

THE WALL STREET JOURNAL.

DOW JONES | News Corp

MONDAY, JANUARY 13, 2025 ~ VOL. CCLXXXV NO. 10

WSJ.com

★★★★ \$5.00

Last week: DJIA 41938.45 ▼ 793.68 1.86% NASDAQ 19161.63 ▼ 2.3% STOXX 600 511.50 ▲ 0.7% 10-YR. TREASURY (Reopening) yield 4.772% OIL \$76.57 ▲ \$2.61 EURO \$1.0255 YEN 157.70

What's News

Business & Finance

◆ **China's exports** to the rest of the world grew 5.9% last year to \$3.6 trillion, leaving it more dependent on exports than it has been for most of the past two decades and more vulnerable to trade threats from President-elect Donald Trump. **A1**

◆ **A federal subsidy** for leasing electric vehicles has made that option attractive to drivers, pushing leases to about 45% of EV transactions in the third quarter. **A1**

◆ **Steve Cohen's Point72** had a return in 2024 of about 19% in its flagship fund, according to people familiar with the matter, beating peers and indexes tracking the broader hedge-fund industry. **B1**

◆ **JPMorgan Chase** shut down comments on an internal webpage announcing the bank's return-to-office policy after dozens of them criticized the move and at least one suggested that affected employees should unionize. **B3**

◆ **Medalist Partners** aims to raise \$750 million for its fourth private-credit fund focused on asset-based lending, according to people familiar with the matter. **B3**

◆ **JCPenney merged** with Sparc, the owner of Aéropostale and Brooks Brothers, to form a new clothing business called Catalyst Brands. **B5**

◆ **Venture capitalists** predicting trends for 2025 see a rebound in initial public offerings and M&A activity. **B4**

◆ **The U.S. Supreme Court** is expected to rule soon on the national injunction issued by a lower court that paused the implementation of a law requiring companies to disclose their true ownership. **B5**

World-Wide

◆ **The death count** from California wildfires rose to 24 as crews fighting the blazes in Los Angeles got some respite from the savage winds that whipped the flames into a sixth day, though officials warned that the reprieve could be short-lived. **A1, A5-6, A8**

◆ **The South was slowly** thawing in warmer weather that followed a winter storm that shut schools, cut power and canceled or delayed travelers' flights. **A2**

◆ **Hamas is reconstituting** its fighting forces under Mohammed Sinwar, a younger brother of Yahya Sinwar, whom Israel's military killed in Gaza in October. **A1**

◆ **Sen. Joni Ernst**, a former Army National Guard commander, is in the spotlight as she prepares to weigh in at a confirmation hearing Tuesday for Pete Hegseth as defense secretary. **A4**

◆ **Iran has shipped** nearly three million barrels of oil from a storage site in China in a bid to raise funds that could be used to shore up Tehran's allied militia groups in the Middle East. **A18**

◆ **Italy released from jail** Iranian businessman Mohammad Abedini, who is wanted by the Justice Department, as part of a deal coordinated with Trump that secured the release of an Italian journalist detained in Tehran. **A18**

◆ **The Justice Department** issued a report that found that the 1921 Tulsa Race Massacre was a coordinated, military-style effort to ruin the wealthy Black community in that Oklahoma city. **A3**

CONTENTS Heard on Street B10
Arts in Review.... A13 Markets Digest.... B9
Business & Finance B2-6 Opinion..... A15-17
Business News.... B3 Personal Journal A11-12
Capital Account.... A2 Sports..... A14
Crossword..... A14 U.S. News..... A2-8
Finance & Markets.... B9 World News.... A10-11

0 3131>
0 178908 631411
© 2025 Dow Jones & Company, Inc.
All Rights Reserved

MONDAY, JANUARY 13, 2025 ~ VOL. CCLXXXV NO. 10



A utilities worker on Sunday viewed damage from the Palisades Fire in the Pacific Palisades neighborhood in Los Angeles.

L.A. Officials Race to Fight Rumors, Conspiracy Theories

By SCOTT CALVERT
AND JOSHUA CHAFFIN

Los Angeles Fire Department Capt. Erik Scott has one of the most intense jobs in the nation right now: trying to distribute accurate public information during a historically destructive urban fire in America.

On Thursday, a new unexpected foe cropped up: Alex Jones, among the world's most notorious conspiracy theorists, was posting on X that L.A. firefighters were battling the blazes using ladies'

handbags as buckets because officials had donated equipment to Ukraine. The post has been viewed 29 million times.

Scott, the LAFD public-information officer, quickly explained publicly that the "handbags" were actually canvas bags routinely carried by firefighters to douse small fires, because that is easier and faster than hauling out and connecting hoses.

"We're trying to battle the

most devastating natural disaster in Los Angeles history,"

Scott said by phone on Saturday

day while driving to base camp on the fifth day of the wildfire ordeal. "It takes people and time to track down or debunk social media rumors—it takes us away from doing more important things."

Fast-proliferating online falsehoods are forcing public officials nationwide to adopt a new job when crisis strikes their communities. Their duties now include knocking down the inevitable wave of lies, half-truths and conspiracy theories—some wild, some believable—that have of late

become part of every major public emergency, from Hurricane Helene to the recent Tesla explosion in Las Vegas.

This more assertive approach to debunking rumors is

part of a playbook officials around the U.S. are increasingly turning to during natural disasters, high-profile

crimes and contentious debates about issues like immigration.

At the same time, social-media platforms are complicating their task by loosening the

Please turn to page A8

Deals on Leases Drive EV Market

By CHRISTOPHER OTTS

Toyota Motor's only electric vehicle widely on sale in the U.S. starts at about \$37,000. But practically nobody plunks down that much for the mid-size SUV, named bZ4X.

"Almost everyone leases the car," Toyota U.S. sales chief David Christ said in a recent interview. "You'd be a fool not to."

The Japanese-made SUV, which qualifies for a \$7,500 federal subsidy only if it is leased, illustrates a broader shift in the way car companies are marketing electric cars to consumers, with more-afford-

able monthly payments and no long-term commitment.

People who leased the Toyota in 2024 paid \$445 a month on average, compared with \$717 for those who financed the car through a purchase loan, according to credit bureau Experian.

The proliferation of lease deals has made EVs more accessible to buyers who couldn't afford their higher sticker prices. For the automakers, it is helping get more EVs into customers' hands after a choppy start for their electric-car operations.

There is a potential pitfall

Please turn to page A2

INSIDE



PERSONAL JOURNAL

It's a jubilee year in Italy, which was already grappling with overtourism. **A11**

BUSINESS & FINANCE

Skechers scores with focus on casual shoes, a market neglected by its competitors. **B1**

China Export Boom Raises Vulnerability To Trump Tariffs

By JASON DOUGLAS

China's economy is more dependent on exports than it has been for most of the past two decades, leaving it vulnerable to a new broadside on trade from President-elect Donald Trump.

Chinese exports to the rest of the world grew by 5.9% last year compared with a year earlier to \$3.6 trillion, figures published Monday showed.

Those figures mean trade is on track to account for about

a fifth of the 5% or so growth China is expected to report this year.

Aside from 2021, when consumers the world over were gorging on Chinese-made home appliances, fitness equipment and computer gear during Covid-19 lockdowns, that would mark trade's biggest contribution to Chinese economic growth since 2006, when

Please turn to page A2

◆ Greg Ip: Trump economist makes tariff case..... A2

The Falconer: RFK Jr.'s Other Identity

* * *
Avian hobby
extends to hawks,
ravens, pigeons

By KRISTINA PETERSON

WASHINGTON—When Robert F. Kennedy, Jr. gathered his 2024 presidential campaign team for a meeting, he elbowed his neighbor to point at the window: several falcons were flying through the air.

Long before he was a vaccine skeptic, presidential candidate and president-elect Trump's pick to lead the Health and Human Services Department, Kennedy got hooked on falconry. The sport, in which wild birds of prey are trained to hunt with their handlers, hasn't let go.

So central is falconry to Kennedy's identity that a ballot

Brother of Slain Leader Seeks to Rebuild Hamas

Hamas suffered a severe blow last fall when Israel killed Yahya Sinwar, the group's leader and strategist behind the Oct. 7, 2023, attacks.

By Summer Said,
Anat Peled
and Rory Jones

But now the U.S.-designated terrorist group has another Sinwar in charge, Yahya's younger brother Mohammed, and he is working to build the militant group back up.

Israel's 15-month campaign has reduced Hamas's Gaza Strip redoubt to rubble, killed thousands of its fighters and much of its leadership, and cut off the border crossings it might use to rearm. The well-trained and well-armed cadres that surged into southern Israel in October 2023 are badly weakened.

But the violence has also created a new generation of willing recruits and littered Gaza with unexploded ordnance. Hamas

fighters can refashion into improvised bombs. The militant group is using those tools to continue to inflict pain. The Israeli military has reported in the past week 10 deaths among soldiers in the area of Beit Hanoun in northern Gaza. Hamas also has fired some 20 rockets at Israel in the past two weeks.

The recruitment drive and persistent fighting under Sinwar pose a fresh challenge for Israel. Its military has battered the group in Gaza, but for months has had to return to areas it previously cleared of militants to take them again in new fighting. That cycle points to the difficulty of ending a war that has exhausted Israel's troops and continues to imperil hostages held in Gaza.

"We are in a situation where the pace at which Hamas is rebuilding itself is

Please turn to page A10

◆ Syrians from Assad's sect fear reprisals..... A10

Agentforce can help millions of flyers navigate travel hiccups. Every hour.



Agentforce What AI Was Meant to Be

U.S. NEWS



CAPITAL ACCOUNT | By Greg Ip

A Trump Economist Makes Tariff Case

To serve as an economic adviser to Donald Trump, it helps to share his belief that tariffs make the U.S. richer. Not many economists meet that criterion.

Stephen Miran has made just that case. Miran, nominated to chair the president-elect's Council of Economic Advisers, has written that the U.S. could be better off with average tariffs of around 20% and as high as 50%, compared with the current 2%.

Miran has described tariffs as a tool, and international intervention to weaken the dollar as another, that could address a longstanding global tension: the U.S.'s economic and military support for other countries have contributed to an overvalued dollar, wide trade deficit and hollowed-out industrial base.

"Sweeping tariffs and a shift away from strong dollar policy can have some of the broadest ramifications of any policies in decades, fundamentally reshaping the global trade and financial systems," Miran wrote in November for Hudson Bay Capital, where he's senior strategist. He was named in late December to

chair the White House's in-house economic think tank.

The report, Miran wrote, reflected his views, not Trump's, and is intended to "understand the range of possible policies that might be implemented."

Miran, 41, earned his Ph.D. in economics from Harvard in 2010 and has worked in financial markets and is a fellow at the conservative Manhattan Institute.

While novel, his arguments—including for tariffs—are grounded in orthodox economics. Miran isn't a contrarian who assumes "all academics must be wrong," said David Cutler, a Harvard economist who served in the Clinton administration and was one of Miran's Ph.D. advisers. He's "guided by the theory and evidence."

That doesn't mean his proposals would work. His report acknowledges a risk that they won't: "There is a path by which these policies can be implemented without material adverse consequences, but it is narrow."

Economists agree that trade enables a country to both consume and produce more, and tariffs leave it worse off. Yet in the decades

after Adam Smith made the definitive case for free trade in 1776, economists identified conditions under which a country might be better off imposing a tariff.

Suppose an importer is a monopsonist—a dominant enough buyer to influence the price it pays (just as a monopolist influences the price at which it sells). It could impose a \$10 tariff on an imported widget, and its price, instead of rising \$10, would stay the same because the exporter lowered its own price by \$10 to avoid losing market share.

So consumers are unsatisfied. Even if they pay a bit more, that might be more than offset by tariff revenue. The rate that maximizes this net benefit is called the "optimal tariff." Miran cites research by Arnaud Costinot of MIT and Andrés Rodriguez-Clare of UC Berkeley that a tariff of around 20% is optimal, and up to 50% could still leave the U.S. better off.

An optimal tariff policy is explicitly "beggar-thy-neighbor": one country benefits only by hurting another.

Since World War II, as the world pursued reciprocal tariff reductions, "it's hard to find real life examples of countries motivated to pursue it in a systematic, and deliberate, way," said Doug Irwin, a Dartmouth trade historian.

Optimal tariff theory has some real-world drawbacks.

It doesn't seem borne out by Trump's tariffs on China. In an interview, Costinot noted that studies found the tariffs were mostly passed through to American importers.

(Miran's report disputed those studies.)

If other countries retaliate, as China, the European Union, Mexico and Canada did in 2018, the tariff is no longer optimal. Both sides lose. "Retaliatory tariffs by other nations can nullify the welfare benefits of tariffs for the U.S.," Miran acknowledged.

To deter retaliation, he wrote that the Trump administration could "declare that it views joint defense obligations and the American defense umbrella as less binding or reliable for nations which implement retaliatory tariffs." In other words, the U.S. might not defend Japan, South Korea or a fellow NATO member that retaliated.

Another problem: Tariffs only leave the U.S. better off if import prices barely rise. But in that case, consumers have no incentive to switch from imported to domestic goods, which nullifies Trump's aim of boosting American manufacturing.

Yet another caveat is that tariffs might not reduce the trade deficit because the dollar rises in response.

As an alternative to tariffs, Miran said the U.S. could weaken the dollar through a "Mar-a-Lago Accord," modeled on the 1985 Plaza Accord in which the U.S. and its allies jointly acted to drive down the dollar. "After a series of punitive tariffs, trading partners such as Europe and China become more receptive to some manner of currency accord in exchange

for a reduction of tariffs," he wrote. Or, the U.S. could impose a user fee on buyers of Treasury debt.

If this triggers selling of long-term bonds, the Federal Reserve might have to buy them to limit upward pressure on long-term interest rates, Miran wrote. The Fed is more likely to cooperate with the Treasury on currency and bond interventions in return for independence on monetary policy, he wrote.

A major question is whether a threat to withhold the defense umbrella from countries that don't cooperate would be effective. The U.S. has no defense alliance with Mexico, Vietnam or China, which account for half the U.S. trade deficit.

Last week, Trump declined to rule out military force to pry Greenland from Denmark, and that he would use "economic force" to annex Canada. Allies may conclude that the U.S. defense guarantee no longer exists. Russia and China may draw the same conclusion.

Miran himself dryly acknowledged "potentially volatile...consequences."

Arguments by Miran are novel but grounded in orthodox economics.



EV maker BYD loads new vehicles for export to Belgium.

emerging markets have hit some Chinese imports with tariffs to shield domestic industries vulnerable to cut-price competition. Steel has been a particular flashpoint.

For Western economies, anxiety has centered on China's growing clout in the auto sector and in renewable energy. The European Union in October imposed tariffs of up to 45% on made-in-China EVs, saying manufacturers benefited from unfair subsidies. The Biden administration last year imposed a 100% tariff on Chinese EVs.

Beijing's hope is that it can offset the pain from Trump's promised tariffs on Chinese goods by selling more to other markets, aided perhaps by a controlled weakening of its currency. Officials have also pledged extra borrowing and other stimulus measures to firm up growth at home, too.

But the big risk for China is that the looming showdown with Washington morphs into a broader conflict with other nations over trade. Already, the European Union, Brazil, India and others are smarting over a flood of cheap Chinese imports as Xi plows money into manufacturing and might push back

harder if China seeks to divert exports away from the U.S. in response to heftier U.S. tariffs.

A wider trade fight would make it much harder for Beijing to lean on exports as an engine of growth, economists say, heaping pressure on officials to fire up lackluster domestic spending—or settle for a much weaker expansion than the 5% or so China is expected to report for 2024.

In the past few months, Beijing has taken bolder steps to boost China's domestic economy, including easing restrictions on home buying, juicing the stock market and offering consumers discounts for trading in old cars and home appliances for newer models. A debt-swap program is being rushed out to ease the financing burden at cash-strapped and over-indebted local governments.

