scandal threatens progress made since the debt crisis a decade ago, writes *Tony Barber*

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# Companies & Markets

FINANCIAL TIMES

Fewer faces Zuckerberg of Facebook parent Meta defends 11,000 job cuts — COMPANIES

Megan Greene Gridlock, and the stability it brings, can be no bad thing — ON WALL STREET

# SoftBank suffers \$10bn loss despite Son's defensive pivot

● Founder to step back from operations ● Focus on 'explosive' growth at Arm



Founder Masayoshi Son says he will step back from the day-to-day running of SoftBank while investment in Alibaba will be cut — Yuichi Yamashita/AFG/Getty Images

KANA INAGAKI — TOKYO  
ANNA GROSS — LONDON

Masayoshi Son said he would step back from running day-to-day operations at SoftBank to "devote" himself to turbocharging growth at Arm, the UK chip designer owned by the Japanese group.

The SoftBank founder said in a 30-minute speech that could be his final appearance at financial results that he wanted to remain on the offensive with Arm, as the technology conglomerate posted quarterly investment losses of \$10bn.

"For the next few years, I would like to devote myself to Arm's next phase of explosive growth," said Son. "I would like to delegate financial earnings and other daily management operations to other executives."

In addition to the losses, said a person familiar with the matter, SoftBank would probably write down to zero its investment of about \$100m in FTX, the collapsing crypto exchange.

At a briefing yesterday, Yoshimitsu Goto, SoftBank's chief financial officer,

said the Vision Fund's overall investment in crypto was small.

Despite the investment losses, SoftBank returned to profit for the first time in three quarters but this was mainly as a result of its historic sell-down of its stake in Alibaba, the Chinese e-commerce group.

For the July to September quarter, SoftBank reported an investment loss of ¥1.38tn (\$9.8bn), compared with ¥2.93tn in the previous quarter for its two Vision Funds and a fund investing in start-ups in Latin America.

The company generated a net profit of ¥3tn, in a sharp reversal from a record loss of ¥3.1tn in the previous quarter, as a result of its Vision Fund investments being hit by the global rout in technology sector shares.

Only two days after reporting its worst quarterly performance, in August, SoftBank revealed that it would post a gain of ¥4.6tn by selling shares in Alibaba, significantly reducing the investment on which Son built his name as one of the world's biggest technology investors.

In addition to the Alibaba sale, SoftBank cut 30 per cent of its Vision Fund staff by the end of September and sharply reduced the size of its investments over the past six months.

Son emphasised yesterday that he was "perfectly healthy", in response to speculation he was unwell after SoftBank revealed that he would no longer

'Arm — the source of my energy, the source of my happiness, the source of my excitement'

be giving his signature presentation to investors, using his eccentric slides.

SoftBank's plan to sell Arm to Nvidia, the chipmaker, for up to \$60bn fell apart in February after more than a year of wrangling with regulators in the UK, US and EU. Son said that he would instead take the company public in New York.

While Arm's financial performance has been robust, a person close to the Vision Fund said the general initial

public offering market is expected to remain challenging for the first half of 2023.

Son said: "I'll be thinking about the business opportunity for Arm — the source of my energy, the source of my happiness, the source of my excitement." Strategic thinking about the chip designer's future was the "best contribution" he could offer to SoftBank's results. Son has said he plans to retain a majority share in Arm after its planned IPO.

The chip designer reported net sales down 6.1 per cent in the first half of the year compared with the same period last year. Though royalty revenues increased more than a fifth, to \$916m, in part due to shipments of high-end 5G smartphones and higher royalty rates, non-royalty revenues including licensing income decreased 34 per cent to \$459m.

Despite the falling valuation of its Vision Fund investments, shares in SoftBank have risen nearly 30 per cent this year as the group sharply accelerated the pace of its share buybacks.

## UK homes target at risk after plunge in demand

GEORGE HAMMOND

Plummeting demand for new homes and the rising risk of mortgage defaults has caused UK housebuilders to cut back on projects, putting government housing targets at risk.

Redrow yesterday became the latest large builder to warn of a sharp contraction in sales, echoing rivals Persimmon and Taylor Wimpey, which this week reported significant falls in the rate at which buyers were committing to new purchases, with demand dropping as much as 50 per cent in recent weeks.

The warnings from three of the UK's biggest developers have provided the clearest sign yet that the housing market has turned, with higher mortgage rates and the prospect of a lengthy recession holding back buyers.

Taylor Wimpey said the number of buyers pulling out of deals had risen by more than 50 per cent — with almost a quarter of purchases being cancelled in the second half of the year so far — and Persimmon executives said they were seeing the first evidence of prices beginning to fall — by 2 per cent since July.

"These are really unusual times, the environment has changed quite rapidly," said Taylor Wimpey chief executive Jennie Daly, who described this as a "transitional period" as the market adjusts to much higher borrowing costs. Higher mortgage rates have frozen

many would-be buyers out of the market. More worryingly, the increase — accelerated by the "mini" Budget in September — has raised the likelihood of homeowners defaulting on their loans when they have to remortgage.

Analysts at Goldman Sachs said this week that they expected house prices in the UK to fall and that higher rates, increasing unemployment and the threat of recession were likely to markedly increase the risk of delinquencies. As the outlook becomes increasingly



Britain's biggest builders say higher mortgage rates and fears of a long recession are putting off buyers

grim, the three UK builders all said they would slow their investment in new land and try to conserve cash. Redrow announced that it had halved the rate at which it was buying land.

The big housebuilders are responsible for most new private homes built each year, meaning their retreat is likely to leave the government's target of building 300,000 homes a year, recently reaffirmed by Michael Gove, housing secretary, in tatters. Clyde Lewis, an analyst at Peel Hunt, said that delivery could easily fall to 190,000 next year, from a peak of 243,000 in 2019/20.

## Technology

### IBM counters China with Japanese chip partnership

KANA INAGAKI AND ERI SUGIURA — TOKYO  
AND QIANER LIU — HONG KONG

IBM will partner with a new semiconductor company backed by Japan's biggest corporations to develop advanced chips as the tech war between the US and China intensifies and Tokyo seeks to deepen its ties with allies.

The agreement is part of a multibillion-dollar effort by Japan to revive its languishing semiconductor industry, reduce its reliance on chip production in Taiwan and boost economic security.

The Japanese government will invest ¥70bn (\$495m) in Rapidus, joining eight corporate backers including Toyota, Sony, chipmaker Kioxia, telecoms provider NTT and SoftBank's mobile arm.

Rapidus will develop next-generation chip technology with IBM and a Japanese research institute to be set up before the end of the year. The new institute will involve the country's top universities and other publicly funded research groups.

The trade ministry is separately seeking ¥450bn in its supplementary budget

for the current fiscal year to establish manufacturing facilities for advanced chips at home to ensure Japan's carmakers and tech groups do not face the supply chain disruptions suffered during the Covid-19 pandemic.

The ministry has already provided subsidies to Taiwan Semiconductor Manufacturing, US chipmaker Micron, Kioxia and its US partner Western Digital to expand their chip production in Japan.

"As the battle for technological supremacy between the US and China intensifies, semiconductors are becoming even more important from an economic security perspective," Yasutoshi Nishimura, minister of economy, trade and industry, said yesterday.

Semiconductor Manufacturing International, China's largest chipmaker, warned investors yesterday that Washington's tightened US export curbs would have an "adverse impact" on the company's production. Its third-quarter earnings missed projections, with revenue underperforming analyst expectations of \$1.93bn.

## Technology

### Investors press Apple on union stance

PATRICK MCGEE — SAN FRANCISCO  
PATRICK TEMPLE-WEST — NEW YORK

Apple shareholders are seeking votes at the iPhone maker's annual meeting next year over proposals regarding the company's stance on unionising employees, homeworking policies and human rights in China.

The union proposal filed by Trillium Asset Management, which manages \$5.3bn, asks Apple's board to step up its oversight of how management has handled unionising campaigns, months after the first Apple unions were formed at two US retail stores.

While Apple has stated that employees can organise without interference, employees had accused Apple of "intimidation tactics to deter organising", said Trillium, which owns about \$155m of Apple stock.

The proposals, published on the website of the US Securities and Exchange Commission this week, come amid increasing activism from investors and workers organising at Big Tech groups. The regulator will decide in the coming weeks which measures go to a vote at Apple's annual investor meeting early next year.

Although shareholder proposals are non-binding, Apple has sometimes bowed to these investor demands in the past following shareholder petitions, for instance, establishing a human rights policy and committing to conduct a civil rights audit.

Advisory firm Institutional Shareholder Services has also said it will consider recommending against individual

Trillium says employees have accused the business of 'intimidation tactics to deter organising'

board members at companies that fail to act on shareholder proposals that have won majority support.

Typically, Apple and other companies facing shareholder proposals ask the SEC, which regulates investor petitions, to stop them from going to a vote. Apple is not contesting the union petition but is challenging other proposals on the grounds they are duplicative or concern ordinary business decisions better left to management.

One proposal submitted by activist

group SumOfUs calls for the company to create "a phase-out transition plan... to cease supply-chain activities involving labour from the Uyghur region".

The UN in August published a report accusing China of "serious human rights violations" regarding Uyghurs and other Muslim ethnic minorities in Xinjiang. Apple told the SEC there was "no evidence that any of its suppliers were located" in the Xinjiang region.

Two other proposals call on Apple's board of directors to assess Apple's return-to-office policies on employee retention and competitiveness.

Since September, Apple employees have been required to be in the office three days a week. Some employees have pushed back, with 1,200 of them signing a letter arguing that Apple's performance during the pandemic proved they could work effectively without needing to be in the office.

One shareholder cited a 1990 Steve Jobs quote when the Apple co-founder projected a "third major revolution" in which "the only type of organisation" to succeed would be one with geographically diverse people working together. Apple declined to comment.

## Automobiles

### Polestar warns over supply chain woes

PETER CAMPBELL — LONDON

Electric-car maker Polestar has warned that it expects global supply-chain turmoil to continue through next year, as the Volvo-backed start-up turned its first quarterly profit in its brief history.

The group, owned by China's Geely, was spun out of Volvo as an electric-only brand in 2017 and listed this year by merging with a special purpose acquisition company, or Spac.

In the three months to September, Polestar posted a net profit of \$299.4m, largely due to an accounting calculation of future share payouts, which rose as its share price fell. This compares with a \$302.4m loss a year before.

Its operating loss, which does not include the accounting quirk, narrowed from \$292.9m to \$196.4m, as it ramped up deliveries of the Polestar 2 model. Sales rose from \$122.9m to \$435.4m, and it expects to hit 50,000 deliveries this year.

During the quarter, Polestar also secured \$1.6bn in credit facility from its two major owners, Volvo and Geely, which allows the company to draw up to \$300m a month. This, along with the

company's \$1bn cash reserves, mean it is fully funded through next year, says chief financial officer Johan Malmqvist.

Polestar's results cap a week of bleak updates from a clutch of electric vehicle start-ups, all of which are struggling to begin or increase production.

UK van group Arrival warned that it did not have funding for another 12 months, sending shares down by a third, while Canoo, an electric van group that has also yet to start production, reported a larger loss than expected.

Electric luxury group Lucid reported a greater-than-expected loss in the quarter.



Powered up: the Volvo-backed group has turned its first quarterly profit

despite sales more than doubling. Amazon-backed pick-up truckmaker Rivian beat expectations with a slimmer loss, but warned that supply chain problems could still lead the start-up to miss its delivery goals for the year.

Supply chain issues, from a shortage of chips to shutdowns in Chinese factories, have caused problems for carmakers of all sizes.

Polestar chief executive Thomas Ingenlath said he expected parts shortages to continue into next year. "Will the situation improve next year? No, we expect this again to be something that keeps us busy," he said. A month-long lockdown in China in the spring caused the company to cut an earlier delivery target of 65,000 vehicles for the year.

Polestar had "improved certain supplier situations" and built up alternative suppliers on some parts, as it prepared for future disruption, Ingenlath added.

Average revenue per vehicle fell for Polestar compared with a year earlier, as it shipped more vehicles outside Europe and launched a lower-specification version of its Polestar 2. But the company expects average revenue to rise again once it begins selling the Polestar 3, a more expensive sport utility vehicle.

# Shale sector's leading light battles to 'unleash' US gas

Spotlight

**Toby Rice**  
Chief executive,  
EQT

From a converted karate dojo above a Pittsburgh liquor store, Toby Rice, a self-described "shalemaniac" who runs one of America's biggest energy companies, has a plan to fix global warming and soothe European anxieties over shale supplies.

It involves lots more hydrocarbons — specifically, liquefied natural gas, the supercooled fuel that US companies have been sending in record volumes across the Atlantic as Europe tries to break Vladimir Putin's energy chokehold.

The world needs more American fossil fuels, according to Rice. "Unleash US LNG," reads the phrase on caps and shirts he hands to visitors stopping by the dojo. He contends doing so would enable American gas to kill off foreign coal and slash global emissions.

"Sending US LNG to China and India is going to be the biggest decarbonising thing we can do as a country," Rice said.

Climate campaigners are far from endorsing his strategy, but it has become an axiom for a shale energy patch that now trends the 40-year-old Bostonian as something like a folk hero.

Rice is chief executive of EQT, a 154-year-old company few people outside the US have heard of but which has become America's largest natural gas producer, accounting for 5 per cent of the country's total — more than ExxonMobil or Chevron. He has run the company since 2019 when he and his brothers — whose Rice Energy was bought by EQT for \$6.7bn in 2017 — won a proxy war to unseat the board.

EQT's gas is fracked from shale rocks across the Utica and Marcellus formations of western Pennsylvania, Ohio and West Virginia — one of the most prolific hydrocarbon reservoirs in the world, which lies beneath a region otherwise scarred by decades of industrial decline.

Europe's crisis, coupled with a recovery in energy demand following coronavirus pandemic lows, has sparked a revival across oil and gas basins from Texas to the US northeast — one on which EQT has capitalised, with a market valuation that has risen 10-fold since mid-2020 to \$15bn.

The company last month reported almost \$700m in net profit between July and September, one of its best quarters. It paid down debt, bought back shares and joined the S&P 500 index — a club befitting a company whose logo tops one of Pittsburgh's



'We need [US LNG] to address the biggest source of emissions, which is foreign coal'

tallest skyscrapers. But Rice's dojo is six miles away in the suburb of Carnegie. The tower — on which EQT is winding down a \$10m lease — was an example of the old EQT's profligacy, he said, and the vibe was "too corporate".

"And it's in a city that has said that, ironically, they're against fracking — which is like the biggest economic engine in this region... You want to be in places that want you," he said.

Tens of thousands of contractors staff EQT's well sites in the Appalachian hills around Pittsburgh. Most of its 700 full-time employees now work remotely, appearing as avatars on a virtual desktop that looks something like a *Super Mario Bros* landscape.

Rice and a handful of colleagues hold court in the dojo, alongside a life-size mannequin of the superhero Iron Man, gorilla figurines and piles of a recent book by fossil fuel advocate Alex Epstein.

Mash-up portraits of American industrialists grace the walls and neon signs remind staff to "do epic shit" and "stay shaley".

Rice himself decorated the windowless room at the back of the dojo with its wall of fake flora — the nerve centre for his fracking business and campaign to address climate change by selling more gas.

"The United States is going to be the biggest decarbonising force in the world — but we need to unleash natural gas to address the biggest source of emissions, which is foreign coal," he said.

Supporters say the proof of this argument is in the US, where carbon emissions fell steadily in recent decades as a torrent of cheap shale gas in the power sector displaced coal,

which releases about twice as much CO<sub>2</sub> as gas during combustion.

US LNG export terminals have run at close to maximum capacity for most of the year, while production from gas wells is rising. But the scale remains far below what the US could achieve with reforms to infrastructure permitting laws, Rice argues.

The sector "can grow production by 10bn cubic feet a day," he said. "That's what we did in 2017 and 2018." That would be a 10 per cent increase on current US output and equate to about two-thirds of Europe's Russian gas imports before the war. Rice said the US could add the supply within 24 months.

In a sector that has become a villain for environmentalists, Rice's willingness to take on critics — without doubting climate change or reeking of country club stuffiness — has made him a de facto spokesperson.

This year he wrote a nine-page letter to Elizabeth Warren, the liberal US senator, arguing against her efforts to restrict LNG exports.

"Toby... seems to relish conversations with sceptics and the far left and is committed to building a bipartisan coalition" to support US natural gas, said Anne Bradbury, head of the American Exploration & Production Council, a lobby group that counts EQT among its members.

Republicans such as Mehmet Oz, the party's pro-fracking candidate in Pennsylvania's Senate race, have praised Rice, a registered Republican. But almost all the executive's past political donations have been to pro-fracking Democrats.

Climate campaigners and some analysts have not been won over by his agenda, and say Rice is simply trying to lock in demand for a costly fossil

Toby Rice has provoked strong reactions with his campaign to use LNG exports to fix climate change and energy deficits — Stephanie Strasburg/FT

fuel that will also need to be eliminated if the world is to hit its Paris climate targets.

"Toby Rice and others are known for creating this kind of false reality that people want to cling to," said Mary Finley-Trook, an environment professor at the University of Richmond.

"The fossil fuel industry is running with people's emotions. And they're trying to act very fast, because they know the window is closing... until people will not put up with the climate crisis not being addressed."

Soaring international LNG costs in the past 12 months hardly suggest the fuel can be a cheap decarbonising agent for developing countries, argues Clark Williams-Deery, an analyst at the Institute for Energy Economics and Financial Analysis, especially given the falling cost of renewables.

And even in crisis-stricken Europe, policy favours cleaner energy — one reason why the International Energy Agency now expects global demand for gas to peak by the end of the decade.

The bigger problem is the US oil and gas industry's poor record on methane, a greenhouse gas with far more heat-trapping potency than CO<sub>2</sub> in the shorter term. When the industry's methane leaks are included in the calculation, LNG's climate advantage over coal dwindles, researchers say.

Rice says shale operators are tackling the problem. His company is among those whose gas will be independently graded according to its methane performance. A UN methane monitoring body last week awarded EQT its highest rating.

Assuming the sector deals with its methane, Rice argues, it should be allowed to get on with displacing coal. "And if we're not the cheapest, most reliable, cleanest form of energy? Guess what: see you later."

For critics this vision of natural gas as a "bridge fuel" between coal and cleaner alternatives is out of date.

"We don't have time to get rid of coal and then spend the next 30 years getting rid of oil and gas," said Mark Brownstein, senior vice-president of energy at Environmental Defense Fund.

Yet the politics seem to be shifting behind Rice's argument as European, Chinese and other importers line up to buy more US LNG. Investors who had been wary of fossil fuels are now calling for more oil and gas production — as is President Joe Biden.

"We could put gas on the doorstep of Europe for \$12 per million British thermal units, Rice said — more expensive than US gas prices, but a level well below what has been paid across the Atlantic in recent months. "People would be doing backflips for \$12 gas in Europe," Derek Brower

## BUSINESS WEEK IN REVIEW

### Meta axes jobs

● Meta laid off more than 11,000 employees, reducing its headcount by about 15 per cent, as it battles falling revenues and rising competition.

Chief executive Mark Zuckerberg emailed employees informing them of the redundancies: "I want to take accountability for these decisions and for how we got here. I know this is tough for everyone, and I'm especially sorry to those impacted."

Zuckerberg said that revenue growth experienced during the pandemic had not been sustained, advertising performance was down, and e-commerce had declined, all in an environment of economic downturn and rising competition.

● Profits at many of the largest international law firms are shrinking rapidly because of an increase in costs and a decline in the number of mergers and acquisitions and public offerings, leading some to scale back hiring as they prepare for deep recession.

Research from the Thomson Reuters Institute, which tracks internal data from more than 160 US-based firms, found demand for M&A work fell almost 14 per cent in the three months to the end of

'I want to take accountability for these decisions and for how we got here'

Mark Zuckerberg

September when compared with the same period in 2021.

While the overall number of billable hours declined less than 1 per cent in the quarter, payroll expenses rose almost 11 per cent and overheads by almost 15 per cent, the institute found.

The key measure of profitability in the institute's quarterly index remained at the lowest level since tracking began in 2006.

● Fenway Sports Group is in the early stages of exploring the sale of Liverpool FC, making the English Premier League side the latest prestige sports asset to go on the market.

Boston-based FSG is being advised by Goldman Sachs and Morgan Stanley after it was approached by at least one potential buyer, according to two people familiar with the matter. FSG bought Liverpool in 2010 for £300m.

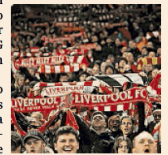
FSG's decision to explore a sale comes months after the club's takeover by Chelsea FC was sold by Russian billionaire Roman Abramovich to a consortium led by US financier Todd Boehly for £2.5bn.

During the sale process Chelsea received more than 200 bids, highlighting the strong appetite for Premier League teams.

● Goldman Sachs has named record numbers of female and black partners as part of the ritual the Wall Street bank conducts every two years to fill its elite ranks.

The 80 members of the class of 2022 make up the largest group of new partners since David Solomon became chief executive and said he wanted to make the role more selective.

The bank said the class was its most diverse ever,



## Under the hood Russian reactor technology fuels global power struggle

The presence of Soviet-designed nuclear kit is frustrating the west in its ambition to starve Moscow of cash for its war in Ukraine

Faced with a global energy crisis and a race to slash emissions, advanced economies are starting to reconsider nuclear power after a period of declining investment.

The incentive is all the greater among European countries, which are moving away from Russian fossil fuels to starve the Kremlin of funds for its assault on Ukraine.

But a shift does not necessarily free a country from reliance on Russia, given the scale of its presence in the nuclear sector.

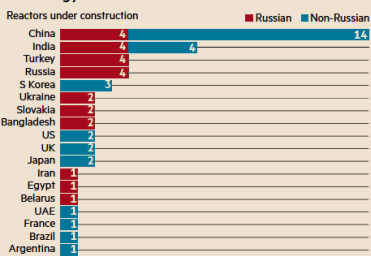
There were 437 operational reactors around the world as of 2021, according to the International Atomic Energy Agency. Of those, 42 outside Russia use Soviet-designed VVER technology, with others using designs from countries including the US, Germany and France. Ukraine has the largest VVER fleet outside Russia, with all 15 of its reactors using the technology, and the Czech Republic is next with six.

Russia was also the seventh-largest producer of uranium in 2021. State-owned Rosatom accounts for about 40 per cent of the world's uranium enrichment capacity, making it a crucial supplier.

China is also increasing its exports of nuclear technology. With 27 of the 31 reactor construction projects started since 2017 of Russian or Chinese design, according to the International Atomic Energy Agency, battle lines are being drawn with the US.

"You're starting to see nuclear power being used in a geopolitical way," said one industry figure. Shotaro Tani.

### China, India and Turkey lead in using Russian technology for their new reactors

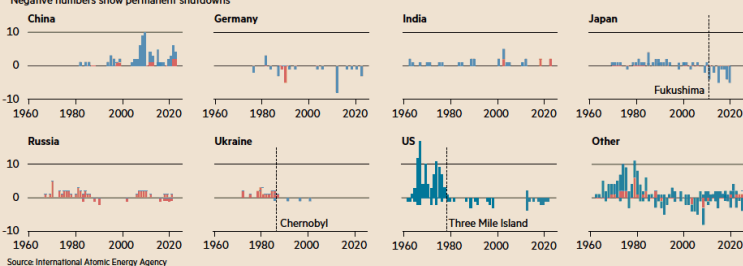


Source: International Atomic Energy Agency

### Soviet-era tech still used in many nuclear reactors

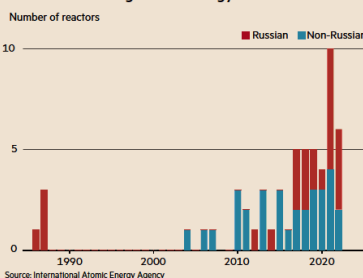
Count of operational, those under construction and permanent shutdowns only

Negative numbers show permanent shutdowns



Source: International Atomic Energy Agency

### More than two-fifths of reactors under construction have Russian-designed technology



Source: International Atomic Energy Agency

£3.4m  
Price paid by  
Next for the  
brand name of  
retailer Made.com

23  
Number of female  
partners in this  
year's class of 80  
at Goldman Sachs

with 23 women and 28 non-white partners, seven of whom were black, as well as two people who identified as being LGBT+.

The new partners reflect Solomon's repeated efforts to boost Goldman's standing with investors by broadening its lines of business beyond its investment banking and trading divisions, thereby making its earnings less volatile.

● Next has acquired the brand, domain names and intellectual property of Made.com for £3.4m in a prepack administration less than 18 months after the online furniture retailer floated in London at a £775m valuation.

Made.com, founded by entrepreneurs Ning Li and Brent Hoberman in 2009, boomed during the pandemic, with its design-led furniture proving popular with younger consumers. It floated in June last year.

Supply chain bottlenecks during the pandemic prompted the company to scale back on its just-in-time business model and hold more inventory close to its markets in Europe, where it continued to expand. That resulted in substantial capital tied up in stock just as demand eased off.

● Christian Bluhm, chief risk officer of UBS, has resigned to become a photographer. The career change will lead to Bluhm opening a studio and gallery in Zurich, a short distance from UBS's headquarters, as he swaps capital ratios for aspect ratios.

A mathematician by training, the 55-year-old German is following in the footsteps of Matthew Greenburg, the former Bank of America Merrill Lynch dealmaker and adviser on the RBS-ABN Amro and Lloyds Bank-HBOS takeovers, who quit banking in 2010 aged 49 to pursue a career in photography.

## FTX COLLAPSE

# Trading firm sparked fire that razed FTX

Credit risk at Alameda Research, ultimately controlled by Bankman-Fried, proved crypto exchange's undoing

PHILIP STAFFORD AND NIKOU ASGARI IN LONDON

The collapse of Sam Bankman-Fried's \$32bn crypto exchange captivated and stunned crypto markets this week, but at the centre of the crisis was a far less known, but risky entity: Alameda Research.

Sam Bankman-Fried's digital asset trading shop opened in 2017, but within two years of its founding was dealing around \$600mn-\$1bn a day. Much of its funding was based on borrowing, often using other crypto tokens as collateral to make highly leveraged bets, according to industry participants.

The firm, run by a small cadre of executives and ultimately controlled by Bankman-Fried, had close ties to FTX, a sprawling crypto trading venue that allowed customers to bet on the price of digital tokens such as bitcoin using complex derivatives. FTX was founded by Bankman-Fried about a year and a half after Alameda. This week it owed the exchange \$10bn, according to people familiar with the matter.

"The tipping point isn't FTX, it's Alameda and the credit risk they were taking," said Rosario Ingarola, founder and chief executive of Bosonic, a crypto settlement service.

Alameda ultimately sparked the blaze that finally engulfed FTX.

'Everything [at FTX] is integrated in this complicated way which is creating this black box'

A report by crypto publication CoinDesk last Wednesday alleging that \$5.8bn of the \$14.6bn of the assets on Alameda's balance sheet were coins issued by FTX, known as FTT, ignited deep concerns about the relationship between the two nominally separate entities. The report also said a large chunk of Alameda's FTT had been used as collateral for loans to an unknown party.

"This alone should raise alarms, but the bigger question is: who had accepted billions of dollars worth of FTT as collateral?" said Clara Medalie, an analyst at Kaiko, a crypto market research provider.

The story deepened market suspicions over the health of Alameda and whether it was sitting on heavy market losses sustained in the crypto crisis of the spring. The balance sheet snapshot included the period when many big crypto names went bust. Bankruptcy filings for one of them, Voyager Digital, revealed Alameda owed the lender \$766mn.

In an initial sign of the liquidity issues facing Bankman-Fried's empire, Alameda was valuing its FTT holdings at nearly 200 per cent of FTX's prevailing market capitalisation of \$3.1bn, according to the report.

Caroline Ellison, chief executive of Alameda, said on Sunday the balance sheet reflected only one of Alameda's corporate entities and the business had more than \$10bn of assets that weren't reflected in the numbers.

But the market was not convinced. Just over an hour later on Sunday, Changpeng Zhao, chief executive of rival exchange Binance, said he would dump its FTT tokens,



Sam Bankman-Fried founded FTX about a year and a half after Alameda — Lam Vu/Bloomberg

lender, so theoretically, they should at all times have access to the equivalent of 100 per cent of their client's funds," said Medalie.

Jean-Marie Mognetti, chief executive of asset manager CoinShares, which has \$50.3mn exposure to FTX, said that Bankman-Fried's trading venue is "not an exchange, it's much wider".

"Everything is integrated in this complicated way which is creating this black box," he added.

At the same time holders of FTT tokens were also selling heavily, worsening Alameda's position. On Tuesday there was a record 509mn of FTT traded, the equivalent of more than \$1bn, according to data from Kaiko, which traders attributed to FTX selling other assets in an attempt to defend its coin's price.

But FTT's price still slumped 80 per cent over Monday and Tuesday. The loans secured against FTT were underwater, creating a vicious cycle that Bankman-Fried struggled to break.

Searching for a lifeline, he turned to his arch rival — Zhao at Binance — who

'You'll never have a major exchange like Deutsche Börse so closely affiliated with a market maker'

agreed on Tuesday to buy the exchange. FTX had "asked for our help," CZ wrote on Twitter, adding: "There is a significant liquidity crunch."

But after less than 48 hours of due diligence, on Wednesday Binance walked away. Zhao cited concerns over FTX's business practices and investigations by regulators.

With his best bet gone, Bankman-Fried scrambled for an alternative, asking investors for up to \$8bn to plug a hole in FTX's balance sheet. He turned to crypto exchanges OKX, stablecoin operator Tether and Justin Sun, founder of crypto token Tron, for a cash injection — but none materialised.

Investors that had been so ready to back him earlier in the year, like Sequoia Capital and SoftBank, wrote down the investment to zero.

Bankman-Fried took to Twitter on Thursday to apologise for the crisis. "I'm sorry. That's the biggest thing. I fucked up, and should have done better," he said, adding that Alameda would be closing. In a last-ditch effort, he tried to reassure the market that FTX was solvent but not liquid and that users of its US arm were "fine".

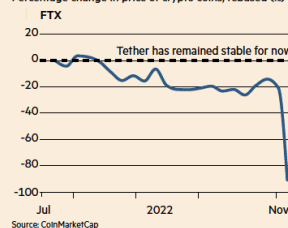
It was too late. Within 24 hours, FTX and Alameda had filed for bankruptcy and Zhao was predicting the impact would thrust the industry into a crisis resembling the crash of 2008. US regulators are looking at FTX's lending products and the management of customer funds, according to a person familiar with the matter.

For many the cause was straightforward. "It's all rooted in a lack of transparency and conflicts of interest," said Anish Puar, head of European equity market structure at market maker Optiver. "You'll never have a major exchange like the London Stock Exchange or Deutsche Börse so closely affiliated with a market maker."

See Markets, Lex and Katie Martin

## FTX plunges after a torrent of withdrawals

Percentage change in price of crypto coins, rebased (%)



Source: CoinMarketCap

## FTX's value sinks after filing for bankruptcy protection

Market cap (\$bn)



Changpeng Zhao

Head of Binance points to 'cascading effects'

The \$1tn digital asset market faces a crisis akin to the 2008 financial crash, according to Changpeng Zhao, Binance chief, pictured left, who warned that more companies might fail in the coming weeks following the troubles at FTX. Zhao, founder of the biggest digital asset exchange, said that the full impact of the meltdown at rival FTX had yet to be felt. He told a conference in Indonesia the financial crisis was "probably an accurate analogy" to this week's events.

"With FTX going down, we will see cascading effects," Zhao said. "Especially for those close to the FTX ecosystem."

The comments came as traders fear further waves of contagion after a bid by Zhao to buy out FTX this week fell apart, leaving one of the leading crypto exchanges teetering. Its failure would deal a blow to blue-chip investors, including Sequoia, the venture capital group, and Japan's SoftBank, that had scooped up equity in the group.

Bitcoin, the largest cryptocurrency, has shed 17 per cent in five days, touching a two-year low in the midst of

tumultuous negotiations between Binance and Sam Bankman-Fried, FTX chief executive.

Bankman-Fried has apologised for the liquidity crisis at FTX but has not gone into detail about the cause. "This lack of transparency is what every single trader and investor is going to be very wary of," said Anatoly Crachilov, chief executive of Nickel Digital Asset Management.

Zhao cast doubt on a deal struck by FTX to buy assets of Voyager, another crypto lender, out of insolvency, saying FTX "obviously... won't have the money" for the \$14bn transaction.

"A few other projects are going to be in similar situations. I think it will take a couple weeks for most of them to come out," Zhao said.

Genesis, a crypto trading firm, said its derivatives business had about \$175mn on the frozen exchange. The funds were "not material to our business" and would not impact market making or trading, it said.

But Zhao was positive, saying: "The market will heal itself."

See Person in the News

worth at least \$580mn, in response to "recent revelations," and cited the example of Luna, the cryptocurrency that collapsed overnight in May, creating a bout of severe turbulence in the market.

FTX customers also rushed for the exits: The exchange faced a record roughly \$5bn of withdrawals on Sunday and Bankman-Fried admitted this week that it had only \$4bn in easily tradeable US dollar assets to cover them. Bankman-Fried put the misjudgement of his customers' leverage to a "poor internal labelling of bank-related accounts".

On Monday, as FTX was facing heavy withdrawals, Alameda was attempting to sell the most liquid assets to hand. A snapshot of Alameda's balance sheet, seen by the FT, showed it was looking to liquidate shares it held in retail broker Robinhood, crypto tokens, and to call in a loan to FTX's EU arm. However there was only \$1.8bn readily available despite its large liabilities to FTX.

By Tuesday customers reported having difficulty withdrawing their funds, which only accelerated market fears. "FTX is neither a trading firm nor a

FT

Cryptocurrency film How regulators lost control. The industry has ballooned into a \$2tn market with little oversight ft.com/video

## Crypto

### Exchange's founder invested in his backers

KADHIM SHUBBER AND ARASH MASSOUDI LONDON TABBY KINDER — SAN FRANCISCO

Sam Bankman-Fried invested hundreds of millions of dollars in venture capital funds run by firms such as Sequoia Capital which also backed his struggling FTX crypto exchange, according to documents seen by the Financial Times.

The 30-year-old entrepreneur, who has been seeking to raise billions of dollars in emergency financing, has a \$200mn investment in two funds run by Sequoia, the US venture capital investor, held through his Alameda Research crypto trading group.

Alameda also had smaller investments in funds run by FTX venture capital backers Paradigm, Altimeter Capital

FTX raised \$1.8bn since its launch in 2019 and was most recently valued at \$32bn. The exchange's rapid fall this past week was driven by concerns about its links with Alameda.

The trading firm, which Bankman-Fried said on Thursday would be wound down, owes FTX \$10bn, according to

The entrepreneur has a \$200mn investment in two funds run by Sequoia, the venture capital firm

two people familiar with the matter. Alameda's assets include cryptocurrency as well as billions of illiquid private equity investments such as venture capital funds, one of the people said.

The California-based firm is among the most successful US venture capital investors and is careful about who it allows to invest in Sequoia-run funds. A person close to Sequoia said the firm had some funds in which the founders it backed could invest. Alameda had invested in different Sequoia funds to the ones that Sequoia invested in FTX. Sequoia declined to comment on the Alameda investment.

FTX did not comment. A representative for Alameda could not be identified. The fund shut its website this week.

Alameda's venture capital investments included \$60mn in a fund run by Sino Global Capital, \$20mn in a Paradigm fund, \$10mn in two Multicoin funds and \$2.5mn in an Altimeter fund, according to the documents.

Paradigm declined to comment. It

## Venture capital

### Empire spans billions in illiquid investments

KADHIM SHUBBER AND JOSHUA OLIVER LONDON

Sam Bankman-Fried's business empire includes billions of dollars of illiquid venture capital investments, according to internal records seen by the Financial Times, underscoring the uncertainty recovery facing customers of his collapsed FTX exchange.

Bankman-Fried, 30, placed FTX international, its independent US arm, and his Alameda Research proprietary trading firm into a joint bankruptcy process in a Delaware federal court yesterday.

Initial filings listed assets and liabilities of the group at \$10bn-\$50bn. John Ray, the company's new chief executive, who was brought in to chair Enron during its bankruptcy, said the companies had "valuable assets" and that the bank-

assets, and the shortfall that probably exists. Zane Tackett, FTX's former head of institutional sales, said on Twitter yesterday that the shortfall ran into the billions of dollars. FTX did not immediately respond to a request for comment.

Any gap between assets and liabilities will be influenced by the value that can be recovered from almost \$5.4bn that FTX and Alameda invested in almost 500 crypto companies and venture capital funds, records seen by the FT show.

The largest is \$1.15bn that Alameda ploughed into Genesis Digital Assets, a crypto miner, between August 2021 and April 2022, the records show.

Publicly traded mining firms have sold off sharply over the past year as the market has declined. The HashRate crypto mining index, which tracks such stocks, is down 75 per cent since August 2021. Genesis did not immediately respond to a request for comment.

The records also list over \$1bn invested across around 40 funds run by venture capital firms, including some that were investors in FTX such as Sequoia Capital. Those holdings include a \$500mn investment by Alameda in K5 Global, run by Michael Kives. The investment amounts to 30 per cent of K5's general partnership, and \$225mn of the total sits in Elon Musk's SpaceX and Boring Company, and other unidentified businesses, the records show.

Earlier this year, texts released during Musk's litigation with Twitter showed

tal Management, Sino Global Capital and Multicoin Capital, the documents show.

The revelations shed light on Bankman-Fried's dealings with blue-chip investors whose support helped lend his business empire credibility before its sudden collapse this week.

Sequoia was a prominent cheerleader for Bankman-Fried. In September it published a lengthy biography of the FTX boss, declaring that his "intellect is as awesome as it is intimidating". This week Sequoia wrote its \$210mn investment in FTX down to zero and deleted the article.

also wrote down its \$278mn investment in FTX to zero this week. The other venture firms did not immediately respond to request for comment.

Bankman-Fried's hedge fund also invested \$300mn in K5 Global, the venture capital firm co-founded by Michael Kives, according to the documents.

ruptcy would maximise recoveries.

The venture capital portfolio, which will add to the complexity of insolvency proceedings, includes more than 130 companies controlled by Bankman-Fried.

FTX and its affiliates have yet to disclose the extent of their liabilities and



Kives suggesting Bankman-Fried as a co-investor in the social media company.

Musk was, however, dismissive of the FTX founder, and ultimately took money from Changpeng Zhao, chief executive of Binance, the rival crypto exchange.