Beijing is due to announce new fiscal support for the economy in March, when leaders convene for the National People's Congress, China's top legislative body. Economists say Beijing will need to increase fiscal spending substantially to maintain economic growth in the teeth of worsening trade headwinds.

China More Vulnerable To Tariffs

Continued from Page One

China's exports were surging in the aftermath of its accession to the World Trade Organization in 2001.

China's growing reliance on foreign purchases of manufactured goods to power growth reflects its economy's struggles with a yearslong real-estate crunch and tepid consumer spending.

In response to those challenges, and to meet longer-term ambitions to transform China into a technological superpower, leader Xi Jinping has been funneling cash into the country's factories. The result has been ballooning industrial capacity, tumbling prices and an export surge in everything from steel and chemicals to cars and machinery.

China's exports exceeded its imports in 2024 by \$992 billion, a record, reflecting not

just buoyant exports but also subdued Chinese demand for the rest of the world's goods and services.

China's General Administration of Customs said exports to the U.S. rose 4.9% to \$525 billion, despite the tariffs levied on Chinese goods during Trump's first term and in some cases extended during the Biden administration. Exports to the U.S. jumped 16% year-over-year in December alone, a sign that firms and their U.S. customers might be rushing to bring in stock ahead of anticipated tariff hikes.

Trump on the campaign trail pledged to jack up tariffs on all Chinese imports to 60%, part of a series of aggressive trade moves aimed at reducing the U.S.'s chronic trade deficits and meeting other policy goals, including limiting immigration and tackling the trade in chemicals used to make the drug fentanyl.

Chinese companies are in worse shape to handle rising tariffs than they were half a decade ago, when Trump first hit China with tariffs. Weak spending at home has contributed to two years of falling prices for manufactured goods,

crushing corporate profit margins and pushing many firms into the red.

Economists say such a steep rise in tariffs on U.S. imports from China would be a big drag on growth, reducing gross domestic product in the year following their imposition by anywhere between 0.5% and 2.5%, depending on how aggressively China responds.

In the vanguard of Chinese exports are companies such as BYD, whose electric-vehicle sales overseas rose 72% in 2024, the company said this month.

Overall Chinese exports of electric passenger vehicles in 2024 totaled 1.29 million units, a year-on-year increase of 24.3%, the China Passenger Car Association said in a report this month.

As China's exports have accelerated, so has the backlash from other countries. Major

emerging markets have hit some Chinese imports with tariffs to shield domestic industries vulnerable to cut-price competition. Steel has been a particular flashpoint.

For Western economies, anxiety has centered on China's growing clout in the auto sector and in renewable energy.

The European Union in October imposed tariffs of up to 45% on made-in-China EVs, saying manufacturers benefited from unfair subsidies.

The Biden administration last year imposed a 100% tariff on Chinese EVs.

Beijing's hope is that it can offset the pain from Trump's promised tariffs on Chinese goods by selling more to other markets, aided perhaps by a controlled weakening of its currency.

Officials have also pledged extra borrowing and other stimulus measures to firm up growth at home, too.

But the big risk for China is that the looming showdown with Washington morphs into a broader conflict with other nations over trade.

Already, the European Union, Brazil, India and others are smarting over a

flood of cheap Chinese imports as Xi plows money into manufacturing and might push back

CORRECTIONS & AMPLIFICATIONS

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

THE WALL STREET JOURNAL

(USPS 664-880)

(Eastern Edition ISSN 0099-9660)

(Central Edition ISSN 1092-0935)

(Western Edition ISSN 0193-2241)

Editorial and publication headquarters:

1211 Avenue of the Americas, New York, N.Y. 10036

Published daily except Sundays and general legal holidays. Periodicals postage paid at New York, N.Y., and other mailing offices.

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

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

Letters to the Editor:

Fax: 212-416-2891; email: wsjeditors@wsj.com

Need assistance with your subscription?

By web: customercenter.wsj.com;

By email: support@wsj.com

By phone: 1-800-JOURNAL (1-800-568-7625)

Reprints & licensing:

By email: customreprints@dowjones.com;

By phone: 1-800-843-0008

WSJ back issues and framed pages: wsjshop.com

Our newspapers are 100% sourced from sustainably certified mills.

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

EV Leases Are Driving Market

Continued from Page One

for car companies, though. Resale values for electric cars have dropped sharply. This can weigh on automakers' balance sheets if values remain depressed.

About 45% of electric-vehicle transactions in the third quarter of 2024 were leases, compared with 24% for the industry as a whole, according to Experian. Top EV seller Tesla typically leases at a lower rate than rivals, but also logged a surge in leasing last year, Experian said.

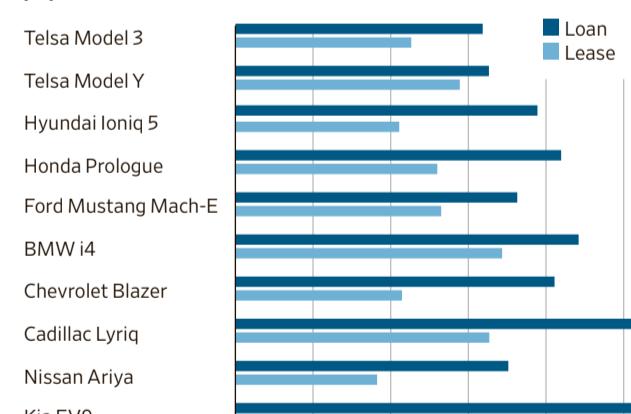
Over the past two years, car brands have rolled out dozens of new electric models in the U.S. But demand is weaker than executives anticipated when they planned those new entries a few years ago.

That has led to a bevy of discounts and other promotions, including cheap lease deals.

Leasing allows a driver to essentially rent the car for two or three years, often for a lower monthly payment than it would take to finance the vehicle outright. The automaker, through its financing arm, owns the vehicle and can offer customers a more affordable payment by contributing money to the deal.

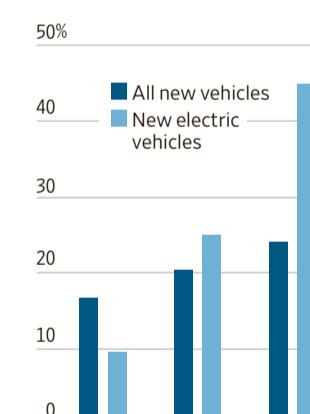
Lease offers have become especially attractive for EV shoppers because many are first-time electric-vehicle buyers and have some hesitancy about committing, dealers and auto executives said.

Monthly payments on purchase loans versus leases for popular electric vehicles



Note: Data for third quarter

Share of sales completed via a lease



Source: Experian

for a subsidy of up to \$7,500 if they are leased, than if they are purchased.

EVs that consumers buy outright only qualify for that full tax credit if the car is built in North America with batteries also made in the region. The raw materials that go into the batteries must also be sourced primarily from North America or from trade-friendly countries. Pricier EVs and wealthier consumers don't qualify.

If the vehicle is leased, it is considered a commercial vehicle under the climate law, and none of those restrictions apply. The lessor of the car—often the automakers' finance arm—gets the \$7,500 and can pass it along in the form of lower monthly payments.

The leasing provision in the climate law has especially been a boon to foreign automakers with imported EVs. The 10 car brands with the highest shares of leased EVs in 2024 included Toyota's luxury brand Lexus and German</

U.S. NEWS



CHRISTOPHER LEE FOR WSJ (3)

Cities Boosted By Free Trade Brace for Shift

Detroit and Laredo, Texas, face uncertain futures as Trump pledges new tariffs

At the country's busiest border crossing for trade, in Laredo, Texas, the lines of semitrucks stretch for miles. The vehicles, which ferry goods and materials across interna-

*By Elizabeth Findell
in Laredo, Texas,
and Jeanne Whalen
in Detroit*

tional bridges between Mexican factories and U.S. consumers, drive nearly the entire economy in this southern border city of 257,000.

Some 1,400 miles north, similar dynamics are at play in Detroit, at the nation's busiest trade crossing with Canada, where the auto parts that drive Motor City travel back and forth between U.S. and Canadian plants.

Laredo and Detroit, perched on the borders of the U.S.'s biggest trading partners, are on the front lines of the nation's post-Covid-19 trade economy. That economic order is likely to be disrupted by President-elect Donald Trump, who has vowed to place 25% tariffs on Canada and Mexico on the first day he takes office. Last week, Trump ratcheted up the rhetoric, suggesting that steep tariffs on Canada would force it to submit to annexation by the U.S.

Trump, partly because of his efforts to remake trade in his first term, enters a vastly different trade economy from the one he left in 2021.

In the past two years, Mexico has become the largest exporter of goods to the U.S., sending merchandise worth roughly \$480 billion in 2023. China, which was the top exporter during Trump's first term, has fallen from providing some 21% of the nation's im-

ported goods in 2018 to around 13% now.

The post-Covid uptick in nearshoring, alongside other factors, has helped transform Laredo into a heavyweight in global trade. Detroit, meanwhile, is expanding its already brisk auto trade with Canada as new electric-vehicle and battery plants crop up on both sides of the Detroit River.

Hundreds of trucks move daily through a single 480,000-square-foot warehouse north of Laredo. Glass and aluminum go into Mexico; bottles of Modelo and Corona come back. Car batteries and other auto parts go south; cars come north. Clothing and construction, railroad and medical supplies fill shipments.

"It's everything you can think of: toothpaste, mops, dryers, TVs," said Ermilo Richer, owner of the Richer logistics, warehousing and customs business.

Richer, who voted for Trump, said he sees Trump's tariff threats as a kind of negotiating tactic. Still, he and others who work in trade are checking to see if they have the cash flow to make it through an initial period with tariffs, which would likely cause a drop in demand for imports. "A 2% tax is one thing, a 20% tax is just—that's hard to put out there," he said.

Goods have flowed between the U.S., Mexico and Canada mostly tariff-free since the ratification in 1994 of the North American Free Trade Agreement, which was replaced during Trump's first term with a similar U.S.-Mexico-Canada agreement.

Trump's 2018 tariffs on Chinese imports helped propel the shift to Mexico. So did the Covid pandemic, as shutdowns among Asian factories prompted hundreds of U.S. companies to move manufacturing closer to home.

Since then, many U.S. companies have followed suit. BBVA, Mexico's largest bank,

started a unit in 2023 aimed at helping U.S.-based companies move part of their overseas operations to Mexico. The effort brought in some 270 new customers, said Victor Rojas, who heads the bank's Houston office. But many have put plans on hold with news of the potential tariffs.

In 2023, Laredo surpassed Los Angeles and Chicago as the biggest port in the country by trade value, with nearly \$320 billion in goods crossing. About \$173 billion in goods crossed through the Detroit port that year.

At least five land ports with Canada or Mexico have been approved for new construction or expansion, including two in Laredo, and several others are at various stages of construction, including in Detroit.

In Laredo, the boom in trade that has accompanied the nearshoring is felt on nearly every corner, where tens of thousands of trucks line roadways daily. With them have come new restaurants and stores and expanded infrastructure for many importers.

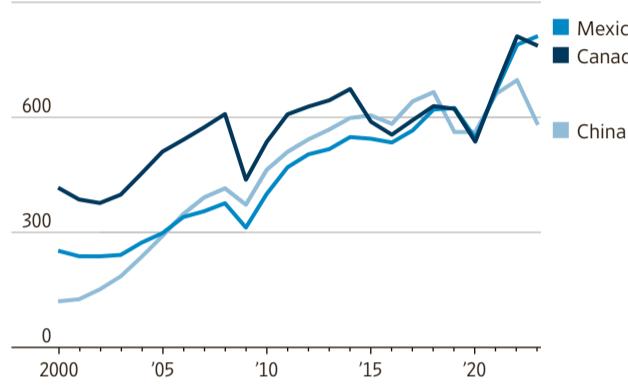
And with those facilities have come new people—working, spending money and buying houses, said David Stedman, local economic-development coordinator, who said there has been a "multiplier effect" from nearshoring.

Alvilda Ligenza and Fernando Hernandez opened Borderland Espresso & Gifts three years ago amid Laredo's boom. The shop, which features lime-green walls and tables decorated with Lotería cards, has gained a strong following, from neighbors and truckers alike, and last year its coffee was voted the best by readers of the local paper.

The shop's owners worry that tariffs will force them to raise prices on the coffee they import from Mexico—and could otherwise hurt Laredo's economy.

"A business like ours is a

Value of U.S. trade of goods, select partners



Note: Combined value of imports and exports

Source: Commerce Department



An employee of logistics company Richer inspects steel. Goods have flowed between the U.S., Mexico and Canada mostly tariff-free since Nafta was ratified in 1994.

luxury," Ligenza said of specialty coffee. "When people need to dial back costs, we always seem to be first on the chopping block."

Nafta opened the door to Americans' year-round obsession with avocados. Per capita avocado consumption is now six times what it was in the '90s, and the share that is imported has gone from 10% to 90%. More than 80% of U.S. avocados come from Mexico, according to the U.S. Agriculture Department. Mission Produce,

one of the country's top avocado importers, built a 265,000-square-foot cold-storage facility through which nearly half a billion avocados pass annually.

Along the U.S.'s northern border, few places have more at stake in a possible trade battle than Detroit. The city is home to the industry most likely to get slammed by tariffs—the auto sector—and to a 100-year-old bridge that is the nation's busiest trade crossing with Canada.

Trade traffic over the Detroit River has been so brisk that a second bridge is nearing completion about 2 miles south.

In the years since Nafta, Detroit's Big Three automakers established a complex web of manufacturing on both sides of the border. That trend has accelerated as Canada offers EV makers hefty incentives to locate there.

John A. Evans runs a logistics company, Evans Distribution Systems, near the riverfront, where gulls circle over miles of warehouses. The family-owned business mostly handled Canadian whisky and cigarettes when Evans was a child, but these days auto parts dominate his warehouse shelves.

As EV production ramps up, Evans's warehouses will process battery components several times as they cross the border before finally being installed in vehicles in Ontario—vehicles that often will return to the U.S. for sale, Evans said. Hitting those goods with a 25% tariff at each crossing would wallop automakers, he said.

"You worry a lot about these auto companies because they've now made big investments in batteries—billions and billions of dollars—and more shifts are going to be tough financially," he said, adding that the damage would likely trickle down to his business.

In the short term, Evans said, there could be some benefits to his business if new tariffs increase companies' demand for foreign-trade-zone warehousing, a kind of U.S.-based storage used before tariffs are imposed. For example, the last time Trump hit Chinese goods with new tariffs, one importer used Evans's FTZ space to sort through components and discard any broken parts before paying tariffs on them, Evans said.

◆ Border czar becomes face of deportation..... A4

U.S. Aims to Correct Record on 1921 Tulsa Massacre

BY SADIE GURMAN

In the weeks after the Tulsa Race Massacre of 1921, in which white mobs burned the Oklahoma city's vibrant Black neighborhood to the ground, a federal agent quickly concluded that the attack that left as many as 300 people dead wasn't motivated by "racial feeling," and its perpetrators hadn't broken any laws.

More than a century later, the Justice Department has sought to correct that flawed record, writing in a report made public last week that the rampage wasn't the result of spontaneous mob violence but rather a coordinated, military-style effort to ruin what was then one of the wealthiest Black communities in the U.S.

"White men murdered hundreds of Black residents, burned businesses and homes to the ground, and left survivors without resources or recourse," the Justice Department said in its 123-page report, the federal government's first official, comprehensive account of the massacre.

While there is no longer an avenue to bring a federal criminal case, the department said, "the historical reckoning is far from over."

"Legal limits may have sty-



Hundreds of homes and businesses in the Tulsa district known as Black Wall Street were destroyed by white mobs.

The riot was sparked when a 19-year-old Black man was arrested on the charge of assaulting a 17-year-old white woman. A crowd of white men gathered around the county courthouse where he was being kept. As rumors spread that he would be lynched, groups of Black men, some of them armed, went to the courthouse. When a white man allegedly tried to disarm a Black man, a gun went off and a firefighter broke out. The Black men retreated to Greenwood. Some white Tulsans spent the night planning an invasion of the neighborhood. Early the next morning, white rioters began to rampage through Greenwood, killing people and burning and looting businesses and homes.