12 November/13 November 2022

FT Weekend

15

## FTX COLLAPSE

## Crypto. Backers

# Blue-chip investors heard and took heed of the siren song

Temasek, Tiger Global and the Ontario Teachers' Pension Plan were among supporters

ANTOINE GARA — NEW YORK  
HARRIET AGNEW — LONDON  
TABBY KINDER AND RICHARD WATERS  
SAN FRANCISCO

It was a surprise phone call from an old university professor that launched private equity investor Orlando Bravo into becoming one of the most prominent and vocal supporters of Sam Bankman-Fried and his crypto trading firm FTX.

The call was from Joseph Bankman, a professor of law and business at Stanford University who had taught Bravo in the late 1990s. At the time, in mid-2021, Bravo's \$122bn private equity firm Thoma Bravo was opening an office in Miami, the city where Bankman's son Sam had just paid \$135mn for a 19-year naming rights contract with the local NBA team.

Bankman told Bravo his son was looking for guidance on philanthropic projects in Miami to further his "effective altruism" mission. Only after they spoke did Bravo learn that Bankman-Fried was also in the process of raising a \$900mn Series B funding round at an \$18bn valuation, with a who's who of investors including Sequoia Capital, BlackRock and SoftBank. He quickly called Bankman back seeking an introduction and a way into the deal, which was progressing quickly and would be the largest capital raising in crypto exchange history.

When Bravo and a partner, Tre Sayle, began due diligence for the funding round, they were taken aback by FTX's numbers. The two-year-old start-up led by a relatively small staff of young traders was earning hundreds of millions of dollars a year in operating profit, unprecedented margins for an early-stage growth company that would normally be losing money. Bravo was blown away. Thoma Bravo invested more than \$125mn in the round in June 2021, becoming one of FTX's largest backers.

Thoma Bravo is just one of the blue-chip investors including Singapore state-owned fund Temasek, Tiger Global and the Ontario Teachers' Pension Plan, whose support helped lend Bankman-Fried's business empire credibility before its sudden collapse this week, driven by concerns about its links with his Alameda Research proprietary trading group.

Since its launch in 2019, FTX has raised \$1.8bn and was most recently valued at \$32bn. Among its shareholders are some of the most respected hedge fund managers, including Brevan Howard Asset Management's Alan Howard, Millennium Management's Izzy Englander and the family of Paul Tudor Jones.

Now with FTX having filed for bankruptcy, their investments look to be a complete wipeout. Investors including Sequoia, SoftBank and Paradigm, which was co-founded by former Sequoia partner Matt Huang, have marked their holdings in the company to zero, vaporising hundreds of millions of dollars in value.

These investors will be left facing tough questions from their own clients about how they got it so wrong, why they did not demand seats on FTX's



Private equity investor Orlando Bravo believed FTX had the potential to supplant some of the biggest banks — FT montage/ Bloomberg

board and whether they ever really understood how the business was making money.

It was not meant to end this way. Investors said that FTX's eccentric 30-year-old founder, who presented himself as the acceptable face of a wild west industry, was able to capitalise on a desire by people from more traditional corners of finance to invest in cryptocurrencies and also their fear of missing out on the next big thing.

California-based Sequoia, an early backer of Google, PayPal and WhatsApp, invested \$210mn in FTX, and emerged as one of Bankman-Fried's biggest cheerleaders.

In September it published a lengthy and flattering piece about the FTX boss, which said the firm had been wooed by his "vision about the future of money itself — with a total addressable market of every person on the entire planet." His "intellect is as awesome as it is intimidating," gushed the profile, which was deleted this week when Sequoia wrote its investment in FTX down to zero.

"We were seduced," said a top investor that piled large sums into FTX. With hindsight, he thinks that when his firm questioned Bankman-Fried before investing, it "should have focused more" on details about the crypto exchange's governance and financial controls — rather than its founder's snowballing celebrity profile. The investor's due diligence on FTX, he added, was only as good as the questions its executives asked the young entrepreneur, whose company was at the time being frantically courted by the largest funds and banks.

The investor said he had some reservations during initial calls with Bankman-Fried, including the way the entrepreneur "comported himself" and a sense that he believed everyone else in the financial world "were idiots".

"I wouldn't have touched him," he said, but it was not his ultimate decision.

One venture capitalist who invested in FTX said that due diligence did not reveal the high levels of leverage in the business — investors were only shown the balance sheet at quarter end and the leverage was not on it.

Mainstream asset managers have been scrambling to get exposure to cryptocurrencies, to woo customers interested in the sector. Such is the pressure that a senior executive at a major financial institution said his firm even briefly debated buying FTX as part of an internal push to "go bigger on crypto", but the idea was discarded because of the "highly speculative nature of the business model and the underlying assets".

It is normal practice in venture capital for investors to ask for a seat on a portfolio company's board, but at FTX, none of the investors had board representation.

After the rapid rounds of dealmaking, FTX's only board directors were Bankman-Fried, FTX executive Jonathan Cheesman, who has subsequently left, and a single outside director, an attorney based in its corporate home of Antigua and Barbuda.

Bravo would become one of Bankman-Fried's most vocal backers on Wall Street and a champion of cryptocurrencies and FTX. He believed the company had the potential to supplant some of the biggest banks, a future championed by its founder. Bankman-Fried even declared last year that if FTX became the biggest crypto exchange, buying Goldman Sachs "is not out of the question at all".

Bankman-Fried's 'intellect is as awesome as it is intimidating'

Buying Goldman Sachs was 'not out of the question at all'

Multicoin Capital, a crypto hedge fund, told its investors this week that its exposures were numerous.

Its funds had invested in FTX and the firm also used the company to trade crypto. Multicoin was able to pull a quarter of its assets from FTX before withdrawals were suspended, but it told investors this week that about 10 per cent of the fund's assets remained stuck.

The firm was an active trader of the FTX token that appears to have been part of FTX's demise. It sold the FTX tokens during a plunge this week, but the fund was not able to withdraw the assets. Multicoin said Solana, a cryptocurrency affiliated with Bankman-Fried, was its single largest investment position.

The value of the token, it said, had plunged as Bankman-Fried sold tokens to try to support his trading empire. Solana has lost 45 per cent of its value over the past week.

"[All] of Multicoin's operating entities and funds and employees are fine," co-founder Kyle Samani said yesterday. Even when a string of cryptocurrency exchange failures this year led to increasing pessimism on the industry, many investors maintained their optimism on FTX.

In September, Bravo said he was pulling back the firm from new crypto investments amid concerns about the industry's business practices — with one exception.

He told an investment conference in Cannes that the company was going to be "a big winner", and he described Bankman-Fried as "one of the best entrepreneurs" he had come across.

Additional reporting by Mercedes Ruehl in Singapore and Kaye Wiggins in London See Lex and The Long View

## Fallout

## Hedge fund Galois says half its assets are trapped on exchange

LAURENCE FLETCHER — LONDON

Galois Capital, a hedge fund whose founder is credited with spotting the collapse of cryptocurrency Luna this year, has been caught off guard after close to half its assets were left trapped on crypto exchange FTX, which filed for bankruptcy protection yesterday.

Galois's co-founder Kevin Zhou wrote to investors in recent days, in a letter seen by the Financial Times, that while the fund had been able to pull some money from the exchange, it still had "roughly half of our capital stuck on FTX". Based on Galois's assets under management as of June, that could amount to about \$100mn.

"I am deeply sorry that we find ourselves in this current situation," wrote Zhou. "We will work tirelessly to maximise our chances of recovering stuck capital by any means."

He added that it could take "a few years" to recover "some percentage" of its assets.

FTX yesterday said Sam Bankman-Fried was resigning as chief executive, after failing in a last-ditch effort to secure a rescue package.

It follows a tumultuous week in which the exchange admitted it was unable to

Based on the business's assets under management as of June, the sum is potentially \$100mn

meet customer withdrawal demands and risk of further losses, raising fears that clients could face big losses.

FTX's Chapter 11 bankruptcy filing in a federal court in Delaware includes FTX's US entity, Bankman-Fried's proprietary trading group Alameda Research and about 130 affiliated companies. His empire was valued at \$32bn just months ago.

Industry insiders say that the fact FTX was used by so many hedge funds and seen as one of the world's safer crypto trading venues means many managers may have money stuck on the exchange.

Galois did not immediately respond to request for comment.

Galois is one of the industry's biggest crypto-focused quant funds and, as of this summer, it was managing more than \$200mn in assets. A big part of its trading activity is as a market maker, allowing it to make tiny gains on other investors' trades.

Zhou, who worked at digital exchange Kraken before setting up Galois, is well known for his early criticism of cryptocurrency Luna, and its linked stablecoin TerraUSD, ahead of their \$40bn collapse in May.

He said in the letter that his fund had been left with the money in FTX because it had "a ton of open positions" that it had to close, and due to "under-appreciating the solvency risk with holding our funds at FTX".

He added that if FTX did file for bankruptcy, then Galois would become a creditor.

If that happened, then "I expect we will recover some percentage of our assets on FTX over the course of a few years", he said.

## Connections. Political scrutiny

## Influence of digital currency cheerleader evaporates in Washington

Bankman-Fried's influence on Capitol Hill wanes as his empire collapses and regulators circle

STEFANIA PALMA — WASHINGTON  
SCOTT CHIPOLINA — LONDON

leading the chief executive of arch-rival Binance to announce that his exchange was set to acquire FTX.com. The deal — subject to due diligence — disintegrated a day later. Bankman-Fried desperately searched for a saviour as regulatory scrutiny swirled around his businesses.

Bankman-Fried had testified before congressional committees, publicly sup-

porting the idea that his firm was a "policy maker" and that he needed to respond "to market shocks". Sherrod Brown, a Democratic senator from Ohio and chair of the Senate banking committee, said FTX's collapse was a "loud warning bell" and that the crypto market's "continued turmoil is why we must think carefully about how to regulate cryptocurrencies and their role in

ity platforms to register with the Commodity Futures Trading Commission, could be delayed. "I don't expect any legislation to move this year," said Kristin Smith, executive director at the Blockchain Association. "I think that lawmakers are going to want to incorporate anything they learned from this recent incident into any legislation."

this week's midterm elections, spending \$36mn.

Binance cited "alleged US agency investigations" among the reasons for its decision to abandon its FTX buyout. Besides the SEC investigation, the CFTC and the US Department of Justice were investigating the platform, Bloomberg reported.

pany ahead of the industry. Some crypto lobby groups argue that the digital commodities bill Bankman-Fried supported benefited large exchanges such as FTX more than decentralised finance, or DeFi.

"It read as if it was trying to take the FTX business plan and get Congress to codify that as the law of the land," said

In less than four years, Sam Bankman-Fried rose from founding crypto exchange FTX to becoming the industry's de facto spokesman in Washington. In less than a week, crypto's politician whisperer has witnessed the collapse of his empire and the evaporation of his influence on Capitol Hill.

Bankman-Fried's FTX and sister trading firm Alameda Research were considered until this week a rare oasis of stability in an otherwise teetering crypto market. In a summer of turmoil the chief colloquially known as "SBF" built stature by coming to the aid of flailing crypto companies such as the BlockFi lending platform.

But this week a liquidity crisis enveloped Bankman-Fried's own companies,

prompted crypto legislation and become a major political donor. The fall of crypto's most prominent US spokesman would have made things harder for an industry that for years has angered policymakers.

"If you're not at the table, you're on the menu," said Charley Cooper, managing director at R3, a blockchain firm. "I would suggest that members of the crypto community who realise how bad this looks for the industry should be going out of their way to engage with policymakers."

Crypto executives fear FTX's troubles will intensify scrutiny. Perianne Boring, founder and chief executive of crypto lobby group Chamber of Digital Commerce, warned of potential regulatory

our economy". Gary Gensler, chair of the US Securities and Exchange Commission, told CNBC "this is a very interconnected world", adding that one crypto player had "toxic combinations of lack of disclosure, customer money, a lot of leverage — meaning borrowing — and then trying to invest with that". The SEC is investigating FTX, including the platform's lending products and management of customer funds.

Bankman-Fried supported the Digital Commodities Consumer Protection Act, introduced by a bipartisan group of senators including Debbie Stabenow, a Democrat, and John Boozman, a Republican. Crypto lobbyists warn that the bill, which requires all digital commod-

Boozman said senators "are taking a

'Continued turmoil is why we must think carefully about how to regulate cryptocurrencies'

top-down look to ensure [the bill] establishes the necessary safeguards the digital commodities market desperately needs". This week's events "reinforce the clear need for greater federal oversight of the digital asset industry".

FTX's woes have also raised questions around Bankman-Fried's role as a political donor. He was the second-largest contributor to the Democrats before

FTX had also proposed significant regulatory reforms that were under CFTC review. The company sought to automate risk management functions in futures markets that are typically completed by brokers. Crypto experts argue that any project involving the company would probably be put on hold.

Bankman-Fried ran into friction in Washington before this week. Last month he proposed a series of standards for the industry, including regulatory oversight, consumer protection and "reliable lists of addresses associated with illicit finance".

His proposals generated a backlash from many of crypto's faithful, with some critics charging he may have been prioritising the interests of his own com-

Jim Bianco, president and co-founder of macro research firm Bianco Research.

Despite the criticisms, Bankman-Fried was able to build a bridge between government and a sector often sceptical of regulatory oversight. His difficulties open the door to a new face of crypto in Washington, indicating that the industry's already rocky relationship with policymakers could get worse.

"SBF had made a far more concerted effort to work within established norms and institutions in Washington than anyone else in crypto that I can think of," said a person familiar with Bankman-Fried's communications in the US capital.

Additional reporting by Caitlin Gilbert, James Politi and Lauren Fedor

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FT Weekend

12 November/13 November 2022

## COMPANIES &amp; MARKETS

## On Wall Street

## Gridlock, and the stability it brings, is no bad thing



Megan Greene



Midterm elections can have major repercussions for the economy and markets. The Republican capture of the House of Representatives in 1994 led to a government shutdown — but then to an agreement on the first US balanced budgets in decades.

This is not one of those elections. Whatever the final results, what is clear is that the US government will remain sharply divided, with only narrow margins of control by the winning party in each house and a large degree of gridlock.

Add to that a Biden administration strategy to front-load its policy agenda in anticipation of a difficult midterm and the final two years of this government will probably not be affected much by the make-up of the House and Senate. Gridlock, and the stability it brings, may not be a bad thing for investors. But the Federal Reserve, not the government, will ultimately play a bigger role in determining the fate of the economy and markets.

History suggests that the short-term outlook for equities is good. In 17 out of the past 19 midterms since 1946, the S&P 500 performed better in the six months following the vote than the six months preceding it, according to Charles Schwab. These correlations hold true regardless of which party controls which branch of government.

It's not that parties and politicians are irrelevant to the markets — in Britain, Liz Truss and Kwasi Kwarteng recently

proved that wrong. Equities tend to perform better after an election because investors like certainty. It would be more difficult to legislate through a divided Congress, so there is more clarity on policy over the next two years.

On the margins, bonds could also be boosted by the election results, as a divided government is less likely to approve significant new spending. On balance, this should be less inflationary. According to the Hutchings Center Fiscal Impact Measure, under current legislation alone there will be a fiscal drag on the economy through at least the third quarter of 2024.

Where things could go pear-shaped is if the Republicans try to force the Biden administration into fiscal retrenchment.

Seats may shift and gavels pass, but these midterms will not much shift the investment environment

The incoming GOP House leadership has threatened to extract spending cuts by blocking an increase in the debt ceiling, which would prevent the government from paying its bills.

In 2011, brinkmanship over the debt ceiling caused market turmoil, including an unprecedented downgrade of the US sovereign debt rating by S&P. Democrats may try to lift the debt limit in the lame-duck session of the administration. But a recent survey by Bloomberg News found 78 per cent of respondents expect a debt ceiling stand-off next year.

Meanwhile, the primary steward of corporate earnings and the economy now is the Fed. Although consumer price inflation came down more than expected in October, Fed officials are pledging to continue to raise rates — and hold them high. That means continued pressure on corporate profits and the

possibility of recession in the second half of next year. Should that happen, a divided government would be unable to swiftly agree on cyclical measures. Uncertainty over interest rate policy may offset any short-term post-election boost to equities and bonds.

The Fed may also have more impact on sectoral winners and losers than the midterms. Corporate bonds will face interest rate headwinds. Stocks of homebuilders and real estate investment trusts are also at the mercy of Fed rates. The spending down of pandemic fiscal aid savings would aid consumer discretionary companies, but that should end in 2023. After that, much will depend on the possibility of a so-called soft landing for the economy.

While some Republicans oppose more defence spending on Ukraine, the need to replace munitions and equipment already donated, along with the rise in tensions with Russia and China, should continue to boost defence spending.

Energy will also continue to outperform, whatever the make-up of the government. Republicans have always favoured fossil fuel production. The war has created a need for more of it, something President Joe Biden has endorsed. An early test will be a vote on legislation proposed by West Virginia Democratic senator Joe Manchin that would make it easier to build new pipelines and refineries.

While seats will shift and gavels may pass, these midterms ultimately will not shift the investment environment much. Other than a debt ceiling showdown, gridlock in Washington is likely to represent more continuity than change. Ultimately, the composition of government will matter less in 2023 for the economy and markets than monetary policy.

Megan Greene is an FT contributing editor and global chief economist at Kroll

## The day in the markets

## What you need to know

- Cooler than expected inflation data bolster S&P 500
- US government bond yields drop after CPI release
- Commodities strengthen as Beijing eases quarantine rules

US stocks continued to climb yesterday while the dollar weakened, after cooler than expected inflation data for the biggest economy fuelled speculation that the Federal Reserve would slow the pace of interest rate tightening later this year.

The S&P 500 added 0.6 per cent in early New York trading following its best day in two-and-a-half years on Thursday, when it rose 5.5 per cent. The Nasdaq increased 1.3 per cent, consolidating its 7.4 per cent rise in the previous session.

The dollar index is up 11.3 per cent this year but slipped yesterday as investors dialled back expectations for further aggressive rate rises in the US. The currency fell 1 per cent on the day against a basket of six peers.

"The dollar peak might be past us, but a dollar downturn may not be there yet," said Francesco Pesole at ING.

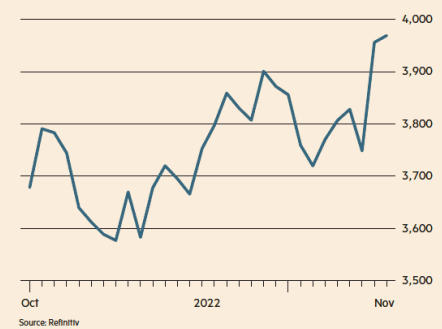
The moves came after the annual rise in US CPI came in at 7.7 per cent in October, the smallest 12-month increase since January and a sharp drop from an annual rate of 8.2 per cent in September.

Markets are betting there is a roughly 70 per cent chance the Fed will raise its key interest rate by 0.5 percentage points when it meets in December.

US government bond markets, which were closed yesterday for Veterans Day, had rallied immediately after the consumer price index release. The yield

## US stocks soar as inflation cools

S&amp;P 500 Index



Source: Refinitiv

on two-year US Treasuries fell 0.29 percentage points to 4.33 per cent, its largest daily drop in more than a decade. The yield on the benchmark 10-year Treasury note dropped 0.33 percentage points to 3.81 per cent, down from a peak of 4.25 per cent in October.

The Stoxx 600 rose 0.2 per cent, even as Brussels projected a sharp contraction in German output. The FTSE 100 fell 0.5 per cent, erasing earlier gains, after UK GDP fell 0.6 per cent between August and September.

Asian equities ticked higher, following indices in the US. The Hang Seng rose 7.7

per cent, the Kospi increased 3.4 per cent and China's CSI 300 rose 2.8 per cent.

Commodities strengthened after China shortened Covid-19 quarantine requirements for close contacts and international travellers.

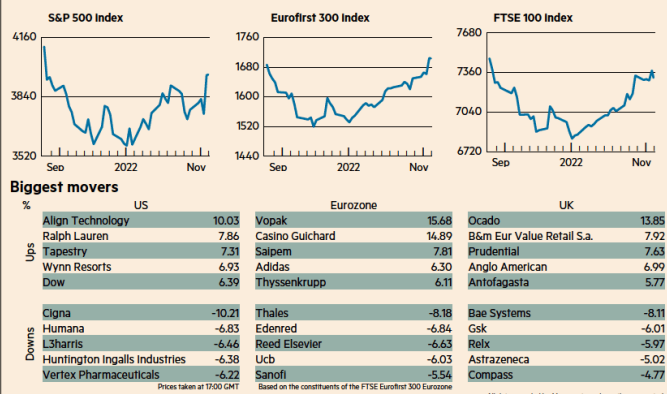
Brent crude was up 3 per cent to trade at \$96.45 a barrel. Three-month benchmark contracts for zinc and aluminium led gains among metals, up 3.7 per cent to just under \$3,000 and \$2,433 per tonne respectively. Tin has gained 5.1 per cent to \$21,140 a tonne. **George Steer, with additional reporting by Harry Dempsey**

## Markets update

	US	Eurozone	Japan	UK	China	Brazil
<b>Stocks</b>	<b>S&amp;P 500</b>	<b>Eurofirst 300</b>	<b>Nikkei 225</b>	<b>FTSE100</b>	<b>Shanghai Comp</b>	<b>Bovespa</b>
Level	3960.17	1703.62	28263.57	7318.04	3087.29	112173.08
% change on day	0.10	-0.04	2.98	-0.78	1.69	2.18
<b>Currency</b>	<b>\$ index (DXY)</b>	<b>\$ per €</b>	<b>Yen per \$</b>	<b>£ per \$</b>	<b>Rmb per \$</b>	<b>Real per \$</b>
Level	106.797	1.033	139.065	1.178	7.115	5.269
% change on day	-1.302	1.473	-1.780	0.856	-1.837	-1.049
<b>Govt. bonds</b>	<b>10-year Treasury</b>	<b>10-year Bund</b>	<b>10-year JGB</b>	<b>10-year Gilt</b>	<b>10-year bond</b>	<b>10-year bond</b>
Yield	3.817	2.154	0.226	3.352	2.734	12.678
Basic point change on day	-3.090	14.800	-14.70	6.300	33.000	25.400
<b>World Index, Commods</b>	<b>FTSE All-World</b>	<b>Oil - Brent</b>	<b>Oil - WTI</b>	<b>Gold</b>	<b>Silver</b>	<b>Metals (LME)</b>
Level	406.05	95.54	88.46	1744.75	21.09	3825.80
% change on day	1.35	2.00	2.30	1.72	-1.08	1.90

Yesterday's close apart from Currencies = 16:00 GMT; S&P, Bovespa, All World, Oil = 17:00 GMT; Gold, Silver = London pm fix. Bond data supplied by Tullett Prehon.

## Main equity markets



Prices taken at 17:00 GMT. Based on the constituents of the FTSE Eurofirst 300 Eurozone. All data provided by Morningstar unless otherwise noted.

## Wall Street

Meal-kit delivery group **Blue Apron** plummeted on plans to raise more equity. A regulatory filing revealed a \$30mm cut to the market equity programme with

## Europe

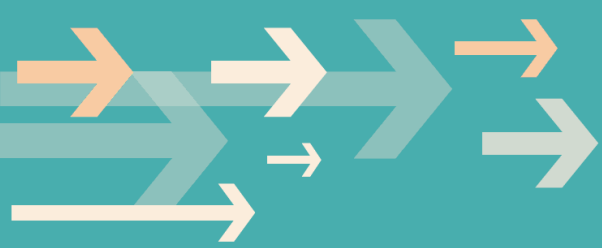
Better than expected results lifted **Richemont**, the Swiss luxury goods group that counts Cartier, Montblanc and Chloé among its roster of brands

## London

Weaker full-year earnings pushed **Croma Security Solutions** down sharply, with the security services provider posting core profits of £1.4m from £2.9m in 2021

## FT FORUMS

## GET AHEAD WITH FT FORUMS



Casino operators **Wynn Resorts** and **Las Vegas Sands** rallied following reports that China was relaxing some of its Covid-19 restrictions, including shortening quarantine times. Both companies have properties located in the narrow peninsula off the south coast of China. *Ray Douglas*

Lenders JPMorgan, Deutsche Bank, Berenberg and BNP Paribas were leading the offering, reported Bloomberg, which added that the Internet service provider was seeking a market capitalisation of about €4bn for Ionos. *Ray Douglas*

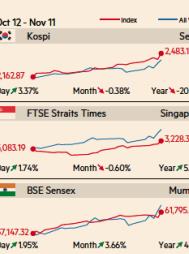
Construction and engineering consultancy **Driver** sank on announcing that it expected to report an underlying loss before tax of £300,000 for the financial year to September 30. Mark Wheeler, chief executive, admitted it had been "a particularly challenging year". *Ray Douglas*

## FT.COM/MARKETSDATA

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Country	Index	Latest	Prev
Cross-Border			
EU Discrete Index (S)	415.84		
EU Core 500 (S) (Earl)	387.59		
EU Discrete 100 ID	1254.90	12	
FTSE Global Global (S)	9617.38	95	
FTSE All World (S)	408.05		
FTSE Euron	1703.62	11	
FTSE Europe 100 (S)	3341.45	30	
FTSE Global 100 (S)	2484.11	24	
FTSE Global Min (S)	1647.42	15	
FTSE London Top (Earl)	4440.00		
FTSE Multinationals (S)	2618.18	24	
FTSE World (S)	738.16		
FTSEEurope 100 (Earl)	4480.00		
FTSE 2500 (S) (Earl)	5262.28	52	
MSCI ACWI (S)	607.66		
MSCI Asia (S)	258.85	25	
MSCI Europe (Earl)	1748.23	17	
MSCI Pacific (S)	2484.01	24	
S&P Euron (S)	1737.85		
S&P Europe 350 (Earl)	1743.63	17	
S&P Global 1000 (S)	2924.58	29	
Shane 100 (S)	2683.58		

UK MARKET WINNERS AND LOSERS			
	Nov 11	%Chg	%Chg

rank	year	Industry Sectors	price(\$)	week
<b>Winners</b>				
26.2	-	Industrial Transportation	3718.25	16.0
25.1	-	Personal Goods	33015.22	12.6
20.0	-	Electronic & Electrical Equip.	94909.52	10.7
18.3	-	Industrial Engineering	15081.75	8.5
17.1	-	Industrial Metals	7309.16	7.7
16.4	-	Travel & Leisure	6591.12	7.6
15.0	-	General Industrials	6271.48	5.5
14.9	-	Mining	10633.13	4.7
14.9	-	Construction & Materials	6969.21	3.2
14.7	-	Support Services	10327.76	2.5
14.6	-	Oil & Gas Producers	8262.48	2.3
14.5	-	General Financial	13018.40	1.6
<b>Losers</b>				

Gsk	1323.60	-8.4	-	Olinetq
Doc	4515.00	-8.1	-	Hilton Food
Medicare Expense	230.10	7.2	0.2	Boeing

[illegible]

## FTSE SECTORS: LEADERS &amp; LAGGERS

[illegible]

UK STOCK MARKET TRADING DATA							
	Nov 11	Nov 10	Nov 9	Nov 8	Nov 7	Nov 6	1Y Avg
Order Book Turnover (m)	86.15	87.37	87.22	87.18	71.78	265.07	266.21
Order Book Bids (m)	107979.00	60696.00	60546.07	60610.03	82200.00	82700.00	82700.00
Order Book Bids Traded (m)	1221.00	1277.00	1285.00	1460.00	1430.00	1437.00	1437.00
Order Book Offers (m)	107979.00	60696.00	60546.07	60610.03	82200.00	82700.00	82700.00
Total Mkt Bids (m)	17615.00	18253.00	87190.00	88579.00	88579.00	105769.00	105769.00
Total Mkt Offers (m)	17615.00	7894.00	5201.00	5247.00	6644.00	6644.00	6644.00
FT 1000 market and overseas turnover	121.00	121.00	121.00	121.00	121.00	121.00	121.00
FT 1000 market	121.00	121.00	121.00	121.00	121.00	121.00	121.00
FT 1000 overseas	0.00	0.00	0.00	0.00	0.00	0.00	0.00

All data provided by Morningstar unless otherwise noted. All elements listed are indicative and believed accurate at the time of publication. No offer is made by Morningstar or the FT. The FT does not warrant or guarantee that the information is reliable or complete. The FT does not accept responsibility and will not be liable for any loss or damage arising from the use of the information.

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

**MORNINGSTAR®**

Issue	Stock	Class	Price	High	Low	Mid
Code	Code					Cap (mil)
TH	Heasa Energy PLC	250.00	-8.80	254.00	215.00	0.0
DMN	Deutsche Telekom AG	6.25	5.25	6.10	5.90	34.0
UMR	United Mineral Resource PLC	18.50	0.00	19.50	10.00	513.5
ATN	Eastern Mining and Exploration PLC	0.95	-0.05	1.00	0.90	98.5
SNK	Sandvik (Sweden) PLC	10.00	8.00	10.50	9.50	518.2
ACG	ACG Acquisition Company Ltd	10.00	0.40	10.10	9.95	16.0
MIR	Milton Capital PLC	1.63	0.00	1.20	1.00	126.5

Information issued. Annual report/prospectus available at [www.ft.com/ft](http://www.ft.com/ft)  
or symbols please refer to London Share Service notes.

12 November/13 November 2022

12 Week					12 Week						
High	Low	Yld	P/E	MCap	Stock	Price Day Chg	High	Low	Yld	P/E	MCap
223.94	113.82	-28.16	102870.4		Libby (E)	345.94 -18.78	369.80	231.87	0.84	65.76	312595.16

1819	51.22	23.32	72.78	locked	476.57	-26.01	449.56	20.26	23.25	123.25
1820	51.22	23.32	72.78	locked	476.57	-26.01	449.56	20.26	23.25	123.25
1849	150.0	150.0	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1850	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1854	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1855	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1856	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1857	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1858	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1859	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1860	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1861	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1862	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1863	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1864	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1865	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1866	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1867	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1868	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1869	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1870	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1871	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1872	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1873	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1874	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1875	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1876	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1877	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
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1887	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
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1893	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1894	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
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1909	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1910	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1911	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1912	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1913	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1914	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1915	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
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1919	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1920	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1921	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1922	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1923	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1924	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1925	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1926	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1927	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1928	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1929	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1930	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1931	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1932	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1933	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1934	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1935	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1936	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1937	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1938	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1939	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1940	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1941	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1942	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1943	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1944	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1945	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1946	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1947	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1948	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1949	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1950	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1951	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1952	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1953	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1954	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1955	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1956	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1957	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1958	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1959	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1960	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1961	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1962	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1963	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1964	94.7	94.7	0.0	Lyndell	106.50	0.00	117.22	7.24	0.00	289.04
1965	94.7	94.7	0.0	Lyndell	106.50	0.00				

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61227	40651	0.55	0.48	22037.06	Flavor	-0.38	61.71	41.8	2786.175	28209.65		
					Peppico	16.92	-4.9	15.08	-53.37	2786.175	24741.91	
					Perigo	-0.27	-2.34	1.38	-1.37	2786.175	24741.91	
					Flavor	-0.38	61.71	41.8	2786.175	28209.65		
61228	1217	3.39	0.30	6760.70	PhillyBibb	116.24	22.0	1214.0	63.52	2266.428	5129.12	
61229	1172	3.39	0.30	6760.70	PhillyBibb	116.24	22.0	1214.0	63.52	2266.428	5129.12	
61230	1172	3.39	0.30	6760.70	PhillyBibb	116.24	22.0	1214.0	63.52	2266.428	5129.12	
61231	1172	3.39	0.30	6760.70	PhillyBibb	116.24	22.0	1214.0	63.52	2266.428	5129.12	
61232	1172	3.39	0.30	6760.70	PhillyBibb	116.24	22.0	1214.0	63.52	2266.428	5129.12	
61233	23371	2.39	0.53	12508.19	PPG Inds	127.83	-3.12	127.83	197.06	1.62	3222.200	3408.56
61234	23371	2.39	0.53	12508.19	PPG Inds	127.83	-3.12	127.83	197.06	1.62	3222.200	3408.56
61235	23371	2.39	0.53	12508.19	PPG Inds	127.83	-3.12	127.83	197.06	1.62	3222.200	3408.56
61236	23371	2.39	0.53	12508.19	PPG Inds	127.83	-3.12	127.83	197.06	1.62	3222.200	3408.56
61237	23371	2.39	0.53	12508.19	PPG Inds	127.83	-3.12	127.83	197.06	1.62	3222.200	3408.56
61238	76.76	3.81	0.18	3755.05	Quakemon	293.43	-0.48	102.88	10.01	15.96	1596.187	65.11
61239	76.76	3.81	0.18	3755.05	Quakemon	293.43	-0.48	102.88	10.01	15.96	1596.187	65.11

252.7	183.2	10.5	68.0	77.8	35.6	2.8	SAP Global	350.30	440.24	279.32	0.76	20.32	14127.74	7.4
80.78	186.9	3.56	22.71	22.028			Salesforce	157.90	1.49	3008.0	106.4	-12.16	-157.90	
10.0	186.9	3.56	22.71	22.028			Salesforce	157.90	1.49	3008.0	106.4	-12.16	-157.90	
84.08	48.2	1.47	25.31	25.31	4.04		Sapient Energy	152.87	-2.06	176.7	119.56	2.50	43.87	4003.27
17.72	122.60	1.63	34.84	64.1184			Shutterstock	152.87	-2.06	176.7	119.56	2.50	43.87	4003.27
10.0	186.9	3.56	22.71	22.028			Shutterstock	157.90	1.49	3008.0	106.4	-12.16	-157.90	
228.0	131.04	11.0	45.39	43.98	2.62		SouthCo	66.56	4.34	79.32	4.2	4.58	15.86	4601.48
137.71	67.13	-0.86	39.69	47.77			Starbucks	97.18	0.82	117.34	68.89	-15.89	20.21	11504.33
30.08	22.87	0.84	35.96	35.9265			Statistik	81.27	1.41	103.76	78.22	2.53	13.80	2682.27
10.0	186.9	3.56	22.71	22.028			Styker	148.28	0.42	44.28	29.8	-1.48	-148.28	
150.88	86.07	0.86	20.7	85.655			Synchrony Fin	39.76	1.03	119.9	57.22	2.28	6.02	7791.27

Station	Frequency	Power	Antenna	Notes
90.7	20.1	24.5	36030.01	TE Connect
114.68	5.76	2.48	2413.460220	Tesla MMS
120.50	14.32	1.42	108.6998	Thomson
120.50	14.32	1.42	108.6998	Thomson
119.94	0.70	5.57	6391.0911	Thomson
125.87	18.01	0.73	5693.94	TAX Co
125.87	18.01	0.73	5693.94	Taxiway
254.00	18.64	1.66	2438.672243	Twitter
15.0840	93.89	0.32	30.906517	UnifacPac
82.10	81.47	0.23	23.456078	UPS
82.10	81.47	0.23	23.456078	USGS

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BONDS: GLOBAL INVESTMENT GRADE										
Fund	Exp. date	Coupon	Ratings			Bid price	Bid yield	Day's charge yield	Mkt's charge yield	Spread vs US
			S*	M*	P*					
<b>US\$</b>										
Investment Company of America	01/28	6.88	BBB+	Baa1	A-	129.00	2.54	-0.01	-0.05	-
Wellington Fund Group Inc.	02/28	6.00	BBB+	A3	A-	117.21	2.47	0.00	0.32	-
National Financial Corp.	02/28	6.00	BBB+	A3	A-	127.69	2.72	-0.01	0.00	-

1.28	United States Bank Corp.	06/28	0.58	BBS	Ba1	A	130.43	2.62	-0.07	-0.22
1.29	United States Bank Corp.	01/29	0.59	BBS	A	A1	36.46	0.02	0.00	0.22
<b>Europe</b>										
1.73	Electricite de France (EPR)	04/04	4.63	A	A3	A	137.45	0.82	-0.01	0.10
1.74	Electricite de France (EPR)	02/01	3.00	BBSB	A3	A	124.42	0.68	0.00	-0.11
1.75	The Industrial Group, Inc.	02/01	3.00	BBSB	A3	A	127.78	0.91	0.00	0.02
1.80	Finland	04/01	0.75	AA	AA	AA1	119.08	-0.27	0.00	-0.05
1.81	Finland									-0.87
<b>Asia</b>										
1.97	Mexico	06/26	0.19	-	Ba1	BBS	98.73	1.34	-0.02	-0.14
<b>South America</b>										
1.98	Brazil	06/00	0.25	BBS	Ba2C	A	137.45	2.19	-0.03	0.02

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company. US \$ denominated bonds NY only, all other London only. "S" - Standard & Poor's, "M" - Moody's, "F" - Fitch.

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New Index Fixed Index	Nov 11	Day's chg %	Total Return	Return 1 month	Return 1 year	Yield
1 Up to 5 Years	81.72	-0.13	2548.07	3.01	-4.35	3.2
2 5 - 10 Years	149.05	-0.40	3163.03	7.86	-14.11	3.3
3 10 - 15 Years	160.64	-0.94	3690.92	12.52	-21.20	3.5
4 15 - 20 Years	151.60	-0.61	3290.41	9.12	-16.32	3.4
5 Over 15 Years	232.39	-1.72	3977.41	25.33	-36.25	3.4
7 All stocks	140.17	-0.06	3117.35	12.10	-21.89	3.4

Index Linked	Nov 11	Day's chg %	Month chg %	Year's chg %	Total Return	Return 1 month	Return 1 year
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Colson	3925	40.00	40.75	3975	1.80	5021.7	-21.8
Cardell	34.25	0.00	45.00	28.25	2.25	51.1	-33.0
City	400.00	2.00	427.00	363.00	4.70	396.0	1.3
CO2	275.00	2.00	252.00	42.70	2.00	267.0	-13.0
CTM	221.00	-	366.00	274.00	-	238.0	-3.7
CTM	120.00	-	148.00	112.00	5.20	123.0	-2.9

Investment	181.00	1.00	181.50	141.04	0.00	108.1	2.2
PST	115.00	-	176.00	111.00	-	154.5	-25.2
PST	272.00	-	250.00	200.00	3.35	240.7	-15.1
PST	86.00	-	102.74	83.00	1.04	108.4	-9.0
PST	154.50	-2.50	199.98	141.00	4.30	180.2	-14.3
PST	437.00	6.00	424.00	373.50	4.42	364.5	-13.4

Pacific	586.00	25.00	564.00	507.75	-	630.2	-4.3
Pacific	470.00	-45.00	511.00	465.50	101.91	-	-3.5
Pacific	328.50	6.50	332.00	282.00	0.61	340.3	-5.6
Pacific	115.00	1.00	184.00	111.00	2.30	164.2	-4.6
Pacific	2905	30.00	2790.00	1764	-	2148.7	-4.7
Pacific	2280	45.00	2787	1030	1.40	2445.5	-2.7
Pacific	313.50	3.50	320.00	283.00	0.57	301.0	4.2

Discretionary Unit Fund Mgrs	52 Week	Dis					
Discretionary	Price	42 Day	High	Low	YTD	NAV	or P/B
High	188.5	11.0	227.0	186.7	1.30	200.0	-13.2

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## FT Weekend

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## FT Weekend

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#### Stock markets: bear scare

An intensely polarised debate in America came to a climax this week. Forget about the midterms; it is about bears versus bulls. US stock markets rocketed the most since March 2020 on Thursday after the release of lower than expected inflation data.

But forward estimates for company earnings have yet to follow. Without a drop in earnings, typically a fifth or more during recessions, says Société Générale, it is hard to believe the end of the US bear market has come. Falling profits should lead to widespread job cuts, not just at high-profile tech companies. That would encourage a further pause in consumer spending.

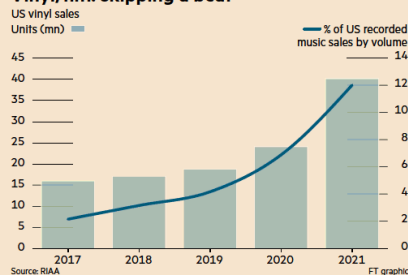
Across all sectors there is little evidence of any tumble in profits. Even when the impact of energy producers is removed, US earnings per share should climb more than 7 per cent in 2023, according to MSCI data. Elsewhere, profit growth rates also slope positively.

Market behaviour and logic do not always reside together, however. This week, Ruchir Sharma of Rockefeller International asked, almost heretically, whether a US (and global) recession would even occur. A vertiginous path for the US price inflation rate could pause. The US Federal Reserve would then rethink its aggressive stance on raising interest rates.

Optimists can make a case that the bad news is priced in. Investor sentiment has recently registered zero out of 10, according to Bank of America's sentiment indicator, as cash levels in portfolios climbed steadily this year. In this environment, hair-trigger reactions to the slightest good news are possible.

Yet even if inflation moderates it could prove sticky, says Alberto Gallo at Andromeda Capital Management. The chances that it plummets, the dollar weakens and corporate earnings stay bulletproof are slim. When profits have dropped and job markets have

#### Vinyl/hifi: skipping a beat



Wags enjoy poking fun at people who spend money on vinyl LPs and the equipment that plays them.

Maybe the mockers have cloth ears, because the vinyl revival is here to stay. For equipment manufacturers, the future is less assured. The price-sensitive end of the market enjoyed pandemic years of soaring sales. Now inflation and the cost of living crisis are hitting revenues and margins. Sales at the top end are holding up, for those that are able to deliver.

Sales at Bang & Olufsen, one of the few listed manufacturers, collapsed in the year to May 2020 as the world shut down, then recovered as people diverted spending from services to goods. Its latest figures show a slight decline. Yet sales of its most luxurious products, such as its Beolab 90 loudspeakers (from £85,750 a

pair), have continued to rise. At the other end of the market, capacity has also been a problem. At UK manufacturer Rega Research sales of its £300 to £700 turntables soared in the pandemic. That created "the most difficult period I've ever worked through" for Simon Webster, head of marketing.

Sales last month, of about 2,400 turntables, were fewer than half the monthly peak and 1,000 below their pre-pandemic level. Sales of Rega's high-end turntables (£1,000 to £6,000) have also retreated but held their pre-pandemic level.

Enthusiasts today can buy a decent system at a fraction of the real-terms outlay in the mid-1970s, the heyday of the vinyl LP. But for those wishing to take their first steps, knowing that will not relieve squeezed budgets.

miners buy lots of them, diverting capacity away from other industries. The supply chain will now get some extra flexibility, badly needed amid rising east-west trade tensions.

The third advantage is that big banks can save some money. They have been hiring people to meet client demand for investment services, if and when

on sales and margins that comfortably beat expectations. Jewellery sales grew almost 50 per cent year on year.

Even with the drag from the lockdown Chinese market, global luxury sales this year are expected to grow at more than double the 20-year average of 6.5 per cent, thinks Flavio Cereda at Jefferies. That will doubtless slow. But 2023 growth might reach 0 per cent if

### FTX's collapse brings pain and schadenfreude

Katie Martin

#### The Long View

Here we go again with two of the themes that keep cropping up this year: chaotic dalliance with disaster in crypto and the hunt for a more lenient Federal Reserve stance. Both are dramatic, but the latter is much more important to the health of mainstream investors' portfolios.

The told-you-so schadenfreude when crypto hits the skids is always tempered by the grim knowledge that some naive amateur investors are losing their life savings. Bitcoin, the biggest token, has fallen about 18 per cent over the course of this week. But any new buyers who came in after it tanked 70 per cent from November to June, and held on at about \$20,000 a pop after that, probably knew what they were getting in to. If you clung on after the crash, chances are you knew it was a punt.

Retail investors are hurt mostly through the sliding value of the coins. The professionals take the pain through their equity investments. And they have suffered a brutal collision with reality this week, after Sam Bankman-Fried's FTX – supposedly the more reliable exchange in this freeheeling market – suffered a good old-fashioned bank run before filing for bankruptcy.

First, confidence evaporated from FTX's native token, FTT – a fairly common occurrence with tokens based on trust and hand-wavy ambitions rather than on traditional boring stuff such as revenues, dividends, interest payments and institutional resilience.

This was bad enough, but FTX rival Binance swept in and made matters worse. First by publicly stating an intention to sell its holdings of FTX's tokens and then by offering to rescue the exchange itself before pulling out of

This is all top-notch drama, and humbling for FTX's backers, who sure drank the Kool-Aid. One of them, Sequoia, said this week it would write down its \$210mn investment in FTX to zero, noting that "a liquidity crunch has created solvency risk" for the exchange.

Contrast that with Sequoia's gushing assessment of FTX's prospects in an extremely lengthy piece it published online less than two months ago. In a now-deleted 13,800-word profile (that's around 16 times the length of this column), Sequoia described Bankman-Fried's "status of legend". His explanation of how one day you could use FTX to "buy a banana" (I'm not joking) left the Sequoia team in rapture. "I love this founder," one said. "It was a vision about

Talk of how one day you could use FTX to 'buy a banana' had left investors in rapture two months ago

the future of money itself," the profile explained. Now, you will struggle to retrieve your funds from FTX, let alone use it to buy fruit.

The finest comedy or drama script-writers on the planet could not come up with a more ludicrous unravelling for an industry already long on absurdity. Bear in mind Bankman-Fried himself just last year told the Financial Times he'd quite like to buy Goldman Sachs. And yet still the coins cling on. Even with all these slings and arrows, bitcoin trades at around \$16,500. Morgan Stanley reckons, based on when retail investors got in, and on trading psychology, many won't sell until we sink to \$10,000.



annual US inflation running at 7.7 per cent in October. By any sensible measure, that is extremely high and well above target. But it marked the smallest 12-month increase since January.

All year, investors have searched desperately for a sign that the Fed might at least slow its pace of rate rises, and finally they got one, in cold hard data. The reaction was explosive. The S&P 500 gained 5.5 per cent. Stripping out the wildly volatile scenes in spring 2020, that is the biggest daily rally in more than a decade, and one of the biggest ever. The Nasdaq Composite closed 7.4 per cent higher.

Government bond prices shot higher, hammering yields. The yield on the two-year note fell by some 0.25 percentage points to 4.35 per cent, its largest drop since October 2008.

This is the market's way of saying: mission accomplished, crisis over. Are investors getting ahead of themselves? Yes. This is just one data point, and it's not guaranteed to push down the Fed's end point in rate rises. But that's how the game works. And fund managers have been holding more cash than at any point since 2001, according to Bank of America data, giving enormous firepower to deploy on the rebound.

"Markets finally got what they wanted," says Emmanuel Cau, a strategist at Barclays. The reaction has been "euphoric", and reinforces FOMO – fear of missing out, he says.

The fact that this appears to have given a boost even to bitcoin, after a week where the market's foundations have been found to be built on sand, tells you two things: first, after some false starts, this could be the big one this time, the start of a meaningful market recovery after a lengthy 15-month and 20 per

However, only when should the local market come to a close.

approved by regulators, both pressures are diminished by low crypto prices. Far-sighted banks will divert tech-savvy recruits to work on blockchain-related payments technology. Applications should extend wider. They could, for example, bring property rights to countries where they are currently hard to assert.

Lex has never seen cryptos as having much use beyond speculation, secret transactions and as badges of identity. With digital tokens in abeyance, the world has a chance to focus on the wider usefulness of distributed ledger technology.

2022 growth might reach 5 per cent in China starts opening in the summer. But Rupert is right to warn of volatile times ahead. The core of luxury buyers seems unlikely to be hit hard. But it is younger, newly acquired marginal buyers who have provided much of the recent growth. They are more exposed to the cost of living crisis.

Valuations in the sector have derated accordingly. They have fallen by about a third since last summer. Richemont, now trading at 19 times 2023 earnings, has followed that trend and is back in line with its pre-pandemic rating.

But big brands have taken significant market share, expanding into new markets and consolidating. In jewellery, where Cartier leads, Richemont's sales in the first year of the pandemic grew by half to reach €11bn. Analysts' consensus estimates for the year ending next March put a further €1.5bn on top of that figure.

The YNAP losses will tend to underline Richemont's natural caution. Yet it has a solid balance sheet. There remains a long recognised opportunity to boost its presence in the soft luxury market.

exchange itself before putting out on such a deal, leaving its chief executive Changpeng Zhao as the last remaining king of crypto. SBF, as he is known, was forced to resign as chief executive.

Indeed, the price of the tokens they picked up from its lows this week after finally, at long last, a break formed in the clouds of inflation.

Data released on Thursday showed

try after a further 12 months; and second, you can't buy bananas on the blockchain and you probably never will.

hatic.marting@ft.com

FTX/cryptos:  
reasons to be cheerful

The collapse of crypto exchange FTX, reflected in its US bankruptcy filing, has delivered another blow to digital token prices. They had already plunged in response to drops in equity and bond prices. The price of bitcoin slid briefly below \$16,000 this week from a peak of \$67,000 a year ago.

This is categorically bad for all crypto investors, not only those whose roughly \$8bn FTX is struggling to recoup. But there are three reasons why conventional investors should feel sanguine about the woe of crypto bros.

First, it helps the environment. Crypto mining uses a lot of electricity, about the same as Sweden. When ethereum stopped being mined in September, global consumption reportedly fell 0.2 per cent. Bitcoin mining used about 0.5 per cent of the world's power. With the price hovering close to a theoretical break-even, mining activity has slumped, reducing carbon costs that other businesses would have helped to pay for.

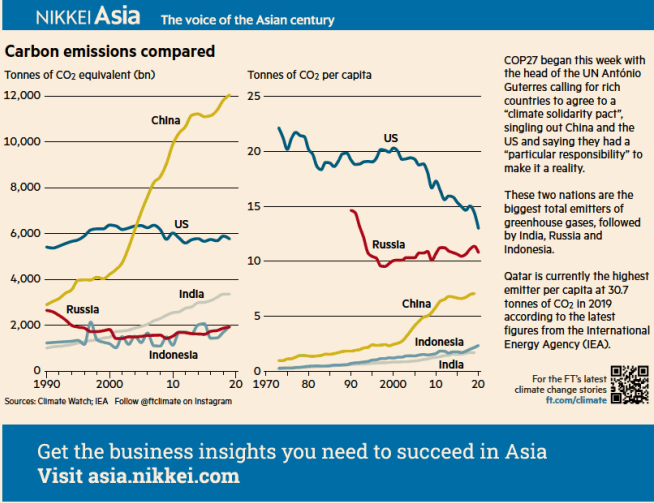
Second, the crypto slump should ease the global chip shortage. Crypto

Luxury/Richemont:  
China watch

In luxury goods, seeing is believing. So what should Richemont investors make of the caution expressed by boss Johann Rupert at the watches and jewellery specialist's first-half results yesterday. Not much, to judge by the share price, which rose by a tenth on the day.

It is not surprising that shareholders overlooked the net loss. That resulted from the failed experiment with online retailer Yoox Net-a-Porter, which caused a €2.7bn writedown after YNAP's sale. They were more focused

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Life & Arts

SUPPLEMENT OF THE YEAR

Cormac is back The American master McCarthy returns — PAGE 9

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Don't look away

migrant workers to join a trade union."

Many of these reforms have barely been implemented, note the regime's critics. Think of the Bangladeshi security guard in Qatar who told Amnesty that, in three years through 2021, he didn't have a single day off.

Still, Qatar's promises have earned qualified praise. Tim Noonan of the International Trade Union Confederation says Qataris have brought "their industrial relations system into this century". Klavness remarks "how much labour reform they have made in a conservative country. Everyone should applaud it". Amnesty's Cockburn concurs: "That's nowhere near saying, 'Qatar has got better because of the World Cup', which is FIFA's line. It happened because you had scrutiny from NGOs and trade unions and journalists and some reformers in Qatar."

Cockburn says Amnesty feels

Amnesty argued intensely that Argentina in 1978 had ratcheted up scrutiny of an overlooked regime



"slightly validated" in having chosen engagement with Qatar. Amnesty's next aim is to get Fifa and Qatar to create a compensation fund worth at least \$440mn – the total prize money on offer at the World Cup – to pay to workers exploited in the making of the tournament. Qatar has said it won't.

NGOs and trade unions hope that Qatar's reforms will have "demonstrative impact" on the whole Gulf region with its exploitative labour practices, says Noonan. The biggest fish is Saudi Arabia, while the United Arab Emirates is "probably the most intransigent of the Gulf countries on labour issues", he adds. If these countries want international acceptance, they will have to reform like Qatar.

Qatar's reforms are fragile. Once the spotlight goes off post-World Cup, the monarchy may backslide. And it has yielded almost nothing on issues such as LGBT+ rights and media freedom. Journalists at the World Cup will face restric-

Continued on page 2

Too small, too hot, too illiberal, too cruel to the migrants building its stadiums and hotels – Qatar 2022 has generated a firestorm of criticism from inside and outside football. But, *Simon Kuper* argues, we should still tune in to this World Cup

On the December day in 2010 when Fifa named Qatar to host this World Cup, Norwegian football pundit Lise Klaveness said she would boycott the tournament. Qatar's regime does not afford basic human rights to gay people like herself, migrants and others. Its bid to host the tournament had also generated allegations of bribery.

Today, Klaveness is president of Norway's football federation, arguably the sport's most vocal campaigner against Qatar. Yet even Norway finally decided against boycotting the World Cup. (In the event, their team failed to qualify.) No other country or individual player is boycotting either.

Klaveness won't attend the tournament. Will she enjoy the football, at least? "Personally, that's difficult to feel now, for me," she says. "I will keep updated. I am a football president. I should know what happens, but I will not have the sound on."

Many fans share her unease. They ask whether it's moral to even watch matches held in stadiums built by exploited labourers, some of whom died during their construction. Should sponsors be going? Players? I share the outrage about Qatar. But after speaking to footballers, human rights organisations and trade unions, I've concluded: it's right to play and watch this World Cup.

One good reason not to boycott is that going may do more good than not. Even in 1978, when the host was an Argentinian military regime that had "disappeared" thousands of dissidents, every team went. Not even Amnesty International called for a boycott back then. Steve Cockburn, the NGO's head of economic and social justice, sifted through the 1978 archives and found arguments much like those made today.

His predecessors had used the spotlight of that World Cup to pressure Argentina's junta to reform. Arguably,

Above: Qatar fans during national team training at Jassim bin Hamad Stadium

Below: the Aspire Academy for boys in Doha, founded in 2004 with the aim of producing world-class athletes for Qatar. Photography for the FT by Matteo de Mayda

the strategy worked. Authoritarian regimes often think that hosting sporting events will burnish their global reputations. As the US public relations firm then called Burson-Marsteller advised Argentina's junta in a 150-page report: "The World Cup will give the Argentine government a unique opportunity to show an image of the country which will be the first for many people... [in some countries] the main area of concern will be the question of civil and human rights...". Burson-Marsteller recommended "building a system of infiltration in the leading newspapers and magazines which will help put Argentinian reality in its correct perspective."

But Argentina's attempted "sports-washing" backfired internationally. Journalists picked up the critiques of NGOs like Amnesty. A popular bumper sticker at the time depicted a football covered with barbed wire. A member of the Madres de la Plaza de Mayo, the organisation of mothers of Argentina's disappeared, told me in 1993: "It's thanks to the World Cup that we became known around the world." Amnesty staff argued internally that the tournament had ratcheted up scrutiny of a pre-



viously overlooked regime. Some countries had begun taking in more Argentinian refugees. Engagement had achieved something, partly because the anti-communist Argentinian regime cared what its western allies thought. But Amnesty concluded that the generals had managed to use the tournament to bolster their reputations inside Argentina, at least.

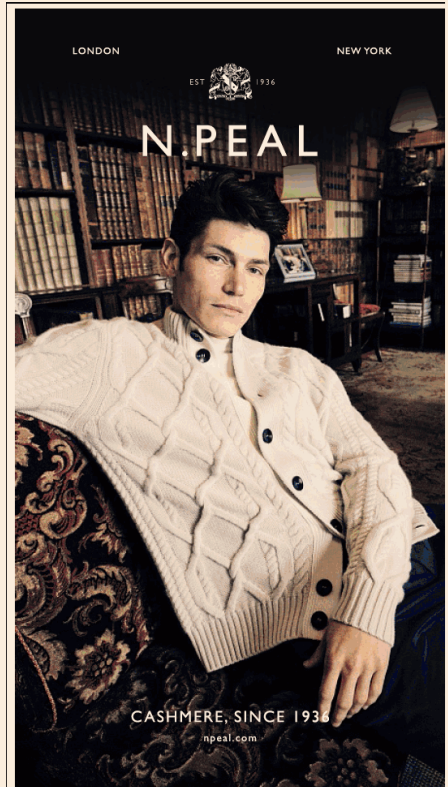
Qatar, too, cares about western opinion. Sandwiched between Saudi Arabia and Iran, the mini-state of 380,000 citizens cannot defend itself alone. Indeed, hosting the World Cup fits Qatar's long-term policy of ingratiation with the west. So NGOs and trade unions decided they could use the World Cup to pressure Qatar to reform, in particular, its treatment of the migrant workers who

**Qatar 2022 special**  
Was realising the dream of the Middle East's first World Cup worth it? Read Andrew England in our Spectrum football special, pages 17-20

were building the tournament's infrastructure. As in 1978, media amplified the NGOs' critiques. Klaveness says: "This championship helped the whole football society see the people who make football championships possible: the guys, and it's mostly guys, who bring bricks to the stadium."

Until about 2017, engagement got nowhere. Neither Fifa nor sponsors nor Qatar wanted to listen. But the monarchy was growing frustrated. A tournament that was supposed to improve Qatar's reputation had only damaged it. Then, after Qatar's neighbours began blockading it in 2017, its need for western friends became acute. Gianni Infantino, Fifa's president since 2016, was also more interested than his predecessor Sepp Blatter in getting favourable publicity for the tournament.

From 2017, Qatar began announcing labour reforms. It pledged to make changes to the "kafala" system which let employers deport workers or stop them leaving the country. It signed an agreement with the International Labour Organization and entered dialogue with human-rights groups. Amnesty wrote in October: "Reforms enacted by Qatar since 2017 include a law regulating working conditions for live-in domestic



## Life

### Note from the FTW editor



There are weeks when we need all our journalists' canniness to make sense of the disparate strands of the news – and then there are weeks such as this one, when the tide of history seems to flow rather more quickly and clearly. In just 24 hours Donald Trump, Vladimir Putin and the crypto (ex?) titan Sam Bankman-Fried suffered quite a reverse.

On the first, and the state of American democracy, we have Simon Schama on top form in the main section. As for the last of the three, Bankman-Fried did a bizarrely frank Lunch with the FT a few months ago. As his crypto exchange FTX imploded this week, another recent Lunch guest

### Saturday

The first stage was denial. I tried ignoring Elon Musk's pathetic, needy acquisition of Twitter. I was reassured by the view of Jason Furman, former chief economist to Barack Obama and a serious tweeter, that the takeover would "barely affect 97 per cent of the experience".

A week in, I've moved on to stage two – anger, plus sadness. Sitting in a vegan B&B in Berwick-upon-Tweed (don't ask), I realise that Musk might well ruin my digital life. Having installed himself as "chief twit", he mocks the media and promotes a conspiracy theory about the violent attack on Nancy Pelosi's husband. Uh-oh.

Musk's arrival has changed the feel of the place. Twitter had felt anarchic – a commune, albeit one with a high crime rate. The founders couldn't control it, nor could successive chief executives. We were free. Now the Tesla King is here, and everything seems to hang on his whim. It's like the days after a revolution, when the new regime turns autocratic rather quickly.

I joined Twitter in 2010, four years after it started. At first I was so baffled that I would respond to my colleagues' tweets via email. But I slowly became hooked on the mix of insight, humour and friends. It was faster than Facebook, which was filled with people I half-liked 20 years ago. It was cool, unlike LinkedIn. It was not too cool, unlike Instagram. I spend hours on it every day. Could anything replace it?

"You don't improve the town square by rushing in and hosing crap everywhere," I tweet. This gets my indignation at Musk off my chest, while ensuring that my relaxing weekend in



Matthew Billington

## My week with Elon

contacted me imagining a world in which you became cursed if you did Lunch with the FT...

I had lunch this week with four veteran readers of the FTW who have read it since living in Tokyo a few decades ago. One of the subjects I conceded we only irregularly covered was sport. Well, we have a special edition on the World Cup. Among the highlights is a customarily steely piece by Simon Kuper, making the case – just – for why it is OK to attend the tournament.

For Cormac McCarthy fans, it has been a long wait, but you should turn to Page 9. I am surely not alone in wishing he had spaced out his novels, rather than presiding over a 16-year drought and then publishing two at once.

Finally, for lovers of the Polymath and other puzzles, as of this week you can do them on the move on our app. Many thanks, as ever, for reading us. **Alec Russell**

Berwick will mostly be spent checking my phone for replies.

#### Sunday

One way to understand social media is as a computer game where (instead of trying to kill simulated baddies) users try to rack up as many “likes” as possible by creating whatever content comes to them. If Twitter didn’t exist, I would spend less time obsessing about UK politics, which always gets likes, and more time thinking about other things that don’t.

I also might focus on my real friends. Social media is stacked with acquaintances about whom you have strong opinions, even though you’ve never met. One such person is a fellow writer. Almost my only interaction with her was a bad-tempered exchange, grumpier than anything that would have happened in real life. After Musk’s takeover, this acquaintance announces she is going inactive on Twitter, because she is too “angry to provide content for free to the richest man in the world”. She rightly notes that it has become impossible to go for a walk without looking for things to tweet about, and wishes the site would “crash and burn”. I think about gracefully sending her my best wishes for her Twitter-free life, but can’t quite bring myself to do it.

#### Monday

“Half the money I spend on advertising is wasted, and the trouble is I don’t know which half,” said the British

#### TWITTER DIARY

HENRY MANCE



industrialist William Hesketh Lever. Musk slowly learns that the same is true of his workforce. He sacks half of Twitter’s staff, then realises that he doesn’t have enough people to run the company and starts trying to rehire some of them. It all feels very Liz Truss. Meanwhile, a day before the US midterm elections, Musk recommends voting for a Republican Congress, on the basis that “shared power curbs the worst excesses of both parties”. When Twitter’s sole board member is preaching the value of shared power, you know irony has died.

#### Tuesday

I wake up and delete half of the tweets I posted after returning from the pub the night before. Regret is key to the social media experience. It is also key to Musk’s ownership. As well as luring back sacked staff, he has to assure advertisers that he won’t actually let racists back. Strangely, he seems ignorant that Twitter has more than a decade of lessons in how to moderate the site. He seems to want to start from scratch, making every mistake for himself. He announces “comedy is now legal on Twitter” – and then, after many users parody him, threatens to ban any unlabelled parodies for life.

Until now, I have been blissfully insulated from Musk’s antics for two years: I wrote a column about his Covid childishness, and he retaliated by

blocking me on Twitter. But now he is at the centre of every discussion, and I have to copy his tweets to another browser to find out what everyone’s talking about.

#### Wednesday

Mark Zuckerberg is firing 11,000 people at Meta. Amazingly, this is only 13 per cent of the company’s workforce. Even TikTok is restructuring. Truly the social media squeeze is on. What if these sites are a passing fad – and we one day have

#### I wake up and delete half of the tweets I posted after returning from the pub the night before

to explain to our children that we spent hours scrolling through angry messages and comic videos, just like previous generations drunk-drove and smoked on aeroplanes?

Meanwhile, at Twitter, important accounts start to appear with the logo “Official” underneath. This seems like a good idea to me, until I realise that I don’t have one. It does not seem like a good idea to Musk: the “Official” symbol quickly disappears. “I killed it,” the emperor announces. He follows up: “Please note that Twitter will do lots of

dumb things in coming months. We will keep what works & change what doesn’t.” The first sentence seems more guaranteed than the second. Twitter is now selling verification badges to anyone. Someone buys one, pretends to be George W Bush, and tweets “I miss killing Iraqis.” Twitter is rich in stupidity and insight. In Musk, it has an owner rich in both.

#### Thursday

Unlike Liz Truss, Musk has produced growth. He cited statistics showing that Twitter usage is up. But people keep saying they are joining an ad-free rival network called Mastodon. “Getting started with Mastodon is easy,” says Mastodon. False. The network is decentralised, so signing up is fiddly. And you have to rebuild your network. Moving social network is like trying to move a forest – with the trees, fungi and insects.

Meanwhile, the John Lewis Christmas advert appears in my Twitter timeline, and makes me cry so hard that I almost forget about Elon Musk and Matt Hancock. I feel myself moving to the acceptance stage: I am staying on Twitter for now and possibly forever.

Henry Mance is the FT’s chief features writer; @henrymance. For Janan Ganesi’s alternative take on Twitter, turn to page 19

### Qatar 2022 special

## Don’t look away

Continued from page 1

tions in filming matters beyond the football itself. But the tournament itself will be the biggest media event ever, judged by number of views generated. Will the stars of the event – the players – use the perfect campaigning platform to speak out?

Today’s footballers are unprecedentedly educated and activist. Countless teams “took the knee” in support of Black Lives Matter. Many players quietly scrutinise the politics of their paymasters – for instance, American club owners who back the National Rifle Association. France’s Kylian Mbappé has spoken out against police violence. Eight team captains in Qatar, including England’s Harry Kane, will wear rainbow armbands in solidarity with LGBT+ people.

But don’t expect more explicit player activism in Qatar. A footballer like England’s forward Marcus Rashford felt able to campaign against racism and for free meals during school holidays because he understands these issues from personal experience. But few players feel comfortable discussing Qatari migrant rights.

Several footballers who have played in World Cups told me that they opposed boycotts. One said that if he were playing today, he would go to Qatar. A World Cup brings joy to people around the world, many of whom have difficult lives, he argued. Another ex-player told me you dream all your life of playing in a World Cup. Perhaps you’ll only play one. Should you forgo it just to protest the host?

There’s another problem: authoritarian Gulf regimes have co-opted much of

football by buying or sponsoring clubs. Stars like Messi, Neymar and Mbappé can hardly speak out. Their employer is Qatari-owned Paris Saint-Germain.

Any footballer at the tournament who campaigned for migrant workers would be running a risk, ex-players explained to me. If he then played badly, in possibly the most important month of his career, he’d become a global target of criticism: “Stick to football.” Look at the abuse that Rashford took after missing a penalty in the Euro 2020 final.

Klaveness sympathises with the players: “They are going to the biggest competition in the world. They have gotten there through raw focus. If you as a journalist are asking them about Qatar, you are asking them to do your job.”

She would rather leave campaigning to football federations. But even that’s suboptimal, she adds: it’s just not what football organisations are good at. “We’re not human rights organisations.”

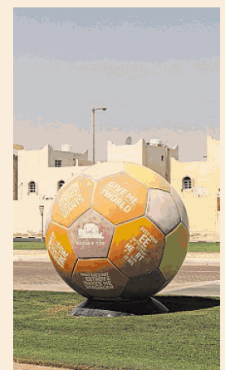
In sum, the World Cup has boosted Qatar, a bit. But Klaveness doesn’t consider that a retroactive justification for choosing it as host. “We shouldn’t come into a situation where football championships are awarded to change human rights. A football championship is a football championship. It has its own value. It’s beautiful that way. It should go to the place with the lowest risk possible. Should it have been boycotted? Yes, in 2010.”

This World Cup will go ahead. It can at least bring joy, shine a spotlight, perhaps prompt compensation for migrants, and embarrass sports organisations out of ever choosing a host like Qatar again.

Simon Kuper is an FT Magazine columnist



Clockwise, from left: Rahman, 25, a chemical engineer and a fan of the Qatar national team, with the Katara Towers in the background; a giant football; Lusail Stadium, Qatar’s biggest, with 80,000 seats; twins Ithaa and Amaana, 15, at the Grassroots Girls U12 to U14 Sheru Cup at the Qatar Foundation’s Education City in Al-Rayan



### Lunch with the FT Angela Rayner

## ‘Underestimate me at your peril’

Labour’s deputy leader has a reputation for no-holds-barred leftwing rhetoric. Over Chablis and ‘seven-hour lamb’ at London’s Royal Opera House, she talks to *Jim Pickard* about ‘rubbing along’ with Keir Starmer, her difficult childhood – and why her party is not taking anything for granted



hen Angela Rayner went

centrist Blair. “I don’t fit into a box,” she says. “I have strong views on things like security, which pitches me to the right of the party. But I have very strong views on things like the economy.”

Despite her trade union roots, Rayner stayed quiet this summer after Tarry was sacked from his role as a shadow minister after attending a picket line. “The Tories wanted to always make it about ‘militant trade unions’ when it has been about a militant government,” she says. “It’s about not falling into these silly little arguments of one against the other.”

How does she feel about the exodus of thousands of leftwing members who were expelled? “The party doesn’t belong to one particular individual,” she replies – and quickly changes the subject to wax lyrical about her mash and gravy. “All northerners need to come here,” she says. “Look at the lack of green on this plate. Perfect.”

Rayner is recognised everywhere she goes, although she says “the celebrity stuff just feels a bit cringe”. There are parallels, I suggest, with Boris Johnson, the former Tory prime minister: they share unconventional childhoods, charismatic personalities

ethnicity pay-gap reporting. But what would be the top priorities for an incoming Starmer government? Labour would borrow an extra £28bn a year for capital investment, Rayner points out. Elsewhere there will be fiscal restraint. Would a Labour government succumb to union pressure to give public sector workers inflation-matching pay rises of 10 per cent? “Brutally, no. But we would strengthen the unions and have good employment rights.”

Rayner says Labour would also make the tax system fairer by hitting landlords and speculators. Personally, she can see the case for nationalising the National Grid, which is not official Labour policy. But she questions the wisdom of spending billions taking over other industries such as water with money that could be spent on other priorities. “It’s not the most important thing to nationalise everything.”

We break off to order a raspberry tart for me and “dark chocolate, calvados and pears” for her. “That looks like it’s got heart attack written all over it,” she says approvingly as the pudding arrives. Rishi Sunak, the new prime minister, is a more challenging proposition than his predecessor. Rayner believes Sunak

I have strong views on

W to see *The Marriage of Figaro* at the Glyndebourne festival in June – as a guest of a violinist from her home town of Stockport – Labour's deputy leader was not seeking attention. But her first-ever trip to the opera was gleefully picked up by the rightwing newspapers and then seized on in parliament by Dominic Raab, then Conservative deputy prime minister.

"She talks about working people... she was at the Glyndebourne music festival sipping champagne, listening to opera," Raab told the House of Commons. "Champagne socialism is back in the Labour party."

Raab's comments created a storm. The former head of the English National Opera called them "sad and embarrassing", while Rayner advised Raab to cut out the snobbery: "*The Marriage of Figaro* is the story of a working-class woman who gets the better of a privileged but dim-witted villain."

The set-to "sparked off a whole national debate, which was really good," says Rayner as we settle into our seats at the Royal Opera House's Piazza restaurant. (It was irresistible to invite her to lunch there to gently *épater les bourgeois*.) "Because lots of people who worked in opera said, 'I'm working-class – are you saying it's not for me?'"

The 42-year-old Mancunian, who grew up on a council estate and became a mother at 16, is a rarity in a House of Commons crammed with white-collar graduates. She is also a rare authentic voice of old-fashioned union-backed socialism in the shadow cabinet of Sir Keir Starmer, the technocratic party leader who has taken Labour to the right in the last two years.

We meet as Britain's main opposition party finds itself in a position unimaginable just a few months ago. This year's political chaos has left Labour with leads of 20 points or more over the ruling Conservatives in the opinion polls, implying a first election victory since 2005 that would propel Rayner to the post of deputy prime minister by 2024.

But there remains a nagging sense that the party – despite leaving behind the hard-left years of former leader Jeremy Corbyn – lacks a clearly defined vision for the future beyond "fairness" and a greener economy. Labour endured a catastrophic collapse in support in the last general election in 2019 in "Red Wall" seats in its former heartlands of northern England and the Midlands, driven largely by frustration that the party was blocking Brexit.

Rayner says the party leadership is aware that it needs to build back trust with the electorate. "We've changed. People are willing to listen. But the idea that people are running out of their doors saying, 'yay, Labour' is not where they are. They don't want us to get ahead of ourselves."

When it comes to Labour's interneccine battles, she is something of a shape-shifter, acting more on her instincts than on rigid political philosophy. On Brexit, the most contentious issue of her generation, she says: "I didn't have a particularly strong view either way."

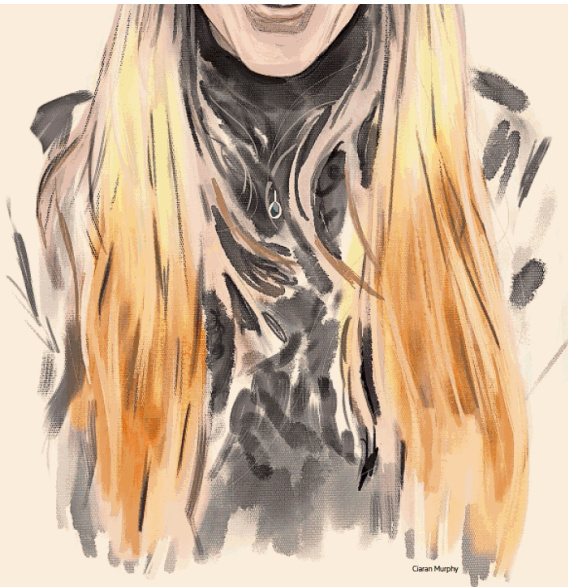
But for all her caution here, when it comes to the election trail the MP for Ashton-under-Lyne near Manchester is an outspoken campaigner. A proud socialist, she got into trouble with the party leadership last year for calling the Tories a "bunch of scum, homophobic, racist, misogynistic, absolute vile."

"Underestimate me at your peril," she tells me.

W e peruse the set menu at Piazza, which looks down on Covent Garden from the fifth floor of the Royal Opera House.

With hardly anyone else in the restaurant – a bland, modern space – the food arrives swiftly. I've ordered a luminous pink beetroot hummus with fresh focaccia. "I get food envy," Rayner warns me.

Still, she enjoys her chicken liver parfait with caper raisin purée. "The texture is more moussy, it has a little chutney, which merges into one flavour, like baby



Caran Murphy

<b>PIAZZA</b> Royal Opera House, London WC2E 8HD	
<b>Set menu x 2</b>	<b>£56</b>
Chicken liver parfait with caper raisin purée	
Beetroot hummus with focaccia	
'Seven-hour lamb' with creamed potato	
Sea bass with risotto	
Dark chocolate, calvados and pears	
Raspberry tart	
Bottle of Chablis (complimentary)	
<b>Total incl tax and service</b>	<b>£63</b>

food," she deadpans. This doesn't sound great. "Have you tried baby food?" she replies. "Some of it is really nice."

We've eschewed champagne – on this occasion – and ordered a bottle of chilled Chablis. "I have a palate of Mancunian working-class roots," she says. "I'm happy if it tastes all right and not too vinegary."

The Daily Mail has opined that Rayner "deploys the hard-done-by Northern card far too often", but her life story is striking by any standards.

Rayner was one of three children in a dysfunctional family living in poverty, with most meals cooked in a deep-fat fryer and weekly baths at her grandmother's high-rise flat to save money. They could easily have been taken into care, she says. Rayner admits she felt "resentment" because she had to act in effect as a mother to her own mother, who had bipolar disorder.

"When I was young, we didn't have books because my mother couldn't read or write," Rayner says. On one occasion, her illiterate mother sprayed shaving foam on their pudding, thinking it was whipped cream. She struggled at secondary school, played truant and ended up pregnant at 16.

Others told her she wouldn't be able to look after her child and was "destined to be on benefits" for ever. Instead she trained in social care at Stockport College and got a council job as a care worker. From there she worked for the trade union Union, which eventually persuaded her to get into politics, entering parliament in 2015. "I thought, OK I'll give it a go. I didn't really know what I was getting into," she says.

Even then she faced further personal trials. Her second son, Charlie, was born just 23 weeks into her pregnancy and spent eight months in intensive care. "I was told he wouldn't be able to sleep, eat for himself, look after himself, he'd need 24-hour care. The doctors said switch the machine off. But we didn't and now he's walking and talking and going to mainstream school," she says proudly.

Charlie is registered blind and has just been diagnosed with epilepsy. "He's got a long cane he won't use... he wants to take risks and I want to wrap him in cotton wool."

Rayner became a grandmother at 37. I ask if her five-year-old granddaughter calls her "grandma". "She's non-verbal autistic so doesn't really communicate, although she snuggles up to me."

Her life sounds stressful but she thrives on adrenaline, saying that Covid lockdowns hit her hard when she sud-

denly went from "200 miles per hour to 10 miles per hour". She calls herself an "eternal optimist" and believes adversity has made her stronger, but admits: "I survived it and came out better, but part of me wonders, when do I dip? When do I lose?"

Rayner's emotional extroversion is in contrast with the more "methodical" approach of Starmer, the tightly controlled former director of public prosecutions who has sought to steer Labour back to the centre ground. His number is logged in her phone under "Mr Darcy", the uptight lawyer from the *Bridget Jones* books.

Rayner is sometimes compared to John Prescott, a northern former ship's steward who was deputy prime minister under Tony Blair. It is a backhanded compliment, given that Prescott is famous for once punching a voter and taking a freestyle approach to the English language. But Rayner enjoys the comparison. "They painted him as an old-fashioned trade union baron but he was loved by the public," she argues. "I don't think he was a token figure. He was right at Blair's side whether Blair liked it or not, and he got what he wanted."