The Justice Department spoke with survivors and their families, examined firsthand accounts and studied primary materials—including a June 1921 report by the Bureau of Investigation, a predecessor to the FBI. The report by Agent T.F. Weiss characterized the triggering incident as a "small" and "half-hearted" attempt at a lynching, asserted that the riot wasn't the result of "racial feeling" and implied that Black men were ultimately responsible for the massacre.

mied the pursuit of justice, but the work to ensure that future generations understand the magnitude of the atrocity continues," said the report, which stemmed from an investigation launched by the cold-case unit of the agency's Civil Rights Division.

Had today's more robust civil-rights laws been in place in 1921, prosecutors could have pursued federal hate-

crime charges against the perpetrators of the massacre, including both public officials and private citizens, the division's leader, Kristen Clarke, said on Saturday.

"We recognize that some may find it painful or dissatisfying that the department cannot now prosecute anyone for these heinous crimes. I certainly feel that way," Clarke said, speaking in Tulsa before a

community meeting there. "But I believe that this review is nonetheless important."

The attack occurred in Tulsa's Greenwood district, known as Black Wall Street, which had become one of the U.S.'s most prosperous Black communities, with luxury stores, hotels, jewelry and clothing retailers, restaurants, billiard halls and offices for doctors and other professionals.

White mobs destroyed hundreds of homes and businesses, and local officials took part in the destruction. Many lost businesses were never rebuilt. A 2021 Wall Street Journal series found the community still struggling; today the district is a fraction of its former size, and Tulsans are divided over how to spur Black entrepreneurship.

U.S. NEWS

Border Czar Becomes Face Of Deportation

By MICHELLE HACKMAN
AND TARINI PARTI

Tom Homan, a pugnacious cop who will serve as President-elect Donald Trump's border czar, has taken up a surprising mantle for a longtime immigration hard-liner: the realist in the room.

Homan, who served as the acting director of the U.S. Immigration and Customs Enforcement in Trump's first term and helped design his family-separations policy, has spent the weeks following the election right-sizing Trump's sweeping campaign promise to arrest and deport millions of immigrants living in the country illegally.

In private transition meetings and occasionally in public, he has emphasized that immigrants with criminal records should be the primary targets for arrest—a narrower set of people than the 15 million to 20 million Trump had pledged to go after. Homan also has said the administration wouldn't carry out sweeps of immigrant neighborhoods and that—given the government's limited number of agents, detention space and planes—he is unsure how extensive the actual deportation campaign will be.

"I keep getting asked the question: How many people are we going to remove in the first

100 days? I don't know," Homan said in an interview. "I don't know what resources I'm going to have, what Congress is going to give me for funding."

Homan's allies say he brings the sort of résumé Trump wants for a top job orchestrating a broad governmentwide undertaking. He has spent four decades in the government as a Border Patrol agent and federal investigator pursuing migrant smugglers and trafficking rings.

"I've worked for six different presidents," Homan said. "I've seen hundreds of policies come and go. I've seen what policies worked and what policies don't work."

Homan, whose border-czar position won't require Senate confirmation, has been one of the most outspoken incoming administration officials during the transition, even as top advisers and cabinet nominees have kept a low public profile. He has become a fixture on Fox News and in other conservative media, blasting the Biden administration's border policies, outlining the president's agenda—and at times issuing threats.

"My gang's bigger than your gang, and we're gonna take you out," he said in a recent podcast interview with Donald Trump Jr., addressing alleged gang members. He has said im-



Tom Homan, shown in 2018, has emphasized that immigrants with criminal records should be the primary targets for arrest.

migrants "should feel afraid" and promised to use "shock and awe" to carry out his plans.

Becoming the face of Trump's signature campaign promise comes with risks, and there might be no way to win. Homan's suggestions of what's possible already has drawn the ire of some Trump allies, who say he is watering down one of Trump's core agenda items before the president-elect even takes office. Homan also could become an administration scapegoat should public opinion sour on the deportation effort.

Homan has spent the weeks since the election crisscrossing the country to meet with local officials who might assist and private contractors who could offer up new detention spaces.

The scope of the deportation effort will depend on cooperation from Democratic-led cities, where immigrants living in the U.S. illegally are concentrated.

He has been pushing city mayors to work with the incoming administration. One common way ICE makes arrests is by picking people up as they are released from jail, even on a minor violation. But blue states have broadly barred local authorities from coordinating with ICE.

"The sanctuary policies are gonna result in exactly what they don't want, more officers in the neighborhood and more arrests or collateral," he said in the Journal interview. "But if that's the game they want to play, I'll play that game."

Homan started his career as a police officer in upstate New

York before joining the Border Patrol in 1984 and moving up the ranks as a federal agent in Phoenix and Dallas. He was one of the officials selected in 2003 to set up ICE, a new government agency created after the 9/11 attacks.

Later, during the Obama years, Homan proposed to prosecute migrants who cross the border illegally so they are sent to jail and separated from their children. Though his suggestion was rejected by top Obama officials, Homan and others around him recall, he helped carry it out during Trump's first term—before the public backlash.

"I worked with him well," said Gil Kerlikowske, the commissioner of Customs and Border Protection under President Barack Obama.

Ex-colleagues say Homan was much more nuanced—and in some cases even sensitive—than his current tough-guy persona would suggest. One official who worked with Homan under Obama and Trump recalled during the first surge of migrant families at the border in 2014, Homan commented that, were he a parent living in Central America, he likely would have made the same choice to migrate with his family.

Homan's anti-immigration stances further developed when Trump was elected in 2016, in part on a promise to seal the border.

"I've evolved over the years because of tragedies I've seen," Homan said. "Open borders are inhumane. Secure borders save lives."

As Hegseth Goes Before Senators, Ernst Looms as Key Vote

By LINDSAY WISE
AND JOHN MCCORMICK

WASHINGTON—Pete Hegseth's performance will be closely watched in what is expected to be a contentious confirmation hearing on Tuesday for the defense secretary nominee. But also in the spotlight: Sen. Joni Ernst (R., Iowa), whose support the Trump transition team views as crucial.

Ernst, a former Army National Guard commander, endured criticism from prominent Trump supporters late last year after publicly raising specific issues she wanted Hegseth to address: the role of women in the military, sexual-assault prevention and auditing the Pentagon for waste and abuse. Her questions and eventual votes could be key to Hegseth's future—as well as her own.

The Senate Armed Services Committee hearing will force Ernst to balance loyalty to President-elect Donald Trump with her long-running effort to combat sexual assault and support women serving in the military. She is up for re-election in 2026 and has been measured in her comments about Hegseth, whom Trump has continued to back amid allegations regarding sexual assault and drinking that raised doubts about whether he could be confirmed.



Sen. Joni Ernst has worked to change how the military prosecutes sexual assault.

Ernst declined an interview for this article.

"This is about her doing her job and taking advice and consent seriously," said David Kochel, a friend and longtime Ernst adviser.

Hegseth needs a simple majority in the Senate, where Republicans won a 53-47 advantage in the election, and Vice President-elect JD Vance can break any ties. That means Hegseth can't afford to lose more than three GOP votes, if all Democrats oppose him.

A dozen senators and aides interviewed on Capitol Hill in recent days said they believe

Hegseth is likely to win confirmation, given how eager Republicans are to give Trump the team he wants. But they stress that it depends on Hegseth's performance at the hearing.

First, he must win over a majority of the Armed Services Committee, which has 14 Republicans and 13 Democrats. All it would take is one Republican defection to block his nomination from coming to the floor. Republican Party leadership could try to bypass the panel's decision, but the motion to do so requires 60 votes, two people familiar

with the rules said.

Hegseth strongly denies any wrongdoing and has softened his position opposing women in combat, saying on Fox News that women are "some of our greatest warriors" and that he looked forward to "being a secretary for all our warriors, men and women."

The nominee also has been deferential to Ernst. He described their second meeting on Dec. 9 as "great" on Fox News and noted that he has known her for a decade. "The fact that she's willing to support me through this process means a lot," he said of Ernst.

She issued her own statement after their second meeting, saying she supported Hegseth through the confirmation process, and looked forward to a fair hearing for him. She didn't commit to voting for him.

Ernst allies say Hegseth's shift on women in combat shows the impact she has had already in her sit-downs with the nominee.

"Those conversations have yielded results," said Kochel. "He's been a lot more thoughtful about women in the military and really listened to her case on sexual assault and how those cases are addressed, and her interest in the Defense Department doing an audit."

In recent years, Ernst took a leading role in a historic effort to change the way the U.S. military prosecutes sexual assault and other serious crimes.

She has talked about how she was sexually and physically assaulted by a man she dated in college and said her ex-husband physically abused her.

She campaigned successfully to modernize and reauthorize a landmark domestic-violence bill, the Violence Against Women Act. In each case, Ernst's support for the bipartisan legislation proved critical, drawing headlines and Republican co-sponsors.

The Senate Armed Services Committee includes many

prominent female senators, all of whom will have the opportunity to question Hegseth for seven minutes each. Ernst is one of two Republican women on the panel, along with Sen. Deb Fischer of Nebraska.

Sen. Cynthia Lummis (R., Wyo.) said she expects Ernst will "figure out a way to get answers to the questions she wants, in public."

Like Ernst, Lummis said she is eager to hear what Hegseth has to say about sexual assault in the military, in particular. "I have some constituents who've had really, really sad experiences in the military, so I'd love to hear him address those issues," she said.

Hegseth is bracing for tough questions from Democrats on the Armed Services panel.

The committee's Democrats include Sens. Tammy Duckworth of Illinois, a combat veteran; Kirsten Gillibrand of New York, who led efforts with Ernst to fight sexual assault in the military; and Elizabeth Warren of Massachusetts, a former presidential candidate whose questions can be withering.

Warren previewed her line of questioning in a recent 33-page letter asking Hegseth to respond to the allegations of sexual assault and excessive drinking, and address past statements opposing women serving in combat roles.

RFK Jr.'s Passion for Falconry

Continued from Page One access lawsuit last year challenging his claim that he lived in New York involved a debate over whether he had a valid falconry license in California.

Kennedy argued that while his three dogs and an emu moved to the Malibu home he shared with his wife, actress Cheryl Hines, his roughly 20 hawks and falcons stayed in New York. Kennedy, 70, said his life in California was temporary and suggested someone else had signed the license application on his behalf.

Opposing lawyers showed a social media clip of ravens he was teaching to eat out of his hand on the balcony of his California abode.

"I trained them to come when I called them and also to talk and also to do certain

tricks—mainly take like a poker chip and put it in somebody's pocket," Kennedy said in court of his history training the birds. Ravens, he noted, after a year or so of training can "talk like a parrot."

The judge sided against Kennedy, finding his "testimony that he may return to that [New York] bedroom to reside with his wife, family members, multiple pets, and all of his personal belongings to be highly improbable, if not preposterous."

Kennedy has courted controversy before with his exotic animals. He famously said he left a dead bear cub in Central Park a decade ago, noting he had initially planned to keep the meat in his fridge.

"The Bear, The Penguin, Baby Reindeer. These are not just things found in R.F.K.'s freezer," comedian Nikki Glaser said, referring to television shows at the Golden Globes awards ceremony this month.

Kennedy kept a coatimundi, a member of the raccoon family, in the basement playroom of his childhood house, until it assaulted his pregnant mother,

sending her into premature labor, he wrote in his memoir "American Values."

After a trip to East Africa in 1964, Kennedy wrote that he brought home a 16-pound leopard tortoise named Carruthers in a Gucci suitcase lent to him by his mother "which could not be used thereafter."

The family briefly kept a California sea lion named Sandy in its pool, though Kennedy wrote Sandy would ride in the car with his mother for school pickups. After Sandy started roving with the family dogs and caused a "rush-hour traffic jam" in McLean, Va., the sea lion was donated to the zoo.

Kennedy found his true passion at the age of 11, when he read T.H. White's "The Once and Future King," a retelling of King Arthur's adventures, including with a goshawk, a large hawk. Kennedy found a local falconer, Alva Nye, an aircraft acquisition specialist for the Defense Department, to teach him the fundamentals. Nye instructed Kennedy not only how to hunt with raptors but also how to care for them, said his

son, Geoff Nye.

"It's not like having a cat or a dog, I'll tell you that," Nye said. "They require very careful management of their health."

"There's not been any time in my life really since then that I haven't had birds and haven't been involved in the sport," Kennedy said in a video posted to Instagram last year. "It's kind of like being allowed to hunt with a wolf pack—if the wolves would actually allow

you to go out with them."

His bird bible was Holy Roman Emperor Frederick II's manual on falconry, written shortly before 1250, that enumerated the life skills a falconer should possess, including nimbleness, a daring spirit, an imperviousness to hunger, heat and cold, a tendency to sleep lightly "so as to hear his falcon bells" and a strict prohibition against laziness. "These became my blueprints for living," Kennedy wrote in his memoir.

As a child, Kennedy said he watched for peregrine falcons at the Justice Department, where his father, Robert Kennedy, worked as the Attorney General, and the White House, when his uncle, John F. Kennedy, was president. (The nest remains at the nearby Waldorf Astoria, a Hilton spokeswoman said.)

"He has a very intense appreciation for the natural world and this is just an extension of that," said Steve Layman, a longtime falconer who has gone hawking, the term used for hunting with wild raptors, with Kennedy.

In the late 1980s, Kennedy



Kennedy has displayed this framed painting of himself with a falcon in his home. He has long been hooked on hunting with birds of prey.

ROGER NSB/REUTER

wrote the New York state falconry study guide and exam manual.

As Kennedy turned to politics, he continued to draw on his falconry experience. Ahead of his 2024 presidential run, he met one of his senior campaign advisers at a falconry event he organized.

After endorsing Trump, Kennedy participated in a sweepstakes where winners could join him and Donald Trump Jr. for an October day of falcon hunting in the Hudson Valley. For \$50,000, donors could also reserve their spot to "experience nature's fiercest predators alongside two of America's bravest personalities."

Kennedy's avian interests also extend to pigeons, which as a child, he said he would put on a train going to Delaware and time how long it took them to fly back to his home in Virginia. On boxer Mike Tyson's podcast, he said that observing and interacting with birds never grows old for him.

"I could sit and watch pigeons for weeks and not get bored," he said.

Palisades Residents Visit Ruins That Were Once Their Homes

Homeowners want to know the fate of their houses amid concern over looters

By KATHERINE SAYRE
AND JOE FLINT

LOS ANGELES—The uncertain journey home for Pacific Palisades residents started this past week in somber processions through winding, burned-out streets.

Residents hoping to get a glimpse of their houses—or whatever is left from the historic Palisades fire—waited six or more hours for a police escort on Friday. Some were unable to make it before a mandatory 6 p.m. curfew and returned on Saturday to try again, with fires still burning across Los Angeles.

Officers led small groups of cars to their properties, one by one, warning they would have only a few minutes to gather any valuables or essential belongings.

On Sunday, officials put an end to home checks, citing the need to keep traffic clear for firefighters and the importance of redirecting personnel to monitor for looting and rescue efforts.

Mariah Lanphar, 24, waited on Friday for her turn to look at the ruins.

She and her 80-year-old great-aunt, for whom she is a live-in caretaker, noticed a smoke plume on their daily walk Tuesday morning, and within a few hours, evacuated with thousands of others.

Lanphar had been told by a neighbor that their house was destroyed. But her aunt, who bought the house in the 1970s, wanted to see it to believe it. So, Lanphar parked her Honda Civic in the queue at 9 a.m.

Frustration had been mounting among homeowners wanting to know the fate of their houses and concerned that looters could get into the area unchecked. Some residents hiked hillsides or got in through back roads, needing to see for themselves. By Friday, a strong National Guard presence was visible in parts of the area. Fire-resistant safes survived some of the flames, fueling more concerns about thieves.