If that sounds like a warning to Starmer, it probably is. Tensions between the pair exploded last year when she was blamed for Labour's weak local election results. Starmer tried to demote her but – after a lively row – she emerged with even more titles. "There was a frank discussion but we got there. Sometimes it's like a relationship where you have to have a big blow-out and clear the air," she says, freckled hands pressed against her cheeks.

Did she swear at him? "I don't discuss mine and Keir's private conversations... I think we rub along reasonably well," she trails off. Does she swear, more generally? "Yeah, I can have a potty mouth, I think all northerners can... but I don't swear to offend."

The waiter returns with the mains: "seven-hour lamb" with creamed potato for her, and sea bass with risotto for me. Rayner approves: "It's dead homey, the sort of stuff you'll eat when you're freezing cold on a Friday evening." My fish is cooked to a perfect crisp and the lemony rice is speckled with dill.

Rayner's confessional manner belies a rather less open approach to her politics, which is sinuous and undefined. On one hand, she is seen as a leftwinger, having served loyally under Corbyn. Her partner Sam Tarry is an MP who ran Corbyn's leadership campaign in 2016. Yet she often defends the record of the

and complicated private lives.

She doesn't dismiss the comparison but she can't stand Johnson. "Normally I say, 'play the ball not the man'. But Boris was literally the ball and the man... his lack of morality and ethics came through and bled into government."

Labour politicians claim to want an early general election but that is widely seen in Westminster as public posturing. Any new government would inherit an economic scorched earth, with spiralling inflation, rising mortgage rates, an energy crisis, cuts to public spending and expectations of the longest recession for a century.

Rayner's party is trying to make the Conservatives take the blame. But hasn't this been driven in part by global factors? "Yes, but that's what made Liz Truss's behaviour even more reckless," she says, sipping the deliciously flinty Chablis. "It's like the Titanic, except that they created the iceberg and steered the ship into it. Truss economics went against everything that the market would consider to be sound economics."

I ask if she feels sorry for Truss. "No, not when I know my mortgage interest rate is going to go up in June from 1.44 per cent to triple that – if I'm lucky – on a £320,000 mortgage," she says. "I'm going to get absolutely pelted, and most people feel that way."

Voters in focus groups often say they don't know what Starmer's Labour party stands for. As a result, its leadership is always under pressure to spell out in greater detail what it would do in government. In reality, Labour has made dozens of policy announcements in the past two years, just without any great traction with the public at a time of Covid, the cost of living crisis and Russia's invasion of Ukraine. On Rayner's beat alone – she is responsible for "the future of work" – the party has promised a right to flexible working, a ban on zero-hours contracts, a rise in statutory sick pay and mandatory

security, which pitches me to the right of the party. But I have strong views on things like the economy'

"does have ethics and values" – in contrast to Johnson – but says he will struggle to connect with ordinary people during a cost of living crisis.

"I'm not going to diss him because he's very wealthy, I think that's perfectly fine," she argues. "What I do have a problem with is hypocrisy. When you've got a prime minister whose wife had non-dom status to save X amount of millions on their wealth – at a time where others are suffering – that's going to be a problem." Sunak's wife, previously a non-dom, last year offered to start paying UK tax on all her worldwide earnings.

As I polish off the last of the delicious raspberry tart, the conversation shifts to exercise and Rayner's dislike of jogging. She starts reminiscing about the £5,600 she borrowed from a bank for cosmetic surgery 12 years ago.

"I had my boob job on my 30th birthday, I'd lost six stone thanks to my personal trainer, but my boobs just looked like two boiled eggs in socks," she says. "You know, like basket hound ears. You can't be 30 and have a chest like an 84-year-old granny. I had spent about 14 months losing my baby weight, I was 17 stone after I had my children."

The bill seems low until I notice we were not charged for the Chablis. "It's on the house," the waiter says. We wander out into the rainy street. Rayner stops to vape. The conversation turns serious again, this time about Russia. But she can't resist a final quip about the gratis bottle of wine: "Did he think I was Jay Rayner?"

Jim Pickard is the FT's chief political correspondent



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Style

Drama | The fact-and-fiction debate rages – but the show gets the fashion just right, says Elizabeth Holmes

Dressing the drama



see it today on Catherine, the new Princess of Wales. Sprinkled throughout the 10 episodes are also the fashion-favourite pieces, including a trio of sweaters emblazoned respectively with Harvard, Virgin Atlantic and the British Lung Foundation that were recreated with permission.

More of Diana's story this season is set behind closed doors, as the princess retreats from public life following her separation from Charles. *The Crown* depicts her frequently holed up in the private quarters of Kensington Palace – which delighted the costume designers, giving them a chance to take a bit more creative licence.

The moments of accuracy allow for this, according to Sidonie Roberts, because they have established an all-important trust with the audience. "You take them there," she says, "then you bring them home."

As autumn, a run year before the premiere of the fifth season of *The Crown*, paparazzi-style photos emerged giving fans a first glimpse of Elizabeth Debicki as Princess Diana.

This wasn't just any fashion moment, this was the fashion moment, the actress clad in a remake of the famous "Revenge Dress". Worn by Diana in 1994, the black, off-the-shoulder, above-the-knee frock by Christina Stambolian was a skin-baring sartorial clapback to the then Prince Charles's admission of infidelity.

Side-by-side pictures of Debicki and Diana flooded social media, virtual catnip for commentators who gleefully dissected the images. Vogue deemed the dress "remarkably similar" to the original design, while People magazine declared it "stitch-perfect".

Therein lies what people find delicious — and dangerous — about *The Crown*. The series walks a line between fact and fiction, infusing made-up dialogue into its retelling of actual events. The costumes play a critical part in the artifice, giving the lavish production an added layer of authenticity.

The fifth season's release this week, just two months after the death of Queen Elizabeth II, caused a swirl of pearl-clutching over those blurred lines. Dame Judi Dench wrote in a letter to the Times that it was "cruelly unjust to the individuals and damaging to the institution they represent".

The Oscar-winning actress went so far as to call for a disclaimer at the start of each episode.



Clockwise from above: Elizabeth Debicki, as Princess Diana, wears the 'Revenge Dress'; Imelda Staunton, as Queen Elizabeth II, delivers the 'Annus Horribilis' speech; Dominic West as the then Prince Charles  
Keith Bernstein

Much like the script, which ebbs and flows between what really happened and what mastermind Peter Morgan has dreamt up, the fashion vacillates between near replicas of specific pieces, amalgamations of different outfits and wholly imagined looks.

The first camp, those ensembles that leap off the screen as instantly recognisable, play an important part in establishing believability, says Amy Roberts, who took over as costume designer in the show's third season. The uniform department, for example, painstakingly places each medal. "That's got to be spot on," Roberts said in a call earlier this week. "That grounds the whole piece."

Midway through the first half of the sea-

son, Imelda Staunton as an ageing Queen Elizabeth II delivers the oft-quoted "Annus Horribilis" speech. She's wearing a dark green ensemble that nearly matches what the monarch wore, down to the sleeve detailing.

Those recreations are harder than one might think. Take the aforementioned Revenge Dress, which was "such a tricky thing to make", according to Roberts, with its fitted bodice and delicate chiffon. The proportions had to be reworked to fit Debicki's shape, which is different from Diana's.

The actress is also naturally much paler than the princess was, according to hair and make-up designer Cate Hall. In order to complete the "top-to-toe

transformation", Hall says, they relied on "constant tanning and make-up to try and push her towards the kind of Diana that we remember — and I think everyone does remember that Diana so readily. You just can't avoid the pressure of those moments."

The series has progressed from its starting point in the 1950s, when a young princess took to the throne, to the 1990s, a period that many viewers lived through themselves. Just as the script walks a line between real and imagined, *The Crown's* hair and make-up teams are searching for the overlap between the actor and the person they portray. For Hall and her team, who handle the all-important wigs, special attention must be paid to each character's shape and silhouette.

"We are trying to include enough of the actor so that what we're not doing is parody," Hall says. "I always think if someone looks like the person from behind, then we're kind of winning."

From there, the baton is passed on to the viewer. "I rely on the intellect and

the maturity of the audience that they will fill in the gaps," Hall says. "They don't need someone to have a prosthetic nose in order to inhabit the drama."

Although more than 90 per cent of the costumes are made for the actors, this season the team were able to do a bit of vintage shopping too, especially for Diana. "We've come into a period where that's completely accessible and you can access immaculate pieces," says Sidonie Roberts, associate costume designer and head buyer. "Diana is the '90s, she's the emblem for fashion."

As she was then, Diana is the style star of the season. The princess's fashion has evolved beyond the piecrust collars of her early days to sleek turtle-necks under power blazers and skirt suits. The costume department deftly complicates aspects of silhouettes and styles Diana favoured — occasionally dipping back to her more outrageous '80s styles when it fits the plot — and then streamlines each ensemble to look a tad less dated. The plaid red coat and veiled hat seen briefly on a Christmas Day walk is so chic one might expect to



Princess Margaret, played by Lesley Manville — Keith Bernstein

bring them over here. *The Crown's* depiction of Diana's at-home style cuts a chic — and believable — profile, with

'I think everyone does remember Diana so readily. You just can't avoid the pressure of those moments'

slouchy cable-knit sweaters, sleeveless turtle-necks and black cropped trousers.

Even the most fleeting moments on screen get an impressive attention to detail. One of the costume designers' favourite pieces is seen for just seconds: a velvet dressing gown for Wallis Simpson in a print that matches the wallpaper. The widow of the abdicated king is dying, suffering from arthritis and dementia — "It's almost like she fades into the walls," says Sidonie Roberts.

There is a notable shift to autumnal shades this season, as the narrative turns to a darker, more subdued place. "There is a melancholia about these episodes," Amy Roberts says, taking on the viewpoint of the Queen. "You are getting older, your family have grown up, your expectations are being dashed and blown and it's tough."

The final episode of the fifth season concludes just weeks before Diana's death. We see the princess in her bedroom, haphazardly packing for a vacation on a yacht in the south of France. It's an imagined moment but one rooted in the real world once again, as she tosses a teal one-piece swimsuit into her suitcase. Paparazzi photos that emerged last month from the set of the sixth and final season revealed a recreation of the famous Diana diving-board shot.

It's one of the last images of the late princess. Debicki, in that sea-blue tank suit, looks like her twin as she dangles her feet over the water.



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## The charm of a bejewelled bag

Accessories Milena Lazzeri on the fashion houses merging two collectable luxury items

A t New York Fashion Week in September, Fendi celebrated the 25th anniversary of its best-selling Baguette bag with a dazzling ready-to-wear show designed by Kim Jones and Marc Jacobs, a front row stacked with celebrities including Kim Kardashian and Sarah Jessica Parker, and some Tiffany & Co diamonds.

Fendi and Tiffany, both of which are owned by LVMH, collaborated on a limited-edition bag in robin-egg blue crocodile leather with a diamond-studded clasp combining their initials.

The bag was a headline-grabbing number that also underlined the growing appetite for high jewellery bags. (High jewellery is the jewellers' equivalent of haute couture, showcasing rare gems in elaborate one-of-a-kind creations.)

"Since Tiffany is an institution in New York, the show was the perfect occasion to see the baguette reinterpreted through their lenses, without losing the bag's identity," Silvia Venturini Fendi, the brand's artistic director of accessories and menswear, wrote in an email.

Fendi is by no means the first fashion house to release a high jewellery bag. Dior launched its first bejewelled handbags in 2019, co-designed by Dior's Joaillerie creative director Victoire de Castellane and artistic director of women's fashion Maria Grazia Chiuri.

Given that leather accessories and jewellery are among the best-performing categories in the luxury goods sector, there is a logic to combining them in one product. Accessories and jewellery brought in €62bn and €22bn respectively in 2021, an increase of 8 per cent and 7 per cent on 2019, according to Bain.

"Handbag collectors love a piece that integrates both leather goods of the highest order and jewellery," says Morgane Halimi, Sotheby's head of handbags and accessories. She cites Hermès's bejewelled handbags as the

most sought-after pieces on the secondary market.

Bejewelled bags have a long history. Cartier began crafting handbags at the beginning of the 20th century under the supervision of muse/artistic director Jeanne Toussaint, and has since introduced an array of models, ranging from bejewelled clutches with six-figure price tags to more accessible leather bags such as the Must de Cartier (from £1,070) and the new Panthère de Cartier (starting at £2,470).

Nowadays, Cartier produces a small

Today, almost all jewellers have a line of accessories with some bejewelled elements. Chopard, for example, has introduced bags in denim and leather set with floating gems, malachite and mother of pearl. Pearl specialist Tasak has a collection of leather handbags designed by creative director Thakoon Panichgul featuring shoulder straps and handles made of the house's famous pearls.

Earlier this year, London-based jeweller Carolina Bucci debuted her first bejewelled clutch, named Woven Wishes, made in collaboration with Lebanese accessory brand 13BC. Priced at £4,500, the clutch is made to order, "quite simply because the bags take a huge amount of time and effort to make, and we have found that demand has outstripped our ability to make them in time," explains Bucci.

Bulgari has also introduced high jewellery purses. "The demand and the consequent creation of these beautiful one-of-a-kind jewellery bags have grown over time," Mireia Lopez Montoya, Bulgari's managing director of leather goods and accessories, writes in an email.

Lopez Montoya is referring to the house's high jewellery handbags — price on application — such as a recent version from the Serpenti collection in crocodile leather, closed with a snake-head-shaped clasp that can be detached and worn as a pendant or brooch.

"It is a testament to the versatility with which Bulgari has always created jewels that can be worn in different ways," she says.

But why are collectors drawn to five- or six-figure bejewelled bags? Singapore-based author, philanthropist and collector Paige Parker provides some clues. She owns a signed and numbered 18-carat gold mesh clutch by Van Cleef & Arpels with a platinum and diamond scalloped closure, which she uses sparingly. "I use the bag on the most special occasions, like an intimate birthday dinner at a friend's home," she says. "To me, it's a work of art and an investment."



13BC X Carolina Bucci Woven Rainbow Clutch, £4,500

number of one-of-a-kind high jewellery bags a year, fusing the house's jewellery expertise with haute couture techniques. For example, this year's Mosaic Snake bag features a feather marquetry surrounding a snake jewellery piece set with diamonds, onyx, sapphires and tourmalines. In another high jewellery bag, a diamond-studded panther with onyx spots lies languidly on a 2.51-carat fire opal, against a night landscape given depth through layers of lacquer.

Van Cleef & Arpels' highly collectable minaudières were first introduced in the 1950s, and the house still produces them on request. It all began when Charles Arpels encountered the stylish Florence Gould, daughter-in-law of the American railroad magnate Jay Gould, carrying a nondescript metal box as a purse. Horrified, he resolved to create an ingenious 3D space-efficient jigsaw for her beauty essentials.



### DE VILLE PRESTIGE

More graceful than ever before, the Third Generation of the De Ville Prestige has been introduced with all the emblematic DNA you'd expect, but with a comprehensive upgrade across the design. This new 27.5 mm model is crafted in OMEGA's exclusive 18K Sedna™ Gold. Along with a diamond-paved bezel and a modernised Prestige bracelet, there is a white mother-of-pearl dial, with alternating Roman numerals and diamond hour markers, while on the caseback, the God Chronos medallion is a signature detail of the De Ville Prestige.

**Ω**  
**OMEGA**

# The return of Mary Janes

Trend | Women are swapping their trainers and slides for this elegant style, writes *Ellie Pithers*

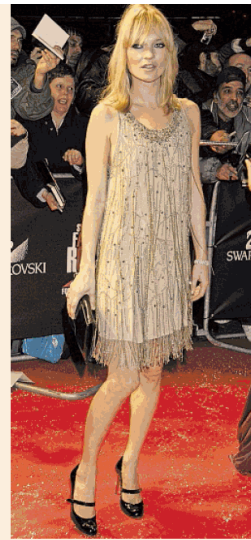
Like Arsenal's standing in the Premier League or Matt Hancock's career in television, the Mary Jane shoe is rebounding in the fashion world, surprising everyone who'd written off dainty footwear for chunky boots and orthopaedic-looking trainers.

There she was, clapping along the spring/summer 2023 catwalks at Prada, Versace, Chanel and Dior. There she was again, striding along the rain-streaked streets on the feet of fashion editors, buyers and influencers as they flitted between shows. Her fresh-faced idealism seems to be a sort of rejoinder to the ugly-comfy slides and sneakers

that have dominated our lives since the pandemic. These are shoes for going places – elegantly.

True, Mary Janes still carry with them the risk of infantilisation – for some, the flat, one-strap style with a rounded toe is forever the preserve of Shirley Temple tap-dancing in a pink tutu in *Baby Take A Bow*. But, as anyone over the age of five will be pleased to hear, the style has changed over the years.

For one, she's been boosted: Valentino's towering platform Tan-Go style is currently dominating red carpets and Instagram feeds, with Versace's La Medusa platforms hot on its 155mm-high, patent-leather heels.



Alexa Chung wears a red pair of three-strap Carel Paris 'Kina' Mary Janes; Emilia Wickstead SS23; Kate Moss in 2007 in patent leather high-heeled Mary Janes – GC Images/Getty Images

Below: Eugénie Trochu of Vogue France in low-slung heeled Mary Janes in July; The Row 'Ava' square-toe, £350 (on sale), matches fashion.com; Aeyde 'Uma' black nappa, £225, aeyde.com



At MatchesFashion.com, sales of Mary Jane flats from The Row, Maison Margiela, Le Monde Beryl and Ganni are proving strong, according to head of womenswear Liane Wiggins, while Net-a-Porter can't keep the German label Aeyde's square-toed Uma style in stock. At John Lewis, 2022 sales of Mary Janes are currently six times higher compared with 2021 sales, according to its annual shopping habits report published in September.

It's funny to think that many of us are returning to what would have been our first pair of proper shoes. Originally named after a character in the Buster Brown comic strip started in 1902, Mary Janes started out life as training shoes. The podiatric equivalent of stabilisers on a bicycle, the kindergarten-issue style was a step up from soft-soled baby slippers, but a totter back from grown-up pumps. Not for nothing do the French refer to the Mary Jane as babies.

The 1960s proved a coming-of-age in the style's development: Mary Janes acquired a sexually charged allure when they became a symbol of the Youthquake. In the 1990s, when they were adopted by Courtney Love as part of the so-called kinderwhore aesthetic, which sought to subvert the "little girl" stereotype. Paired with baby-doll dresses, peroxide blond hair and slashed red lipstick, Mary Janes became a tool of the post-feminist empowerment agenda. At the same time, they were becoming synonymous with a wifish persona thanks to Kate Moss, who paired high-heeled versions with sheer slip dresses and shrunken T-shirts. (Moss still loves the style, and wears Repetto's black patent iteration on repeat.)

Mary Janes shape-shifted again in the early 2000s largely thanks to Carrie Bradshaw, who raided the Vogue accessories cupboard in *Sex and the City* and unearthed a pair of Manolo Blahnik's stiletto-heeled patent Campari style. First launched by Blahnik for autumn/winter 1994, the designer said "It started off with the idea of a children's Mary Jane... but then I made it sexy: pointed toe, high heel – and in black patent with grosgrain trim!" Today, the Campari remains in the brand's 10 best-selling classic styles globally, and a new backless satin version with a jewelled button on the strap launches this year.

Manolo aside, practicality has always been key to the Mary Jane shoe's attraction. The French label Carel has been majoring in block-heeled babies in manageable heights since 1952. As its current custodian Frédérique Picard points

out during a turn around Carel's store in Paris's genteel eighth arrondissement: "You can do anything in it – catch a bus, carry a baby, get on your bicycle, go to the supermarket. Comfort is very important. It can also make a silhouette that is very Parisian – stable, let's say, but sexy."

Françoise Hardy was a fan in the 1960s; today, Alexa Chung flits around in the dainty three-strap Kina style. But not all 2022's trending Mary Janes read gamine. The British actor Anna Shaffer discovered the French accessories brand Nodaletto's Mary Jane platform heels via "Instagram osmosis", and immediately fell for their slightly bulbous appearance: in shiny patent



leather, with a gently curved heel, they look as though they've been pumped with collagen. "I have big feet, big hair, big boobs, so I can feel a bit top-heavy if I put on a delicate shoe", Shaffer explains. The designer Emilia Wickstead has similarly put a surreal twist on the Mary Jane for spring, grounding satin toes with a chunky transparent Perspex heel. "I wanted that playful feeling, so that the models looked like they were walking on air", she explains.

Worn barefoot and with a boyish outfit, Mary Janes can add a welcome dash of femininity in bright colours or boasting unexpected details (read: square toes, chunky treads, rhinestone-becked buckles) they have an offbeat appeal.

Luisa Dames, co-founder of Berlin-based accessories brand Aeyde, wears the brand's hyper-popular, black nappa-leather Uma flats primarily to add a polished note to her faded vintage Levi's jeans. She also directs my attention to the Spanish influencer Blanca Miró, whose tangerine-orange pair lends an intentionally playful hit of colour to brown maxi dresses and denim cut-off shorts alike. Alexa Chung, aforementioned Carel fan, wears her silver pair with baggy denim dungarees and oversized tailoring. In contrast with British actor Lucy Boynton, whose red, patent pair read butter-wouldn't-melt when paired with white ankle socks and baby-doll dresses.

My personal Mary Jane radar started blinking thanks to the American actor Zoë Kravitz, who is rarely pictured off-duty in anything other than a flat pair of Ava Mary Jane shoes from The Row. A Brooklynite with finely inked tattoos flowing down her arms and piercings flowing up her ears, Kravitz offsets any potential prissiness associated with the shoes with low-slung baggy jeans and thrift-store maxi skirts.

Duly influenced, and bored of trainers and loafers, I bought a pale oatmeal pair in glove nappa leather. Sadly, they sat sepulchred in their shoebox for months, too lovely to sport in the outside world, so I sold them on Vestiaire Collective.

But last week I saw a woman on the Metro wearing them in black velvet with wide-legged jeans, a crisp-collared shirt and a mannish overcoat. She looked sweet and serious at the same time. Reader, I ordered them immediately.



The village had been abandoned for about 20 years. But I found it difficult to imagine anyone had ever lived there at all.

Sab Bani Khamis is set improbably on a narrow ledge of rock in the Hajar Mountains of Oman. Above it, a vertical wall rises to Jebel Shams — “the mountain of the sun” — so-named because its summit is touched by the first and last beams of the day’s sunlight. Below the village looms a roughly 800-metre drop — tumbling sheer into the shadows of an immense canyon. You can look down to see vultures on the wing. You might chew on dates, spit the stones into oblivion — and never hope to see or hear them land.

It had taken an hour and a half for me to walk the donkey track to Sab Bani Khamis. It was also a journey into another age. The houses were small and ancient-looking, with slumped stones and collapsed olive-wood beams. A few pomegranate trees still grew on the old terraces. Only the mosque has been well kept, with a pristine copy of the Koran inside. Much of the village is pitched at a 45-degree angle, the gradients seem-



ingly willing you downwards into the abyss. I heard that at one point theyoung children who lived here had heavy rocks tied to their ankles to ensure they didn’t wander far from their houses.

“The village was a happy place,” remembers Suleiman bin Humaid. “Nobody could ever bother us up there.”

Suleiman is aged about 90. Born in Sab Bani Khamis, he remembers boyhood summers when villagers sang during the fig harvest — and three-day journeys from the mountain to buy flour from the market. For the dozen or so families resident there, Sab Bani Khamis was a sanctuary: the cliffs of Jebel Shams worked as an umbrella against torrential rain, the houses sheltered in the cavity behind sudden waterfalls. Tribal wars never reached these heights.

But there was a different danger. About a century ago, a couple were pulling corn from the lower terrace of the gardens — a shelf of rock cantilevered like a diving board over the void below. One plant was mature and tough. The husband didn’t have the strength to pull it, so his wife showed him how. She lost her balance when it came free. I worked out it would have taken more than 10 seconds for her to fall to the canyon floor, still clutching the crop.

Eventually, the inhabitants of Sab Bani Khamis succumbed to the gravity of modernity. In the 1960s, some 400 years after it was founded, the village was part-abandoned. It was used as an occasional winter home until 2000, when the spring that watered its crops ran dry and the gardens withered. By that point, the Omani government was offering land on the valley floor, and incentives to live closer to amenities and schools. Many former residents now have large air-conditioned houses on the plains. Suleiman, meanwhile, lives in the mountain hamlet of Al Khatim — from here he can still walk the track to his old village among the eeries and the thin air, and visit the pomegranate trees.

“I didn’t want to go and live in the world down below,” he says. “It is a different life. You can’t let your animals roam. There is not the same freedom down there.”

Sab Bani Khamis is one of many abandoned villages in the Hajar Mountains of Oman. Over a week of walking here, I passed several settlements clinging by their fingertips to the cliffs — places of splintered wood and crumbling clay, hearths blackened by ancient fires. They have a melancholy beauty. But their abandonment also reveals something about Oman, a country that has experienced a transformation as dramatic as any over the past few decades.

I had brought with me Jan Morris’s book *Sultan in Oman*, the writer’s 1957 account of travelling with Sultan Said bin Taimur on his campaign to assert sovereignty over the Hajar Mountains — then under the control of the rival Imamate of Oman. The Sultan’s forces were backed by the British (who, in turn, were backed by powerful oil interests keen to drill the Omani interior). Morris’s book is open-eyed to this cynical play late in the British imperial chess game. But it is also a lyrical portrait of a place then barely known to the western



## Oman | On a hiking trip into the highlands, Oliver Smith explores a forgotten world of cliff-top hamlets, ancient water channels and palm-fringed gardens



From top: the mountain village of Misfat Al Abriyeen; a traditional falaj irrigation system in Misfat; Sab Bani Khamis, set improbably on a narrow ledge of rock high up in the mountains  
Alamy/Oliver Smith

mighty gates closed with a ceremonial gunshot at dusk, remote regions where tribes prayed towards the sun. The prose feels hard to square with today’s prosperous oil-rich country of multi-lane highways and high-speed internet. But occasionally her descriptions resonate — in mountain villages, on certain lonely shepherd trails, in a wadi that my guide suggests we avoid because the *djinn* (invisible spirits) there get nervous around human beings.

Of particular interest to Morris were the *falaj* (singular: *falaj*) — the man-made water channels that course through the mountains of Oman, trickling into terraced gardens. She observed that to travellers in these parched landscapes, “water had an almost mystical quality, as gold or uranium do to people of other circumstances”.

The falaj in Sab Bani Khamis was dry and broken — only ants streamed along its stones on my visit. But the falaj in the nearby village of Misfat Al Abriyeen is a

strata of rock for centuries streams into sunlight, then courses through an intricately engineered irrigation system, lapping at junctions dammed with old rags and stones, cascading down a delta of clay and concrete into the gardens, like a beating heart pumping life through arteries that divide and subdivide.

As well as irrigating crops, falaj are used for washing dishes, laundry and human bodies. One evening I wandered upstream along the falaj in Misfat — the mother channel rushing mercury-like under moonlight — to see someone performing ablutions before prayers in the mosque. Silhouetted against the constellations are watchtowers built to guard the channel from saboteurs. Frogs ribbit in the puddles of the overflow. “When you first see the water rushing down the channel, it is almost as if it is alive,” says Yaqoob. “Every falaj has its own order. It is designed to give everybody a chance.”

Access to falaj is through a timeshare system; traditionally the rotation of the water went in tandem with the turn of the heavens. High on the cliff above the village are eight cairns — when certain stars touched the rocks, dams were opened to switch the flow from one garden to another. Sundials governed the clockwork adjustments of the falaj by day. These days the rotation of falaj is mostly done by alarm clocks and WhatsApp groups. But spending time in Misfat you grow accustomed to the sweet sound of the water altering course, like music shifting from one key to another.

Afalaj were once a constant from cradle to grave — children learnt to swim in the reservoirs with banana tree trunks as buoyancy aids; the bodies of the recently deceased were cleansed in the cool water. Indeed, the national character has been shaped by the management of falaj — according to Jeremy Jones and Nicholas Ridout’s *A History of Modern Oman*, “falaj... has given Omani culture a strong material basis for co-operation... non-confrontation and consensual decision making”.

But even falaj are not immune to the creep of modernity. A recent UN report showed that they are now being operated by an ageing demographic. In Misfat, I’m told many young locals aren’t interested in farming any more.

“Once children used to race little boats down the falaj,” says my guide Nawaf Al Wahabi. “But now, of course, they have video games instead.”

Two years after Jan Morris published *Sultan in Oman*, British and Sultanate forces laid siege to the last stronghold of the Imamate on Jebel Akhdar (the Green Mountain). This mountain massif truly resembles an immense fortress — its ramparts of rock crenellated with limestone crags, scored with gloomy caves like arrow slits — all of it enclosing a central basin like a castle courtyard. Jebel Akhdar witnessed the final act of a war that helped create today’s Sultanate of Oman — the Special Air Service

out of sight of the honeymoon suites and infinity pools, are more phantom villages abandoned in the social upheavals of the 20th century. Here and there are the scars of the war.

My last walk takes me two hours down a steep canyon to the village of Masirat Ash Shirayqiyyin — abandoned in the 1990s, when its residents left for new homes beside tarmac roads with mains electricity. Among its huddle of mud-brick houses is the flotsam of past lives: a rusted iron cot, a hurricane lamp, two bottles of Scotch whisky. Tiny windows look over the mountain ridges once patrolled by the SAS, now stomped by goats. I am ready to turn back, when my guide, Said al Riyami, suggests we walk a little further, into the village gardens.

They are, unexpectedly, the most beautiful gardens I visit in Oman: a falaj spilling on to emerald terraces shaded by towering palms, coursing through banana groves where the air quivers with butterflies. We stop and swim in a reservoir of cool mountain water, more perfect than any hotel pool. We steal some of the water to boil cardamom coffee and reflect on the strangeness of this living garden for a dead village, where the ghosts of the past feel near at hand. “I am 40,” says Said. “So I have seen both the old way and the new way of life. The old life was beautiful. But money has changed people.”

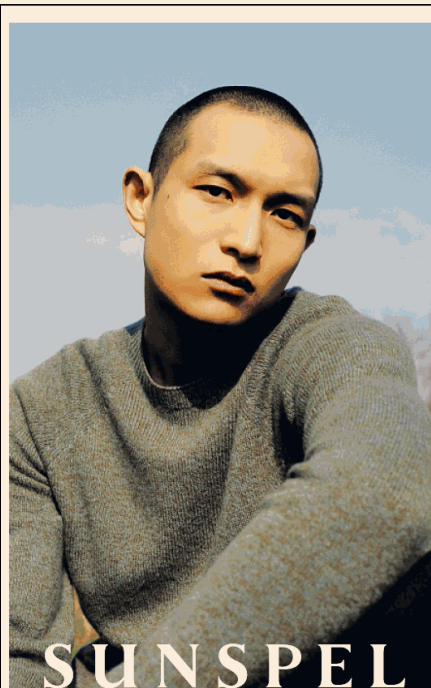
These gardens are, we agree, an earthly paradise. Perhaps in our subconscious is an old story about another garden before mortals make the mistake of departing. But in a sense it is a delusion. The flow of Gulf money sustains these remote gardens in the canyon at Masirat Ash Shirayqiyyin. Migrant workers from Bangladesh are paid to do the back-breaking harvesting that locals will not. Helicopters periodically come to drop fertiliser and collect sacks full of dates. Three decades ago, the owners of the gardens chose to live in a place where they can get water with the turn of a stainless-steel tap.

With this thought, I get ready to leave. But before I do, I tear a page out of my notebook and make a few folds. I cast my paper boat out on to the falaj. It catches the water mid-current, and its tiny white sail swoops beneath the palms.

Oliver Smith’s book *The Atlas of Abandoned Places* is out now (Octopus £20)

### DETAILS

Oliver Smith was a guest of Wild Frontiers ([wildfrontierstravel.com](http://wildfrontierstravel.com)), which can arrange tailor-made trips throughout Oman. A bespoke eight-day tour, including guided walking in Jebel Shams and Jebel Akhdar, costs from £6,085 per person. For more on Oman, see the tourist board website, [experienceoman.com](http://experienceoman.com)



SUNSPHEL

world – “until now [the Omani interior] had been a populated Atlantis,” she wrote, “an island of hearsay between the desert and the sea . . . less familiar than Greenland or Tibet.”

Morris’s accounts describe the communities of cave-dwellers, walled cities whose



From left: Suleiman bin Humaid's son Ali on the cliffs near Sab Bani Khamis; Suleiman himself in his new family home — Oliver Smith



defeating the Sultan's enemies, as RAF jets bombed the ancient aflaj.

Today this history is little spoken of — Jebel Akhdar's lofty heights are now busy with five-star hotels and tourists who come to escape the summer heat of the Gulf. But dotted about the canyons,



## Travel

Some of the questions I get asked about flying are timeless. Have I ever seen anything I can't explain? (No, but on winter nights the hours-long auroras can be downright eerie.) How do planes stay up? (Think of a wing's motion through the air as like that of a water-ski on a lake.) One frequent question, however, is more recent: what are pilots doing on their iPads?

It's an excellent question, because the iPad represents the greatest change to my job since I started flying as a commercial pilot nearly two decades ago. It's made my job simpler and aviation more efficient.

Well in advance of each flight, our iPads allow us to view details such as the number of free seats and route-specific customer feedback. We can message the cabin crew to discuss operational matters (perhaps a VIP or a large school group will be travelling, for example) or merely to share or seek recommendations for restaurants or excursions at our destination. Primarily, however, pilots use iPads as a library, an atlas, and a tool for flight planning, briefing and logging.

An aircraft library is formed of dozens of manuals, documents and forms. Some, such as the operating manuals, technical descriptions and cargo-loading instructions, are specific to each aircraft type. Others contain more general information — everything from the formal definitions of turbulence to a pilot's worth of



Mark Vanhoenacker

### View from the cockpit

oceanic radio frequencies. On the Boeing 747, these books, some individually thicker than a stack of a dozen iPads, were latched behind the doors of dedicated cockpit bookcases.

Removing the paper versions in favour of an iPad-based library saves not only trees but fuel, and we can access any manual without unstrapping our seatbelt, removing our headset and climbing out of our seat.

We often also use the iPad to prepare ahead of a flight. Before operating on new or challenging airports, for example, we may be required to watch an introductory video. I'm now able to do this from home or on my way to work on the train, rather than in a special audiovisual room at Heathrow as in the old days. (If I forget my iPad, I can borrow one; the protective case

of the loaned iPads is, however, a reproachful red.)

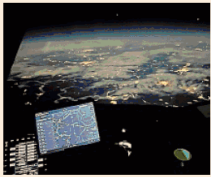
And, of course, many of our documents are updated frequently, and always with great care. Notices used to be posted at the airport to flag each change, until it was time to update the manuals, when a team at Heathrow would drive from one aircraft to the next, swapping fresh manuals for old. Pilots would collect a thick stack of new pages to insert into their personal set of manuals at home. (I used to do this on the living-room floor, without music or television, to ensure I didn't make a mistake.) Today, we simply press a button.

Our iPads also hold a navigation app, called Lido mPilot, which opens to a map of the world and that day's route across it. From that view we can zoom in to see airways, minimum altitudes, navigation beacons and the pleasingly sweeping isogonic lines that indicate magnetic variation. To display or remove layers of data or declutter the screen, we need only tap a button; and we can tap anywhere on the planet to see air traffic control frequencies, satellite phone numbers and local instructions and notices.

Unlike on the globe I once spun in my childhood bedroom, cities, rivers and sea lanes are not marked. Just a handful of mountains are named, and even national boundaries (as opposed to those of Flight Information Regions, the true countries of the sky) appear only faintly. Thankfully, the navigation app overrides the iPad's auto-lock function, so our charts never blank at a

critical moment. (I wish every cooking app did the same.)

The navigation app also holds our airport-specific “plates”, as we used to call them when they took the form of thousands of tissue-thin sheets in on-board binders or in small booklets we would collect at Heathrow before each flight. The text and maps on the plates tell us everything we need to know to make an approach to the specific airfield, such as its opening hours, controller call signs and even local speed limits (both in the air and on the ground). On digital plates we can add



Mark's iPad over Germany last week

*The iPad represents the greatest change to my job since I started flying as a commercial pilot nearly two decades ago*

our own notes, zoom in or out, or even highlight an anticipated taxi route and mark our expected parking position. And it's a joy — particularly on dark and stormy nights — to move seamlessly from one plate to the next with a simple tap, rather than having to turn physical pages, reorder loose sheets or struggle to re-align the beam of the cockpit's chart light.

The iPads additionally serve as a flight briefing and logging tool. Before every departure, a team of planners prepares a briefing pack. This contains everything pilots must know to fly from A to B at a specific time on a specific aircraft: maps that show areas of potential turbulence, wind, air temperature and optimum altitude data, the preliminary payload and fuel load and, most importantly, the sequence of airways, way points and navigation beacons that form our flight-planned route.

Once upon a time, after a flight crew had met at the airport and introduced themselves, the next task was to print out and staple together perhaps a hundred sheets or more of this briefing pack. These days, we download them directly to our iPads (via another app, Lido mBriefing). Because electronic updates can be issued easily — and much closer to departure time — this also allows us to fly more efficient routes that better match the latest wind forecasts, as well as our latest payload, which can change significantly as last-minute passenger bookings and cargo are added. (A heavier plane might benefit from a different initial cruising

altitude and therefore, since winds vary with altitude, perhaps an entirely different route.) After we've read through the pack together, the captain orders the final fuel load and we head out to the aircraft, where we confirm the fuel loading with — you guessed it — a fuel app.

Legally, pilots are required to log the time and the fuel on board at departure, at various way points en route and on arrival, as well as any clearances by air traffic control. These notations used to be made on a printout of the route that could run to more than 20 pages. In July, however, the requirement to carry and complete a paper flight log was finally lifted.

Today, we complete the log electronically and submit it after we've parked and disabled the iPad's aptly named airplane mode (all the live information we use during the flight comes via the aircraft's own systems). As for my pen — which lives in the separate little holder next to the front pocket that's been a feature of generations of pilots' white shirts — these days I may cross back and forth across the world without ever taking it out. But nostalgia comes easily to me, as to so many of my colleagues, and I'm not yet quite ready to leave it in the drawer of my desk at home.

Mark Vanhoenacker is a Boeing 787 pilot for British Airways and the author of 'Imagine a City' (Chatto & Windus/Knopf). Follow Mark on Twitter @markv747 or email him at mark.vanhoenacker@ft.com

### Shortcuts

**Antarctica** An Italian adventurer is due to set off next week on what could be the ultimate bike-packing expedition: an unprecedented solo crossing of Antarctica. Omar Di Felice, 41, will ride a steel-framed, wide-tyred “fat bike”, with his tent and supplies in a sled pulled behind him. A former professional road cyclist, Di Felice hopes to cover the 2,000km route in 60 days, though says he is conscious of the potential challenges and has a sense of “fear as big as that of the continent of ice”. After flying from Chile, he will start from Hercules Inlet then ride via the South Pole to the Leverett Glacier. The first half will be significantly tougher: uphill and with no track, meaning Di Felice will potentially face deep powder snow, crevasses and sastrugi, obstacles that could force him to walk much of the way pushing his bike. From the South Pole onwards, he will be able to use the compacted ice road created to supply the US research station. ultracyclingman.com

**London** The first hotel within the newly relaunched Battersea Power Station development is due to open next month. The 164-bedroom artotel sits within the Foster + Partners-designed Battersea Roof Gardens building, a few metres to the south of the power station itself. It will start taking guests from December 12, with an official launch on February 21 next year that will include a spa and restaurant from chef Henrique Sá Pessoa, whose Alma restaurant in Lisbon holds two Michelin stars. The brick-built power station reopened as a shopping centre last month, 39 years after it was decommissioned. Double rooms start from £400 per night; artotelondonbattersea.com



Antarctica-bound: Omar Di Felice

# A Flemish masterpiece

Belgium | Antwerp's local hero Rubens has a fitting new home in the city's gloriously restored art museum.

By Nigel Tisdall

Why did it take so long? That is the pressing question about the Royal Museum of Fine Arts Antwerp, commonly known as KMSKA, which finally reopened at the end of September after an 11-year renovation costing over €100m.

The answer is that this monumental building, constructed in 1890 as a grand temple for the arts worthy of a wealthy port on the banks of the River Scheldt, required some serious work to bring it up to 21st-century standards. Out came the asbestos and in went the climate-control systems. Gallery walls have been painted in olive green and Pompeian red, while a new floor mosaic has been laid down using 60 types of marble. The total exhibition space has been increased by 40 per cent by deftly inserting lofty modern galleries into internal courtyards, their floors so gleamingly white it is like being in an ice rink.

The result is a magnificent new home for the world's largest collection of Flemish art, one that Luk Lemmens, chair of KMSKA's board of directors, believes sets it on a par with art heavyweights such as the Rijksmuseum and Prado.

He has a case, for there is plenty to make the head spin with wonder, starting with a huge central gallery devoted to Antwerp's greatest hero, Peter Paul Rubens. It is fascinating to look at his powerful, 4.2-metre high, crease-lined canvas “The Last Communion of St



Clockwise from left: the De Keyserzaal room at the Royal Museum of Fine Arts, or KMSKA; one of the newly created galleries at the museum; the Museum of Modern Art, in a former grain silo; “The Adoration of the Magi” by Peter Paul Rubens (1624) at KMSKA. Karin Borghouts, Dominique Proenx, Brian Goats



Francis of Assisi” and think how in 1794 it was triumphantly carted off to the Louvre by French Republican troops, then proudly brought back following the Battle of Waterloo.

Celebrated works by Jean Fouquet, Rogier van der Weyden and Pieter Bruegel the Younger are by turns star-



ting, extraordinary and engrossing, and there are engaging juxtapositions such as Jan Bruegel the Elder's “The Tower of Babel” alongside Salvador Dalí's “Girl Skipping in a Landscape”. Digital screens reveal fascinating backstories, such as how three panels from the 1490s by Hans Memling, which depict 16 flaxen-haired angels with rainbow-hued wings playing heavenly music, languished in a Spanish monastery for centuries before returning to Belgium for a restoration that took 16 years.

In the modern sections there are discoveries galore, from the unsettling art of Ostend-born James Ensor to the sensual portraits of women by Rik Wouters, who died in 1916 at the age of 33.

Leopold de Waelplaats square that fronts KMSKA. As gentrification spread south from the city centre, new residents discovered streets with delightful Belle Époque and Art Nouveau buildings, including the fanciful Her Bootje (The Little Boat), where an ornate ship's prow sails above the street.

Among the first to arrive was Ann Demeulemeester, one of the Antwerp Six group of fashion designers, who opened her flagship womenswear store here in 1999, housed in a former school for seamen. Exquisitely tailored menswear followed in 2006 with Bruno Van Gils' “Café Costume”, now with five locations along Emiel Banningstraat.

There are also abundant private art galleries, with leading curators like Sofie Van de Velde displaying some 500 visitors every weekend.

On the restaurant front, Thomas Snijders, executive chef of Lewis, which sits next to KMSKA, serves comforting dishes such as spaghetti with buttermilk and buckwheat and will shortly open a second venue, Bar Raket, in Breststraat. Foodies should also seek out the honest, seasonal fare at little-touristed Album, opened two years ago on Vlaamsekaai.

Close to the river, this part of Zuid is centred around a trio of rectangular docks once crammed with small ships. In 1969 these were filled in to make a long, dreary car park that is now being transformed into a mini-version of New

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Given that there are 640 works to admire and that a walk through KMSKA's 50 halls runs to almost 2km, it is impossible to fully appreciate this colossus of Flemish art in a single visit. Fortunately, the museum sits in the thriving neighbourhood of Zuid (South), making it the perfect centre-piece for a stimulating short break, with another two major sights close by — Fotomuseum Antwerp, or FOMU, devoted to the history of photography, and M HKA, the Museum of Modern Art, housed in a former grain silo.

"Twenty-five years ago this wasn't a nice area," explains Christophe Ysewyn, owner of the minimalist, 17-room Hotel Pilar that sits on a corner of the leafy

York's Central Park. It will be a tree-lined mix of meadows, water features and recreational areas. A quarter of this verdant transformation is already in place, with completion scheduled for spring 2024. In Antwerp, the changes may come painfully slowly, but as the rebirth of KMSKA shows, it is invariably worth the wait.

DETAILS

Nigel Tisdall was a guest of Visit Flanders (visitflanders.com) and Visit Antwerp (visitantwerp.be). Admission to KMSKA (kmska.be) costs €20, under-18s free. Double rooms at Hotel Pilar (hotelpilar.be) from €145, room only

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## Books

Life&Arts

# Hidden depths

Essay | Sixteen years after

'The Road', the release of two new Cormac McCarthy novels is a major literary event. *Jon Day* charts the writer's trajectory across the American landscape

Cormac McCarthy's early novels were full of sentences that were rich and fine and sometimes slightly overdone. Take this, from his first novel *The Orchard Keeper* (1965): "In the relative cool of the timber stands, possum grapes and muscadine flourish with a cynical fecundity, and the floor of the forest — littered with old mossbacked logs, peopled with toadstools strange and solemn among the ferns and creepers and leaning to show their delicate livercolored gills — has about it a primordial quality, some steamy carboniferous swamp where ancient saurians lurk in feigned sleep." Cynical fecundity is right. Or this, from *Outer Dark* (1970): "on their chairs in such black immobility these travellers could have been stone figures quarried from the architecture of an older time", which sounds suitably portentous but doesn't quite make sense (quarrying figures? And quarrying them from architecture?).

The landscape of those early novels, from the rivers of Tennessee to the Appalachian mountains, was identifiable as that of McCarthy's childhood, even if they were often set in a time before he was born. Since then the settings have become more abstract: *Blood Meridian*'s (1985) lurid choreography of violence takes place against an adumbrated landscape; the timeless apocalyptic wasteland of the Pulitzer-Prize winning *The Road* (2006) is more a stage set than a real place. His later novels imagine America as through the settler's eye, as a void or an absence: the stuff out of which a nation might be formed, or to which it might one day return.

It's partly this trajectory — from florid specificity to stark abstraction — that has garnered McCarthy such critical acclaim and such a fanatical global readership over the past 57 years. Though grounded in the American experience, his novels feel archetypal and universal: like Greek myths or biblical allegories, they are full of the promises of violence and redemption.

It's now been 16 years since the publication of *The Road*, which makes the arrival of not one but two new novels, rumours of which have abounded at



David McCrone

**The Passenger**  
by Cormac McCarthy  
Picador £20  
400 pages

**Stella Maris**  
by Cormac McCarthy  
Picador £20  
192 pages

least since he sold his archive to the Texas State University-San Marcos in 2009 — a major literary event.

The first is *The Passenger*, a noirish novel of strange dreams and promising fragments of plot. The bulk of the action is set in New Orleans in 1980 — the decade signalled mainly by the lack of smartphones — and concerns Robert Western, a mathematical whizz and PhD dropout with a photographic memory, who now works as a deep-sea salvage diver. Western, with his parody of a McCarthy name, is also a Vietnam war veteran whose manly hobbies (racing Formula 2 cars, drinking) belie his intelligence and emotional sensitivity.

Early on, when Western is commissioned to investigate a submerged plane with a missing passenger, we think we might be in the territory of the thriller. But it soon becomes clear that diving will be more of a metaphor than a plot point. "It's true that he does dangerous underwater work for high pay," a friend observes of Western, "but it's also true that he's afraid of the depths. Well, you say. He has overcome his fears. Not a bit of it. He is sinking into a darkness he cannot even comprehend."

One of these incomprehensible darknesses is the fact that Western is in love with the shade of his dead sister Alice, a troubled mathematical and musical prodigy who killed herself eight years before *The Passenger* begins. We get to know Alice via hallucinatory flashbacks

populated by a cast of carnivalesque "horts" (short for "cohorts") including "the Thalidomide Kid", a dwarf with flippers for hands, with whom she has long conversations about particle physics and higher-order maths. The siblings' genius feels less unlikely once you learn that it's inherited: their father worked with J Robert Oppenheimer as part of the team of physicists who designed the atomic bomb.

The lead-up to Alice's suicide is the subject of McCarthy's second novel,

His novels feel archetypal: like Greek myths, they are full of the promises of violence and redemption

*Stella Maris*, part coda to *The Passenger*; part manifesto for his fiction. Set in 1972, it takes the form of an extended dialogue between Alice and her psychiatrist Dr Cohen after she's checked herself into a psychiatric hospital.

There's plenty that will be familiar to longtime McCarthy watchers in both books. Formally, *The Passenger* is reminiscent of his sprawling comic masterpiece *Suttree* (1979), and *Stella Maris* recalls his 2006 "novel in dramatic form" *The Sunset Limited* (McCarthy's ear for dialogue reflects a longstanding interest in cinema — he has written

several screenplays). Stylistically, too, the new books are deeply McCarthyish. Since writing the Border trilogy — *All the Pretty Horses* (1992), *The Crossing* (1994) and *Cities of the Plain* (1998) — which made him famous, his prose has reduced and intensified, like a pot of stock left on the boil. Nowadays his sentences have the solidity of stones and the clarity of diamonds. He still doesn't like speech marks, avoiding apostrophes apart from where their absence might cause confusion (so it's "dont" but not "cant"), and prefers simile to metaphor, as though being upfront about the inherent fraudulence of figurative language might go some way to neutralising it.

This means that the archetypal McCarthy sentence is diagrammatic rather than descriptive, and usually consists of a methodical account of some simple physical process, like this, from *Blood Meridian*: "He charged the bores and seated a bullet and drove it home with the hinged lever pinned to the underside of the barrel." Or this, from *No Country for Old Men* (2005): "The man unlocked a drawer in the desk and took out a steel box and unlocked that and took out a card and closed the box and locked it and put it away again." Or this, from *The Passenger*: "He went into the kitchen and took down the tea canister and spooned the dark chopped tea into a half-litre lab-beaker and poured in the hot water and set the kettle back on the stove and turned off the burner and

came back and sat on the bed again."

Such relentless behaviourism is more than a stylistic choice. Like Hemingway and Beckett before him, McCarthy is more interested in narrating outer than inner life because he thinks that the interiors of characters — like those of other people — are essentially unknowable, or, at least, unknowable through words. In "The Kékulé Problem", a 2017 essay on the origins of language published by the Santa Fe institute, where McCarthy is a trustee, he described the unconscious as essentially mute, which is why it seeks to communicate in symbols and dreams. "The actual process of thinking," he wrote, "is largely an unconscious affair. Language can be used to sum up some point at which one has arrived — a sort of milepost — so as to gain a fresh starting point. But if you

Nowadays Cormac McCarthy's sentences have the solidity of stones and the clarity of diamonds

believe that you actually use language in the solving of problems I wish that they would write to me and tell me how you go about it."

And so instead of thinking, his characters talk and act: they fight, they walk, they search through piles of objects, they scuba dive, they chop wood and strip rifles and isolate uranium 235 isotopes via electromagnetic separation. Very often (it happens in almost every novel he's written) they stand on a hillside and survey a landscape through binoculars or the scope of a rifle. This is something like McCarthy's writing too, in which prose becomes a kind of optical technology, simultaneously getting us close to his characters while always reminding us of our distance from them.

His novels are structured around a similar dualism, between characters who are forced against their will into passivity (Billy in the Border trilogy, the father in *The Road*, Moss in *No Country for Old Men*, Western in *The Passenger*) and those who choose to eschew agency as a means of avoiding moral scrutiny. Chigurh, the killer in *No Country for Old Men*, is less of a person than he is a force of change, as indiscriminate and disinterested as gravity, or lightning. The judge in *Blood Meridian* thinks of violence as an inevitable and endless reality of human life. "It makes no difference what men think of war," he says, "As well ask men what they think of stone." Alice too sees herself as the result of forces set in motion long before she was born: not a person so much as the solution to an equation.

In the face of such mechanical bleakness what are we left with? Sentences and actions, is McCarthy's answer: detailed accounts of bodies moving through space and time, doing things and having things done to them in turn. In these magisterial new novels, he makes that seem enough of one.

## The lawyers who enabled Trump

Gary Silverman on a deep dive into the law firm that became a key institution in the US president's orbit

One of the intriguing questions about Donald Trump is whether his

enabling lawyers to compare the size of their pay packages.

To attract talent, firms wrote bigger cheques. To afford higher salaries, they billed more hours. To secure extra work, they took on unsavoury clients, justifying their actions with the "fiction" that companies had "the right to the best lawyers, in all situations and at all times". Enrich, business investigations editor of *The New York Times*, argues

**Servants of the Damned: Giant Law Firms, Donald Trump, and the Corruption of Justice**  
by David Enrich  
Mariner Books  
\$32.50, 384 pages

evident soon after it acquired the UK Gouldens law firm in 2003. The London lawyers were told they "would generally be expected to bill about two thousand hours a year", generating "disbelief" in the ranks. Setting such targets "was out of step with British legal culture", writes Enrich.

Jones Day's decision to work on the first Trump campaign was just business as usual for a firm on the make, in

through his faith". But the same could be said about Democrat Joe Biden; he is Catholic, too.

The possibility exists there is more to Brogan's worldview than biblical precepts. "Some of Brogan's confidants told me they suspected that the more criticism Jones Day got for its Trump work, the more Brogan wanted to keep doing it," he writes, quoting one of his allies as saying: "He loves to give prissy

establishmentarians a kick in the balls."

It would be interesting to know how a consummate Washington insider like Brogan defines an "establishmentarian" or determines whether one of them is "prissy". Enrich's book leaves the reader wanting to know more about Brogan and lawyers like him.

Gary Silverman is the FT's US financial editor

U.S. powerhouses in the conservative movement have fully embraced the 45th president and his Make America Great Again cause or simply see him as a means to their own ends.

In *Servants of the Damned*, David Enrich delves into the history of one of the most important institutions in the Trump orbit, the law firm of Jones Day, and finds a collaborator that is more mercenary than maga.

Jones Day lawyers figured prominently in Trump's rise to power and his exercise of it. Enrich treats the relationship as a sign of a broader decline in ethical standards at big American law firms. He accuses the entire industry of enabling "the business world's worst behaviour" and says "increasingly, that work bleeds into the political realm".

The catalyst for this sad state of affairs, Enrich writes, was a 1977 Supreme Court ruling that a law firm is a business like any other and can advertise. "All manner of self-promotion became kosher," he writes, and a "vicious cycle" followed as the trade press published details of firm finances,

that the US constitution only guarantees accused criminals the right to counsel as a way to protect "the poor and the weak" and "says nothing" about representation in civil or regulatory matters.

Jones Day declined to comment on Enrich's book. In an article in *The Wall Street Journal*, Kevin Orr, partner-in-charge of US offices, said "his portrait of Jones Day and the legal profession bears little resemblance to reality". He said it was a "mischaracterization" to call Jones Day a "right-wing firm" and accused Enrich of wanting to "deny the protections of the law to the disfavoured".

Jones Day traces its history back to what Enrich sees as the good old days of the legal profession. Starting during the late 19th century in industrial Cleveland, Ohio, the firm operated under the principle that it "must maintain its freedom and independence to turn down any representation".

In 1944, when 150 people were killed and scores of homes destroyed by an explosion at Cleveland's East Ohio Gas, Jones Day advised the company "to admit fault and... take care of a community that had suffered a tragedy".

Enrich writes. East Ohio promptly invited victims to its headquarters to detail their losses – and paid out millions of dollars.

Enrich contrasts that approach with Jones Day's representation of tobacco company RJ Reynolds in the 1980s. By that time, law had become "more like a game", which Jones Day played to win with a strategy that "consisted in large part of blaming smokers for their own misfortune" and burying opponents in thousands of pages of motions and briefs. Enrich quotes a Jones Day lawyer as saying: "To paraphrase General Patton, the way we won these cases was not by spending all of Reynolds's money, but by making that other son of a bitch spend all of his."

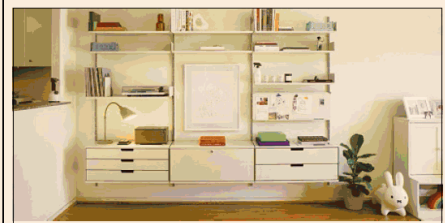
The author displays a visceral distaste for the Jones Day of today, a global firm directed from Washington since 2003 by its managing partner Stephen Brogan. He describes Brogan as a "bulldog faced" man who "exuded the same unpolished brawler vibe that he'd been known for in high school".

The firm's aggressive approach was

Enrich's view. "Not a lot of thought went into this fateful decision," he writes. "The Trump campaign was run through Jones Day's standard client-onboarding process, but it was primarily focused on business considerations." Enrich says the alliance "was what Brogan wanted and what Brogan got".

The connection produced results for Jones Day. The firm's Don McGahn served as Trump's first White House counsel, and he helped populate the administration – and the federal judiciary – with Jones Day veterans. The firm remained in Trump's corner after the polls closed in 2020, seeking to block a Pennsylvania court ruling extending the deadline for the receipt of mail-in ballots. Jones Day also welcomed back many of the lawyers who went to work for Trump.

Left unclear in the book is whether Brogan really liked Trump – or developed feelings for him along the way. In discussing Brogan's politics, Enrich points to his Catholicism as an explanation, saying he was told by Brogan allies "that the key to understanding him was



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FT Weekend

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## Books

When Jeff Immelt took over from Jack Welch as chair and chief executive of General Electric in 2001, the aerospace and finance group was the most valuable, widely admired company in the world. Its very diverse portfolio of businesses defied the conventional wisdom of the day that conglomerations was the ultimate recipe for inefficient management.

The hubris-to-nemesis story of how this emblematic American corporation ended up being hounded by activist investor Nelson Peltz and broken up under its current chief executive Larry Culp must count as one of the greatest dramas in business history. It is also a morality tale about the way American capitalism became hostage to short-termism and financialisation.

William D Cohan captures that drama exceptionally well in *Power Failure*. His account of the internal political machinations that accompanied GE's humiliating decline is backed by impressive research and remarkable access to the

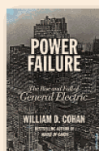
Welch told Cohan that fooling with money was easier than bending metal – a home run, as he put it



Jeff Immelt, chair and chief executive of General Electric, in France in 2014 – New York Times/Redux/eyewire

# Lights out

Cohan's gripping chronicle of General Electric – one of the greatest dramas in business history – is told with thoroughness and flair, writes *John Plender*



**Power Failure: The Rise and Fall of General Electric**  
by William D Cohan  
Allen Lane £35/  
Portfolio \$40  
816 pages

Welch loved GE Capital. He told Cohan, who worked briefly there before becoming an investment banker, that fooling with money was easier than bending metal – a home run, as he put it. Part of what made money-making easy was that GE Capital could facilitate earnings manipulation for its parent.

While GE Capital's \$200bn borrowings consisted of short-term commercial paper unsupported by bank lines, it never occurred to top executives that the great General Electric Company might encounter difficulty in rolling over its short-term IOUs. There was, I concluded, a very slender margin of safety against financial shocks.

Immelt wanted to shrink GE Capital relative to the industrial businesses. This was a good, back-to-the-heredity instinct, but he struggled with the problem of how to replace its high earnings if it was sold. Equally problematic, as Cohan observes, was a blind spot whereby he was losing or driving out the executives who dared to tell him the truth as well as the seasoned veterans who could help him navigate a crisis. He

shortly before Welch's departure, I pointed out that it would have taken only a 3 per cent fall in the value of GE Capital's tangible assets to wipe out its tangible capital base. And only a 5.7 per cent fall in the subsidiary's gross tangible assets would have made the whole GE Group technically insolvent.

While GE Capital was meeting GE's very high targets for return on equity its return on assets was falling. So growth by then was purely due to leverage. In effect, GE was the very embodiment of the process whereby American capitalism became hijacked by short-term financialisation. This point was lost on Wall Street's analysts, whose intimate understanding of GE's industrial operations was not matched by a grasp of high (and low) finance.

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Immelt wanted to shrink GE Capital relative to the industrial businesses. This was a good, back-to-the-heredity instinct, but he struggled with the problem of how to replace its high earnings if it was sold. Equally problematic, as Cohan observes, was a blind spot whereby he was losing or driving out the executives who dared to tell him the truth as well as the seasoned veterans who could help him navigate a crisis. He

ended up surrounding himself with sycophants. Bad acquisitions dogged him – though in fairness Welch's acquisition record had been far from faultless. His 1986 purchase of the venerable investment bank Kidder Peabody proved catastrophic thanks to insider dealing scandals and huge losses racked up by a rogue bond trader.

That said, as the financial crisis of 2007-09 approached Immelt spent \$500m on a subprime mortgage broker that blew up spectacularly and incurred \$1.5bn in fines. He blocked a management proposal to sell down GE Capital's toxic property portfolio. It is clear from Cohan's account that Immelt, despite having served on GE Capital's board, had a poor understanding of its balance sheet. There followed an ignominious, touch-and-go government bailout after the Lehman Brothers investment bank collapsed and the financial crisis struck. During Immelt's tenure GE's market value halved. Welch's self-serving verdict on his successor's record, as conveyed to Cohan, was vitriolic in the extreme.

Where was the board in all this? Cohan rightly declares that its failure to hold the deeply flawed Imperial Immelt to account was "one of the greatest corporate governance abdications in American history". *Power Failure* chronicles that failure with thoroughness and flair, while revealing, through numerous verbatim interviews, a philistine corporate culture marked by much gold and relentless expletives at the top. All in all, a tour de force.

## What makes our cells tick?

A gripping exploration of the science of the body raises profound moral questions, writes *Hannah Kuchler*

When does replacing the cells that cause cancer – or even a dodgy knee – cross the line into constructing a new type of human?

Siddhartha Mukherjee questions how we distinguish treatment from enhancement, as he chronicles a new revolution in the biology of our building blocks: cells. The polymath believes we will move from curing illnesses to stealthily changing who we are. The new human will not be a science-fiction vision of a cyborg from the film *The Matrix*, which he describes as "Keanu Reeves in a black muumuu", but instead, "rebuilt anew with modified cells, who look and feel (mostly) like you and me".

In *The Song of the Cell*, Mukherjee takes readers on a journey from the discovery of the cell in the late 1600s to the present day, when scientists are using cells to create restorative therapies. Recent breakthroughs have enabled scientists to turn back the cellular clock to the original raw material – called stem cells – and begin to grow cells to order.

Mukherjee is a passionate, expert guide. As an oncologist, he spends his life studying cells that go wrong, causing cancer, and his lab at Columbia University has made its own significant discoveries in cell biology. He is also a skilled author with an eclectic style, honed in his last book *The Gene* and the acclaimed *The Emperor of All Maladies*, where he managed to make cancer compelling reading. He weaves together charming histories of scientists, his own, sometimes painful, memories of patients and friends lost to illness, and the complex science of what makes cells tick.

This book examines the potential evolution from cell therapies that we have normalised – blood transfusions, organ transplants, and cancer drugs that harness the immune system – to a new generation, which seem so futuristic that Mukherjee admits they induce "moral vertigo".

For example, in vitro fertilisation (IVF) was controversial when it created the first "test tube" baby in 1978, but now, an estimated 8m to 10m babies have been conceived and born using the technique.

Yet IVF was also used to create the world's first gene-edited babies. By combining the cellular therapy of IVF with Crispr, a groundbreaking gene editing tool adapted from bacterial immune systems, the Chinese researcher He Jiankui changed a gene in twin girls to protect against HIV. Scientists widely condemned the 2018 experiment as unnecessary, and risky; and Jiankui was sent to jail. Mukherjee calls Jiankui's presentation "one of the more surreal moments in medical history". But he also pulls back to make the

reader think more broadly about how it evolved from existing medical care: "What began as a treatment for human infertility is now being repurposed as a therapy for vulnerability."

The author is in awe of the cell, declaring its story is needed to "tell the story of life and ourselves", and arguing that we are not just living in the century of the gene, but also in a "contiguous, overlapping century of the cell". The gene may provide the sheet music of life – the information – but the cell is the orchestra, playing the song of the title.

He zooms out from intricate scientific explanations and uses dramatic imagery to try to give the reader the same sense of wonder. This technique often works, because his collage of references drawn from novels or essays offers



**The Song of the Cell: An Exploration of Medicine and the New Human**  
by Siddhartha Mukherjee  
Bodley Head  
£25/Scribner  
\$32.50  
496 pages

the lay reader a broader perspective, far from a biology textbook. But it sometimes becomes too breathless, and still fails to lighten the passages most dense with exposition.

A 10-page interlude on the Covid-19 pandemic is strangely sandwiched in between sections on blood and organs. Mukherjee argues that the emergence of SARS-CoV-2 made scientists feel powerless. In the years before the pandemic, researchers had made huge discoveries about stem cells, and how tumours evade the immune system's T-cells, but then "biblically, we tumbled".

Mukherjee appears to still be processing what lessons we should learn from the pandemic. He quickly moves on, describing how after a year of thinking about the pathogen, "the constant metaphors of the battle had become denaturing".

*The Song of the Cell* lands after investors – including tech billionaires – have poured money into nascent longevity start-ups in recent years. Many are hyped as trying to "cure death", but in fact, focus on rejuvenating cells. The book helps the reader understand the evolution of this potentially revolutionary science as it creeps into the mainstream. Mukherjee's ambition has once again paid off, creating an encyclopaedic exploration of how we got to this point – and sketching out the questions we must ask about the future.

Hannah Kuchler is the FT's global pharmaceuticals correspondent

# A year in the world of Patti Smith

The poet-performer's photographic musings range from Keanu Reeves to Cairo the cat. By Christian House

once harboured a dream of having a café of my own," wrote the singer and author Patti Smith in her 2015 memoir *M Train*. "I suppose it began with reading of the café life of the Beats, surrealists, and French symbolist poets. There were no

cafés where I grew up but they existed within my books and flourished in my daydreams."

In her new volume, *A Book of Days*, a hybrid collection of photographs and musings spanning a leap year's worth of daily entries, Smith has created a café in a book: full of odd nooks, scattered objects and a cast of characters sitting on pages as they would at tables.

A child of New Jersey, Smith was raised as a Jehovah's Witness during the 1950s. The following decade she jettisoned both small-town confines and organised religion for a musician's life, subsequently becoming the "punk poet laureate" of the counterculture movement of the 1970s. That rich biographical territory is well furrowed here in a mood board of words and pictures.

Smith's previous autobiographies have flitted across periods and subjects and range from abstract works on wandering and dreaming to the hugely likeable *Just Kids*, which won an American National Book Award in 2010. That volume gave a moving account of her relationship with the photographer Robert Mapplethorpe, and photography has been a constant in her life.

In her introduction to this book she explains that photography allows her to "unite with the exploding collage of our [smartphone] culture". The shots included are a mixture of her own – old and new, Polaroids and smartphone



**A Book of Days**  
by Patti Smith  
Bloomsbury £25/  
Random House  
\$28.99, 400 pages

utes to cultural figures such as the playwright Sam Shepard, the photographer Diane Arbus and the musician Lou Reed (who she describes as the "ambassador to New York's wild side").

And death is a refrain in other ways: there are still-life compositions of objects created in the style of shrines, and cemetery visits to see the graves of Albert Camus and Sylvia Plath. And she recalls faded institutions from her past like the Chelsea Hotel, the famed bohemian flophouse, and Gem Spa, a 24-hour New York newsstand once favoured by hippies.

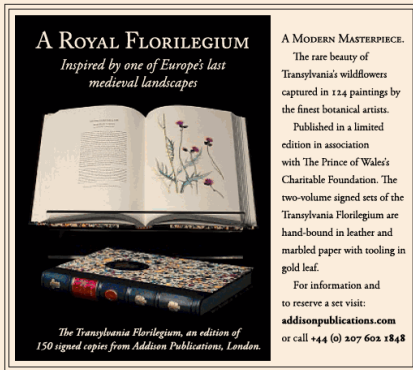
But there is a lot of life here too: friendships with the actor Keanu Reeves – "a worthy fellow" – and singer Michael Stipe; reconnections with friends on tour; and the company of

Cairo, her pale grey Abyssinian cat. "These days some plans are made optimistically, knowing they have a great percentage of not happening. Yet the imagination reigns," writes Smith.

Entries also provide insights into her domestic life. In 2017, Smith secretly brought the childhood home of Arthur Rimbaud, the 19th-century French poet she once described as her teenage crush. There are pictures of the ramshackle mansion in the Ardennes, and Smith notes that it "sits on the same land where they harvested corn and the poet wrestled with *A Season in Hell*".

Onstage, Smith is a raw presence, particularly when performing protest-hymns such as *People Have the Power*. Her prose style is more mercurial. Arguably, the staccato format of picture captions suits her psyche more than the longer form. A little bit of Smith goes a long way: the brevity and graceful suggestion required of a skilful songwriter work to her advantage when whittling down her espresso-dense thoughts.

Smith has produced a photo book that works as a piece of literature, opening windows on a life of incident and inquiry. It is joyous and mournful in equal measure but the overall effect is of the curious possibilities of life's meandering journey. Smith explains that, although stippled with farewells, its pages represent "three hundred and sixty-six ways of saying hello".



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snapshots – and images that she has sourced of treasured people and places.

In part, Smith has produced a fragmented elegy to a particular period of American bohemianism, a time when the civil rights idealism of the 1960s fused with the avant-garde countenance of the following decade. There are trib-



Patti Smith (with the musician Richard Sohl, left) takes pictures with her Leica camera in Copenhagen in 1976 – Reuters

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## Books

Since the publication in 1994 of his fourth and breakthrough novel *What a Carve Up!*, a biting critique of Thatcherism, Jonathan Coe has, with considerable humour, satire – and at times acute anger – established himself as the voice of England's political conscience.

Of his most recent books, the Brexit referendum-dominated *Middle England* (2018), was part of a loose trilogy of state-of-the-nation works that began in 2001 with the 1970s-set *The Rotters' Club* and continued with *The Closed Circle* (2004). His new novel, *Bournville*, sees Coe returning to his home turf of Birmingham and its surroundings to span the decades of postwar British history and its impact on several generations of the Lamb family, from VE Day in May 1945 to his 75th anniversary in 2020. It's an ambitious aim and one that Coe ably and entertainingly pulls off, by focusing on specific and significant cultural moments in which public and private intersect, reflecting the evolution of contemporary Britain.

The book is framed by the Covid-19 pandemic with which it begins and ends. Lorna Lamb is a struggling jazz musician whose tour of Austria and Germany in March 2020 with her better-known musical partner Mark is abruptly curtailed by cancellations and imminent lockdown. Back in Birmingham, Lorna's widowed grandmother Mary, in her eighties, grapples with modern-day technology in the form of regular Skype calls, and her family cannot anticipate the isolation to which she will soon be condemned.

But this is not a novel about Covid, or not explicitly. Having plunged directly into the fear and disbelief of spring 2020, Coe, after a few pages, reaches back to the early summer of 1945: Churchill and King George VI are on the wireless. Mary is a nine-year-old only child living in Bournville, the "Factory in a garden" model village created in 1879 in south-west Birmingham by the chocolate-making Cadburys, a Quaker family intent on providing housing and amenities for its employees.

"The Works" are situated in meadowland away from the crowded, unhealthy city centre, a pseudo-utopia in the age of capitalism: "The air did not smell of chocolate, but chocolate was in the air." Here Mary marks the end of war in Europe with her parents (her father Sam is employed by Cadbury), their neighbours and wider family. The blackout blinds are at last taken down from the windows and a celebratory, if fractious, bonfire party is attended – a gathering that will act as catalyst to Mary's future.

*Bournville's* neatly plotted sections move back and forth through the years and serve to measure Britain's limited capacity for self-knowledge: a deficit that Coe treats with the same rueful affection with which he draws his characters.

In 1953, Mary's family and friends squeeze into her parents' house to watch the flickering black-and-white images on their new television set of the coronation of Elizabeth II. "This passive, inscrutable twenty-seven-year-old



The village green at Bournville, 1953 – TopFoto

## New Elizabethans

Jonathan Coe brilliantly captures a changing postwar Britain, writes Catherine Taylor



**Bournville**  
by Jonathan Coe  
Viking £20  
368 pages

woman at the centre of the ritual". The ubiquity of television and its differing audiences also form the centre of three of the book's further set pieces: the 1966 football World Cup final between England and West Germany, the wedding of the Prince and Princess of Wales in 1981 and Princess Diana's funeral in 1997.

By 1966 Mary is in her thirties, a PE and music teacher married to Geoffrey, a repressed bank manager, with three sons, Jack, Martin, and Peter, all of whom, from childhood to late middle age, will embody some aspect of their particular generation: go-getting and cheerfully xenophobic in the case of Jack, a British Leyland car factory executive; reserved and left-leaning in Martin's. In Peter, the youngest and a classical musician, there is the sense of duality that is the emotional heart of every Coe novel – a romantic wistfulness that Peter shares with his otherwise practical mother.

A rather convoluted chapter, in which a cousin of the Lambs emails Peter in 2005 with a detailed reminiscence of a family holiday in Wales in 1969, gives the background to another of the novel's

symbolic moments: the investiture that year of Charles as Prince of Wales. It serves as an opportunity to examine Welsh grievances against centuries-old English exploitation. In another, an enjoyable segue from the mid-1990s, the adult Martin – now a senior employee at Cadbury – witnesses the so-called "Chocolate wars", in which his beloved confectionery is dismissed as not conforming to European standards; these passages also offer a first sighting of an unscrupulous journalist called Boris. By the end of the novel he is, of course, the UK's prime minister.

Class, social mobility, politics, multiculturalism, nationalism, sexuality, family, community – the changing face of Birmingham, of work, of Britain and its seemingly inevitable path to Brexit is documented by Coe without sensation or sentiment. He briskly addresses difficult issues – such as the unspoken racism towards a non-white member of the Lamb family, or the later life coming out as gay of another family member.

Mary is their matriarch, and Coe has been open about basing her on his own mother, who died during the worst period of the pandemic. The most affecting and despairing parts of *Bournville* are given to her final days, and the lovely coda that concludes the book, with its image of the circularity of time, does not diminish Coe's – or the reader's – loss.

## If the Nazis had won

One of the most chilling photographs from the second world war is also one of the most banal. A British policeman holds a car door open as Major Albrecht Lanz, German Kommandant of Guernsey and Jersey, alights outside his headquarters after the Nazi occupation of the islands. We still wonder what would have happened in mainland Britain if Nazi Germany had invaded and triumphed. A section of the ruling elite was sympathetic to Hitler. *Trafalgar King* by Andrew Lownie documents Edward VIII and Wallis Simpson's love affair with the Third Reich. The helpful policeman in the photograph provides a likely answer: many islanders valiantly resisted but much of officialdom collaborated, even handing over local Jews for deportation.

In CJ Carey's *Queen High* (Quercus £16.99), set in a Nazi-ruled Britain in 1955 after the death of King Edward VIII, Wallis Simpson is now queen. The second in a series after the rightly acclaimed *Widowland*, *Queen High* unfolds in a Britain where many are suddenly accepting of its new overlords. London, now renamed Londinium, is being flattened and rebuilt. Females are classified into six categories from the lowest "Friedas", single women over 50, to "Gells", the highest caste. An SS guard stands outside Buckingham Palace.

There are echoes here of SS-GB by Len Deighton and of CJ Sansom's *Dominion* – but we see Carey's dystopia through the eyes of its female inhabitants. And what a dreary, terrifying place it is, even for Rose Ramsom, a Gell and an apparently loyal official in the Ministry of Culture charged with infiltrating subversive poetry groups. But Rose's bosses are unaware of her role in the death of the Leader, presumed to be Hitler, two years earlier – and of her continuing links to the resistance. Carey steadily ramps up the tension in a masterfully imagined world full of fear and dread.

There are Nazis aplenty in Susan Ella MacNeal's *Mother Daughter Traitor Spy* (Bantam \$28/Random House £23) – but of the American kind. It's the summer of 1940, and Veronica Grace and her mother Violet have just relocated to Los Angeles. France has just fallen and plenty of Americans are cheering, including Veronica's new boss. Horrified to realise that she has inadvertently been recruited by a dangerous gang of Hitler supporters, Veronica agrees to infiltrate the well-funded and highly organised movement. Based on a true story of a mother and daughter who worked with Jewish organisations to spy on American Nazis, this is a well-crafted tale that shines a light on a dark corner of American history.

Back in the present day, *Sleep When You're Dead* (Head of Zeus £20) by Jude O'Reilly and Simon Conway's *The Survivor* (Hodder & Stoughton £20) are two topical tales by thriller writers at the top of their game.



**GENRE ROUND-UP**  
**THRILLERS**

By Adam LeBor

This is the third outing for O'Reilly's Michael North, a former assassin now working for MI6. Unfortunately he has a bullet lodged in his head, which will probably reduce his life expectancy. After fighting off a murderous cult member on Tower Bridge, he is sent to Scotland to infiltrate the doomsday sect. The clock is ticking as the cult leader plans a major atrocity – but the conspiracy reaches deep into the US military-industrial complex and dark forces are in play. From the sinister Mrs Benson, an American arms magnate and North hacker, to Fangfang Yu, his teenage hacker ally, the richly layered characters crackle with energy and intrigue.