"We have two hours to think about what we'll grab," said Lisa Smith, who waited with her husband, Jeff, to be escorted by police to go to their home on Brooktree Road, which survived the fire.

Patty Best stood in a line of 20 people Friday afternoon. She found the wait and time with neighbors comforting, even therapeutic. Her plan longer term?

"Rebuild and stay. Absolutely 100%."

Shared loss

During the hourslong wait, Lanphar met Gavin Bates, another Palisades resident who also wanted to take photos of his house's remains and retrieve his car parked on the street, which appeared somehow undamaged in photos taken by a neighbor. Lanphar gave Bates a ride.

The pair became friends in loss. "I feel like I just need to see it myself," he said.

Six hours later—around 3 p.m.—Lanphar rolled onto Sunset Boulevard and up into the hills with a few other cars and a police SUV. Flames had consumed many local businesses, while the upscale Palisades Village shopping center appeared untouched. A school campus had been destroyed, though a rainbow mural peeked through.

All of the other Palisades residents in Bates's and Lanphar's group found their houses intact and rushed in.

"It's quite intimate to go to each other's burnt houses," Lanphar said. "We're neighbors but strangers."

'Completely gone'

As Lanphar and Bates waited for their houses to be the next stops, they wondered about the future of the neighborhood and the future threats of fires.

"This is a once-in-a-lifetime fire, but the world's changing," Bates said. "Is it really

once in a lifetime?"

The police have told some residents that they couldn't imagine people still fortunate enough to have homes being able to come back for at least several months given the air quality, the need to secure the open gas lines and the scale of the rubble that needs to be cleared.

Around 4:45 p.m., it was finally Lanphar's turn. She led the procession, driving in a severely burned area, with only brick chimneys and

washing machines recognizable in rows of rubble. She cried as she recognized which ruins were hers. She called her family on FaceTime.

"It's completely gone, auntie," Lanphar said, sobbing. "I don't recognize anything."

"Mariah, don't cry," her aunt said.

In the backyard, Lanphar found the trough where she had planned to grow papyrus, and a shovel.

The final stop, as the sun went down, was Bates's house

in an area known as the Alphabet Streets. He and his wife and two daughters had lived there since 2020.

Bates quickly snapped photos for his insurance claim. Other homeowners in the caravan cheered when Bates's car started, the only thing he could leave with.

The neighbors returned to their cars and began the drive back to wherever they were staying for now.

—Dan Frosch contributed to this article.



Mariah Lanphar spoke to her family on FaceTime as she looked at the remains of her great-aunt's house on Friday.

PRATT 100% RECYCLED

12,000 AMERICAN MANUFACTURING JOBS

★ OUR FACTORIES

U.S. NEWS

Using Seawater Is Tempting, But It Is a Last-Ditch Option

By AYLIN WOODWARD

As raging wildfires incinerated the Pacific Palisades neighborhood of Los Angeles County, an enormous source of water lay tantalizingly within reach: the Pacific Ocean.

But for a variety of reasons, seawater—which has been used to some extent against the Palisades fire—isn’t ideal for fighting fires. It damages the environment, is corrosive and difficult to access.

Firefighters spray blazes with water because it cools down materials that are burning and wets those that could catch fire. In that regard, saltwater and freshwater are basically the same, said Michael Gollner, a University of California, Berkeley, fire scientist.

However, when seawater is dumped in an area, it can raise the accumulated salt content of the soil once it evaporates, a process known as salinization.

“We try to avoid it, because saltwater is a soil sterilizer,” said Tim Chavez, a former assistant chief for Cal Fire and retired fire analyst based in Hemet, Calif.

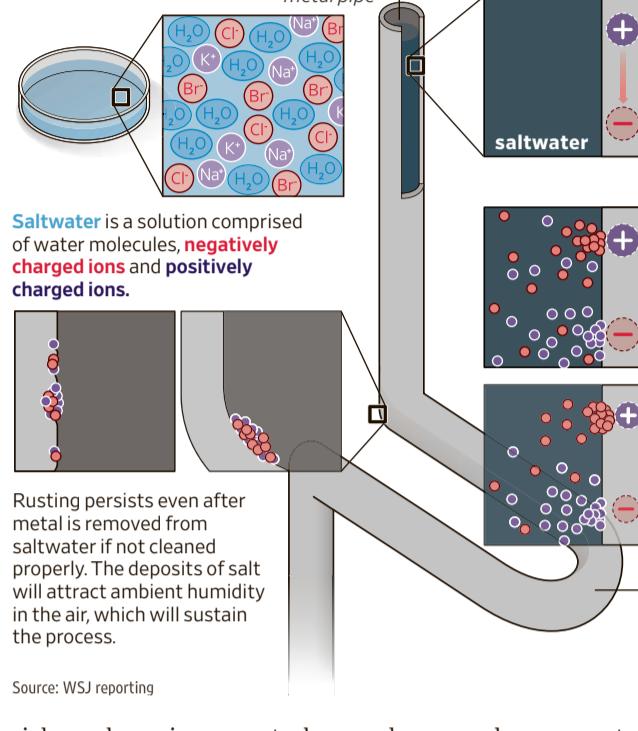
Too much salt in the soil inhibits plant growth by making it challenging for the roots to absorb water, according to the Food and Agriculture Organization of the United Nations. Salinization also affects how easily nutrients move through the soil, diminishing the overall fertility of an area. Additionally, salt can be toxic to species that are less salt tolerant, such as some boxwood and dogwood trees.

“If you add salt to the soil, you’re not going to be able to grow anything there the next year,” Chavez said.

Saltwater can also weaken and damage firefighting hoses, pumps, hydrants or tanks that are typically made from mate-

What Happens When a Metal Corrodes?

How saltwater can damage materials designed for fresh water



Source: WSJ reporting

rials such as iron or steel, which are less resistant to corrosion, said Ping Furlan, a chemist and professor at the U.S. Merchant Marine Academy. Materials designed for saltwater use, such as marine-grade steel, are coated with anticorrosion treatments to minimize this effect, he added.

Firetrucks and other land-based equipment, which typically draft, or suction, water from dedicated hydrants or tanks, are designed for use with fresh water. When hydrants go dry, as some did in the Pacific Palisades, firefighters can draft water from a swimming pool or lake, Chavez said, but they can’t easily draw seawater.

“I don’t think anybody would draft out of the ocean because you can’t drive close enough to it,” Chavez said.

Still, L.A. County firefighter

ers have used some water from the Pacific Ocean to help douse the flames in the Pacific Palisades from the air, deploying the county’s two Bomber-dier CL-415 “super scoopers” to the area, according to Erik Scott, the Los Angeles Fire Department’s public information officer. (One of the planes was grounded on Thursday after colliding with a drone.)

Super scoopers, which resist corrosion and are able to handle saltwater, can collect water from oceans, lakes and other sources to drop on fires. These planes can make rapid round trips dumping 1,600 gallons at a time, said Chris Thomas, who works for L.A. County Fire and is a spokesman on the Palisades fire.

“They’re on standby, and as soon as this fire broke out, they were activated and sent out here,” Thomas said.

When a metal is exposed to water, it loses electrons at a point on its surface, giving it a **positive charge**. The electrons travel through the metal to another point on the surface where they are gained by dissolved oxygen, giving that area a **negative charge**.

The environment will try to neutralize the changes in the metal, and the ions in the water will be attracted to the opposite charge. Saltwater has more ions present, accelerating the corrosion process.

The ions further react to form new compounds, like rust, that can flake off, allowing corrosion to continue.

Complex shapes or textures—such as scratched surfaces—also increase surface area, exposing the metal to more ions and increasing the rate of corrosion.

ADRIENNE TONG/WSJ

But it is hard to hit a target from the air when powerful Santa Ana winds are blasting through.

“This is precision flying on steroids,” Thomas said. “They’re guided in by a helicopter with winds whipping back and forth, trying to get down low enough to dump water, but also making sure that they don’t have an accident and stay high enough to be safe.”

Aerial firefighters adjust their drops for the wind so that the water will drift into the targeted flames, but it’s critical that these drops don’t occur over cars and buildings, as the weight of the water could crush or damage them.

“Water weighs roughly 8 pounds a gallon, and you’re dropping a thousand gallons,” Thomas said. Drops are aimed at the wildland and brush abutting homes in the area.

Law Enforcement Steps Up Patrols Against Looters

First responders in fire-ravaged Los Angeles communities have had to fend off looters as well as flames, with the number of arrests jumping to nearly 30 by Sunday.

By Joe Flint,
Tarini Parti
and Sean McLain

National Guard personnel, as well as city and county law enforcement, have stepped up patrols in the Pacific Palisades neighborhood and in the communities of Altadena and Pasadena, even as firefighting efforts continued. One suspected looter had even dressed like a firefighter, Los Angeles County Sheriff Robert Luna said.

Two people were detained at Vice President Kamala Harris’s Los Angeles home Saturday after the Los Angeles Police Department received a call regarding a potential burglary, a spokeswoman for the LAPD confirmed.

The department said officers arrested the two for breaking curfew but found no evidence of a burglary or any other crime and released them.

Roughly 25 people have been arrested around the Eaton fire area that includes Altadena and Pasadena, Luna said. Some have included narcotics charges and carrying a concealed weapon, he said.

Approximately four arrests were in the Palisades area.

Some of the arrests were for curfew violations, Luna said. Any area under a mandatory evacuation order is off limits to non-first responders.

‘It’s like picking the pockets of the dead,’ one homeowner says.

In other areas, a 6 p.m. to 6 a.m. curfew is in place.

Spike Feresten, who is a television writer and host of the Spike’s Car Radio podcast, said his Brentwood neighborhood was on edge. As he prepared to evacuate Friday with his family, two men in a pickup truck pulled into his driveway.

“They had a story that didn’t make sense,” Feresten said. “They said they were dropping off supplies for friends in Malibu and didn’t know how to get there.”

There was also concern about businesses and homes that kept valuables or cash in safes that may be intact among the rubble, police have told residents.

Eaton Canyon homeowner Averie Maddox wasn’t worried about the threat of looting when she herded her daughter, dog and two cats into her car Tuesday and fled the approaching fire.

“I really thought I’d come home the next day to a smoky and ashy house,” she said. Instead, her home on Windfall Avenue in Altadena went up in flames—along with a 1917 Chase Piano and family heirlooms including a chair her grandfather had built and relics from her daughter’s childhood.

Some items might have been spared, she said, but looters already dug through the debris, her neighbors told her.

“It’s like picking the pockets of the dead. Don’t you have any respect for people’s loss?” Maddox said.



RINGO CHU/REUTERS

Firefighters battled the Palisades Fire in the Mandeville Canyon area of Los Angeles on Sunday.

Forecast Keeps Fire Threat High

Continued from Page One
in the Pacific Palisades, where firefighters have been struggling with wildfires that threatened the Brentwood neighborhood of Los Angeles and singed backyards at the base of Mandeville Canyon.

“The fire threat in Los Angeles County [is] very high,” county Fire Chief Anthony Marrone said.

Newsom on Sunday suspended environmental-review requirements to speed rebuilding.

Helicopters laid down fire retardant lines near Mandeville Canyon, leaving the mountains painted in shades of red and purple. Firefighters there said that blazes threatening homes were mostly under control.

Emergency responders continued search-and-rescue efforts in the hardest-hit communities around Eaton and the Palisades. Displaced residents, some of whom waited hours in lines for a police escort to visit their homes in the Palisades, or what remained of them, were turned away Sunday as officials closed off access.

Authorities continued to

crack down on people flouting evacuation orders and defying the 6 p.m.-to-6 a.m. curfews across fire-ravaged communities, with nearly 30 arrests.

Some who got to their neighborhoods before access was denied found ash and embers where a home once stood.

“Why didn’t they try to save it?” asked a teary Tatiana Nikolev outside the apartment building she shared with her husband, Alexi, on Sunset Boulevard, a stone’s throw from the Pacific Ocean. The three-story Pacific Palisades complex was completely burned.

The Nikolevs were traveling when the fires broke out and saw their home for the first time on Friday. Most of the homes surrounding theirs, including next door, were seemingly unscathed by the fire.

The Palisades fire, which started nearly week ago, has ripped through more than 23,700 acres. Firefighters were only able to contain 13% of the sprawling blaze, despite the weekend break in the winds.

Conditions were slightly more favorable at the Eaton fire in Altadena and Pasadena. Over 14,000 acres have burned, but the fire was 27% contained early Sunday, according to the state fire authority, Cal Fire.

In Altadena, blue skies and relatively clear air clashed with the devastation on the ground. The fire there that started near Eaton Canyon, a popular hiking area, left entire neighborhoods unrecognizable. Block after block of houses sat burned to

rubble, with rows of brick chimneys as the main guidepost to where one property ended and another began.

The devastation illustrated the randomness of fire. In the midst of fully destroyed homes, a basketball hoop, soccer net and fruit trees looked seemingly untouched. In the distance, some homes closest to the hills improbably remained standing.

More than 12,000 homes, businesses and other buildings may have been damaged or destroyed by the multiple wildfires, officials said.

Officials in the Altadena and Pasadena area warned that power outages could be ahead this week if they shut off circuits to mitigate wildfire risk in the event of dangerous winds. The National Weather Service said wind gusts are expected to reach 45 to 70 miles per hour in certain areas of Los Angeles between early Tuesday and Wednesday afternoon. Such wind speeds can complicate critical aerial water drops.

Students return to Los Angeles schools Monday and will be encouraged to wear masks on their way to school.

—Ben C. Solomon, Joe Flint and Gareth Vipers contributed to this article.

Watch a Video

Scan this code for a video on efforts to fight the California wildfires.

Her Love Language Is 14kt Gold

GIVE HER A CLASSIC GIFT SHE’LL ADORE

\$169

Compare at \$235

Crafted with expert Italian artistry, our 16" love knot necklace positively glows in textured 14kt gold. Suspended on a crisscross chain, this meaningful design is one that your Valentine will treasure forever.

Available in 18" \$179 and 20" \$189

ROSS + SIMONS

Fine Jewelry | Fabulous Prices

ORDER TODAY!

To receive this special price and free shipping use offer code: **KNOT72**

1.800.556.7376 or visit ross-simons.com/knot

Shown larger for detail. Item #879157

WHAT DOES 'HEALTH SYSTEM' EVEN MEAN? IT MEANS A BIG DIFFERENCE FOR YOUR HEALTH.

A health system is more than a doctor. In our case, it's 320+ locations with the exact same high standard of care. It's integrated medical teams that achieve the best patient outcomes. It's leading the charge in medical discoveries. It's the lowest mortality rates in the nation. It's being named #1 for quality care in the U.S. Our health system has the best doctors, and the best doctors are just the beginning.

Better health starts with a better health system.



See what makes us
the better health system



U.S. NEWS

Celebrities Play Central Role as Tragedy Unfolds

By JOHN JURGENSEN

The opening scene starred Steve Guttenberg. For many of us watching wildfires rip through Los Angeles from a safe distance, the once-boyish actor from "Three Men and a Baby" and other goofy '80s movies became one of the first faces of the disaster when he popped up last Tuesday in a video spreading fast online. It was a clip of an L.A. news crew interviewing Guttenberg on a smoke-choked road as he described the challenges in evacuating the Pacific Palisades area.

With a mask tucked under his chin, the "Police Academy"

star looked into the camera and urged people abandoning their cars to leave keys in the vehicles so emergency workers and "people like me" could better clear routes for evacuees and firefighters. The man-on-the-street interview format was familiar, and so was the man: a well-known actor appearing before us in an all-too-real role as one of the thousands of Angelenos trapped in a devastating crisis.

It's the epicenter of movies and television with the world's most famous talent pool and landscapes. So, to outsiders seeing it burn on our screens in the past week, it was impossible not to perceive L.A. as

the setting of a disaster movie crossed with a horrific reality show.