*The Survivor* once again pitches MI6's Jude Lyon against Guy Fowle, a psychopathic former army officer who has killed hundreds in a terrorist attack and almost collapsed the British state. Now Fowle has gone missing, what fresh horrors is he planning? Britain, says Mash-enka, a captured Russian hacker, is an easy target, "isolated, with bad economy [sic], lousy infrastructure and shitty government that covers stuff up". Who can argue with that? Meanwhile, a new British populist leader is on the rise. A former British army officer and overseas aid worker, Conway brings insider knowledge of the military and geopolitics to add an extra layer to the finale in a terrifyingly plausible thriller.

Finally, brief mentions for an elegant, informed British espionage novel and a rediscovered Japanese 1948 noir classic. Alan Judd's *Queen and Country* (Simon & Schuster £16.99) brings the welcome return of Charles Thoroughgood, a former Secret Intelligence Service chief. Russian defectors who had worked for the SIS are dying suddenly, mysterious deaths – poisoned, it seems, by a chemical spray. Thoroughgood is sent to Moscow to find out how and why.

*The Tatsumi Murder* (Pushkin Vertigo £8.99) by Akimitsu Takagi is now out in English for the first time. Takagi was obsessed with body art and his novel takes us into a Tokyo ravaged by war and its cruel aftermath. Deborah Boliver Boehm's translation crackles with the energy that made Takagi one of Japan's most popular crime authors.

Adam LeBor is author of *Dohany Street*, a Budapest noir crime thriller

## Marital discord

## A gathering storm



Late November heralds our annual **Books of the Year** feature – in which FT writers and critics choose their favourite titles of 2022 on subjects ranging from politics, economics and history to art, tech, fiction and the environment.



*A melancholic Beijing-set tale sensitively charts a piano teacher's unfulfilled ambitions.* By Lucy Popescu



**Ghost Music**  
by An Yu  
Harvill Secker £14.99  
240 pages

An Yu's 2020 debut, *Brased Pork*, featured a young woman struggling with feelings of alienation after her sterile marriage was abruptly curtailed by the death of her husband. In her latest novel, *Ghost Music*, the female protagonist, Song Yan, is similarly estranged from herself and others, and in an unsatisfactory relationship. Both characters wrestle with the psychological fallout of their unfulfilled creative ambitions and experience strange, dreamlike encounters.

Yan teaches piano. Her parents had hoped she would follow her father and become a concert pianist, but she self-sabotaged her graduation exams: "I had no reason to be unsuccessful, as I had dedicated all my waking hours to refining one skill... But the more I practised, the clearer it became that there was going to be a point where I wouldn't be able to improve any more. What would happen after that? I started asking myself."

Instead, Yan settles for marriage with Bowen, a car salesman who does not want children. They move to a larger flat in Beijing to accommodate his widowed mother, Ma. Yan endures a claustrophobic home life with a selfish husband — her desires swiftly subsumed by his — and critical mother-in-law. Yu is good at conveying repressed emotions: Yan's artistic frustration, her resentment of the parents she disappointed and her marital impotence.

The domestic impasse is disrupted with the delivery of an anonymous gift of mushrooms. Ma gleefully recognises

that they are from her home region, Yunnan, and sets about showing Yan how to cook them. Yan is more interested in finding the sender who claims he is Bai Yu, her father's favourite pianist, a prodigy who had disappeared 10 years previously. When Yan receives a letter from the pianist, inviting her to visit him, she recalls how his talent "had always aroused a crushing fear in me, as if the countless layers of perfection hid a bottomless hole, and in the hole there was something as heavy as the world".

While the cracks in Yan's marriage widen with disturbing revelations about Bowen's past, the mysterious Bai Yu may hold the key to her musical reawakening. When they meet, he tells her he can't play the piano any more. He wants her to help him "find the sound of being alive". Yan's lack of agency is mirrored by that of ghostly Bai Yu but she attempts to meet the challenge he sets her.

Yu offers vivid descriptions of contemporary Beijing. She sensitively conveys Yan's melancholy and disconnectedness. She writes in clear, unadorned prose and deftly threads the magic realist elements through the narrative. However, the competing plot strands involving Bowen and Bai Yu prove distracting and we can never fully empathise with Yan's central predicaments — her desire for independence, to exist on her own terms, to play the piano without pressure. This dilutes our enjoyment of a haunting journey towards self-fulfilment.

*The familiar tropes of the historical romance are made new in this 19th-century fantasy.* By Michael Arditti



**The Weather Woman**  
by Sally Gardner  
Apollo £20  
496 pages

Sally Gardner is a past mistress at historical fantasy. Her previous novel, *The Beauty of the Wolf* (2019), written under the pseudonym Wray Delaney, was an inversion of *Beauty and the Beast*, with a handsome hero and a female beast, complete with fairies, witches, flesh-eating birds and echoes of Shakespeare and Spenser. But it was set within a fully realised 16th-century society and written in a convincing Elizabethan idiom.

Gardner's new novel, *The Weather Woman*, is similarly genre-defying, but if the balance in *The Beauty of the Wolf* was tilted towards fantasy, here it tilts towards historical reconstruction. The book takes us into a recognisable early 19th-century London, a world of high-stakes gambling at Brooks's and White's clubs, moneylenders in Cheapside and a vast social divide between the north and south sides of the Thames. But at its heart is an enigma, Neva Tarshin, a Russian orphan with an unfailing ability to predict the weather.

Gardner is far too canny to attempt to explain Neva's gift. The closest that Neva herself comes is the claim that "I walk the clouds", while, to her adoptive father, Victor Frieze, "it seems as if she is always singing the weather". Victor, a clockmaker, creates an ingenious automaton that enables Neva to present her predictions, incognito, in a series of choreographed performances. *The Weather Woman* swiftly becomes the toast of London society.

Victor recognises that Neva is unique in ways beyond her clairvoyance. Like a

Shakespearean heroine — and the novel contains several clear allusions to the late romances — she is obliged to adopt a male persona to protect her freedom in a world in which "it is suggested that too much study has a damaging effect on a woman's ovaries". To her horror, she becomes a victim of her own disguise, when Henri Denou, a French count who she falls in love with, believes she's engaged to her alter ego.

Neva's closest literary counterpart is Virginia Woolf's Orlando. Although she changes gender more consciously than Woolf's protagonist, she has the same independent spirit and also marries a man who accepts her in her full complexity. "You're unlike anyone else I've met," he declares. "That is something to celebrate." Given the prominence of the frost fair in *Orlando*, it is surely no accident that the novel opens and closes with a frost fair on the Thames.

Gardner takes many familiar tropes of historical romance — such as bigamist marriages, sadistic aristocrats, mistaken identities, long-lost letters and shipwrecks — and makes of them something rich, bold and original. At the same time, the novel speaks to our contemporary concerns about both sexual identity and the environment. The rationalists of the day are brought low as Neva demands a more holistic approach to climate science, insisting that "the weather is fundamental to our survival, it is the root of our planet".

As always, we like to involve our readers in the series. Do you have a favourite book or audiobook from the past 12 months? Please note your choice in the comments at [ft.com/yourbooksof2022](https://ft.com/yourbooksof2022), plus a few lines on why others should read it. We'll publish a selection of the best responses on FT.com.



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## Arts

Life&Arts

# When two American ideologies collide

James Graham | As his play 'Best of Enemies' hits the West End, the playwright talks to Peter Aspdren about 'making sense of the world' through art

The plot of *Best of Enemies*, a typically spiky work by British playwright James Graham that is transferring to London's West End this coming week, reads like political science fiction: an ailing television company aims to attract new viewers by employing two ideologically opposed arch-intellectuals to slug it out, using nothing more threatening than their rarefied rhetoric and flights of poetry.

So enraptured is the audience — the story would go — that political debate on TV is forever transformed thereafter, elevated to a higher realm of discourse and providing genuine enlightenment. But that benign conclusion was never likely to result from the series of encounters between Gore Vidal and William F Buckley Jr during the explosive US political party conventions of 1968, the true story that forms the basis of Graham's play.

Forty-year-old Graham says he had a "smattering of awareness" of the events when he first saw the 2015 documentary on the subject, which inspired him. What appealed to him instantly was what he calls his "thing": the art of "how you can take something that feels very public and familiar, and come at it from an adjacent or bizarre angle." It was the sheer improbability of the story that caught his imagination, not to mention its dramatic power.

Both Vidal and Buckley, respectively

with a moment of unprecedented TV nastiness. Both the documentary and the play itself suggest that their debates heralded not a golden age of political civility but its terminal decline.

"If you were writing from scratch, you wouldn't have chosen two people like that as a way into the story," Graham says. "They spoke in this patrician, overly elaborate, verbose, semi-anglicised way. I just found it so compelling. The way they speak is almost symphonic. And the little phrases [they used]: they sound like song lyrics. I found it operatic and gorgeous."

Beneath the mellifluous exchanges, however, was the throb of mutual con-

**'I love looking at systems that normally function but turn bizarre and absurd when put under stress'**

tempt. "Their hatred of each other is pulsing all the way through the story," Graham says. "And rivalry is a staple of good drama: these two people, clashing with each other against a background of nation-changing events. It feels both small and epic. I love all that messiness."

Part of the twist in the story, he says, is that the character more likely to be sympathetic to liberal audiences is the conservative Buckley rather than the pro-



Graham cheerfully admits to being what he calls a "dweeb" on some of the subjects that most attract his interest. "I get so enamoured by looking at systems that normally function but when they are put under stress become bizarre and absurd. And there is great potential for farce."

A common feature of Graham's plays is his light touch: no matter how serious his themes — or "anxieties" as he likes to call them — we are rarely more than 30 seconds away from a comic moment that somehow both relieves and enhances the drama.

There is a poignant joke at the end of *Tammy Faye*, between Tammy and her fellow evangelist Jerry Falwell. I tell him, which prompts from the audience a

representing America's liberal and conservative factions, went for the jugular. Their foppish skirmishes on ABC-TV became more and more personal, and nakedly vicious, resulting in spikes in the ratings. The series of debates ended

gressive, and more vituperative, Vidal. "To his credit, Buckley entered [the debates] with a real desire to elevate the discourse and a belief in the value of two people exchanging ideas. His tragedy is that he becomes very uncivil and

personal, and a victim of the things he detests. It's very Shakespearean."

Graham's "thing", as he puts it, the melding of incidental character stories with the grand sweep of history, is proving greatly to the taste of both theatre and TV audiences these days: an eventful year has also included the broadcasting of his lauded six-part BBC series *Sherwood*, and the recent opening at the Almeida of *Tammy Faye*, the new Elton John musical about the American televangelist Tammy Faye Messner, for which Graham has written the book.

What he casually refers to as his "Rosenkrantz and Guildenstern" technique was also evident in 2019's TV drama *Brexit: The Uncivil War*, when he decided to focus on the background figure of Vote Leave campaign director Dominic Cummings as a "way in" to examining the forces that led to Britain's departure from the European Union. "When it came out, many people didn't know who [he] was," Graham says. "And yet he had such an influence on our lives."

I ask him if it might have been too soon to tackle the subject, risking an uneasy fall between the stools of journalism's first draft of history and proper academic reflection. "Some people thought that — maybe they are right, maybe they are wrong. My argument is that it came with the same time-gap [as that] between Nixon's resignation and

the release of *All the President's Men*. And that didn't feel wrong."

"What is art and entertainment if it is not trying to make sense of the world?" he asks. "It has always been doing that, since the Greeks. It is a dereliction of duty to leave the playing field, and never get stuck in. I remember the moment when [Labour MP] Jo Cox died, and thinking, 'What the fuck is happening? How can a serious nation ask itself a question and answer it so poorly that people are actually dying?'"

The model for Graham's narrative style came a decade ago, with the unlikely success of *This House*, which delved into the political manoeuvring of mid-1970s Britain. "We assumed we were not going to get a mass audience for a play set in the 1970s about how to keep a minority government going," he says drily. But the play transferred from the National Theatre's smallest space to its biggest, and has already been revived on more than one occasion.

Graham on that occasion found his inspiration in the secretive corner of the government's whips' office, and the dramatic tensions springing from the Labour government's attempt to run the country with a one-seat majority in parliament. "All these mysterious things that were happening: pairing, 'nodding through', people who were ill arriving in an ambulance to vote. I found that so seductive."

"There is no part of me that is saying, 'I am going to tell the Liz Truss story.' That's not lighting the fires"

sound that is halfway between a laugh and a sigh that recognises a small truth, elegantly told. "That is the sweet spot," he says instantly. "That is a very satisfying feeling."

Did that ability to mix tones come instinctively or was it more considered? "It is a very conscious thing," he replies. "It is almost the starting point. I'm not meant to say this, but I don't think it will be a good night out, I won't do it."

He says he genuinely enjoys the challenge of taking "impossibly dry subjects" and making them as entertaining as he can. "Part of that is subverting expectations: adding colour to something that feels grey; adding humanity to something that seems cerebral."

I ask if, in these volatile times, he finds himself constantly on the lookout for ripe material. "No. I don't actually look for it at all. It emerges, from the fog of life. Of course, the fall of the shortest-lasting prime minister ever, after 45 days, is an incredible story. It says something about the existential crisis of our national character, who we are, where we are going, why we are reeling."

"But there is no part of me that is saying, 'I am going to tell the Liz Truss story.' That's not lighting the fires. I don't know what else it would reveal to us that we don't already know. But what is pulsing away in my subconscious is something about decency and standards in public life." In his 2017 play *Quiz*, he says, "I wrote about a guy who cheated on a game show, but that satisfied an itch I had about truth and objective reality."

"It was a vehicle, and I am always on the lookout for vehicles. My experience is that the world provides them on a conveyor belt. I just have to wait for it to come down the line, and grab it."

*'Best of Enemies', Noel Coward Theatre, booking to February 18, noelcowardtheatre.co.uk*

*'Tammy Faye', Almeida Theatre, until December 5, almeida.co.uk*



Main: James Graham, photographed for the FT by Ollie Adegboye

Above: David Harewood (left) and Zachary Quinto in rehearsals for the West End staging of 'Best of Enemies'; William F. Buckley Jr and Gore Vidal debate in 1968; Clare Foster in rehearsals (John Heenan/Alamy)



From left: Richard Goulding, Benedict Cumberbatch and Oliver Maltman in the 2019 TV drama 'Brexit: The Uncivil War' — HBO/Alamy



Andrew Rannells and Katie Brayben in 'Tammy Faye', with book by James Graham — Marc Brenner

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## Arts

# Out of the shadows of Expressionism

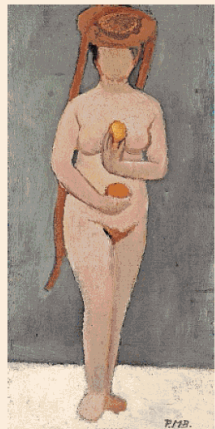
Royal Academy | A quartet of female artists are movingly given their belated due in the exhibition 'Making Modernism', writes Jackie Wullschläger

Women's emancipation is very unattractive and unpleasant," Paula Modersohn-Becker wrote in 1901. But one midnight in 1906 she crept out of the apartment near Bremen she shared with her husband, and ran away to Paris. There she became the first female artist to paint herself as a nude. "Self-portrait as Standing Nude with a Hat", glaring pink paint flatly applied, face a blank oval, two luscious oranges pressed against her body, is a 20th-century woman's witty take on Lucas Cranach's bejewelled Renaissance nudes.

"Now I'm free I will make something of myself. I'm living the most intensely happy time of my life," she wrote that summer. Then suddenly, explaining "I'm not the sort of woman to stand alone in life", she returned to her husband and provincial Germany. She died in 1907 aged 31 after giving birth to a daughter.

Modersohn-Becker is one of a quartet of women working in early 20th-century Germany who are the focus of the Royal Academy's interesting but problematic *Making Modernism*. The others are Berlin graphic artist Käthe Kollwitz, Munich-based Gabriele Münter and Russian baroness Marianne Werefkin, the last two long subsumed into accounts memorialising their partners, Wassily Kandinsky and Alexei Jawlensky.

It's a given that each struggled, for education, exhibitions and sales, but yet harder was the self-questioning. "I am a woman, I lack every ability to create," Werefkin wrote. "I am looking for the



person, the man... who could give the internal world expression. I met Jawlensky. Together, the couple left Russia to travel west, and Werefkin stopped painting for a decade to support Jawlensky financially and emotionally. Accompanying them was her young maid, who soon gave birth to Jawlensky's son.

When, aged 46 in about 1906, Werefkin picked up her brush again, a dam of feeling burst. Her realist training (with Ilya Repin) kept her drawing tough, but now she worked in broad colour patches, abbreviated detail, and with symbolist intent. "Twins", detached, angular women with twisted faces, holding babies, alludes to her situation, living with Jawlensky's lover and child.

In "The Return", a glowing procession — that quintessential Russian motif — features hooded women parading under an incandescent night sky. It takes fire from Werefkin's feelings about exile and premonitions of revolution, and shows her mystical streak. A synthesiser of art's shifting currents, she pulls ele-



Fondazione Marianne Werefkin, Museo Comunale d'Arte Moderna, Gabriele Münter and Johannes Eichner Stiftung/GACS, Modersohn-Becker Stiftung



Clockwise from main: "Twins" by Marianne Werefkin (1909); "Still Life on the Tram (After Shopping)" by Gabriele Münter (c1912); "Self-portrait as Standing Nude with a Hat" by Paula Modersohn-Becker (1906)

ments from early Chagall, Cézanne's geometry and, above all, Expressionism, as forged by Van Gogh and Munch, and pushed towards abstraction by Kandinsky and Jawlensky.

Expressionism liberated all the women here to make new art out of battles to make new lives. It's a great subject, crucially demanding a biographical approach. All the worse a missed opportunity, then, is the RA's confused, jumbled thematic hang, grouping paintings around banally predictable "women's" themes ("The Century of the Child", "Intimacy"). Giving no sense of each artist's individual identity or creative journey, and wilfully defying chronology, the show looks and feels a mess.

Kollwitz survives the muddle best, because her talent as an intimist draughtsman recording mothers and children is a single-note achievement. From the unforgettable 1903 etching "Woman with Dead Child", a desperate mother, hefty as an animal, gnawing at an infant's shiny, pale corpse, to the

violently incised woodcut "Sleeping Woman with Child", skeletal white limbs piercing a dense black ground, her entire art is an extended "Pieta".

A doctor's wife in a working-class Berlin district, Kollwitz wanted to make "motifs from this milieu... beautiful". Her scratchy lines and smudgy surfaces dignify thin, worn bodies. Her association of maternity with mortality — the skeleton and clambering child tugging for the mother in "Death and the Woman" is especially harrowing — began before her son was killed on the Western Front in 1914. Kollwitz had encouraged the teenager to enlist; guilt then fused with lamentation in dark images, full of pathos.

Her bronze "Mother with Child over her Shoulder" (1917), a bent figure bearing an infant who might be a dying burden, or could, just possibly, be peering inquisitively over her shoulder, stands at the show's core — a work of tremendous gravitas.

Facing it, Modersohn-Becker, dead

before the war, appears poignantly innocent. Her paintings evoke conflicted hopes, for motherhood — close-ups of a chubby baby breastfeeding, a maternal hand on a scraggy infant — versus independence. Although unfortunately hung galleries apart, two portraits of friend Clara Westhoff (Rilke's wife) — studies in troubled introspection, one straightforwardly figurative, the other, a year later, flat and stylised — demonstrate her rapid grasp of Matisse's economy of line and blocky colour. Like most promising young artists, Modersohn-Becker is derivative but conveys the thrill of experimenting.

Münter is a lesser talent. Her most assured paintings depict children: the big-eyed "Portrait of a Boy" and crazily proportioned "Doll, Cat and Child", sweetly empathetic likenesses in bold outlines and jarring hues that convey childhood's gaucherie, surprise, fear. Working in the shadow of Kandinsky was not easy; Münter retreated either to slapdash landscapes or almost defiantly domestic subjects. Her minor painting of ribboned packages "Still Life on the Tram (After Shopping)" is the catalogue cover; it sells the show short and implies its restricted ambitions.

For although these artists were not trailblazers, and their output is uneven, each adds movingly to the story of 20th-century art. Failing to acknowledge how they evolved and responded to devastating sociopolitical events, the exhibition defeats its aim of enlarging our understanding of their significance.

It particularly fails Werefkin, whose trajectory from narrative to abstracting impulse is compelling. After the Russian Revolution, her tsarist person ended and Jawlensky left her to marry the maid. Alone, impoverished and in exile in Ascona, Switzerland, Werefkin intensified expressionist landscape into spiritual visions which are the show's revelation: the near-vertical pink lake "Movement", translucent magic mountains in "Life Behind Them". In "Eternal Path", tiny figures pass through a chasm between sautooth crimson/purple cliffs — the procession again, and her own jagged life journey in paint.

To February 12, royalacademy.org



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## Arts

# ‘It felt true to what I wanted to express’

Charlotte Wells | The film director talks to

Raphael Abraham about the love and grief that inspired her lauded debut ‘Aftersun’

**T**he most difficult moment in my interview with Charlotte Wells has arrived. I have just tentatively asked how much of her gently shattering film about father-daughter love, loss and grief is autobiographical. The room is charged with the expectation of revelation. Instead, in true British fashion, the talk turns to tea.

“This doesn’t work at all,” the Scottish first-time director says, as she fights valiantly with a teapot. “I’m not avoiding your question — it’s just going all over the tray.”

As a metaphor for the difficulty of giving vent to painful emotions, a spout clogged with leaves is almost too apt. Certainly nothing so obvious is to be found in Wells’s beautifully understated feature debut *Aftersun*, which premiered in Cannes to ecstatic reviews and was recently nominated for 16 British Independent Film Awards. When we meet during the London Film Festival, she is still processing the Cannes experience.

“It had never crossed my mind what would happen when the credits rolled,” the Edinburgh native says in a gentle burr, her voice occasionally fading to a murmur. “I’m a person who constantly thinks ahead, so I’m not sure why I hadn’t, but I hadn’t. It was a huge surprise that people liked it, were moved by it and found it legible. When you make a film that is so avoidant of exposition, there is a fear that it might not be loved.”



Charlotte Wells,

winning director of *Moonlight* serving as a producer. “An amazing person to have

effortless naturalism. “Frankie walked into the room and started performing in

experienced and maybe hadn’t fully



Above: Paul Mescal and Frankie Corio play a father and daughter holidaying in Turkey in Wells’s acclaimed first feature film ‘Aftersun’

ine horror. She promptly returns to the intransigent teapot — “this is really ... I give up” — before divulging this most intimate secret. “*Buffy the Vampire Slayer* meant a lot to me as a teenager,” she says without further comment.

Then comes a burst of highlights from her CV, surprisingly varied for a new film-maker. “I studied classics at King’s College London and seriously considered pursuing that further and ended up in financial services and then running a company called Digital Orchard, which now does a lot of film work. I used that experience to apply to the MBA/MFA programme at New York University with an eye to producing.” (I later discover that she also found time for an MA from Oxford.)

Trying to square all of this with her presumed age, I say she has packed a lot into her young life. “Yeah, well, I’m not the precocious 20-year-old that people tell me I look like. I have to disappoint them that I’m not some teen filmmaking prodigy ... I’m 35.”

As Philip Roth observed, getting people wrong — again and again — is a common human pastime. Fittingly, this is something also eloquently captured in *Aftersun*, most of which plays out in flashback, the 1990s past illuminated by the glow of hindsight, with snatches of DV-cam footage evoking both the era and the enigmatic haze of holiday

**‘I’m not the precocious 20-year-old that people tell me I look like. I have to disappoint them that I’m not some teen prodigy’**

the original.

*Afternoon*, on the surface at least, follows a thirty-ish father and his 11-year-old daughter on a humdrum package holiday to Turkey. Calum and Sophie spend their days sunbathing and swimming, eating and drinking, little more. Yet surface is the least interesting thing about the film. What fascinates is how Wells frames the everyday to reveal a subtext of which Sophie herself is only dimly aware.

In its own quiet way, it is audacious. With debut features serving as a calling card for their makers, they are usually flashier. Playing it so low-key shows a remarkable confidence and maturity. "This was always the first film," Wells says. "I was quite uncompromising about that and I was willing to fail trying. There were moments in the edit when it felt like we were failing, but at least it felt true to what I was trying to express."

To those reading the runes, there were signs that *Afternoon* might become something special. One was the name Barry Jenkins on the credits, the Oscar-

winning director for the FT by Lydia Goldblatt

a producer. An amazing person to have in my corner," enthuses Wells, who lives in New York, home to Jenkins's production company Pastel.

Another was the presence of Irish actor Paul Mescal, whose performance in the TV adaptation of Sally Rooney's novel *Normal People* captivated household viewers during the Covid lockdown of spring 2020. However, this too was a gamble, with Mescal unable to meet his young Scottish co-star Frankie Corio – now 12 – before the shoot due to pandemic restrictions. Doesn't a film like this rely heavily on the chemistry of its leads?

"It depends entirely on that," affirms Wells. "They had spoken on Zoom and I'd met Frankie twice, but I'd never met Paul in person before we got to Turkey. That is a really scary way to cast. I'm not a person who thinks that's fine... but I also love the points in making films where you have to place absolute trust in other people."

One thing that made this easier was that Corio, making her debut, exceeded all expectations with her seemingly

innate ability to connect with the audience in a way that is just wholly unexpected from a kid," Wells says. "That gave me a lot of confidence in my own ability to help them build that relationship once they got to Turkey."

The actors were wisely given two weeks to bond before shooting began, resulting in an intensely authentic rapport that seems to radiate from the screen. "There was a line in the script that described his broken hand resting on her with effortless intimacy. That was such an easy line to type. But to actually portray it? It ended up being the last thing we shot in Turkey. I remember Paul saying, 'We never could have done this in week one.'"

And so we arrive at the awkward question about how much of *Afternoon* is based on Wells's own experience.

"I used the phrase 'emotionally autobiographical' early on and it's haunted me ever since," she says. "There's no question that my relationship with my dad was the starting point, wanting to capture the warmth and love of that within the context of the grief that I

feel with which I was struggling... The film came from a place of trying to understand something myself and articulate a feeling."

One of the joys of meeting someone who is still on the cusp of fame is that little is known about them. I ask Wells to shed some light on her background and how she came to film-making.

"I grew up with a £9.99 Cineworld pass, watching whatever was on, mainstream British and American films," she says. "It took me a long time to be ready for the type of cinema that I spend most of my time watching now. I wasn't a precocious 13-year-old watching Ozzy."

"I stood up in my English class aged 14 saying I wanted to be a director," Wells continues. "I had no concept of what that really meant except loving going to the cinema. And watching television. I'd be lying if I said I denied it – that was a part of what drew me to moving images."

What was her favourite TV show growing up? "That's a more exposing question than tell me about the death of your father," says Wells in what seems to be a combination of mock and genu-

ine the most honest piece of my memory. Best of all are the ellipses the film elegantly leaves, gradually drawing the viewer in with its woody atmospherics and unspoken questions.

"I do have an aversion to a [certain] type of exposition," Wells says. "And not only do I accept that, I like it. It's not without effort, but it is innately what I do. It leaves space for you to bring your own experience. And I think you have to have that space to emotionally connect and feel. Film is a feeling medium."

As the five-star reviews and awards nominations pile up, Wells is allowing herself some space to take it all in before planning her next project. Perhaps that is what comes from being a wunderkind with a generous dose of life experience.

"I'm just trying to enjoy the moment," she says. "I look forward to the day that I make coffee, sit down at my desk with a blank page and discover what's next. It might take me a minute, and I think that's OK."

*'Afternoon' is in cinemas in the US now and in the UK from November 18*

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Royal Academy of Arts

## LIFE OF A SONG

### PRISENCOLINSINAIUSOL

With its nasal vocals, stomping drum beat, horn blasts and harmonica outro, "Prisencolinsinaiusol" sounds strangely familiar. On first listen, you'd be forgiven for thinking that it was a Dylan-inspired American protest anthem. But the protest, if anything, is against language. Apart from the word "alright", repeated at the end of each chorus, none of the lyrics make sense.

Written by Italian singer Adriano Celentano 50 years ago this month, "Prisencolinsinaiusol" is a gibberish song. It aims to mimic what US English sounds like to a non-English speaker. (The song's title sounds like: "Pree-en-collie-en-sin-in-chew-zol"). The result is uncanny: a kind of Roschach inkblot test for the ear. There's a glitchy grammar to the music that gives the illusion of sentences – for example, a section at 30 seconds sounds like: "Brrrr, change your mind we get a cold war so baby stay there with your hole." A more accurate transliteration might be: "Trrr ciek e maird heing de col. Bebi stei ye push yo oh." Alright.

By 1972, Celentano was already a rock'n'roll icon in Italy. He'd made his name covering popular American hits – in 1960 he appeared as a singer in Fellini's *La Dolce Vita*, performing "Ready Teddy" by Little Richard. When he came to write "Prisencolinsinaiusol", his years of experience imitating American English proved useful, since he didn't speak the language himself.

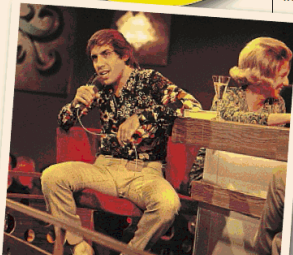
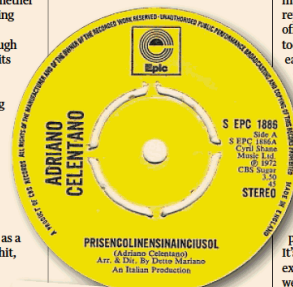
Setting out with the intention to write a song about "the inability to communicate", he improvised

nonsense over a four-loop beat and then added in instruments. The song was also an experiment. At a time when Don McLean's "Vincent" was dominating the Italian number one spot, Celentano wanted to see whether audiences would listen to anything provided it sounded American.

The experiment worked. Though "Prisencolinsinaiusol" was ignored on its first release, in 1973 it was re-released following a live TV television performance featuring Italian singer and actress Raffaella Carrà. Celentano appears as a caricature of a teacher, lip-synching the lyrics while frantically hip-thrusting and pointing at a room of students. (It showcases his flair for physical comedy: nowadays, Celentano is well known in Italy as a satirist and comedian.) It was a hit, charting in Italy, Belgium, Germany and France, and reaching number 86 in the US. (The song's title, printed on the sleeve of the record, featured an array of meaningless accents over random letters.) When Celentano recorded a second TV appearance, this time in trippy black and white, "Prisencolinsinaiusol" was established as a cult classic.

Remixes and covers followed. Italian house DJ Fargetta released a version in the 1990s; EDM legend Benny Benassi chopped up the chorus and set it to a thudding electronic bass track in 2017. Italian singer Mina covered the song (with Roberto Bolle) in 2016, and

there are a couple of covers by international artists: Chicago-based band Tub Ring did an alt-rock take; Swedish outfit Alien B released a demented sped-up version in 2015, which has more in common with Rednex's "Cotton Eye Joe". The best-known live performances are by Italians, including Gen-Z singer Madame. In 2012, aged 74, Celentano sang it to a crowd of thousands in the Verona Arena, clad in a sparkly



Adriano Celentano in 1970 – Getty Images

lilac beret and tiny sunglasses. In rock music, a genre that seeks to break free from constraints such as language, lyrics can be incidental. The late Jerry Lee Lewis's "Great Balls of Fire" contains verses that are incomprehensible even to a native English ear. Ditto Elvis and Little Richard.

Another reason for the song's success is that it was acoustically avant-garde. It was one of the first popular songs made using a loop. Paired with repetitive vocals and a strangely offbeat rhythm, it still sounds fresh today, sometimes being cited as an early example of rap. (In 1994 Celentano released an Italian-language hip-hop parody version.)

Other influences include disco, Afrobeats and electronic music. As such it executed what Celentano set out to do not just with language, but with music itself – breaking free from words, free from genre. Unsurprisingly, "Prisencolinsinaiusol" has proved a success on social media. It's viral catnip: a quirky thought experiment with a catchy soundtrack, weird visuals and a fun back-story. It

first went viral in 2009 through YouTube and the blog Boing Boing, and has since spread across TikTok, Twitter, Facebook, Instagram and Reddit. Every few years, someone new will stumble upon the song, and "Prisencolinsinaiusol" season rolls around again. Its enduring popularity is a showcase for its versatility – and highlights the spellbinding weirdness of hearing your own language rendered unintelligible and reflected back at you.

Lucinda Smyth  
For more in the series, go to [ft.com/life-of-a-song](https://ft.com/life-of-a-song)

12 November/13 November 2022

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FT Weekend

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## Arts

# In the company of Woolf

Metropolitan Opera |  
Composer Kevin Puts  
tells Richard Fairman  
about giving new  
voice to Virginia  
Woolf in his version  
of 'The Hours'



Vaughan and Kelli O'Hara, whose career straddles Broadway and opera. Is

Above, from left: Kelli O'Hara as Laura

the possibilities in the book, especially the three timeframes inhabited by the

tic American life." That alienation is an aspect of the novel that has fascinated

throughout the US and beyond, including the Wexford Festival in Ireland and Opera North in the UK.

After the wide-ranging music of *Silent Night*, the musical language in *The Hours* is said to be more focused – though the three contrasting time periods will each have its own atmosphere. Puts describes his music generally as being accessible, often with a cinematic quality, and always rooted in the needs of the drama.

The plan for the Metropolitan Opera to give the premiere of *The Hours* goes right back to Yannick Nézet-Séguin's first meeting after he knew he was to be announced as the company's music director in 2016. "The foremost element of Kevin's music is how vocal it is," Nézet-Séguin says. "Especially how he strikes a balance between what needs to be conversational and what is lyrical. Few understand the human voice as well as he does. That is what René Fleming told me some years ago when he wrote a piece for her."



Nézet-Séguin is committed to bringing new operas to the Met. Not just con-

important facet of Woolf's personality.

"I have a lot of contrast in Virginia Woolf's music," says Puts. "At first, it is more intimate, when she is in her studio, and the harmony is constantly closing in on itself. Maybe I was thinking of her stream of consciousness style of writing, going from one thought to another, so there is a sense of the harmony doing the same. Then there are sudden manic episodes, when she is describing London and how she longs for the excitement of the city."

Drawing on its pulling-power, the Metropolitan Opera has cast the roles of the three women with three star singers. Joyce DiDonato will play Virginia Woolf, Renée Fleming is Clarissa

Laura Brown. They take the roles played in the film by Nicole Kidman (Woolf), Meryl Streep (Vaughan) and Julianne Moore (Brown).

The presence of Fleming in the cast has attracted huge attention, especially in the US. Now that she has relinquished most or all of her standard operatic roles, any appearance by the leading American soprano of her generation brings with it a prized cachet.

Puts had been composing a new piece for Fleming based on Georgia O'Keeffe's letters when she suggested the subject of *The Hours*. Fleming had been spending time with Julianne Moore and the idea of the opera grew out of that. Puts says he was immediately attracted by

Brown, Renée Fleming as Clarissa Vaughan, and Joyce DiDonato as Virginia Woolf in composer Kevin Puts's *The Hours*

Right: Fleming working with Puts  
Pete Kucinski / Met Opera, Angela Weiss / AFP via Getty Images

main characters.

"Music allows for simultaneity beyond any other medium," he says. "In a book or a film these three stories can't really exist at the same time. An opera composer must not only have the characters on stage together, but even singing simultaneously, and that makes sense because harmony works that way. The connection lies in the emotional lives of the three women, though it is quite elusive, like a different dimension where they meet in their shared experiences. As Virginia writes *Mrs Dalloway* she seems to be controlling what is happening to the fate of Clarissa, while Laura clings to the same book because she feels alienated by the idyll of domes-

Puts. "I find it compelling that these three women are all trapped in an existence which is not comfortable for them, so each is in some way living an inauthentic life. The idea that you cannot be yourself has always been a powerful theme to me. I am not sure why, and I haven't psychoanalysed myself, but it is something I clung to as I wrote this opera. I want the emotional situations of these three women to be felt powerfully by the audience."

At 50, Puts has the experience to deliver a major new work at a high-profile venue. His first opera, *Silent Night*, about a Christmas truce on the battlefield during the first world war, has gone on to performances

temporary works that have already been tried out elsewhere, like Terence Blanchard's *Fire Shut Up In My Bones* and Matthew Aucoin's *Eurydice* last year, but also premieres. He says premieres such as *The Hours* are important, as the great resources available to the Met can influence other companies to follow its lead. "I value operas of our time and conducted two of the three [contemporary operas] last year myself," he says. "After Brett Dean's *Hamlet*, which is not an easy piece, we have shown the Met is a house where all kinds of operas should appear. There have been eight premieres since 1950. Let's see eight now in a decade."

November 22-December 15, metopera.org

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Clockwise from top left: Workshop of Pasquier Grenier, *The Loggia* (detail), ca. 1480-70; Carl Moll, *White Interior*, 1908; Bernardo Daddi, *Madonna and Child with Four Angels* (central predella panel from the San Giorgio e Rubella altarpiece) (detail), 1348; Josef Hoffmann, *Tobacco Case* (acquired by Otto Prutschke, 1912); Eusebio Weyer, *Medicine*, model no. O 1709; Lucien Crémieux, *The Elder*, *Portrait of Jeanne Bréville* (the *Magnificent* or *Electoral/Prince*) (detail), ca. 1628-30; Michael Witzel, *Infantry Armor*, ca. 1580; Monumental Head of a Goddard, ca. mid-second century BCE

## Jim Dine

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12 November/13 November 2022

## Collecting

# Record \$1.5bn sales for Paul Allen collection

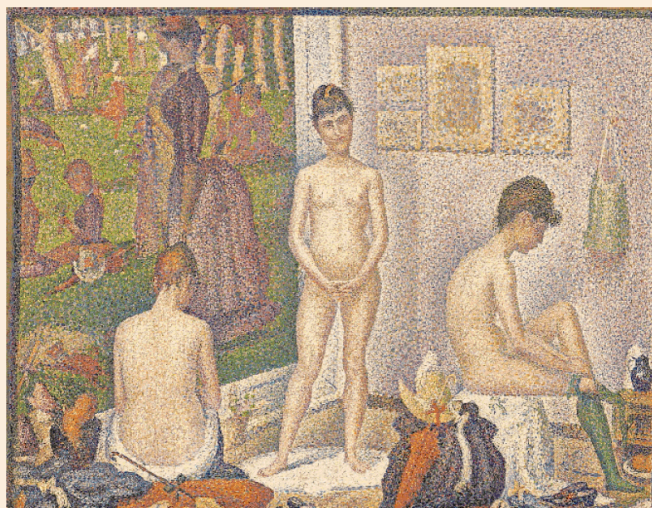
The Art Market | Astronomic auction total defies

downturn; artist's alternative World Cup trophy;

New York's photography fair. By Melanie Gerlis

Auction records tumbled at Christie's New York on Wednesday night as the first 60 works from the collection of late Microsoft co-founder Paul Allen sold for \$1.5bn (\$1.5bn including fees). It was the biggest single auction haul ever and the first to break the \$1bn

artist record of \$130m (\$149.2m) over the phone to Xin Li-Cohen, Christie's deputy chair and its liaison with China's billionaires. Buying in the busy saleroom was dominated by high-power art advisers picking up works on behalf of their wealthiest



replica trophy, will be slowly filled with crude oil and offered for \$150m. The artist says that this price level was chosen to match the profits from "bribes and kickbacks" taken by former officials of world football's governing body Fifa, as identified by the US Department of Justice in 2015.

Proceeds from the sale will go towards compensation for migrant workers who have suffered human rights abuses during the preparations for the 2022 World Cup, in keeping with calls from Amnesty International, the artist says. "I have always been interested in important icons that are corrupted by the materials of war and fighting," Melodikon comments. Another recent work by the artist, who was born in Russia, served in its army and now lives in France, uses blood donated by Ukrainian soldiers to pour into a portrait of the Russian president Vladimir Putin.

The plan is for his "World Cup Filled with Qatari Oil" (2022) to go on display in London on December 18, coinciding with the tournament's final, in the recently opened Kennington space of A/ political, an activist organisation.

PhotoFairs, which has run in Shanghai since 2014, is to open an edition in New York next year. The fair for up to

barrier. All but one work hammered above \$1mn – the cheapest was a 1922 oil by Paul Klee at \$850,000 (\$1.1mn with fees) – while three works hammered for more than \$100mn, five once the auction house's premium was added, in another auction first.

Top of the lots was Georges Seurat's 1888 work "Les Poseuses, Ensemble (Petite version)", which sold for an



clients. Overall, 20 artist records were made on the night.

Wednesday's cream-of-the-crop auction – with hammer proceeds all going to charities – beats the likes of Peggy and David Rockefeller's, whose collection totalled \$835.1mn with fees in 2018. Much of the excitement of the Paul Allen auction was inevitable. Presale estimates had been set at at least \$1.1bn and Christie's had guaranteed to buy all the works, with 39 of the 60 subsequently backed by third parties who promise to buy at a minimum agreed level. Nonetheless, the astronomical totals will add more confidence to a market that still seems to defy the ongoing economic and political uncertainty outside of its bubble.

The works in the Christie's sales, which by no means include everything that Allen owned, characterise him as a scattergun collector. The Microsoft executive, who died in 2018 aged 65, voraciously bought a broad range of artists rather than favouring any one style or period. He had a sentimental streak, and Christie's catalogue notes some themes, including a penchant for Venice, where Allen's yacht was often spotted. His Venice-based works on Wednesday included two Canalettos – one from around 1750, which sold for \$8.8mn (\$10.5mn with fees, est \$5mn-\$7mn) and a slightly later work that

Clockwise from main: Georges Seurat's 'Les Poseuses, Ensemble (Petite version)' (1888) sold for \$149.2mn; 'Le Grand Canal à Venise' by Edouard Manet (1874) sold for \$51.9mn; Andrei Molodkin's 'Wcup Cup Filled with Qatari Oil' (2022) soared to \$10mn (\$11.8mn with fees, est \$2.5mn-\$3.5mn). Manet's uncharacteristic, light-filled 1874 painting "Le Grand Canal à Venise" went for \$45mn (\$51.9mn with fees, est \$45mn-\$65mn) while Giacometti's "Femme de Venise III" sculpture (cast 1958) sold for an above-estimate \$21.5mn (\$25mn with fees).



Most striking is the revelation of Allen's dominance in London and New York auction rooms in the last 20 years of his life. He apparently bought directly and often picked up more than one work in a sale. On December 8, 1999, he bought three paintings from an auction at Christie's in London. These sold well: Paul Klee's "Bunte Landschaft" (1928), bought by Allen for £991,500, sold on Wednesday for \$4mn (\$4.9mn with fees, est \$1.2mn-\$1.8mn); Yves Tanguy's "Un grand tableau qui représente un paysage" (1927), bought for £1.5mn – an artist record at the time – sold on Wednesday for \$2.8mn (\$3.4mn with fees, est \$2.5mn-\$3.5mn); while Francis Bacon's "Three Studies for Self-Portrait" (1979), bought for £1.2mn in 1999, proved the best investment of the day, selling this week for \$25mn (\$29mn with fees, est \$25mn-\$35mn).

Artist Andrei Molodkin has been commissioned by Libero, a Spanish football publication, to produce an alternative World Cup trophy to highlight the human rights violations in Qatar, the oil-rich host of this year's controversial tournament, which begins on November 20. Molodkin's life-size acrylic mould, made from a

100 galleries will run alongside The Armory Show, a modern and contemporary art fair, in the Javits Center on Manhattan's West Side (September 8-10). "It's already an amazing time of year to be in New York and we are adding flavour to that week," says Scott Gray, founder and chief executive of Crea (previously the World Photography Organisation), a partnership with Angus Montgomery Arts.

Photofairs had a trial US run in San Francisco in 2017 where it held just two editions. Since then, there has been increasing interest from collectors and institutions for photography while, as Gray notes, the medium itself has expanded its definition. The new event will have separate sections for film and video art, alongside more traditional modern to contemporary fare.

"Artists today rarely classify themselves as just photographers. The whole ecosystem around contemporary photography has grown so much. Regardless of how you feel about NFTs, they have helped engage the market for digital art," Gray says.

Michael Benson and Fariba Farshad, founder-directors of Photo London, have taken a 10 per cent stake in the New York fair, although it will be run by a team on the ground, Gray confirms. In February, Crea bought a 25 per cent stake in Photo London.

Diversions

CHESS LEONARD BARDEN

In one of the last hurrahs for a talented generation, England over 50s last week won gold in the European senior teams at Dresden, completing a double initiated at the world seniors in Italy in June.

The five-man squad did not lose a game, and showed their class against their main rivals Germany and Slovakia. As survivors from the golden decades of British chess in the 1970s and 1980s, the victors learnt

their trade on the weekend congress circuit, whose ethos was survival of the fittest.

There were normally six rounds, including three on Saturday when the sessions could stretch from 9am to approaching midnight. Facilities were often basic, but entry fees were low and prizes were generous. Competitors were young, ambitious and creative, as the circuit spanned new openings like the Grand Prix, Barry and 150 Attacks



or the DERLD. England's current team of Michael Adams, Luke McShane, David Howell and Gawain Jones are all over 50, and

since the late 1990s no new players have got anywhere near a world top 100 ranking. This contrasts sharply with the vintage 1970s and 1980s, when England were No2 to the former Soviet Union.

2494 Magnus Carlsen vs Surya Ganguly, world rapid, Qatar 2016. Black to move and win. In the game, Black chose 1...Rxa4 and only drew.

Solution, back page

BRIDGE PAUL MENDELSON

An extra trick is always satisfying and, at duplicate bridge, lucrative. Here, declarer made a simple, expert play – and a great result was his.

West led 10♣, identified by all as a singleton, and declarer won in hand and led a trump. Strangely, West ducked this (if he wants a ruff, surely to win and try a black suit is better), and a second round of trumps saw West win ♠♥. He switched to 5♣, which does not help

declarer since ♠♣ could always have been ruffed in dummy. However, declarer's certain diamond loser is now about to disappear...



Dealer: South      Game All

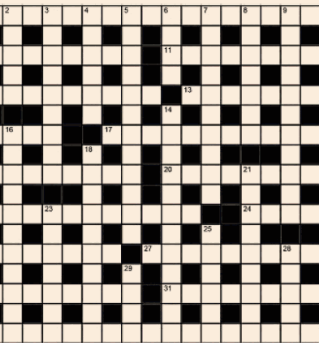
North	East	South	West
3C	2NT	3H	2B
4H			

South led ♠♣ to dummy's K♠, losing to ♠♣. East led Q♣, trying to set up a third trick for his side. Declarer won this but, rather than conceding the diamond trick, he used a key technique: he played out all his trumps, looking most sagacious. In fact, he cashed his two top clubs first, and then played all his trumps. With one trump to play, declarer held 10♣, K♥ and ♠♣; dummy held ♠Q9 and ♠♣. When K♥ is led, declarer can throw ♠♣ from dummy. East is helpless: if he throws ♠♣, declarer's ♠♣ is a winner; if he throws ♠♣, both dummy's spades are winners.

A perfect, simple squeeze, executed without declarer knowing that it would work, but hoping that it might – the route to most expert card play . . .

POLYMATH 1,204 SET BY BRADMAN

- |   |  |
|---|--|
| <b>ACROSS</b>   | <b>DOWN</b>  |
| 1 An art gallery in Glasgow (7/10)                                  | 2 Of the forearm bone (5)                                  |
| 10 Farokh, former Indian test cricketer (8)                         | 3 A successful member of a firm who brings in business (9) |
| 11 A white wine that could be 'ir' (8)                              | 4 Relating to the spleen (6)                               |
| 12 Cheap rubbishy item (unfairly?) named after an English city (9)  | 5 Complete freedom to act (5,7)                            |
| 13 Person who gives their bond to another (7)                       | 6 Priestly tribe in the Old Testament (4)                  |
| 15 (To make into) charqui (4)                                       | 7 Jaroon that may be associated with Brussels (10)         |
| 17 A closed surface with one side, mathematically constructed (5,6) | 8 A follower of Aquinas (7)                                |
| 19 A gastrointestinal hormone (8)                                   | 9 Bone-destroying cells (11)                               |
| 20 A bowl for measuring grain at a mill (8)                         | 14 A Don Henley song: what you could put in a 26 (5,7)     |
| 22 The hard covering of a mollusc (6-5)                             | 16 Author of <i>Decline and Fall</i> (6,5)                 |
| 24 Ogden, US author (4)   | 18 A drink offered to a horse rider (7,3)                  |
| 26 An early type of washing machine (4-3)                           | 21 Composer of <i>Lucia di Lammermoor</i> (9)              |
| 27 A metamorphosed sandstone (9)                                    | 23 A British comics writer born in 1970 (4,3)              |
| 30 A fanciful flourish in handwriting (8)                           | 25 Holy Roman Emperor who died in 899 (6)                  |
| 31 Resembling Thomas, the disciple (8)                              | 28 A unit of mass or a unit of weight (5)                  |
| 32 A senior sort of non-commissioned rank (5,5,7)                   | 29 The fourth of the seven canonical hours (4)             |

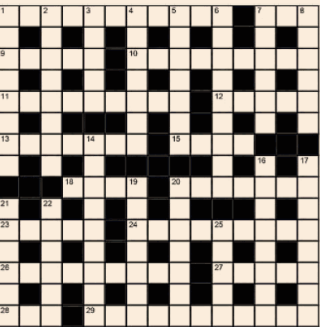


Solution Polymath 1,203



CROSSWORD 17,250 SET BY JULIUS

- |  |   |
|--|---|
| <b>ACROSS</b>  | <b>DOWN</b>   |
| 1 Small ship's company beginning to rescue frogman submerged in the drink (11) | 1 Hitchcock's speciality – unique speciality – constrained by taste? (8)              |
| 7 Trap Joe Newton (3)  | 2 Deities untagling Gordian knots finally? (4,4)                                      |
| 9 Throw student in half-built NY prison? (5)                                   | 3 Came first, having overtaken silver car (5)   |
| 10 Car very masculine; advanced, large, basically not sexy (9)                 | 4 River water in Paris turns up odd reading on the scale (7)                          |
| 11 Oregon made Mike in charge of efficient design (9)                          | 5 Small state tax put on one container (7)  |
| 12 Yard lied about surrender (5)   | 6 Turin lays in ruins – one is shaken (5,4)   |
| 13 Vicious retro competition in which one should wear a helmet (7)             | 7 Monsieur wearing sleeveless jacket, which can be a bore (6)                         |
| 15 Mixers not included in order (4)  | 8 Dylan composition about old fishwife? (2,4)   |
| 18 On the mend, having drained dry ale (4)                                     | 14 Society which hosts frequent board meetings? (5,4)                                 |
| 20 Endlessly ringing Italy's premier painter (7)                               | 16 What could be extra strong German currency, and what might be stamped on it? (4,4) |
| 23 Agrees to feed returning cows/yak/oxen (5)                                  | 17 Yes, Nokia mobile tone is generated by pressing this (5,3)                         |
| 24 Mum, new tiff, brown, is somewhere in NY (9)                                | 19 Sweet ballerina drained following dance (3,4)                                      |
| 26 British former PM grappling with a cross, fearsome woman (6-3)              | 20 Wim dumps wife for bachelor parties with loads of booze (7)                        |
| 27 David ran kilometres outside, took on water (5)                             | 21 IBM set up invested in the upcoming electronic Australian automaton (6)            |
| 28 Stripped pine organ (3)   | 22 Ten misbehaving in pub? It's just badinage (6)                                     |
| 29 So my banker's bust – his vital assets are frozen (5,6)                     | 25 Ace studio with way out sound (5)  |



Solution 17,244



Jotter pad

# Spectrum

Life&Arts

LONG READS | INTERVIEWS | IDEAS

## Qatar 2022 special

# Gamble in

The night before the announcement, Hassan al-Thawadi sat in his car, overcome with emotion. As his driver whisked him away from FIFA's extraordinary, mostly underground headquarters on a wooded hill in Zurich, he tried to take stock of what was probably the most consequential day of his career so far.

A year earlier, the young Qatari lawyer had been appointed chief executive of his country's quixotic bid to host the

2022 football World Cup. Qatar was an unlikely destination for one of the world's biggest sporting festivals. A city state with a population of under 3m people, it lacked the infrastructure to host hundreds of thousands of visitors at a time. Its conservative culture restricts alcohol sales and forbids public displays of affection. And summer temperatures in the Gulf Peninsula soar well above 40C, potentially lethal for players.

Qatar did have cash, vast amounts, generated by bountiful natural gas, and its ruling monarchy was determined to host the first World Cup in the Middle East in history. So Thawadi, an eloquent, multilingual diplomat's son, had spent months criss-crossing the globe to drum up support for the bid, particularly among those outside of the traditional football establishment.

The process of selecting a host country was opaque. Every seven years or so, football's global organiser Fifa invited members to put their names forward for future tournaments, typically a decade

**The backlash began immediately. The then US president Barack Obama complained that Fifa had made the 'wrong decision'**

or so ahead of time. Countries then have about a year to finalise their bids, setting off a frenetic storm of planning, lobbying and backroom deals. The final selection was decided by secret ballot, voted on by 22 executive committee members, who happened to be all male. It all culminates at a grand announcement ceremony in Switzerland.

In December 2010, Thawadi's final presentation took place at Fifa HQ in front of an audience that included prime ministers, royals and famous footballers as well as delegations from rival countries. As usual, the bigger countries pulled out all the stops. Former president Bill Clinton and actor Morgan Freeman pitched the US; supermodel Elle Macpherson championed Australia's efforts. Then there was Qatar.

Thawadi took the podium and, in perfect American-accented English, made his bid one last time. In the delegation, sitting among those he was trying to sway and those he was trying to surpass was the man ultimately responsible for Qatar's bid: Sheikh Hamad bin Khalifa al-Thani, then the country's emir. Thawadi promised that "heat is not, and will not be an issue," citing cooling technology that would regulate temperatures even in massive open-air stadiums. Holding the tournament in the Middle East would, he argued, act as a bridge between the Arab world and the west. It would be a "bold gamble," but there were "no risks." Afterwards, when there was nothing left to do but wait, he felt completely drained.

The next day, Sepp Blatter, the Swiss football administrator and Fifa president at the time, stood on a stage next to the World Cup trophy, opened an envelope and pulled out a card. "Qatar," he said. The hall erupted with cheers intermingled with gasps. The emir lifted his large frame from his seat and, appearing close to tears, embraced his sons in celebration. Sitting nearby, Thawadi was shocked. "I didn't know what was happening," he said. "I'm standing there, statue-still." At home, Qataris danced in the streets of the capital Doha.

The backlash began immediately. Then-US president Barack Obama complained that Fifa had made the "wrong decision". European media joined in the chorus of disbelief. "The power of gas and oil," declared the headline in Spain's El Mundo. The Dutch daily AD went further, suggesting that Fifa's Zurich headquarters would be "swimming in banknotes" after awarding the tournament to Qatar.

On stage in Zurich, Blatter too seemed somewhat stunned by what had just happened. Even for a tournament that had chosen questionable hosts in the past — Mussolini's Italy in 1934, Argentina's military junta in 1978 — this was unexpected. Some years later, after he had been disgraced, forced to step down and seen Fifa's headquarters raided by Swiss police, he told the FT that the moment he pulled Qatar's name out of the envelope was the moment that his troubles at Fifa began. "If you see my face when I opened it, I was not the happiest man," he said. "We were in a situa-



Was realising the dream of the Middle

East's first World Cup worth it? Qatar is

about to find out. *Andrew England on*

football's unlikeliest tournament

tion where nobody understood why the World Cup goes to one of the smallest countries in the world." Twelve years later, on the eve of the tournament, many people are still wondering.

**The seeds of a Qatar-hosted World Cup** may have been planted in England in the summer of 1966. The future emir, al-Thani, and his friend Abdullah bin Hamed al-Attiyah, were teenagers attending summer school in the UK. Back home in Doha, they enjoyed playing football in al-Bidda, a downtown neighbourhood. Sheikh Hamad, whose al-Thani dynasty has ruled Qatar since the 1850s, was captain. While they were abroad, England won the World Cup, which it was hosting. Sheikh Hamad and Attiyah wandered around a delirious London, unable to find a taxi or get on the underground. "And all these hooligans!" Attiyah recalls. "They are drunk... they are very happy and they mix happiness with destruction." It dawned on the young men what the World Cup meant.

At the time, the country Sheikh Hamad and Attiyah hailed from did not enjoy the vast wealth it does today. For centuries, Qataris had depended on the pearl trade, but the collapse of the industry in the 1950s left many destitute. Their fortunes began to improve when western-led companies started pumping crude in 1949, but there was little semblance of a state. "When we received the first money, we had a ruler but no government," Attiyah said. With a population of just 120,000, Qatar gained independence in 1971. Attiyah joined its nascent government and eventually rose to become energy minister, his childhood friend by then on track to become the country's monarch. Compared with its larger neighbours in the Gulf, Qatar's oil output was modest. It did, however, share the world's biggest natural gas reservoir, the North Field, with Iran.

Beginning in the 1990s, a series of high-stakes gambles propelled the country's transformation. First, in the energy market. Qatar's rulers, with Attiyah as energy minister, decided to bet on gas, notably liquefied natural gas (LNG), despite abundant scepticism. Those who feared it would never yield suitable returns included BP, which pulled out of a project in 1992. In the end, one of the world's most powerful energy companies had been wrong and the upstart nation right. A rapid, massive accumulation of wealth and Doha's sudden global significance imbued the

From main: view of Doha, with landmarks including, in the background, the Khalifa Stadium and Aspire Tower; the 2022 building at Doha Sports City; view from the taxi ride from airport to city centre

Photography for the FT by Natalie Naccache

al-Thanis with confidence, particularly Sheikh Hamad, who in 1995 pushed aside his father to become emir and set about modernising the state.

Just a year later, Sheikh Hamad's growing ambition led him to fund Al Jazeera, a satellite television network that bucked the Gulf's status quo of sycophantic state media. The Arabic-language channel allowed criticism of other Arab governments, turning the small country from which it broadcast into a regional player to be reckoned with. By providing a platform for Islamists and dissidents, including a late cleric regarded by many as a spiritual guide of the Muslim Brotherhood, it would come to be seen by rival countries as a potentially destabilising force.

By the mid-2000s, Qatar was the world's top exporter of LNG, and had set up a sovereign wealth fund that today is estimated to manage assets of about \$450bn. This enabled a spending spree of western assets, such as London's Shard and Harrods, which became, like its media experiment, another way for Doha to project soft power. This was the context in which Qatar bid to host the World Cup. "When I discussed it with Sheikh Hamad, he believed we have a chance," recalled Attiyah. His sovereign simply asked, "Why not?" At the time, Attiyah added, "We believed Qatar could do many things."

We were talking in a sprawling villa that epitomised the opulence enjoyed by the country's elite. When I arrived, Attiyah ushered me to an office he called his "history museum". It was filled with photos and artefacts, including pictures of him with the Obamas, Fidel Castro and Hugo Chavez. In between the living and deceased former presidents, were photos of his friend the sheikh.

Over the course of the history collected in Attiyah's museum, Qatar's rise has ranked with its powerful neighbours. Under Sheikh Hamad, Qatar pursued an active and independent foreign policy that often went against the Arab mainstream and irritated other regimes, most notably backing Islamist movements that sought to capitalise on the chaos unleashed by the 2011 Arab uprising. Even after his surprise abdication in 2013, which handed power to his thirtysomething son Sheikh Tamim, its relations with neighbours remained strained. If anybody thought becoming



the Arab world's first host of a World Cup would help, they were wrong.

**In April this year, construction** was taking place in virtually every corner of Doha. The capital's soundtrack seemed to be thudding jackhammers. To the north, work was being completed on Lusail, a new city where the World Cup final next month will be played in a flagship, 80,000-seater bowl-shaped stadium complete with air coolers. The stadium was already finished, as were six others built specially for the tournament, including one made out of 974 shipping containers that is to be dismantled after the final.

All around Lusail stood office towers, hotels and residences awaiting final touches, emblems of the relentless rush to complete preparations. Between clusters of glittering skyscrapers, congested highways and older, sandy-coloured residential areas, it was hard to know where the building stopped and the desert began. Doha has poured at least \$200bn into infrastructure and mega-projects in the years since Blatter opened that envelope, including \$6.5bn on stadiums and facilities.

All this construction has taken place over the course of a difficult decade for Qatar. It has been a period of friction with neighbours, including a three-year embargo led by Saudi Arabia and the United Arab Emirates in 2017, and near ceaseless questions about the morality of holding the World Cup here. While Doha aimed to take a place on the global stage, Qataris didn't anticipate their nation becoming a lightning rod. One consultant involved in the bid said it was run like an election campaign "with a disruptive message that they could show Fifa members not at the heart of the regime they had a voice". But his immediate emotion after Qatar won was "absolute dread" at realising the lack of preparedness for what came next.

Within a few months allegations of bribery were made against members of Fifa's executive committee that awarded the 2018 and 2022 World Cups to Russia and Qatar. The Sunday Times named two Fifa members who were allegedly paid \$1.5m (£916,000) by Qatar for their votes. The Qatari authorities denied the allegations. According to another person involved in the bid, "They didn't bribe, but if the government was investing in sports stadiums or development in other countries that

was OK." This person adds that two lawyers travelled on every trip to ensure that lines were not crossed. An official probe launched by Fifa identified "conduct by Qatar 2022 that may not have met the standards set out in the FCE [Fifa code of ethics] or the bid rules", but did not conclude that votes had been bought. The same was found to be true of other bids, including England's for the 2018 tournament.

At the same time, scrutiny over the rights of workers who had been employed to build new stadiums and other infrastructure for the tournament grew. A 2015 report by Amnesty International found systemic abuse and exploitation of migrants who were working all day, every day in scorching heat, sometimes without pay, while living in squalid labour camps. The consultant said that the Qataris showed "absolute naivety" when, after the bid, he warned them it was time to focus on addressing the treatment of workers and the human rights issues. "I don't think they had an understanding of how the world would perceive them. The result was them going into denial," he told me.

Louis van Gaal, the Netherlands head coach, summed up the feelings of many in Europe's football establishment when he bluntly told reporters this year that it was "ridiculous" that the World Cup was happening in Qatar. "We are playing in a country that Fifa says they want to develop football there," he said. "That's bullshit, but it doesn't matter. It's about money, about commercial interests."

**Education City is an island of western** academia established by the Qatar Foundation that was set up by Sheikh Hamad's wife, Sheikha Moza. Here, no topic is supposed to be taboo, said Daniel Reiche, associate professor at Georgetown University Qatar, whether it's scrutiny of the World Cup or the treatment of workers' and gay rights. A tall, lean German who leads a research initiative on the World Cup, Reiche insisted Qatar should be judged against its Arab peers, not by western standards. Many of Georgetown's students are Qataris, including those expected to be among the next generation of leaders.

He recalled a recent debate among his students that began when young Qatari men were asked if they would allow their daughter to choose which sport she wanted to play. One said he wouldn't want a daughter to perform any sport in front of men, while another would only consider what was "appropriate". A third replied, "I couldn't care less what she chooses, I will support her." Reiche said. Though many outsiders assume the place is homogeneous, he said, "there are many different views."

There's a conspicuous pause when I ask how he would respond if a gay student approached him for advice. "Honestly, students are not so open to discuss personal issues with you," he said. "But of course, we have homosexual commu-

*Continued on page 19*

## Spectrum | Qatar 2022 special

It's a weekday morning in a hotel in Doha, the sprawling city that dominates Qatar. The manager, a large man in an uncomfortable-looking suit, shakes my hand with a smile and leads me through the lobby. As we walk down marbled corridors, I take in my surroundings. This is a five-star establishment. Chandeliers the size of small cars hang from the ceiling. In one corner, a grand piano plays itself. Through the floor-to-ceiling windows I see a city that is both modern and



see out to a private beach, we eventually come to a stop in a lounge, deserted apart from a man on the phone.

Such scenes are ubiquitous the world over. Luxury hotels function as oases of opulence, places to be pampered and to indulge. But there's one crucial difference between hotels like this one in Doha and counterparts elsewhere. In Qatar, the main clientele is not made up of visitors from outside the country, but those already living here.

The hotel manager, who came here from Lebanon, concedes that at first it seemed like madness to spend upwards of \$200 a night to stay 20 minutes or so from home. But now, "I also do it just go, hang out at the pool, have a beer, relax and that's it."

Hotels are Qatar's neutral territory, a haven of liberalism in a conservative country, a zone of plausible deniability.

**'Hell's gonna break loose. There's gonna be chaos everywhere, demanding guests, drunk guests'**

*Qatari hotel worker*

This depiction of a world within a world — let's call it Hotel Qatar — is an amalgamation of multiple locations, based on interviews with staff, management and clientele, most of whom asked to be quoted anonymously to avoid reprisals.

In Hotel Qatar, behaviour that would elsewhere result in a fine, deportation or worse is not only allowed, but often encouraged. As the only venue allowed to serve alcohol, it is home to all of the country's bars, pubs and clubs. And in a country where sex outside marriage is illegal, it also functions as a discreet hook-up point, where men and women can escape the prying eyes of relatives, overbearing bosses and intolerant friends. Put simply, Hotel Qatar is vital. "Hotels are like the lungs of Doha," says the manager.

Hotel Qatar is also a microcosm that reflects this tiny society up-close. Music venues run the gamut from African drum 'bass sets' to all-Filipino cover bands. Hotel Qatar houses a diverse ecosystem of bars and restaurants, from burger joints to perfect facsimiles of Irish pubs to lavish restaurants. And, as one of the few places where the haves and have-nots come face to face, it exposes Qatar's stark inequalities.

Qatari citizens today are some of the wealthiest on the planet, thanks to the country's bountiful natural gas. Yet they are outnumbered almost nine-to-one by migrants, mostly from the poorest regions of the world, drawn by the prospect of higher wages. The dark side of Hotel Qatar echoes the well-publicised plight of workers in the construction industry. Employees can face exploitative and unfair labour conditions. Some have had to deal with unpaid wages, overly long hours and restrictions on their ability to change jobs.

In 2000, there were just 19 hotels in the whole of Qatar. By last year, there were more than 150 as organisers of the 2022 Fifa World Cup worked around the clock to ensure enough rooms to host the huge influx of visitors that will attend the tournament. (Fifa's delegation alone needs 963 rooms.) Hotel Qatar is about to host more than a million guests from all over the world, all pouring into a country of barely three million. Workers have been instructed to expect a month like no other. "We have always been told that maybe hell's gonna break loose," says one. "There's gonna be chaos everywhere, traffic everywhere... demanding guests, drunk guests. We're expecting that."

**Doha, it is fair to say, doesn't have a reputation as a party town.** The entire country of Qatar has just one store that sells alcohol, and a permit is required to shop there. It is an offence to drink alcohol in public, let alone to be drunk.

The strict rules governing alcohol reflect the socially conservative mindset of many Qataris. Displays of Islam are visible in many public space in Doha. The five-times daily call to prayer emanates not only from mosques, but interrupts radio broadcasts and even the muzak filling shopping malls. All business and leisure facilities shut for Friday prayers, the most important of the week. Women require the approval of a male guardian — usually their father or husband — to marry, study abroad or, in many cases, obtain a driving licence.

These strict rules are relaxed in Hotel Qatar. Or at least, not so strictly enforced. "People say, 'Oh, this is a very conservative country so you cannot have fun.' No!" says the hotel manager. "If you choose not to look for something, it doesn't mean it's not there."

For those with money, the highlight of the social scene is Friday brunch. Starting in the late morning, foreigners flock



# Hotel Qatar

Hotels are havens of discretion in this conservative nation. But they

are about to face the biggest culture clash in its history. By *John McManus*

to hotel restaurants to drink champagne and cocktails. They graze from buffets serving sushi, pizza, foie gras, freshly carved meats and dim sum. Then they drink some more, often late into the night. The most exclusive brunches cost upwards of \$135 per person.

Alcohol prices more broadly are among the most expensive in the world. The average price tag on a 330ml bottle of beer in Qatar in 2021 was \$11.26, the cost inflated by a 100 per cent "sin tax". But cost isn't a deterrent for many in Qatar's substantial professional classes. A British school teacher working in Qatar says that on his first flight over, he turned to his wife and said: "You realise this is the last drink we're going to have until Christmas?" He had to revise that view pretty rapidly. He says he drinks more in Qatar than he did in the UK.

I heard many tales of Qataris partaking in Doha's drinking scene, and sometimes witnessed it myself. One foreign friend tells me a story about frequenting hotels with a Qatari who would order "cold tea". The waiters knew this was their cue to bring a teapot full of whisky.

Another clandestine activity is sex. The Qatari penal code criminalises sex between adults who are not married. Gay sex is also illegal. But that, of course, doesn't mean that every unmarried person lives a life of celibacy. The dating app Tinder is alive and well in Qatar. So are nightclub hook-ups. Friends from all segments of society relish swapping stories about illicit trysts disguised through elaborate means. "Don't think women in full veils in hotels are pious," one person who works for a Qatari state agency tells me with a grin. "It's the opposite: they're about to meet their lovers". One of the incongruities here is that while extramarital sex is illegal, sex workers are often highly visible, including in high-end establishments.

For Qataris and others who live under the weight of strict social expectations, the relative freedom offered by hotels is even more vital. "I think about one of my friends who's a gay Qatari and an activist, but very underground," says Mustafa Qadri, the founder of Equidem Research and Consulting, a human rights group. "Often hotels are these spaces where they'll congregate, just simply to have space for solidarity and as a community."

Qatari authorities have spoken publicly about all fans, regardless of nationality or sexual orientation, being welcome during the World Cup. "Hospitality is the most important [thing] for Qatari people," says Omar al-Jaber, executive director of accommodation at the Supreme Committee, the tournament's organising body. "It's a good opportunity for the world to visit Qatar and know our culture... Some of our habits and cultures came from Islam and some of them... from [simply being] human."

The singing out of Qatar on this issue frustrates some foreigners in the country, who believe a false dichotomy has been set up. "You know, we didn't wake up one morning and become so liberal

Illustrations  
by Lucas Varela

and westernised," one European hotel manager tells me. "It was a process for us as well". He points out that for all the progress on gay rights in western countries, there is still not a single openly gay footballer in England's Premier League.

still, many overseas LGBT+ football fans, appalled by Qatar's oppressive laws and fearful for their own safety, will simply boycott the tournament. Last month, Human Rights Watch documented multiple cases of arbitrary arrests, detention, verbal and physical abuse of LGBT+ people. The report described incidents between 2019 and 2022 during which security forces arrested individuals in public places based solely on their gender expression. Some were beaten; all were made to sign a promise to "cease immoral activity". And as a requirement for their release, authorities "mandated that transgender women detainees attend conversion therapy sessions at a government-sponsored 'behavioural healthcare' centre."

In a 2020 report, the UN special rapporteur on racism described Qatar as operating "a quasi-caste system based on national origin". This is visible everywhere: security guards are black Africans; service staff are predominantly Filipina. While most white westerners I met felt comfortable flouting the laws, that was not the case for those whose presence here is more precarious.

"I had some fear when my boyfriend was still here," says one Filipina woman in her twenties. They would spend the night together in hotels but "even though the hotels are allowing you to do this, you cannot be so complacent." She always feared that the authorities could drop by any time. "You'll be in jail. You'll be deported," she says. "That's the freedom that you're talking about."

For the majority of the country's population, Hotel Qatar is off-limits. Most of the 2.7m people who live here are low-income manufacturing and construct-

ion workers. They live far away, in labour camps on the edge of Doha and earn between QR1,000 (\$275) and QR2,000 a month. Even if they lived closer or were allowed to enter, a single drink costs the equivalent of a day's wage.

Media investigations and reports by human rights groups have exposed a litany of issues, from unpaid wages and confiscated passports to unsafe working conditions and unexplained deaths in construction. But few people are aware that the hotel sector globally lags behind in terms of protection of workers.

Part of the reason is that hotel employees, like those employed as domestic workers in private homes, often work in small teams or alone, behind closed doors, making them vulnerable. While the construction workforce is male-dominated, this industry is more female, bringing with it problems of abuse and a more gendered sexism. "They're culturally perceived as being invisible," says Qadri, the Equidem director, who recently produced a report on Qatar's hotel workers in conjunction with the Global Labor Justice-International Labor Rights Forum. "They're almost like robots. They're just meant to serve and not be seen and not to talk too much."

In Qatar, this vulnerability is exacerbated by a system of labour recruitment that hands disproportionate control of

**There has been acceptance that the authorities will need a lighter-than-usual touch for the tournament**

the worker to their sponsor, either a private individual or company. Workers are bound to their sponsors in arrangements that make it difficult to raise complaints or change jobs. Under pressure, Qatar has in recent years reformed the most egregious elements of that system, known by its Arabic name of *kafala*. But enforcement is weak and workers still report suffering. "For nine months, we were made to work for more than 12 hours a day, without a day off," an Indian worker at the Holiday Villa Hotel and Residence, a Fifa World Cup Qatar 2022 partner hotel, told Equidem for its 2022 report. "In order to keep our hours hidden, we were prevented from clocking in and clocking out. I was on the verge of going insane." (The hotel did not respond to a request for comment.)

I approached nine international hotels in Doha for this article, but none of them agreed to speak. The defence frequently offered in response to claims of abuse is that international chains are run as franchises, and individual locations are technically owned by Qatari companies. It is an excuse that doesn't wash with human rights groups. "It's a really shocking dismissal of responsibility," says Isobel Archer, Gulf programme manager at the Business & Human Rights Resource Centre in London. "It's just not an argument that is put forward any more because brands in, say, apparel have realised they have to [look after workers] in their [supply] chains".

There's an often overlooked psychological toll too. Workers in hotels have to possess elephant-hide skin as stressed guests let off steam and take out their frustrations. One Filipina hotel worker says: "Some guests... they just want to make you feel that I'm up here, you're down there." So of course, it's very sad. But we learn to adapt."

One manager of a high-end hotel says humour is a crucial coping strategy for dealing with the most demanding guests: "If after all the education he went through... they can't teach him to be a

bit humble or to show respect for others, then I'm not gonna do that in one encounter!" He laughs. "If he wants to feel like he owns the hotel, let him feel he owns the hotel. Give him another banana, let him check out late."

How will Qatar deal with a million partygoers arriving on its doorstep? "Alcohol is not part of our culture," Nasser al-Khatir, chief executive of the 2022 World Cup, said in 2019. There has been acceptance, for the tournament, that the authorities will need to adopt a lighter-than-usual touch. One of the more bizarre recent revelations is that organisers will arrange designated sobering-up zones where supporters will be forced to spend time if they get carried away.

There is also hope in some quarters that the first Fifa World Cup in the Middle East will attract a different type of fan, and that it will be a more welcoming event to Muslim fans who may not feel at home in crowds of drunken supporters. The second-biggest bookers of accommodation for the World Cup period are guests from neighbouring Saudi Arabia, according to al-Jaber, the executive from the tournament's organising committee.

As for Hotel Qatar, the plan is for it to keep growing. In October, there were at least half a dozen new hotels racing to complete construction in time. Twenty more are due in 2025, as Qatar focuses on boosting tourism. Yet in early October, the Supreme Committee and Fifa released thousands of extra hotel rooms it had previously reserved for teams, sponsors and fans on hospitality packages, a reflection perhaps that people had been put off by the price.

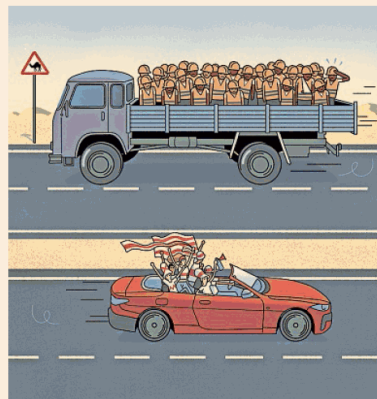
Among the alternatives are apartments and villas, three cruise ships docked in the port, fan villages of prefabricated housing and even purpose-built tents in the desert. The cheapest of these options starts at \$80 a night for a double room. But some feel that the perception of Qatar as expensive has already driven fans to stay in neighbouring countries, particularly the United Arab Emirates. "People just said, 'Well, fuck that. I'm going to Dubai and will fly out for the games,'" according to one hotel manager.

**All this feeds into a larger question of** who this version of the World Cup is actually for. Qataris? Many of the foreigners I met in Qatar said they planned to capitalise on schools and businesses being closed to take a trip back home. Some who are staying don't intend to go to any games, despite a special cheaper ticket category for residents. "Who can afford it here?" the Filipina hotel worker asks. "Maybe British citizens like you who are working at the top of the ladder... But you cannot deny you are most of the population living in Qatar... We are just here to work our asses off."

Paul Michael Brannagan, a senior lecturer at Manchester Metropolitan University specialising in the study of sport, wonders if the costs may actually be a deliberate tactic by the organisers. "I think what they also want are what they might call hassle-free fans," he says. "They want people to keep coming back who are not going to disrespect Qatari laws... I think there is a strategy here, and that it's so they can try and limit who actually goes to this World Cup."