Paired with hellscape imagery of flames and smoke, the appearance of celebrities and influencers made the impact of the destruction seem both more relatable and more surreal. There were paparazzi photos of Ben Affleck and other stars stuck in their cars in evacuation gridlock. On "The Tonight Show" Wednesday, a tearful Jamie Lee Curtis said, "Where I live is on fire right now," and then pledged \$1 million to relief efforts the next day on social media. TMZ offered a slideshow: "Celebrities Who Lost Their Homes In

the L.A. Fires," which included several dozen examples, from Jeff Bridges, Billy Crystal and Mel Gibson, to famous couples Miles Teller and Keleigh Teller, and Spencer Pratt and Heidi Montag.

By the end of last week, some of those boldfaced names were documenting the fate of their property. On Instagram, piano music accompanied Paris Hilton's footage of still-smoldering rubble and collapsed walls against a hazy sunset, with a caption that began, "I'm standing here in what used to be our home, and the heartbreak is truly indescribable."

A CBS News team accompa-

nied Milo Ventimiglia as the actor stepped through his house's remains and recounted his evacuation flight with his pregnant wife. He also reflected on an eerie connection to his most well-known role: In the hit TV series "This Is Us," he played a dad who died from smoke inhalation after helping his family flee their burning home. "It's not lost on me, life imitating art," he told CBS.

As observers from afar, many of us struggled with a fuzzy understanding of L.A. geography while trying to get our bearings on the locations and scale of the calamity.

Reality-TV fans mentally compared maps of uncontained

fires and evacuation zones to the world people traverse in "Selling Sunset" and "The Real Housewives of Beverly Hills."

As the tragedy continues to unfold, so will its strange juxtaposition with show business, especially as Hollywood feels its way through awards season.

When actor Adrien Brody accepted an award for his performance in "The Brutalist" from the New York Film Critics Circle last week, he spoke of specific locations in the city where whole swaths of people's homes, businesses and beloved landmarks have been wiped out. "This," he said, "is our community."

Officials Battle Rumor Mill

Continued from Page One
reins on what people can post.

By coincidence, the Los Angeles fires started the same day Meta Platforms said it was ending fact-checking and removing speech restrictions across Facebook and Instagram, with the stated aim of restoring free expression.

Since his 2022 acquisition of Twitter, Elon Musk has slashed content-policy jobs and eased content limits on the platform he renamed X. Changes under Musk have enabled users to get paid for X posts if they generate enough engagement—and Musk himself has repeatedly amplified inflammatory or conspiratorial content about hot-button issues.

The rise of AI-generated content is adding another layer of complexity, such as when fabricated pictures emerged showing flames around the iconic Hollywood sign, which in reality has escaped damage. One giveaway that the images were fake: some put an extra letter on the hilltop, making it "Hollywood" or "Hollywoood."

Lessons of the past

Numerous falsehoods about Hurricane Helene surfaced online last September amid rising floodwaters in western North Carolina and in the aftermath. "Bar none, this was probably the worst I've ever seen as far as misinformation and disinformation goes," said Brian Haines, who helped manage the state's joint information center.

In response, the North Carolina Department of Public Safety created a still-live "Ground Truth" webpage, and "Hurricane Helene FAQs" that rebuffs the assertions ricocheting around social media. Recovery efforts weren't in fact "a land grab by the State of North Carolina" in disguise, nor were there "morgue trailers hidden with bodies still inside them." It also wasn't true, the state assured the public, that impacts from Helene were "due to weather manipulation."

"No technology exists that can create, destroy, modify, strengthen or steer hurricanes in any way, shape or form," says the government website. "The best we can do is provide [the public] with the most accurate information we have. Does everybody trust the government? No. We recognize this," Haines said. "If you don't steer the narrative to the truth, the lies will take over."

On New Year's Day, a pair of unnerving events offered contrasting case studies in how to respond to the public thirst for information in an age of mistrust and rampant conspiracy theories.

The Las Vegas Metropolitan Police Department won praise for its handling of the case of troubled soldier Matthew Livelsberger, named as the man who blew up a rented Tesla Cybertruck outside the Trump International Hotel, killing himself and injuring several bystanders.

Sheriff Kevin McMahil and his team pumped out easily-digestible updates on social media about the progress of the investigation.

In a roughly 30-minute televised briefing, in which the gravelly-voiced McMahil appeared forthright as he addressed the rumors and fragments of information that were circulating online. What



Firefighters work Friday near a church destroyed in the Palisades Fire, in the Pacific Palisades neighborhood of Los Angeles.

DAVID RYDER/REUTERS

other officials might have dismissed as speculation, the sheriff was willing to address, as if he were speaking directly to the recesses of the social media echo chamber.

"I want you to know I'm very well aware of a podcast that's going around today," McMahan said. "I just want you to understand that since we have been conducting these press conferences I've only been giving you information that we've verified and deemed to be factually accurate."

Among the theories circulating was whether the body in the car was actually Livelsberger (on social media, many suggested he had been kidnapped or had escaped to Mexico)—and whether someone else had placed his body in the futuristic car. "Did someone put his corpse in the car? Remember, the car is fully self-driving," the X account "End Wokeness," with 3.4 million followers, posted. It got 4.8 million views.

The car had not been in self-driving mode, a deputy reiterated, citing data from Tesla engineers. There were also questions about how officials identified the body. "I want to give you a couple of photographs as to what it was that we had some conversations around," McMahan said, showing images on a large screen of distinctive tattoos that were still visible on the badly burned corpse.

"I thought they did a really good job," said Yael Bar tur, who oversaw social media for the New York Police Department from 2014 to 2020 and is now an executive at Sitrick, the crisis communications firm.

New Orleans, authorities struggled with messaging after the New Year's Day attack there in which a man killed 14 people after plowing into revelers with a pickup. First they declared it wasn't a terrorist attack, before evidence emerged showing the suspect was inspired by ISIS. They initially said they thought he had accomplices, only to say later that he acted alone.

The lesson, Bar tur said, isn't for authorities to stay quiet. To maintain public trust, they must join the discussion, albeit with quality information. "Back in the day you could be tight-lipped about something, before cellphone cameras, before social media. And you could close down a crime scene in a

sense," she said. "You can't afford to be quiet anymore."

Filling the void

Jim Bueermann, a former police chief who founded the Future Policing Institute, a think tank on innovation in the field, said it is crucial for police departments to monitor social media feeds, fact-check claims and, when needed, create a counter-narrative to boost community trust. Filling an information void is vital, he said, "even if it's just to say, 'We don't know the answer yet, but please don't jump to conclusions.'

The 30-officer police department in Parsons, Kan., empowers five employees to post to social media and used the tool when relatives of someone who died in an accidental shooting

portrayed the incident as a homicide, said Police Chief Robert Spinks.

"We've gone to great lengths to make sure that we are never in a position where you ever hear the word 'no comment' from our agency," he said. "If the ditch is empty, it's going to get filled up with sewage, so you might as well put fresh water in there."

By their nature, wildfires tend to spur confusion, whether it's someone exaggerating the size of a blaze at night when that is harder to

assess, or people sharing inaccurate evacuation orders, U.S. Forest Service spokesman John Miller said.

The confusion often stems from people listening to police scanners and hearing only snippets about fires, Miller said. "If you're sitting at home listening on the radio, you're going to take that as gospel," he said.

Battling rumors

Given the scale of the still-unfolding Los Angeles disaster, the desperation for answers and explanations—and propensity for misinformation—appears to be of another magnitude.

Erroneous or partly incorrect posts popped up almost as soon as the wildfires did. An early X post showed a burning hillside

near the sign for the Getty Villa in Pacific Palisades. "GETTY VILLA GOES UP IN FLAMES," it blared, adding that the museum is "currently ablaze."

The Getty, which operates a second museum elsewhere in Los Angeles, soon corrected the record, saying on X that some trees and vegetation had burned but not the villa. The staff and art collection, it said, were safe. A day later Getty again said the villa was intact.

Along with the Alex Jones post, Scott, the Los Angeles

Fire Department's public-information officer, has publicly battened down a number of viral rumors.

"Clearing Up Online Misinformation," Scott wrote on X late Friday as he rebutted two new fabrications, including a social-media falsehood circulating that the LAFD was so ill-equipped that it was recruiting the general public to fight wildfires. "Baseless," Scott wrote.

"We don't want all of that noise getting to the public," Scott said Saturday. "We want to get them signal that is going to help them evacuate and potentially save their lives."

Dueling narratives

President-elect Donald Trump joined the social media fray. On his Truth Social platform, he blamed the fires on California Gov. Gavin Newsom, claiming the Democrat had refused to sign a "water restoration declaration" that would have brought additional water to the Los Angeles area. Musk shared the post with his 212 million X followers.

A Newsom aide countered with a statement that there was "no such document as the water restoration declaration—that is pure fiction."

Newsom on Saturday refuted a rumor that firetrucks sent from Oregon were being held in Sacramento for emissions testing. "This is false," he said on X, calling it "offensive to the brave men and women who are fighting on the frontlines right now."

The state also launched a "fire

facts" webpage, with pronouncements such as this: "LIE: Governor Newsom is working with developers to change zoning in burned areas to allow 'mass apartments.' "

Then there were claims like one about the outbreak of one fire supposedly stemming from a "satanic ritual" linked to a "creepy red-roof mansion that is straight out of a horror movie." A reader note on X asserted that no such rumors were actually circulating. "The one and only mention is here because of a 'red roof' which isn't (sic) uncommon." Yet the post was seen more than four million times and shared more than 3,000 times.

None other than Henry Winkler, the Fonz from "Happy Days," wrote on X: "THERE IS AN ARSONIST here in LA. May you be beaten you unrecognizable !!! The pain you have caused !!!"

The Los Angeles Fire Department responded that it wasn't yet clear how the many separate blazes had started. Though police took a man into custody over a possible arson near where a new fire broke out on Thursday, officials said they lacked probable cause to arrest him for arson; he was instead arrested on a probation violation. A spokesman for Winkler said the actor wouldn't be commenting further at this time.

One Saturday last month in Columbus, Ga., Deputy Police Chief Lance Deaton got a message from his father in Florida: "Hey, y'all investigating the serial killer in Columbus?" Deaton had no idea what he was talking about. His dad had spotted a Facebook post about a serial killer "on the run" in the state's second-largest city.

Deaton then received text messages from city council members and residents. By Monday, the rumor had blown up to the point where the police department assigned analysts to take a closer look. That led to a press release dismissing it as a hoax.

"We knew we weren't working a serial killer, but I wanted to make sure that we had the right information before we put it out," Deaton said. "This was a whole lot more serious than a lot of the stuff people put out. But at this point, man, nothing surprises me."

—Sara Randazzo contributed to this article.



A Jan. 7 news briefing by the Las Vegas Metropolitan Police Department.

K.M. CANNON/LAS VEGAS REVIEW-JOURNAL/ASSOCIATED PRESS



The sooner you recognize the signs of autism, the sooner you can help.

ScreenforAutism.org



WORLD NEWS

Syrians Who Share Assad Sect Fear Discrimination, Attacks

Alawites point to government raids, mysterious killings; 'I don't feel safe'

By OMAR ABDEL-BAQUI

KHIRBET AL-MA'ZAH, Syria—When Sunni Islamist rebels toppled Bashar al-Assad, many residents of this rural village were elated even though they are Alawites, members of the same Muslim sect as Syria's deposed dictator.

They now say their excitement has been replaced by fear. Masked men have terrorized the village, beating people, looting homes and using anti-Alawite slurs. Some community members have been missing for days after the attacks and are feared dead.

Khader Ibrahim, 22, said he was playing videogames in a shop when he and his 24-year-old brother, Nasser, were pulled outside by armed men. They pointed their rifles at the brothers, cursing their Alawite backgrounds, staging mock executions and striking the elder brother until several older women persuaded the militants to stop, the family and other townspeople said.

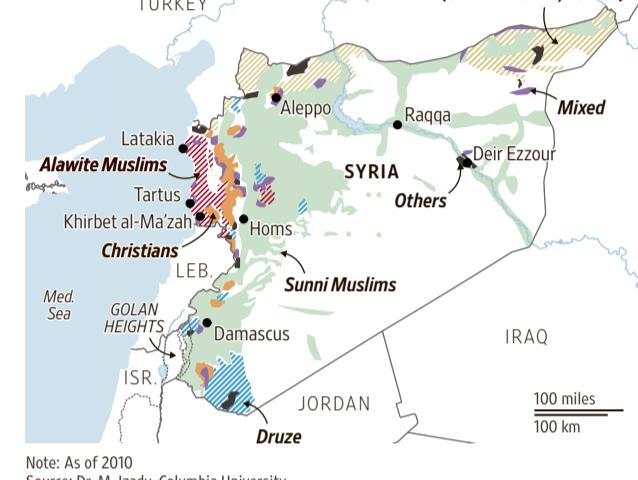
"I thought for certain they would kill us," Ibrahim said.

In nearly two dozen interviews, Syrian Alawites said they are worried about discrimination under the country's new government and the risk of attacks by the country's many militias and gangs, who could seek revenge for abuses committed by the Assad dynasty. They point to alleged extrajudicial killings, claims of discrimination at checkpoints and the destruction of a religious shrine that they say are beginning to resemble a pat-



Nasser Ibrahim, 24, pictured with his mother, Faryal Ghannam, was beaten by armed men who cursed his Alawite background, according to family members and other village residents.

Ethnicities and religious groups



tern of anti-Alawite acts.

For the U.S., the nightmare scenario for Syria after the rapid rebel victory led by Hayat Tahrir al-Sham is a descent into sectarian conflict.

"We were freed from Assad like the rest of Syria. We support the revolution," said Faryal Ghannam, the Ibrahim's mother. "Now, it is on HTS to protect us, treat all Syrians

equally, and bring us into the fold to help rebuild this nation."

HTS spokesmen didn't respond to requests for comment or provide interviews with ministers. The group's leader, Ahmed al-Shara, has promised to respect Syria's diversity and protect religious minorities.

About 10% of Syria's 24 mil-

lion people are Alawites. Considered heretics by some Sunni extremists, they have been persecuted in the past.

Bashar al-Assad and his father, Hafez, who founded the family regime with a military coup, were Alawites and portrayed themselves as protectors of the community. In reality, many Alawites suffered along with other Syrians.

"Any dissent was crushed, regardless of sect," said Fakher Zeidan, an Alawite writer who was a political prisoner for about 10 years. Still, many senior military commanders and those in Assad's close political circle were Alawites, and the abuses under their rule have left a wide scope for revenge.

Three judges who worked under the Assad system were found dead along the road on Christmas Eve after traveling to meet officials with the new government, two of their widows said in interviews. The judges, who worked on administrative cases related to land ownership, had been optimistic about their professional future and were in talks about working under the new government, their widows said.

HTS quickly told the families it is investigating the killings, the widows said. The Justice Ministry in the provisional government didn't respond to requests for comment.

"Is it because they were judges? Alawites? Was it a former prisoner who targeted them? Or was it someone from an extreme faction? These ideas all run through my head," said Faten Khadam, the widow of one of the judges. "What I am certain of is that I don't feel safe, and neither does any Syrian I know."

The U.S. doesn't think HTS—an al Qaeda offshoot that has professed to reject extrem-



'Any dissent was crushed, regardless of sect,' said Alawite writer Fakher Zeidan, imprisoned under the Assad regime.

GABRIEL FERREINI FOR WSJ (2)

ism—is behind the killings in an organized way, but wants it to get a handle on the violence, a senior U.S. diplomat said.

The mood is noticeably more tense in Alawite areas than in Damascus, the capital. Government checkpoints become more frequent, and their minders more serious. Travelers said they are sometimes asked whether they are Alawite.

Checkpoints circle Khrbet al-Mazah, where the Ibrahims live. Troops under the new government's coalition have been deployed extensively there since more than a dozen members of the security forces died in an attack last month by what the government called pro-Assad elements. During the day many shops are closed, and townspeople said they fear congregating openly. At night, they take shifts keeping watch for attackers.

The attack happened in the same area where the government said it arrested a senior Assad official. Over the past week, the new government says it has launched operations

against Assad loyalists, their hide-outs and ammunition stores. Alawites say the raids are fanning suspicions about Alawite civilians by feeding the impression that they were close to the toppled leader.

Many support going after senior officials of the fallen regime but want more transparency about the targets.

HTS has set up reconciliation centers where members of the old regime can sign up to participate in the new government. Ali Shbani, 27, lives in a mostly Alawite working-class neighborhood of Damascus. He served in the military, like many men who couldn't find stable work. He joined thousands of other military veterans and registered with the new government—but fears he will be treated differently.

"My Sunni friends who were in the Army, they are much more at ease than me," Shbani said. "And some of them have been called on to join the new government's military."

—Stephen Kalin and Aroub Hammoud contributed to this article.

Sinwar's Brother Takes Reins

Continued from Page One

higher than the pace that the IDF is eradicating them," said Amir Avivi, a retired Israeli brigadier general, referring to the Israel Defense Forces. "Mohammed Sinwar is managing everything."

Spokespeople for Hamas declined to comment.

Mohammed Sinwar is at the center of Hamas's revival effort. When Israeli soldiers killed his brother in October, the movement's officials, based in the Qatari capital, Doha, decided to form a collective leadership council rather than appoint a new chief.

But Hamas militants in Gaza didn't go along and now operate autonomously under the younger Sinwar, Arab mediators involved in cease-fire talks with Israel said.

Mohammed Sinwar is believed to be about 50 and has long been considered close to his older brother, who was more than 10 years his senior. Like Yahya Sinwar, he joined Hamas at an early age and was considered close to the head of the movement's armed wing, Mohammed Deif.

Unlike his brother, who

spent more than two decades in an Israeli prison, Mohammed hasn't spent a significant amount of time in Israeli jail and is less understood by Israel's security establishment. He has operated largely behind the scenes, Arab officials said.

"We are working hard to find him," said a senior Israeli official from the Southern Command, which runs the battle in Gaza.

Israeli officials said Mohammed Sinwar was one of the people responsible for the kidnapping of an Israeli soldier in 2006, which led to his brother's release in a prisoner swap five years later.

With Yahya Sinwar, Deif and Deif's deputy all dead, Mohammed Sinwar is now Hamas's most senior commander in Gaza, along with Izz al-Din Haddad, the military head in northern Gaza, political analysts who study the militants said.

Before the war, Israel believed Hamas had up to 30,000 fighters arranged into 24 battalions in a structure that loosely resembled a state military. The Israeli military said it has destroyed that organized structure and has killed about 17,000 fighters.

Hamas, which Israeli and Arab officials said still controls large areas of the Gaza Strip, hasn't said how many fighters it has lost. The number of new recruits also remains unclear.

The Israeli military said Hamas has recruited many hundreds of people in the past



A billboard featuring a portrait of late Hamas leader Yahya Sinwar next to a Palestinian flag in San'a, Yemen, in October.

few months and that recruiting was happening across Gaza, with a focus on the north. Arab officials said they have been told by Israel the number could be in the thousands.

The new fighters, while inexperienced, are launching hit-and-run attacks. They are using guns and antitank weapons that require little military training.

Hamas is recruiting the new fighters with promises of more food, aid and medical care for young men and their families, Arab officials said, adding that the militants sometimes steal humanitarian aid or co-opt civilians to work with the militant group.

The U.S. and international aid groups have long pressed Israel to allow more aid into the Gaza Strip, where residents have had to contend

with hunger and high prices. Israel has said it admits lots of aid and has pointed to distribution problems by aid groups and looting by forces including Hamas as impediments to getting more of it to Palestinians.

Hamas militants are also targeting funerals and prayer gatherings to find aggrieved young Palestinians inclined to sign up, these officials said.

The recruiting drive is extending a war that was triggered by the Hamas-led attacks on Oct. 7, 2023, which left around 1,200 people dead and about 250 taken hostage.

About 400 Israeli soldiers have died fighting in Gaza. More than 46,000 people have been killed in Gaza during the war, said Palestinian health authorities, who don't say how many were combatants.

Israeli soldiers have spent months in a new fight with Hamas in northern Gaza. Demonstrating the numbers of militants still operating, the Israeli military said this month it apprehended more than 240 fighters from Hamas and Palestinian Islamic Jihad, another militant group, in a single battle at a hospital in the area.

Videos posted online by Hamas's armed wing show how it is currently fighting in northern Gaza. In a video from late last year, four fighters creep up on a tank and attach a device that causes the vehicle to explode. Another video shows a Hamas militant moving through the debris of a bombed-out building before launching a rocket-propelled grenade at a tank.

Months of efforts to reach a cease-fire that would free many of the hostages still being held in Gaza have been fruitless, amid deep-seated disagreements over issues including Israel's demand that it be able to continue the fight after a pause.

Mohammed Sinwar has proved as stubborn as his older sibling in pushing for a permanent cease-fire that ensures Hamas's survival, Arab officials mediating the talks said.

"Hamas is in a very strong position to dictate its terms," Mohammed Sinwar wrote late last year in one message to mediators that was shared with The Wall Street Journal. He wrote in another message:

"If it is not a comprehensive deal that ends the sufferings of all Gazans and justifies their blood and sacrifices, Hamas will continue its fight."

Prime Minister Benjamin Netanyahu of Israel has said the fighting will continue until Hamas is destroyed.

Israel has blunted Hamas's ability to smuggle weapons by carving security corridors into the strip and by taking control of the 9-mile-long border between Egypt and Gaza. But the group had a large arms stockpile before the war and continues to be able to fire rockets.

Israel's difficulty in uprooting Hamas contrasts with its success in killing many of the group's senior leaders and the beating back of Hezbollah in Lebanon. Israel forced Hezbollah to accede to a cease-fire there that has eased fighting.

U.S. Ambassador to Israel Jack Lew said last week that the U.S. has long thought it was a mistake to set the destruction of Hamas as the goal. The U.S. has pushed Israel to come up with a plan for governing the Gaza Strip after the war so that Hamas can be squeezed out. Many in Israel's security establishment agree.

"Hamas had a major, major blow, but it's still there," said Yoel Guzansky at the Tel Aviv-based Institute for National Security Studies think tank.

"They will recruit, rearm."

—Benoit Faucon

and Saleh al-Batati contributed to this article.

WORLD WATCH

SWEDEN

Stockholm to Join NATO Baltic Effort

Sweden will contribute up to three warships to a NATO presence in the Baltic Sea as it tries to guard against sabotage of underwater infrastructure, the government said Sunday. Its military also will contribute a surveillance aircraft, the government said, and the coast guard will contribute four ships, with a further seven on standby.

A string of incidents in the Baltic has heightened concerns about possible Russian activities. Ten cables have been damaged since 2023, and at least two incidents involved ships later accused of dragging their anchors.

—Associated Press

SAUDI ARABIA

Diplomats Meet On Syria Sanctions

Speaking to European and Mideast diplomats meeting in the Saudi capital, Riyadh, to discuss Syria's future following the downfall of leader Bashar al-Assad, German Foreign Minister Annalena Baerbock said sanctions against "Assad's henchmen who committed serious crimes" must remain, but called for "rapid relief for the Syrian population." The U.S., European Union and some Arab nations imposed sanctions after Assad cracked down on a 2011 uprising, tightening them as the conflict spiraled.

Some are on officials of the fallen regime, but many cripple the wider economy.

—Associated Press

CHINA

Rate of Flulike Infection Declining

The rate of infections with the flulike human metapneumovirus in northern China is declining, a health official said Sunday. Concerns surfaced in recent days over a surge in infections in the region after images circulated online of hospitals overrun with masked patients. The World Health Organization said it has not received reports of unusual outbreaks.

HMPV causes flu or cold-like symptoms. Experts say it is unlike Covid-19 in that it has been around for decades and there is some built-in immunity to it. Most children are infected by the age of 5.

—Associated Press



MANUEL SILESH/AFP/GETTY IMAGES

ETHIOPIA EARTHQUAKES: Temblors left a signature on a road in the nation's north on Sunday.

PERSONAL JOURNAL.

© 2025 Dow Jones & Company. All Rights Reserved.

THE WALL STREET JOURNAL.

Monday, January 13, 2025 | A11



ON THE CLOCK

CALLUM BORCHERS

I'm always talking to hiring managers to understand what drives them to fill jobs or hold off. One recent conversation was too good not to share. Charlie Cain, who runs one of the country's biggest staffing firms, told me his company filled twice as many human-resources openings for clients in November 2024 as it did in November 2023.

Why should you care if you don't work in HR?

"I look at our HR-placement business as a bellwether because if companies are hiring in that department, they're generally getting ready to hire in other areas," says Cain, who is executive vice president of Beacon Hill Solutions Group.

If you're an exasperated job seeker reading this skeptically, I can't blame you. More than 1.6 million of you were out of work and had been hunting for at least six months as of November, 50% more than a couple of years ago. And the share of workers feeling unhappy and stuck in jobs they don't like is at a 10-year high, according to a recent Gallup survey. So the struggle to land a new white-collar role is real, but there is reason to think more doors of opportunity could open in the near future.

More than three-quarters of CEOs who run large companies expect the global economy to improve in the first half of this year, partly because they anticipate lower taxes and fewer regulations under the incoming Republican administration, according to a survey by advisory firm Teneo. That's way up from the 45% of CEOs who made the same prediction about the start of 2024.

Optimistic executives are more likely to hire. Nearly two-thirds of U.S. employers plan to add permanent roles in the next six months, according to a new survey by staffing and consulting firm Robert Half. Barely half of companies said the same midway through 2024.

"We heard from many employers last year that said they were holding off hiring until the election," says Brandi Britton, an executive director in Robert Half's finance and accounting practice. "They didn't necessarily have an opinion which way the vote should go, or if they did they didn't say, but it was more about wanting clarity before making some additions."

On Friday, the monthly jobs report came in well above expectations, with employers adding 256,000 jobs in December. A lot of companies that waited to post job openings are now ready to move forward, Britton says. In



Outlook Brightens For Job Seekers

Business leaders anticipate hiring more after last year's uncertainties

a LinkedIn survey of nearly 2,000 C-suite executives last month, 77% said they are planning for steady or high-growth hiring in 2025, while 4% said they plan to slow hiring or cut jobs.

The AI factor

Recruiters and executives also say some companies slowed or paused hiring last year to assess the capabilities and limitations of artificial intelligence—and concluded they'll need more human workers in the coming year, not fewer.

Tampa, Fla.-based accounting firm Schellman, which has 545 employees, asked its technology vendors to identify ways in which AI could speed up tasks and

possibly reduce the number of people required to complete them, says

▲ Schellman CEO Avani Desai says her accounting company needs more people, not fewer, as it incorporates artificial-intelligence tools.

Chief Executive Avani Desai. Instead of cutting jobs, she found she needed to create seven roles for people who specialize in prompting AI software to get the most out of it.

For now, Desai says her company's AI efforts cost more money than they save. She's betting that will change, or she wouldn't make the investment, but in the meantime she plans to add 35 positions in accounting, engineering, administration and leadership coaching in the first half of this year.

Other AI experiments are enough to induce night sweats but might not be as frightening as they appear. Buy-now-pay-later company Klarna froze hiring in 2024 on the premise that bots could replace people. The trial was so successful (if that's the right word, coming from a human) that CEO Sebastian Siemiatkowski used an AI clone of himself to report quarterly results last month.

Yet even Klarna has determined



▲ Natalie Serpico is looking for a marketing job after a recent layoff.

people aren't entirely dispensable yet. A spokesman said the company's workforce of about 3,800 has shrunk 20%

through attrition, but "there are some edge cases where specific roles need to be backfilled, mainly in engineering." Klarna had 46 openings listed on its careers page this week.

Indeed CEO Chris Hyams envisions 2025 as the year when AI—which many job seekers blame for unfairly screening out their applications—becomes more of an ally in the search process. He says the technology has mostly been a tool for employers to this point, and his job-board company aims to shift more power to people looking for work. Indeed is coming out with Pathfinder, an AI tool that will attempt to serve as a personal talent agent for people looking for new roles or those not actively searching

but open to opportunities.

Answer a slew of questions about your skills and interests, as you would at a placement agency, and Pathfinder will automatically put you in the applicant pool for openings where you're a good fit and have a realistic shot. The idea is to take the scut work out of applying online and get to the interview stage faster.

"We want to get to a human-to-human connection," Hyams says. "We talked to thousands of job seekers, and the thing they always said is, 'I just want a chance to explain to someone why I know I can do this job.' "

Strategic networking

Natalie Serpico felt like the world was ending when she was laid off from her marketing job a month ago. With two months' severance and a husband who earns well, she says her sense of dread was less about the layoff itself than about the job-hunting horrors she expected to face, including fake listings, interminable recruiting processes and professional acquaintances who offer to make intros but never follow through.

To her surprise, a former co-worker introduced her to a hiring manager at an education-technology company, who arranged a call to discuss a forthcoming opening that hadn't been posted yet. A hiring manager at another company reached out about an open role, on the recommendation of a different former colleague. Serpico, 30 years old, says she used her network strategically because referrals can be valuable and applied cold to about 100 jobs, landing two additional interviews that way.

Interested companies have told her to expect a decision in about two weeks. One said her application wouldn't be reviewed until employees returned from a holiday break, which spared her from fretting over the lack of response. Serpico hasn't received any offers yet but is hopeful that courtesy is returning to hiring.

"All people want is to not be waiting and wondering, 'Am I moving forward or did I not get it?'" she says. "It's as simple as sending an email."

CEOs such as Clint Sharp of cloud computing company Cribl say they're listening. He reads complaints that job candidates post in online forums such as Glassdoor and tells his recruiters not to leave applicants hanging. Employees rate Cribl and Sharp highly on Glassdoor, but the interview process gets mixed reviews, with some candidates saying they were ghosted.

Cribl plans to hire 350 people this year to add to its staff of 750. Job candidates should expect a five- to seven-step process that includes a skills test and multiple interviews, Sharp says.

"I hope the process is more humane because people seeking a job deserve to be treated with respect, but it's still very rigorous," he says. "If that's not for you, then there are other employers who might have a less exacting process."

Hey, no one promised the door of opportunity would open easily.

It's a Jubilee Year in Italy. Cue the Crowds.

By JACOB PASSY

This may be the year to skip Rome—or Italy entirely.

The Roman Catholic Church is celebrating a jubilee year, a roughly yearlong tradition dating to the early 14th century. During jubilees, which tend to happen about every 25 years, Catholics are encouraged to make pilgrimages to holy sites in Italy and elsewhere to receive a special indulgence, or forgiveness for one's sins.

More than 500,000 people have passed through the Holy Door of St. Peter's Basilica at the Vatican since Christmas Eve, with more than 30 million people expected to make a religious journey to Rome this year.

Travel advisers predict that as the jubilee continues, those traveling for it are likely to visit other Italian destinations. Italy was already grappling with the consequences of overtourism.

For travelers intent on still making the trip, it's wise to avoid certain cities or times of the year when big events are happening.

Other vacationers, like Santiago Mussfeldt, are choosing to go elsewhere. Mussfeldt is orchestrating a big getaway to celebrate his 50th birthday in July with his wife and two sons. Their original plan was to cross Italy, taking in famous artworks and the country's renowned cuisine.

When they realized the trip would coincide with the jubilee, they

pivoted. They are now mapping out a trip to Spain and the south of France instead.

"It's like the Y2K of travel," says Mussfeldt, who owns an advertising agency in Miami. "Everybody's scared of this thing, but in the end it may be like any other year."

The last jubilee, an extraordinary one, occurred between 2015 and 2016. This year's jubilee began on Christmas Eve and will last into the first week of 2026.

How bad will the crowds be?