He is not alone in that view. "I actually go as far as to say that this is not a World Cup for the masses," the European hotel manager concludes. "This is the World Cup for the VIPs and corporate sponsors, that's how I call it."

*John McManus is the author of 'Inside Qatar: Hidden Stories from One of the Richest Nations on Earth'*



# Why the middle-aged players are still top-class

The most talented footballers heading to Qatar are older. What's going on? By *Simon Kuper*

Last year, I lived three metro stops from the Santiago Bernabéu stadium in Madrid, and so I spent many evenings watching Karim Benzema. Real Madrid's French forward – who last month won the Ballon d'Or for world's best player, aged 34 – spends much of each game strolling around. He is scanning, clocking the location and directional movement of every player around him, as if that trademark bandage on his damaged right hand concealed a GPS. Then, when he suddenly breaks into a sprint, he is telling his teammates: "I have seen a gap. Give me the ball now."

Once they feed him, he keeps scanning even while on the ball in the penalty area. He takes every split-second the defenders leave him until he identifies the optimal choice, whether that's shooting or passing off any part of either leg. When the ball goes in, Benzema generally even celebrates calmly. He had seen the goal coming before anyone else did. In Qatar, he aims to win the World Cup with France. Benzema (who before this year had never finished in the top 15 for the Ballon d'Or) exemplifies a trend of this tournament, and indeed in modern sports: many of the best players are entering middle age.

A crop of men born between 1985 and 1988 are among the biggest names going to this World Cup. Leo Messi, probably still the world's best footballer, is 35. Cristiano Ronaldo remains Portugal's most reliable goalscorer at 37, the same age as Croatia's playmaker Luka Modrić, who recently joked (if it was really a joke) that he might play until 50. Between them, this trio has won every Ballon d'Or since 2007. Those who felt Messi didn't deserve his seventh award last year were backing Poland's centre-forward Robert Lewandowski, now 34. No player born after 1987 has won the Ballon d'Or. The world's best young footballer, Norway's forward Erling Haaland, 22, isn't even going to Qatar because his team didn't qualify.

Relatively geriatric stars rule in other sports too. Serena Williams and Roger Federer dominated tennis until not long before retiring this summer, aged 40 and 41, respectively. Rafael Nadal, 36, and Novak Djokovic, 35, remain top players. Only in 2020 did Dominic Thiem become the first man born in the 1990s to win a Grand Slam. In Formula One, Lewis Hamilton appears to have started his decline only this year, aged 37. Equally old LeBron James remains a

great basketball player, while quarterback Tom Brady recently returned to the NFL, aged 45. It's tempting to see a trend here, to conclude that better diets and medical care, plus stricter rules against dangerous tackles in soccer and the NFL, have prolonged athletic careers.

Certainly today's footballers take better care of themselves than their predecessors. George Best was an alcoholic; Johan Cruyff, a chain-smoker; and Diego Maradona, a cocaine addict. More recently, Wayne Rooney managed his stress through solitary two-day drinking binges. By contrast, many players going to Qatar are teetotaling vegans with gymnasiums in their basements. The older they get, the more they tend to ratchet up the self-care. Arsenal's former manager Arsène Wenger, explaining Benzema's improvement in footballing old age, noted: "Until 30, he had two or three kilos too many." Messi and Ronaldo also lost weight after shifting to radical long-term diets.

For a measure of changing times, check out the selfie taken by Sweden's 41-year-old striker Zlatan Ibrahimović (whose country also failed to qualify for Qatar) in his underpants, and then leaf through 1970s' English Panini sticker books. Back then, many players by their late twenties were paunchy, wrinkled and toothless – the effects of humble postwar upbringing and playing careers structured around all-day pub "lunches".

So the thesis of a general ageing in sport makes logical sense. There's only one problem: there's almost no evidence for it. In global football's dominant league, the English Premier League, there is no long-term data showing that teams or goalscorers are getting older, says the head of data at one leading club. When The Athletic website last year gauged "peak player age" by analysing which players in the Premier League got the most playing minutes, it concluded: about 27 years old for center backs and strikers, 26 for wingers and 25 for full-backs and central midfielders. True, the average age of players in the Champions League did rise from 1992-93 through to 2017-18, but only modestly, from 24.9 years to 26.5. Meanwhile in American major league sports, teams are actually getting younger for a variety of reasons. In other words, Benzema et al are outliers.

Why doesn't improved care seem to have increased overall longevity in football? Well, younger players are also



Illustrations by Soren Kunz

**Improved sensory perception isn't enough to keep most older footballers going. Only the greatest footballers are worth keeping into middle age**

looking after themselves more, and they are at an advantage as the game speeds up. The dominant tactical style now is aggressive pressing: the moment a team loses the ball, players combine to chase up opponents.

Wenger told me in 2020: "Today, football goes at 200 miles an hour, so you have to show first that you can go on the train. Once you're on the train, you can express your talent. But if you cannot get on the train, you don't play." High-intensity sprints – usually pulled at the moment one team wins the ball – are increasingly valued in football, and younger players make more of them.

No matter what athletes do to stay fit, they will enter physical decline even before turning 30. The first thing to go is flexibility. Then, from about the late twenties, cardiovascular capacity starts to fall, reducing endurance. Around the same age, athletes begin losing muscle power. A footballer at 30 will jump more slowly and less high than before. Reaction times drop too. Strength goes last since muscle and bone mass only decline in one's thirties. Meanwhile, injuries picked up over a career take a cumulative toll. The best advice on ageing remains: don't do it.

So there are two apparently contradictory facts. One: there is no general ageing trend in male sport. Two: many

of the best players in various sports are old. What explains this?

To understand what's going on, it helps to know that this isn't the first time people have heralded a supposed ageing in sport. In the late 2000s and early 2010s, there was a crop of forty-something footballers: Paolo Maldini and Alessandro Costacurta at Milan and, later, Ryan Giggs and Edwin van der Sar at then dominant Manchester United.

They had peers in other sports. Martina Navratilova won her last mixed doubles title in the US Open aged 49, shortly before Barry Bonds retired from baseball aged 43 in 2007.

When I asked how she did it, she talked about her diet (she once drank so much carrot juice that she turned orange) but finally admitted: "I don't know why I can still play as well as I can. Here I am, older than most players' mothers. I can still hit a 105-mile-an-hour serve. Gordie Howe [who played a season in the National Hockey League aged 51] is the only athlete I know that's done it at this age."

One winter's day in 2008, hunting for the secret of eternal youth, I visited AC Milan's training ground at Milanello, in the countryside near Lake Como. It was possibly the world's nicest office. The air was so clear that, at 10 metres, you could see the pores in a man's skin. The training fields were so flat that you could lie on the ground and not see a single undulation. I sat in the bar, drinking perfect espressos for free, and every young man who passed, world champion or not, said, "Buongiorno."

Outside, the oldest squad in the history of top-class football sauntered around the training pitch, all of them still perfect straight-backed athletes. In 2007, Milan had won the Champions League with a starting eleven in which most players were 31 or over.

A tall, grey-haired man in a blue suit and blue trenchcoat gazed down at the

squad, puffing a cigarette. This smoker headed football's leading medical team. Jean Pierre Meersseman, director-general of the so-called Milan Lab, a scientific and medical team that worked for player "wellness", seemed to have cracked the problem of ageing. When I asked, "What's the maximum age of a top-class footballer?", he replied, "I think it's around 40. It used to be 33, 34 at the most."

He was reluctant to lift the lid on Milan Lab's secrets, saying little more than: "If you can predict the possibility of injuries, you stop the player before." By studying a player's jump, the Lab could predict with 70 per cent accuracy whether he would get injured. Each player was given a rating between one and 10 for his structural, mental and biochemical levels. Anyone rating 4.7 or below was at risk of injury. The system worked. "The extent of non-traumatic injuries has been drastically reduced by well over 90 per cent, compared to the previous five years," said Meersseman. "So that's an interesting concept." In short, care was improving even then.

But there's something else he said that day that probably does more to explain the endurance of Benzema et al today. Meersseman was eulogising Milan's Brazilian striker Ronaldo, a brilliant, injury-prone player who enjoyed the good things in life and wasn't big on self-care. "Ronaldo," marvelled the doctor, "he can perceive situations so fast, and react too." The Brazilian seemed to see the game unfold almost in slow motion.

The Milan Lab believed that this quality of "sensory perception", "interpreting detail inside the brain", might be the most important in football. And it is a quality that improves with age, both in run-of-the-mill players and in stars. Improved interpretation of detail presumably explains why players increase their passing accuracy by 0.25 per cent with each year that they age.

*Continued on page 20*

## Gamble in the Gulf

*Continued from page 17*

nity members. And what I hear is it's not difficult if you're homosexual to meet other homosexuals; there's an app."

Reiche is among those who think the World Cup accelerated change in Qatar. "There are many people here who want change, but maybe without being able to refer to the external pressures they would not have succeeded," he said, citing improvements to labour laws.

Though some changes have been significant – notably alterations to the so-called *kafala* system, which meant employers had almost total control over employees – shocking cases have continued to emerge. A 2018 audit of World Cup sites by consultancy Impact, compiled for the Qatari entity responsible for delivering the tournament's infrastructure, revealed persistent problems with worker treatment. One person had worked 148 days consecutively. "Wage theft", from workers who often provide their families' only source of income, was rife according to a separate report. The deaths and injuries of migrant workers have sullied Qatar's image internationally more than any other issue, though exact numbers are hard to confirm. Doha insists only three work-

ers have died on World Cup projects, while an International Labour Organization report says there were 50 work-related deaths across Qatar in 2020.

As the clock ticks down to the tournament, the focus on human rights has only intensified, with football stars, managers and national teams adding their voices to the concerns and promising to raise the issues throughout the World Cup. Football associations such as France and Germany have supported the call for FIFA to provide a compensation fund for migrant workers of \$440m, the equivalent of the prize money on offer during the World Cup.

Labour advocates and rights groups cautiously welcomed the reforms but are wary about whether they will be properly implemented once the World Cup is over. One of those is James Lynch, a director at FairSquare, which advocates for the rights of migrant workers in Qatar. The "unanswered question is whether there was, and is, a real intent to implement it," he said. "What jumps out is the continued lack of coherence in implementing legal reforms. Coherence would indicate the presence of a real political will from the top. But we haven't seen that."

Today, in his role as secretary-general of the Supreme Committee for Delivery and Legacy, Thawadi is responsible for overseeing the finishing touches. Since the beginning, he has been the technocrat tasked with turning the country's dream into reality and, in the face of

western opprobrium, defending it. Fittingly, with a neatly trimmed beard covering his square jaw, Thawadi showed few signs of wear from the extraordinary journey he and his country have been on when we met in a suite in the pyramid-shaped Sheraton hotel in Doha.

One of Thawadi's hopes is that the tournament will help break down negative stereotypes about the Arab world. When I suggested that the scrutiny on corruption and rights allegations around the run-up to the World Cup perpetuated the worst stereotypes about energy-rich Gulf sheikhdoms, he insisted fan interactions at the tournament will do far more to change percep-

tions than "reading something off a screen, or... something on your phone".

There was a steeliness about him that I didn't pick up the first time we met in 2010, shortly before Qatar was awarded the tournament. I asked him about the bidding process: how does he convince people that Qatar didn't buy the World Cup? "Honestly, I don't have to convince people. We worked hard," he said. "The people that saw our bid saw that we deserved to win the right to host the tournament."

I tried to interject, but to no avail. "With all due respect... I'll ask you this: had the US won, would you be posing that question to them? Would you be

posing that question to any European nation?" Many Qataris and others involved in the bid spoke to suggested the country has been picked on by European media because it dared to take on the football establishment. Though, in other areas, he accepts change was necessary. "The work that has been on labour reforms in itself is a moment of pride for me," he said. "There's a lot more that needs to be done."

Our conversation turned to Qatar's anti-LGBT+ policies, which have put some off travelling to Doha. Is his nation ready for a gay couple to attend the tournament, hold hands and kiss? "Everybody is welcome," he said, unfazed. But "we do have our values" and "public displays of affection aren't part of our culture. What we ask is, when people are in public, to be able to respect that." He bases visitors will "appreciate not just that aspect of the culture, but the other very rich aspects of our culture."

I wondered if the World Cup gamble would pay off. Qatar has been able to use its gas riches to forge strong relations across the east and the west; the global energy crisis triggered by Russia's war in Ukraine only reinforced its standing as a vital producer. Was staking its reputation on a football tournament that many in Qatar would no doubt do without, worth it? "We don't back away from adversity," Thawadi told me. "We have objectives, and we have overall goals this tournament will help us achieve, for Qatar, for the Arab world and for the Middle East."



Qatar's National Library — Natalie Naeiche

Before I left Doha, I returned to Education City's new 40,000-seat stadium, taking a gleaming, spotless driverless metro that will also shuttle fans to and from matches. Qatar were playing Slovenia in a friendly match, and I wanted to gauge the local appetite for football. The crowd, which numbered hundreds rather than thousands, was a mix of locals and foreigners, men and women. Behind one of the goals, a group of men were beating drums.

The group appeared to be the Gulf state's version of the "ultras", fanatical fans, although most looked distinctly non-Qatari.

I got talking to Masoud al-Talebi, a chatty banker, who exhibited the mix of pride and defiance about the World Cup that I found in other Qataris. He was keen to dispel any notions that the culture isn't compatible with the tournament. "We are an open country," he said. "But we are not like Dubai, we still value our traditions."

As the match played out to a goalless draw, he told me his father took him to his first game back in 1976, when Doha hosted the Gulf Cup. "He regretted it because I loved football so much I wasted my studies," he said. "We like football," he added, attempting to debunk the widespread notion that Qataris aren't interested in the sport. "All over the world it's the first game, and it's the same for us."

Andrew England is the FT's Middle East editor

## Spectrum | Food &amp; drink

The finest California Cabernet is the work of a man with no formal winemaking training who took the helm of a wine business founded in the late 1950s by four Stanford scientists responsible for pioneering research in robotics and artificial intelligence.

Dave Bennion, Hery Crane, Charlie Rosen and Howard Zaidler were hard at work in the virtual sphere, but when Bennion bumped into the owner of a ramshackle winery on a ridge above what we now call Silicon Valley, the four of them clubbed together to buy it.

The weekenders were charmed rather than deterred by the fact that their acquisition could only be reached via five miles of vertiginous hairpin bends. By 1962, they had managed to make a wine worthy of commercial release. In 1967, when Bennion left academia to oversee Ridge Vineyards full-time, they were producing nearly 3,000 cases of wine a year. Two years later – as managing the winery became too much for Bennion to handle alone – the partners decided they needed to hire a full-time winemaker.

Enter Paul Draper, fresh from some experimental winemaking in Chile, where he'd done a stint in the Peace Corps. He'd also spent time in France and Italy during the early 1960s, where he had been impressed by the traditional, pre-industrial winemaking methods that ruled supreme then. He judged these wines to be far more interesting and authentic than those that dominated California, which were

## California's finest: the Silicon Valley Cabernet

Jancis Robinson

### Wine

increasingly made by technicians taught according to a safe recipe. Crucially, Draper had been exposed to the finest classic European wines, Bordeaux first growths no less, and these rather than anything grown in Napa Valley have been his guiding lights throughout his long tenure as CEO and winemaker of Ridge. Château Latour has long been his model. Still, Draper has always praised members of the original consortium. "Google Maps owns everything to Hew's algorithms" is a phrase I once noted at a Ridge tasting that he hosted in New York. And in 1982, when I was researching a book about the finest wines in the world, Draper assured me: "Dave's 1962 and 1964 were really great Cabernets."

What Bennion and his friends had bought was not just a winery (conveniently built into the mountainside on three levels decades before the term "gravity-fed" had become fashionable in winemaking parlance). It also came with an

abandoned vineyard known as Monte Bello, a planting of ancient Cabernet vines on an isolated slope above the winery with views of the Pacific on one side and that now famous valley on the other. They coaxed it back to life, and it has come to produce Ridge's most famous wine.

Monte Bello 1971, Draper's second solo vintage, was the second-favourite California wine in Steven Spurrier's Judgment of Paris, the notorious France vs California taste-off that took place in 1976. Three decades later, at a re-enactment of the event, Monte Bello 1971 had reached its apogee: it came top by quite a margin. Ridge wines, unlike so many from California, are slow to mature and made for a long life – arguably longer than many a current smart red Bordeaux. Draper himself stepped down six years ago, aged 80. (Though he still lives on the property, within sight of the Monte Bello vines.) He complains to this day that he wishes Spurrier had chosen the even longer-lived 1970 Monte Bello.

This year Ridge celebrates its 60th anniversary. To my infinite delight, they chose to do so in London, with their most ambitious vertical tasting of Monte Bello ever. I had previously had the pleasure of tasting 15 vintages of Monte Bello – right back to a pre-Draper 1968 – when the winery celebrated its half-century. And the team recently showed six vintages in New York as part of its latest round of celebrations.

But the October 25 tasting in London was something truly spectacular. It included no fewer than 20 vintages, from a youthful 2019 to a fully mature 1964. (A total of four bottles of 1964 had to be opened before the team from UK importers Berkemann found one robust enough to share.) John Olney, the current head winemaker at Ridge, who has been at the vineyard for 26 years, and David Gates, its chief viticulturist, who has been nurturing Ridge's vines since 1983, flew especially over for the event.

So why were we Brits so honoured? It's true that the subtle, savoury, stately style of Monte Bello is remarkably similar to classic red Bordeaux (even though Draper, after painstaking research in historic documents and practical experiments, insists on ageing the wine in American, not French, oak). So perhaps it resonates more readily with British or European palates than those accustomed to Napa fruit bombs. So dissimilar are Ridge wines from the potent, concentrated style that was fashionable in the 1990s and early 2000s that the California critic at Wine Spectator, the leading American wine magazine, regularly scored Monte Bello vintages 1992 to 2014 in the ignominious 80s out of 100.

Monte Bello is also the California wine with the longest history in the UK, which remains Ridge's leading export market. The first vintage was shipped to Britain in 1973. It was the 1971, which was delivered to John Avery of Averys of Bristol. Since then, Draper has been the most faithful California wine exporter to Europe by quite a margin. Until recently, it would come over to London every November to ensure that the distinctive wines of which he is so proud (which arguably include the finest Zinfandels in the world) were placed on the right shelves and lists. It contrasts with the on-off export strategies of most California wine producers. The generic organisations Wines of California and Napa Valley Vintners are currently doing their best to increase the

**The subtle, savoury, stately style of Monte Bello is remarkably similar to classic red Bordeaux**

presence of California wines in the UK but 'twas by no means always thus.

The other exceptional aspect of Ridge Monte Bello is its price. Despite its history, undisputed class and longevity, it costs far less than many ambitious California Cabernets. Prices hover around £200 a bottle – which certainly isn't cheap, but Napa Cabs with aspirations to fame can cost twice or four times as much.

The London tasting proved that Draper fixed on a style for Monte Bello and, despite the fashions for exceptional ripeness and extraction

that blew through so many other wineries, he never strayed from it. Only one vintage, 2001, notched up an accolade level over 14 per cent in our tasting. The 1977 and 1964, the two oldest wines in our tasting, were just 11.7 per cent and 11.5 per cent respectively. In fact, Monte Bello tastes remarkably like the finest red Bordeaux of the previous century. There are very few Cabernets and Bordeaux blends outside California whose long-lived style has hardly changed over the past few decades. Domaine de Chevalier, Château Léoville Barton and Figeac in Saint-Émilion under Thierry Manoncourt come most immediately to mind, along with San Leonardo and Sassicaia in Italy.

The key to Monte Bello's finesse is, of course, partly down to the exceptional site, but also to Draper's technique of undertaking barrel tastings of infinite complexity. I remember that those of us invited to the winery for its 50th anniversary celebration were welcomed with a blind tasting of two cask samples of Monte Bello 2008 and asked to decide whether the one with an additional 0.9 per cent of first press wine was superior to the sample without.

Draper and Olney are now heading the Monte Bello winemaking baton to Trester Goetting, who joined Ridge at the start of this year having spent much of his 25-year career working with numerous vineyards. I hope that in 2032 Goetting will be flying over the Atlantic to the UK for an equally impressive 70th anniversary tasting.

For Jancis's selection of exceptional Monte Bello Cabernets, find this column online at [ft.com/jancis-robinson](https://www.ft.com/jancis-robinson)



## Qatar 2022 special

## Middle-aged footballers

Continued from page 19

But improved sensory perception isn't enough to keep most older footballers going. Their loss of other qualities outweighs this gain. They become old heads on old legs. Only the greatest footballers are worth keeping into middle age. In a game where pressing has shrunk playing space, the sensory perception of a Benzema or a Messi who can find the tiniest gaps is simply too valuable to lose. Younger teammates compensate for things the old man can no longer do. At Paris St-Germain, for instance, Morocco's right-back Achraf Hakimi serves as Messi's legs, covering the gaps he leaves, allowing the old man to focus exclusively on high-value activities. Like Benzema, Messi is always around, scanning the field, registering where everyone is. Old stars reserve their strength for the moments that count, typically around the opponent's goal. Wenger said, "The best strikers in Europe are all over 30 years of age. They use every opponent's mistake."

So much of football is decision-making. Given that a footballer spends about 89 minutes a match

**'The best strikers in Europe are all over 30. They use every opponent's mistake'**

not touching the ball, he is constantly deciding: where should I be now? When a player gets the ball, the question becomes: what should I do with it?

It was similar for Federer; it has been estimated he had 12 different forehands. Having such a range of choices, said Federer, "is definitely an advantage. If you get there. The problem when you're younger is knowing to use what when". He explained that life is simpler for a limited player, "who's just very good at doing forehands and backhands across courts, and can do that all day, all night". (The footballing equivalent would be the player who wins the ball and delivers it to the nearest teammate.)

shot or this pass? I think it's incredibly exciting, and maybe this is why my love for the game is so big nowadays. Geometry, angles, when to hit which shot, should I serve and volley? Should I stay back? Should I chip and charge? Should I hit big?"

With age, a brilliant player learns to pick the best option from his toolkit. Manchester City's coach Pep Guardiola once said that if you watched Messi on the ball and pressed the pause button, he always made the optimal choice. Yet Messi took years to get there. Between 2005 and 2008, his percentage of through-balls, passes into the box and assists kept rising. After that, he began completing a higher proportion of his dribbles, while slightly reducing their frequency. Aged 32, he said, "I've learned to read the games better, at which moment and where I have to be effective and decisive."

And with age, players get better at situating themselves in football. In Ibrahimović's most recent biography, *Adrenaline*, he describes the moment when his team, Milan, are awarded a penalty away at Roma. His teammate Franck Kessié tells him to take it. Ibrahimović, who knows he is about to be substituted, writes:

"Ten years ago I would have taken that ball and kicked it. My ego would have demanded that I score the second goal and then leave the pitch."

But what he wants now is to see the team gain confidence and feel it's them in charge. "I'm going to leave the pitch soon and they need to feel strong enough to bring home three points."

I reply, "No, Franck. You take it."

Kessié scores, Ibrahimović goes off, and Milan hold on to win. Ibrahimović reflects: "I used to be pure adrenaline, but now I'm *adrenaline and balance*."

Of course, today's age geniuses can display these qualities only because medicine, diet and bans on violent tactics have preserved their bodies. Imagine if past stars had had the same advantages. In that case, World Cup history might have looked very different.

Think of what Brazil could have achieved at the 1974 tournament if Pelé had played; he would have been what now seems a mere 33. Cruyff didn't go to the 1978 tournament when he was just 31. He probably stayed home because of a recent kidnapping attempt on his family, but he was already in footballing decline. Without him, the Dutch lost the final only in extra time. Imagine Maradona being more than half-fit in 1990, when he dragged Argentina to the final, aged 29, or able to perform without banned drugs in 1994, when he was 33. Brazilian Ronaldo played in 2006, aged 29, but was already fat and finished. These players'



## How to win a World Cup

Seven football personalities reflect on what it takes to become a champion. By Simon Kuper



Humility and greatness go together

**Kylian Mbappé, France, 2018**

Kylian Mbappé was 18 when he first walked into the changing room of the French national team. "It's very difficult," he recalled, "because great players don't want to give you their place. They especially don't want to give you their place if you arrive with the label of 'Future Great Player'."

In July 2018, aged 19, Mbappé played in the World Cup final against Croatia. The night before, he recalled, "I was a bit stressed. I didn't manage to sleep much. But the nearer the match came, the less stressed I was. When you're in the World Cup final, you're convinced that you're going to win. You walk on to the field and the trophy is there, between the two teams, and you tell yourself it's impossible that the other team will take it. That's why there's such disappointment afterwards if you don't win."

"Now, I don't think of that trophy at all. Honestly, it's people on the street who come up and say, 'You're world champion, merci, merci.'"

Soon after the victory, he took the trophy to his home suburb of Bondy outside Paris, where thousands came out to greet him. "It was a way to say thank you. I've never forgotten which soup I have eaten. So it was important for me to return there after my first World Cup and first international title."

Note that word "first".

Interview in Neuilly-sur-Seine in 2021



Ugly victories are still victories

**Cafu, Brazil, 1994 and 2002**

Brazilian right-back Cafu won the World Cup in 1994

[for each World Cup victory] on our shirt today... if we hadn't won the way we played. Yes, Brazilians complained about the style. Yes we won on penalties. But we won, didn't we?"



Winning may not be the high point

**Bernd Hölzenbein, West Germany, 1974**

Bernd Hölzenbein won the World Cup with West Germany in 1974. But he doesn't regard the victory as a central episode in his life or even his career.

"The big figures... were [Franz] Beckenbauer, [Gerd] Müller... I was younger, less important. Winning the Uefa Cup as captain [of Eintracht Frankfurt] was almost as important to me as winning the World Cup."

It was another German World Cup win that meant the most to Hölzenbein. "I saw the final of 1954 as a small boy on the only TV set in a radius of perhaps 10km. 1954 was a symbol of resurgence. 1974 was less important."

Interview in Rotterdam in 2004



Rivalries don't last

**Jorginho, Argentina, 1986**

Jorginho won the World Cup with Argentina in 1986, in a team dominated by Diego Maradona. After Maradona's two legendary goals beat England in the quarter final, Valdano teased him in the changing-room. While Maradona was dribbling past six Englishmen for his second goal, Valdano had been running alongside him calling for the ball. Why hadn't Maradona passed? Yes, replied Maradona, I was watching you, and kept meaning to pass. But the English kept getting in the way, and suddenly I'd come next to them all so I

Maradona. I am from the country of Maradona." Valdano has lived for decades in Madrid, and Spain's victory in the World Cup in 2010 reminded him of his own triumph. "I remember it as clearly as if it were yesterday. But when the Spanish players were being given medals, my daughter asked, 'Where's your medal?' My wife went off to search for it. Eventually she found it. It's now in a place where I can't get to it," he said.

Interviews in London in 1998 and Madrid in 2010



What a coach is worth

**Carlos Alberto Pereira, Brazil, 1994**

Carlos Alberto Pereira coached Brazil when they won the World Cup in 1994. "It's not difficult to teach the Brazilian team football. The value of the coach is to organise them as a team, to motivate them to sacrifice because 'sacrifice' is not a big word in Brazil."

"Winning the World Cup changed my life. After being a world champion, a coach should change jobs. I should have become a football director. I didn't know that then. I told myself, 'This is not going to change my way of living, my behaviour.' Afterwards I still found excitement in the daily workings of a club. But at the end of the day, if you win or lose, the emotions are not the same as if you win with Brazil in the World Cup."

"Look at César Menotti," he said of Argentina's winning coach in 1978. "I don't think he won any championship with any club since."

Interview in Rio de Janeiro in 1999



Winning changes minds

**Albert Sing, West Germany, 1954**

In 1954 Sing was coaching a Swiss club when Herberger – about to take West Germany to the World Cup in Switzerland – called to tap into his knowledge.

"I called the secretary-general of the German FA and asked, 'Hey, where are you putting up the national team? Sixteen teams in Switzerland in June. It won't be that simple.' He asked me to choose some hotels, and I picked the Belvédère Hotel in Spez. The manager said, 'A little small, but I've only had Dutch people here. When they hear the Germans are coming, the Dutch won't come again.' I told him that if German won, the hotel would be popular with Germans for years – and it was."

"Before the final in Bern, the Hungarians asked the groundsman if they could use changing-room two. They had used it before the World Cup for a friendly against Switzerland, which they had won. Footballers are superstitious. The groundsman told me, and I told Herberger. He said, 'We're going to irritate them a little.' So I asked the groundsman to hang a sign saying 'Deutschland' on changing-room two."

In the final, West Germany beat Hungary 3-2 to win their first World Cup. Interview in Lugano in 2001. Sing died in 2008, aged 91.



You have to lose to win

**Gerard Piqué, Spain, 2010**

Gerard Piqué became a starter with his hometown club FC Barcelona in 2008, at the age of 21. Two years later he had won the Spanish league, the Champions League, and the World Cup with Spain. "It all happened so quickly that I found winning normal. When I began to lose when I started to understand everything I had won. It was as if you'd go to play a competition like the World Cup and you were alone to win it. You start winning

Limited players don't have the problem of choice. Brilliant players do. Federer continued: "For us" — ie multi-faceted geniuses — "it's more challenging: 'Which club shall I take out of the bag for this

peak years of sensory perception were lost to football. We have never seen anything like that of the Benzema generation.

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and 2002. "In 1982 and 1986, Brazil played beautiful football," he said. "But the ones who had the medals around their necks were the 1994 players, who didn't play beautifully, but who were efficient. We wouldn't have five stars

just scored.

Valdano asked, awestruck: "While you scored this goal you were also watching me? Old man, you insult me. It isn't possible." Asked whether he likes Maradona, Valdano replied: "I love

Albert Sing played for Germany's wartime national team under manager Sepp Herberger from October 1940 until the team was disbanded and the players sent to the front two years later.

everything and you think, 'You're the best and you must win. You can't waste this opportunity.' Because we were going at such a speed that we'd beat any team put in front of us."

Interview in Barcelona in 2015

12 November/13 November 2022

★

## Life&Arts

FT Weekend

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### SNAPSHOT

#### 'The Last Supper' (1963) by John Deakin

Taken at Wheeler's Restaurant in London's Soho by the English photographer John Deakin, this image shows the artists Timothy Behrens, Lucian Freud, Francis Bacon, Frank Auerbach and Michael Andrews.

The picture is the inspiration for a new exhibition curated by art historian Richard Calvocoressi, which features more than 40 paintings from private and public collections, and examines the intimate relationships between the artists and the connections between their styles. Auerbach later remembered the occasion in an interview with

Calvocoressi: "Francis always hated being associated with other people. He declared he didn't like the whole business... And when the shoot, which took no more than five minutes, was over, Tim suggested that we open one of the bottles on the table, which nobody wanted to do."

Dylan Neri

*'Friends and Relations: Lucian Freud, Francis Bacon, Frank Auerbach, Michael Andrews' will run from November 17 to January 28 2023 at Gagosian, Grosvenor Hill, London*

## Peter Kay, parochialism and post-Brexit humour



### Jo Ellison Trending

News that comedian Peter Kay will tour the UK next month following a 12-year absence from the stage has been greeted with a warm glow of excitement. Kay, who comes from Bolton, near Manchester, is one of Britain's most beloved comedians. A stout 49-year-old with a penchant for shiny, short-sleeved shirts, he looks like a darts pro, talks pure Lancashire and brims with a toddler's charisma. Those unfamiliar with his oeuvre might liken him to a northern James Corden, if Corden were better at acting, or charming or funny.

Kay's return to the stage comes at a time when Britain is struggling to define its post-Brexit identity. For all the attempts by Rishi Sunak to propel the idea that the UK is thrusting, forward-looking and entrepreneurial, the nurses are still planning to go on strike, a coffee costs nearly £4 and we're buying hot-water bottles to counter the need to put on the heating. Rather than levelling up, Britons seem to be in a state of angry frustration.

To that end Kay is in many ways the perfect spokesman for the new Britain. He speaks to the demographic less concerned with the urbane and global. Kay has never been metropolitan, and his humour has always been grounded in the normal. His fans will look to him as a source of comfort through a winter of inflationary outrage and shortage.

Not that he's likely to address those things. Kay has never so much as murmured a word of politics: he leaves that for other comedians. (In another unlikely renaissance, Ben Elton has also re-emerged after decades to revive his eye-swivelling routine of politically righteous indignation. Likewise Alexei Sayle, who is currently

about modern communism.)

Kay is cheeky not angry, with smacks of occasional curmudgeon. His material — rich Tea biscuits, VHS machines, the Top 40 — is a balm of nostalgia reverie mixed with random memorabilia. Audiences pack his stadiums to weep with laughter at his impressions of someone using a headline while trying to scrawl down a note with a broken biro. A headline! Kay tickles the generational divide by pointing out modern "phenomena". His most popular joke describes a boomer parent baffled by "garlic bread" and defeated by modern technology.

His 12-year absence from live touring

**I don't want to listen to yet another clever dick in a T-shirt riffing on the new cultural agenda**

may see Kay drawing on things that feel more millennial. But I doubt it. His brand of humour remains beloved because it harks back to a bygone era scored by a retro pop soundtrack. It's innocent and affectionate: it's wedding discos and crisps and aunts who aren't really aunts. And while Kay gently digs at parochialism, he never actually mocks it.

Not that Kay doesn't have his detractors. His live audience appears to be almost entirely white and his routines speak to highly specific cultural markers. A rather snippy recent blog featured on the box office website Ticketsource found Kay to be "only" the 10th most popular UK comedian, with a comparatively

Apparently, edgier comics such as Ricky Gervais and Jimmy Carr (I mean, who the hell were they asking?) have far more influence. Not that Kay gives a monkey's he's too busy reaping the profits.

I imagine Kay, or at least his stage persona, as embodying the voter who politicians are now desperate to harness: a wary, wealthy, self-made family man with no interest in Westminster bubbles. If I were Sunak or Keir Starmer I would be campaigning outside the stadium. Kay's audience is exactly the crowd politicians need to win over. It's a similar demographic to the one that kicked off about the recent banishment of the Bounty — a marketing stunt that suggested the chocolate bar was being removed from boxes of Celebrations. It later transpired the elimination of the coconut confection had been widely misreported. But the mutiny about the Bounty gave voice to those who lament the creeping erosion of tiny enjoyments.

For those people who want to snack in peace and moan about broken Brits, Peter Kay makes the Everyman feel seen again. He embraces people who might feel estranged even while poking fun at them. His genius is in uniting left and right in mutual recognition at the daftness of human behaviour. And I am here for it. I don't want to listen to yet another clever dick in a T-shirt riffing on the new cultural agenda. I don't want political satire or another late-night wisecracking comic. I want to put the real world far from my mind and laugh about something harmless and uncontroversial. Times are grim enough right now. Send in the man playing Queen with a shovel.

## The real reason to get off Twitter

### Janan Ganesh

#### Citizen of nowhere



How has Granit Xhaka come to anchor and elevate this Arsenal team after six so-so seasons in it? A teenage tactics nut in Des Moines can explain in 280 characters. What is an original but plausible thought about Xi Jinping? A China hobbyist, on a lunch break at a bank, will tweet a thread's worth of them.

So no, Twitter isn't vapid. Nor are the other criticisms of it much fairer. There are some spiteful users, true, but the taunts of strangers, if not threatening, should be water off a duck's back. It is a font of misinformation, yes, but the demand for fake news — that is, human credulity — is more troubling than its supply.

Why, then, did I quit? Why have I encouraged others to follow, regardless of the owner? Years passed before I could define the answer in clear terms.

The site reeks of low status. And not because it is free. Much of Twitter is conducted in a certain voice, or what might be called a home key. Some would describe it as "twee" or "beta" but it is easier to cite examples than to name it. Here are a few. Quaint bios ("tea enthusiast"). Cultural references to the science-fiction or superhero genres. Self-mockery about bad dates and social awkwardness. Jargon ("performative", "gaslighting") that people with a healthy distance from politics don't use or understand. The site is often likened to a town square but evokes more closely a pub on quiz night. There is that sense of people finding camaraderie in having no

better options. There is some sublime humour on there. But it is the humour of consolation.

Instagrammers are teased for their pouting selfies and try-hard glamour. LinkedIn users are difficult to take seriously in all their bumptiousness. But both groups intuit something about life that is often lost on more outwardly intellectual Tweeters: projecting success, even where it doesn't exist, can work. Swagger can be self-fulfilling.

Twitter doesn't swagger. Its gait is an ironic shuffle. Well, here is the thing about irony: it gets nothing done. There is no one trait that links all the high performers — in sport, art,

**The site reeks of low status. It is often likened to a town square but evokes more closely a pub on quiz night**

politics, commerce — that I have had occasion to meet. But the nearest thing is a slightly humourless *amour propre*. It is the kind of personality that gets short shrift on Twitter, which is part of the site's charm but also what leaves it with an anti-aspirational feel.

Think of the professions that set the tone of the site: journalists, comedians. These are narrators of events, not initiators of them. "The elite don't tweet," I want to say, but some of them do, including its new owner. It just happens to cheapen them. There isn't even the consolation that ironic self-

effacement is a sign of good and modest character. It often indicates the opposite. Orson Welles once went on a violent rant about Woody Allen, whose timidity he saw as a species of arrogance. (A self-mocker, after all, is still talking about their favourite subject.) There is such a thing as ostentatious humility, and it is all over Twitter.

It won't save your reputation that you yourself don't tweet the twee stuff. You will be tainted by association on a platform where 812,000 people follow someone pretending to be the Downing Street cat. What is worse, you might join them over time. Prolonged social media use is mind-shaping. You can, I am convinced, "catch" a certain kind of personality from Twitter. I am convinced it was happening to me.

This is the reason to quit: not the nastiness, but almost the opposite. Twitter is a comfort zone. It makes you feel all right about not pushing for more in life. There is lots of approval to be had on there. So you ignore that it is coming from men who are having Marvel vs DC debates in their forties. All the peer pressure is to be a passive mocker of things, including yourself. So you affect that tone, until it becomes your personality. The site's reigning atmosphere of domestic mediocrity sucks you in until, one night, you "curl up" in front of a TV series and live-tweet it. Critics of Elon Musk say that selling the right to a blue tick will make Twitter uncool. *Make it uncool!*

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10 November – 21 January 2023



Small Figure 1, 1983

flooding the airwaves with his screeds

small social-media following.

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12 November/13 November 2022

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A vertical advertisement for the Harry Winston Tête-à-Tête watch. The watch is rectangular with a diamond-set bezel and a dial featuring a grid of diamonds. The bracelet is composed of large, rectangular-cut diamonds set in a repeating pattern. The watch is positioned vertically against a dark background with a large, stylized diamond shape on the floor. The Harry Winston logo is visible at the bottom center.

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