The jubilee crowds won't necessarily be evenly dispersed over the year. Certain special events should attract more pilgrims to Rome. In late April, a special youth-themed event will feature the canonization of a new saint, says Sister Maria Juan Anderson, coordinator of the Bishops' Office for United States Visitors to the Vatican.

Periods around major holidays like Easter will also be busier, she says. Larger crowds are generally anticipated during the summer and school holidays.

Some travel advisers say they are suggesting that their clients limit how much time they spend in Rome, if any. "What we say is if you want to go to Rome, great. Let's plan that for 2026," says Jennifer Schwartz, the Florence-based co-managing partner of travel company Authentic Explorations.

Other advisers suggest that if enough nonreligious tourists are dis-

couraged from making the trek, crowd levels could fall below the worst projections. Eli Wagner, founder of Wagner Bespoke Travel in Los Angeles, compares the situation to the concern around visiting Paris during the 2024 Summer Olympics.

"What we found was that Paris was actually pretty empty and very easy to navigate because people were so afraid to travel there," she says.

Still, Italy is coming off a record year for tourism. Destinations like Florence, Sicily and the Amalfi Coast are expected to see similar levels of visitation this year, especially if jubilee pilgrims extend their trips beyond the Eternal City.

▲ Millions of Catholic pilgrims are expected to visit St. Peter's Basilica during the 2025 jubilee.

Biyanka Hati, a 20-year-old student and clinical research assistant who lives in Dallas, is visiting Rome as part of a European trip in late May with her family.

"With it being the jubilee, I think we've definitely lost a lot of flexibility," Hati says. The family has already made flight, hotel and tour reservations, and she says prices have increased substantially since they made them.

One workaround agents recommend for those with the means: up-

grading to tour guides who can guarantee front-of-line access at popular sites like the Colosseum.

And luxury hotels may not feel the same degree of booking pressures, since many pilgrims will travel with tour groups staying in lower-cost hotels.

"If you're traveling anywhere in Italy during the summer months, you should have everything booked by February," says Jody Rains, a Dallas-based travel consultant with Strong Travel.

Farther afield

Here are some of regions within Italy that travelers might want to consider instead:

► The Dolomites:

This mountain range in Northern Italy is renowned for its natural beauty and hiking. It will host events during the 2026 Winter Olympics.

► Emilia-Romagna: This northern region of Italy is a food lover's paradise—the birthplace of Parmesan cheese and one of the top producers of products like prosciutto and balsamic vinegar.

► Puglia: Comprising the heel of Italy's boot, this region is emerging as an alternative for those seeking a coastal getaway. Apart from its picturesque beaches, it's known for its architectural significance.



PERSONAL JOURNAL.

Tips for Embracing Comfort and Change

One retired couple decides this year to learn how to be content with staying put. Pickleball, anyone?

BY KAREN KREIDER YODER
AND STEPHEN KREIDER YODER

The first few years in retirement are often the most difficult. But they also can set the stage for how you'll fill the years ahead—both financially and psychologically. Stephen Kreider Yoder, 67 years old, a longtime Wall Street Journal editor, joined his wife, Karen Kreider Yoder, 68, in retirement in late 2022. Here, they chronicle some of the issues they are dealing with early in retirement.

Karen

My family surprised me with three birthday presents last autumn: dinner at my favorite restaurant, a toilet seat and pickleball lessons for two.

Just what I needed!

What we both need, we agreed later. Those three gifts represent a contradictory challenge that Steve and I have given ourselves for 2025. We want to better settle into the familiar comforts of our retired life around home, but also to find activities that get us out of our comfort zone in our city of San Francisco.

The restaurant is a tiny Japanese place where we've decided we must become regulars. The seat is a heated bidet device.

And the pickleball—well, that is something we'd never considered taking up. We haven't engaged in organized sports much in our 45 years of marriage, and this funny-sounding pastime was way out of our zone.

We've set this yin-yang challenge for the new year because settling down, and settling in, has been a slow process in retirement. While we revel in our monthslong travels and the rich experiences they provide, we have a harder time being content at home.

So we're trying to be more de-

Settling down, and settling in, has been a slow process in retirement.

He saw us out and urged us to let him know when we wanted to dine again. "I could see making this a habit," I said as we biked away.

At home, I'm still testing my comfort routines. My usual morning includes rising hours before

Steve for predawn coffee over the local newspaper and a sudoku. But I felt sheepish about the high subscription cost and, as part of our postretirement cost-cutting, we canceled the paper late last year.

Two days later, we resubscribed. It was a justifiable expense, we agreed, for the daily comfort it provided. No need to apologize.

I've been cleaning out closets and getting rid of projects I concede I will no longer tackle—tie-dyeing supplies, chair-cording rope, my grandmother's lace-making bobbin. The purge makes it more comfortable to simply be at home and stop mentally apologizing for not getting projects done.

Making home a more comfort-

able place simply to be is where the toilet seat comes in. We won't discuss the growing importance, as we age, of comfort-room comforts. I will say that the heated bidet seats we discovered during our bike trip last summer in Japan—in hotels, train stations, roadside rest areas, campgrounds—had us talking of how much cozier our routines back home would be with a high-tech seat.

Early on my birthday morning, Steve quietly installed a seat with push buttons and flashing LEDs. It instantly became part of my routine, and I don't know how we survived without its comforts.

The pickleball has been the perfect counterpoint. I played a bit of tennis decades ago in grad school but haven't since. Aside from skiing into middle age and bike touring since turning 60, I'm not an athlete.

When Steve and I arrived for our beginners class at a local racket club, our hearts were thumping with trepidation. I blushed with embarrassment that our shoes were wrong and my outfit didn't fit the pickleball fashion guide.

But as we crouched, held the paddle as the instructor demonstrated, and lobbed the ball, we quickly saw the attraction in the plonk-plonk rhythm.

"I could see making this a habit," I said.

Steve

When we step out of our comfort zone, we get new insights.

Like the one from our pickleball instructor. From day one, he forbade us to say "sorry" when we goofed. Botched a serve? Don't apologize. Stepped out of bounds? Whacked the ball over the fence?

Just play on and stay happy, he declared; "There are no sorrys in pickleball."

The no-sorrys mandate lifted the pressure to perform on court, and we agree it will be our mantra for retirement in 2025.

During my working years, I always felt a little apologetic about settling into comforts around the house that didn't seem productive—tinkering in the workshop, streaming videos, poring over maps instead of fixing the bathroom plumbing, sitting in the easy chair to listen to music.

This year, I vow to settle into the couch, to fix bikes instead of the house, to binge watch "Succession," to sleep 10 hours a night and wake up without a to-do list.

The no-sorrys mantra has also made it easier to get out of my comfort zone without getting far from home. I've been a gearhead all my life but felt too apologetic about my self-taught mechanical talents to offer them to others.

I recently began volunteering with a local nonprofit to fix up donated bicycles for San Franciscans—children and adults—who can't afford bikes. I felt like an impostor at first. Other volunteers seemed so knowledgeable.

Taking me even further out of my comfort zone, most of the others seemed at least 30 years younger than I am—the type of age gap Karen and I have found can make us feel like wallflowers.

But I was soon teaming up with even-less-experienced volunteers, happily passing along my knowledge of replacing brake cables, indexing derailleurs and truing wheels. And I settled into a warm camaraderie that developed among us volunteers of all ages.

I stepped even further out of my comfort zone last fall when Karen and I began volunteering to do something we'd never done: canvassing door-to-door. It was for a cause that we are passionate about—making our city more hospitable to pedestrians and cyclists.

The volunteering involved an act I find mortifying: ringing strangers' doorbells. I've been vaguely afraid of strangers all my life (they probably wouldn't like me) and have generally avoided them. Yet here I was, engaging with people unfamiliar to me who very well might find me annoying. I'm so sorry, I was inclined to say upfront.

It was cathartic. A few residents waved me off, but many were happy to chat, even if they disagreed. Some thanked me, and I was left with an unexpected feeling of gratification from doing something new and scary, and finding I was perfectly acceptable at it.

"Canvassing is like pickleball," Karen said. "It takes regular practice to bring it into our comfort zone."

Pickleball still isn't quite in our comfortable-routine zone. My serves are still out of bounds half the time, and I keep forgetting to play close to the net. We need to work regular play into our routine.

But we now have open invitations to play pickleball with good friends, some near their 70s, others in their 30s. Getting into a sport that isn't in our comfort zone may bring us closer to people who are.

To see previous articles go to wsj.com/retirementrookies.

PAUL BLOM



'Moana' Star Discusses Acting and Empathy

BY AVA MANSON

Auli'i Cravalho was 14 years old when she was cast in Disney's "Moana" as the plucky island princess who traverses the ocean to save her village. Now, at 24, she's reprising the animated role that launched her acting career in "Moana 2," which broke the record for biggest five-day opening at the box office in November.

A lot has changed in a decade. Cravalho shaved her head. She moved to New York. In September, she made her Broadway debut in "Cabaret" at the Kit Kat Club." Acting has taught her about empathy, she said: In some roles she feels like she can fight anyone, in others she feels like a kid again. "With 'Moana,' there's a part of my 16-year-old self that comes out. I want to say yes to everything," Cravalho said.

Here she discussed her Native Hawaiian and Pacific Islander heritage, breaking out of high-school roles and continuing her education.

What's your morning beauty routine?

I wash the makapiapia—maka is eyes, piapia is rubbish—out of my eyes. Moisturizer and sunscreen are all I put on my face.

What have you recently read?

"A Short Walk Through a Wide World," by Douglas Westerbecke. Absolutely beautiful. I just got a library card. I go to the library a lot just to

get out of my apartment. I'm used to having a car in Los Angeles and driving to a park.

You've been in New York for a few months playing Sally Bowles in "Cabaret" on Broadway. What do you think of the city?

It's really nice to have affordable public transit. I see my friends here more than I would if my friends live in Santa Monica and I live in Silver Lake [in Los Angeles].

It is such a melting pot. I like that because I come from mixed descent—Portuguese, Chinese, Hawaiian and Irish—and everyone here is also a mix of something. That makes it feel like home a bit more.

How did the role of Sally come about and how did you celebrate when you got the part?

I watched Gayle [Rankin] and Eddie [Redmayne] on Broadway with pen and paper in hand, writing down as much as I could. Did that audition and got a sweet treat, because you never know which direction it's going to go.

I was at my partner's house, and I got the phone call. There were tears. I played "New York, New York" by Frank Sinatra on the loudspeakers. I sat on the floor and started to cry.

The show itself has some pretty heavy themes. How do you shake that off each night?

I don't. I come home, and the first thing I do is make a cup of chamomile tea. Thirty minutes later, another cup. Right before I sleep, another cup. The mind might know what acting is, but the body doesn't.

Sally drinks a prairie oyster in the show, which is raw egg and Worcestershire sauce. Do you drink one every night?

Every night. I haven't done a fake



◀ Auli'i Cravalho has grown up a lot since the first 'Moana' movie.

moved, a self-drawn Queen of Hearts tattoo. The "Q" was the right way when I drew it, and when I put it on my arm it was backwards. I did get my kākau [tattoo] on my rib cage, so my next tattoo will probably be adding to that. The process of getting it was so special. I was prayed over.

You got into Columbia University and have talked about going into environmental science. Is that something you're still considering? Absolutely. I want to give back to my community. There are so many issues specifically in the state of Hawaii. Nothing beats a degree when you really want to talk your s-. I'm also very realistic in that I cannot do two things at once. I'm the breadwinner for my family, so the idea of taking a break from work makes me quite anxious.

How does it feel to be the breadwinner for your family?

It takes away the guilt. At the same time, having someone to share that burden with would be great. I'm grateful, but it doesn't come without the feeling of not being able to pursue higher education. If I didn't work for the next four years I would then need to replenish, and I don't expect the industry to wait for me.

What is a piece of advice you've gotten that has been important to you?

My favorite thing my mom said to me is that it takes a lot of effort to make something look effortless. I feel that way with my career. I am often asked, "How do I get to where you are?" It is equal parts working your ass off, but there is a whole ant farm behind me, helping me out.

JON STARS

egg yet. I really like Worcestershire sauce. What sucks though, sometimes I get a jumbo egg, and then my proportions are off.

You say you've been ready for more adult roles. How does it feel to finally be doing that?

I have been desperately trying to crawl my way out of high school. Boy, oh, boy, did I manifest the f-out of this one. The show feels incredibly timely.

You started your career as a voice actor in "Moana." How do you switch gears from voice acting to live action and stage acting?

I started off with carefreeness in that booth. I then moved to camera

work. More difficult. I wonder, "What the hell do I do with my hands? What does my posture reveal about my character?" Stage work feels like the final boss. I need to be larger. I need to ground myself to protect my voice and get the notes out properly.

How would you describe yourself?

I love telling stories. That comes from the Pacific heritage in me. I remember learning my mo'oku'auhau, my family genealogy, through chants. So my sense of place is very strong. I trust my gut. I also have a strong gut, I can eat anything.

What is your next tattoo?

I'm currently getting this one re-

ARTS IN REVIEW



ART REVIEW

Beyond the Pedestal

A show highlights the evocation of landscapes in David Smith's sculptures

BY KAREN WILKIN

From 1940 until his death in 1965, David Smith lived and worked in New York's Adirondacks, high above Lake George. In his last decade and a half, when his steel constructions increased dramatically in size, he arranged them in the fields outside his house and contemplated them against the wooded landscape. But it could be argued that throughout Smith's working life nature informed what he made as much as other art or such wide-ranging stimuli as Egyptian funerary furnishings or exhibits from the Museum of Natural History. Now "David Smith: The Nature of Sculpture," at the Frederik Meijer Gardens & Sculpture Park here, examines the multifaceted relationship of Smith's work to the natural world, especially landscape, over the years. Sculpture dominates, accompanied by a modest selection of paintings, drawings and reliefs.

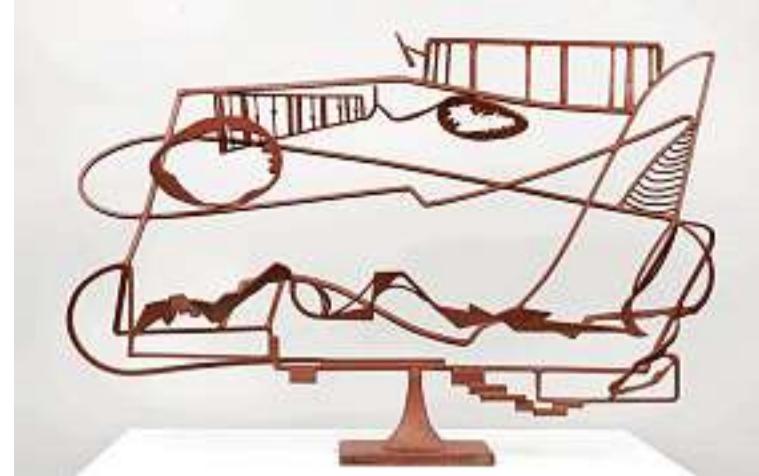
Organized by the Meijer's vice president of collections and curatorial affairs, Suzanne Ramljak, the exhibition includes works constructed from found natural objects and others that use landscape as subject; still others are installed outdoors, on a terrace, against a background of trees. The earliest works, made in 1932, when Smith and his wife, the artist Dorothy Dehner, sojourned in the Virgin Islands—"We wanted to be Gauguin," Dehner once told

me—are coral fragments, mounted to emphasize their resemblance to the body. A precarious assemblage of rods, wire, coral and a scrap of lead—part elusive figure, part cage—points ahead to Smith's later works, constructed in welded steel, in the wake of Pablo Picasso's and Julio González's first open, welded sculptures.

The most unprecedented works in the exhibition are *about* landscape—an astonishing idea that defies the entire tradition of sculpture as figurative monolith. "Construction With Cheese Clouds" and "House in a Landscape" (both 1945) are intimate, angular, metaphorical objects that claim space while fleetingly suggesting landscape elements. The brilliantly polychromed "Helmholtzian Landscape" (1946) can read variously as a dance of abstract shapes hovering in an open frame, animated by saturated color, or as casually drawn distant hills, with a sun and clouds hovering above. This wonderful little sculpture's exuberant hues fulfill Smith's stated desire to combine painting and sculpture into "a new art form that would beat either one." For



anyone who has taken the train that follows the Hudson River between New York and Albany—as Smith frequently did—his well-known "Hudson River Landscape" (1951) immediately evokes views of bridges and the Catskills, transubstantiated into a robust scribble of smooth and jagged lines. The sculpture's rhythmic sweeps and staccato drawing are so engaging from the front that we can forget to move around it. If we do circle, we discover unexpected overlaps, swellings and subtle projections—evidence of Smith's typical delicate



Clockwise from left: 'Untitled (Figure)' (1932); 'Helmholtzian Landscape' (1946); 'Hudson River Landscape' (1951) and 'Cubi XII' (1963).

but intensely sculptural conception of form. (That crucial spatial articulation is impossible to photograph, hence the frequent labeling of his work as "pictorial" rather than richly three-dimensional.)

A group of elegant bronze reliefs with floral and landscape motifs, made in the mid-1950s, bridges the gap between two-dimensional drawing and three-dimensional structure. Much rougher collages assembled from bones, in 1956 and 1958, one enhanced with car enamel, one with sand, are closer in spirit to the exhibition's free-standing sculptures, with their combination of the playful and the faintly macabre.

A small group of large, late sculptures, installed on the outdoor terrace of the Meijer's main building, are reminders of the works arrayed in the fields at Smith's home at Bolton Landing. "Cubi XII" (1963), a stack of crisp stainless-steel volumes, plays narrow rectangular forms against

cubes, its forthright geometry contradicted by the sinuous grinder marks on the steel. Smith spoke about the way the burnished metal responded to changing light and reflected its surroundings as a way to integrate color and three-dimensional form instead of applying a skin of paint. Another approach is announced by "Primo Piano II" (1962), an athletic, white-painted, elevated horizontal bar punctuated by a dark bronze teardrop and an angled stainless-steel plane, bracketed by a white disc and rectangles. Like "Cubi XII," "Primo

Piano II" responds to its surroundings, its reflective whiteness canceling out the suggestion of silhouette and emphasizing the spaces between elements.

Most of the sculptures installed on the Meijer's terrace, like the dark, graphic "Voltri VIII" (1962), made in Italy when Smith took part in the Festival of Two Worlds, in Spoleto, stamp themselves out against their background, but the elevated portion of "Cubi XII" acts as a jagged frame through which to view the landscape. It can even be argued that the small circular hole in the teardrop of "Primo Piano" is a viewing portal. "The Nature of Sculpture" places minimal emphasis on this aspect of Smith's response to his surroundings, but it's worth noting that many of his last works embrace the hills and trees against which he viewed them, claiming the world around them as part of the sculpture. Talk about astonishing ideas.

David Smith: The Nature of Sculpture

Frederik Meijer Gardens & Sculpture Park, through March 2

Ms. Wilkin is an independent critic and curator.

ESTATE OF DAVID SMITH / VAGA, ARS, NY (4)

EXHIBITION REVIEW

A Language's Life And Literature

BY EDWARD ROTHSTEIN

As you descend a ramp into the main exhibition space of the Yiddish Book Center, you walk alongside a display of 49 books. Here are volumes about America ("The Land of Wonder," as a 1939 volume from Warsaw has it), a 1922 account of Capt. Robert Falcon Scott's exploration of Antarctica, 1929 tales of Argentinian gauchos. There are biographies (including one, from 1907, of Muhammad) and poetry (including a 1957 collection, "In Seagate by the Sea," written in a Brooklyn neighborhood by Aliza Greenblatt—the mother-in-law of Woody Guthrie).

All are written in Yiddish, the millennium-old language that evolved among Jews of Germanic and Slavic lands as a vernacular distinct from Hebrew and Aramaic, the languages of worship and study. Yiddish was the language of commerce and conversation, marked by jest, cynicism, sarcasm, devotion and sentiment. In the 20th century, it left its mark on American English in slang insults (schlemiel, klutz), caustic characterizations (chutzpah), compressed descriptions (schlep, schlock) and even cultural movements (Beatniks).

This opening display, named "A Bridge of Books," also wants to reach much further, spanning over a century and touching down on every

continent, as seen in this permanent exhibition's name: "Yiddish: A Global Culture." Above the books, a world map marks milestones in Yiddish history around the globe (highlighting Melbourne, Australia; Tashkent, Uzbekistan; Denver; Shanghai; and other unexpected locales).

Stay with these books for a moment to get a sense of their range. Some have Jewish themes, like a 1913 history of the land of Israel written by two founding leaders of the future state (David Ben-Gurion and Yitzhak Ben-Zvi) and "The Diary of Anne Frank." Some reflect the left-wing advocacy that had a strong pull on 20th-century Yiddish culture. And others show just how widely the language could reach. We see Yiddish translations of Darwin (1921), "Moby-Dick" (1942), Shakespeare's Sonnets

(1944) and, from Sweden in 2020, the first volume of "Harry Potter."

What kind of culture, then, is this? What is its current status and its future—since inscribed in the language is also its traumatic history, the Nazi murder of half its citizenry, and its gradual diminishment among the living?

The exhibition, created under the guidance of its chief curator, David Mazower, displays some 350 artifacts in more than 16 thematic groupings. There are Yiddish typewriters and "memory maps" created by Holocaust survivors reconstructing lost villages. There are celebra-



▲ Interior view of the Yiddish Book Center, which was founded in 1980 by Aaron Lansky.

porary Yiddish speakers, for example, are in Hasidic and other religious communities. How are they using and writing Yiddish?

But there is so much already here that you need nearly a full day to take it all in. And always and throughout, there are books: neglected women writers, finely printed art volumes and political tracts. Rows of stacks also display a small fraction of the more than a million volumes acquired by the Yiddish Book Center since its founding in 1980 by Aaron Lansky.

The Book Center's origins are surveyed here in a brief video, but they are recounted with more rambunctious detail in Mr. Lansky's memoir, "Outwitting History." As a 23-year-old graduate student, he began to collect books from dumpsters, basements and attics, building a network of "zamlers"—collector volunteers—who would call him

when institutions (like the Newark Public Library) were jettisoning their Yiddish collections, or when elderly Jews sought a home for their books. The rescue of these volumes was the Center's first achievement. It now also has a publishing label, White Goat Press, releasing English translations of Yiddish books; interacts with scholarly libraries; and has digitized more than 11,000 titles leading to more than three million downloads. Mr. Lansky, who plans to retire in June, will leave behind an extraordinary

institution. Susan Bronson, the Center's longtime executive, will succeed him as president.

But is it then primarily a historical enterprise? A tribute to a shrinking culture, with perhaps no more than a half-million Yiddish speakers, primarily in the U.S. and Israel? In part, but its allure continues. The language is taught in some 50 American universities. The exhibition also notes a spirit of "countercultural defiance" that attracts many who embrace its leftist leanings while detaching it from religious Judaism. The Center itself has also increased its influence by giving the language a home. As seen from outside, its inviting building invokes the silhouette of an Eastern European shtetl; within, we discover not nostalgia but a warm and vital pulse.

Yiddish: A Global Culture

Yiddish Book Center

Mr. Rothstein is the Journal's Critic at Large.

SPORTS

The Goal-Line Stand That Saw Ohio State Corral the Longhorns

Texas was a yard away from tying up the game. A scoop-and-score sealed it for the Buckeyes.

BY LAINE HIGGINS

Arlington, Texas

All that stood between Texas and a tie ballgame late in the fourth quarter of the College Football Playoff semifinal was 1 yard. And the Longhorns had four downs to cover 3 measly feet of grass.

First came a hand off that was swallowed up by Ohio State's defense. Next, Texas tried a pitch to a running back that lost 7 yards. On third down, a pass toward the end zone was deflected at the line of scrimmage.

So with two minutes left on the clock and a trip to the national championship hanging in the balance, the Longhorns lined up for their final attempt at a game-tying touchdown. Which is when Ohio State defensive end Jack Sawyer took matters into his own hands.

Flying off the edge, Sawyer slammed into Longhorns quarterback Quinn Ewers just as he was about to throw. The ball tumbled free, Sawyer scooped it up and began to run like hell in the opposite direction.

"I was just thinking don't fall. I was running out of gas at about the 50-yard-line," the 260-pound pass rusher said later. "I felt like I was in quicksand."

Sawyer wound up running 83 yards, right into Ohio State history. His scoop-and-score put the Buckeyes up 28-14 and killed Texas' championship aspirations in 12 seconds of huffing and puffing.

His mad dash also put the Buckeyes exactly where they hoped to be 12 months ago, when the traumatic experience of watching their archrival Michigan win a national championship inspired Ohio State to embark on a \$20 million spree to assemble what may be the most expensive roster in college football history.

Now, all that stands between



Jack Sawyer's scoop-and-score in the fourth quarter clinched Ohio State's win over Texas in the Cotton Bowl.

strong recruiting class.

Sawyer and his fellow veterans got paid. So did incoming transfers like Alabama safety Caleb Downs, Ole Miss running back Quinshon Judkins and quarterback Will Howard, a four-year starter at Kansas State.

"You definitely come to Ohio State to be in this particular position," said Judkins of reaching the national championship game.

All three played key roles on Friday night. Downs caught the game-sealing interception, Judkins scored two touchdowns and Howard converted a key fourth down on a run that kept a fourth quarter scoring drive alive.

"It was a great play and a statement drive," Howard said.

At a time when it has become harder than ever to stockpile talent, Ohio State has managed to assemble perhaps the deepest roster in the country. When the season began, the biggest dilemma facing offensive coordinator Chip Kelly was that only one player could have the ball in his hands at a time.

Ohio State has a trio of star receivers in Egbuka, Carnell Tate and five-star recruit Jeremiah Smith, who became the best freshman in college football this season. If ever defenses hung back in coverage, the bruising backfield duo of Judkins and Treveyon Henderson could expose them in the run game.

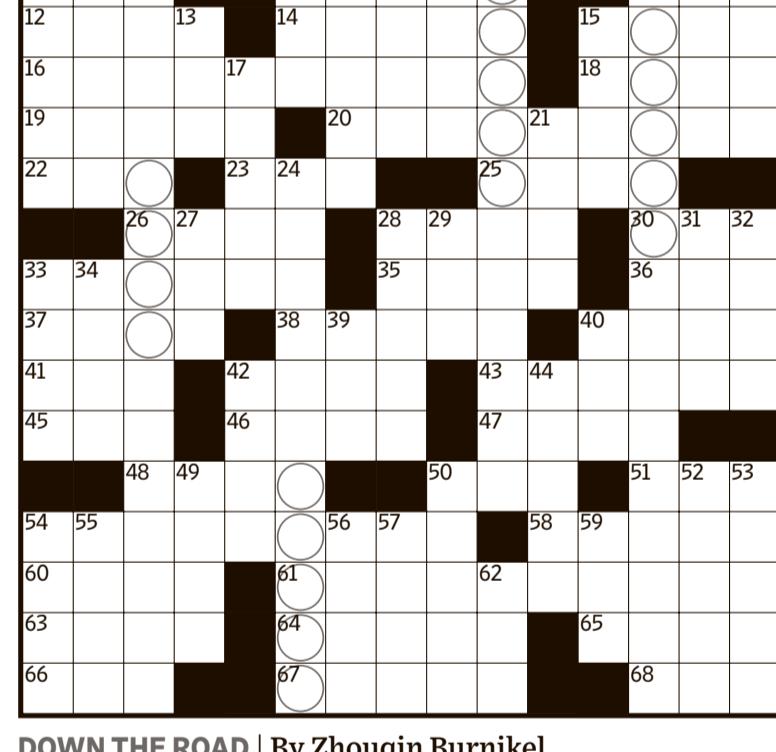
The offense operates around a simple thesis: "If they're going to take one guy away, someone else is going to have an opportunity," Kelly said.

That depth of talent wasn't enough to guarantee a perfect season. The Buckeyes lost a nail-biter to Oregon in October, then dropped a heartbreaker to Michigan in November. They didn't get the chance to play for a Big Ten Conference title. And for much of Friday's semifinal, inopportune penalties killed offensive drives and kept Texas in the game.

Now, 12 months after suffering through the ignominy of watching its hated rival win a championship, it's beginning to look like Michigan's victory might be the best thing to happen to Ohio State football.

"Seeing them win that natty," Sawyer said of Michigan, "definitely sparked something in Columbus."

The WSJ Daily Crossword | Edited by Mike Shenk



- 1 2 3 4 5 6 7 8 9 10 11
- 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66

DOWN THE ROAD | By Zhouqin Burnikel

- | | | | |
|--|--|--|----------------------------------|
| Across | 33 Most excellent | 60 Sneaky scheme | 8 "Pay attention right here!" |
| 1 Tool for cobblers and saddlers | 35 Discover competitor | 61 Egypt, Iraq and Qatar, e.g. | 9 Search everywhere |
| 4 American Red Cross founder | 36 "Woo—!" | 63 Rainbow goddess | 10 Amused look |
| 12 Make an appearance | 37 Really nailed, as a test | 64 Birch-bark boat | 11 Look after |
| 14 Poppy part | 38 Maker of Hacky Sacks, Superballs and Frisbees | 65 Maple or magnolia | 13 Pan for potstickers |
| 15 Farmland unit | 40 Governor's override | 66 Antipollution spot, e.g., for short | 15 Letter before Bravo |
| 16 Fatty ingredient of candies, soaps and body lotions | 41 Gaming console of the '80s and '90s | 67 Forgo the big wedding | 17 Guest list contents |
| 18 Pork cut | 43 Purchase with an enviable smell | 68 Monogram on some pricey purses | 21 Warrior princess of TV |
| 19 City between Hiroshima and Tokyo | 45 Obtain | 69 | 49 Finds a purpose for |
| 20 Investment pegged to the S&P 500, e.g. | 46 Sleeve fillers | 70 | 50 Fast jazz style |
| 22 Aviv | 47 Japanese soy paste | 71 | 52 Jumping joints |
| 23 "Oh, come on!" | 48 Camel feature | 72 | 53 Art studio supporter |
| 25 Calendar span | 50 Command to a canine | 73 | 54 Clutch tightly |
| 26 "Couldn't agree more!" | 51 Instrument at a luau | 74 | 55 Not only mine |
| 28 Roast roaster and cookie cooker | 54 Doesn't bring a date | 75 | 56 Exam with no writing |
| 30 Money left on the table | 58 Dye employed in mehndi decoration | 76 | 57 Billionth, in metric prefixes |

Previous Puzzle's Solution

P	O	X	T	O	W	N	D	I	V	A	C
U	L	M	A	V	E	C	Y	A	M	E	R
B	E	A	D	P	I	T	A	I	P	A	N
S	O	S	O	N	A	L	A	S	A	L	D
S	O	S	O	N	A	L	A	S	A	L	D
O	N	E	L	A	B	E	S				
U	S	N	O	C	T	A	S	H	O	D	
A	N	T	E	R	I	C	H	T	H	E	Y
A	G	E	T	R	I	E	S	T	O	N	E
B	E	I	T	S	O	N	C	A	N	P	E
A	R	N	E	T	I	N	T	A	R	D	S
M	O	W	N	M	A	C	Y				
V	E	R	B	W	A	N	D	P	O	T	I
D	I	A	L	E	R	J	E	T	R	I	S
A	N	Y	O	N	E	N	T	O	N	N	P
Y	E	A	R	S	T	N	A	P	O	K	S

The contest answer is **ELON MUSK**. Change one letter in each team's answer's words to get a famous (4,4) person: BEAD PITTA/BRAD PITT, ALAS ALDI/ALAN ALDA, ANTE RICH/ANNE RICE, SCAN PEON/SEAN PENN; VERB WAND/VERA WANG, JETE RISE/PETE ROSE. Then find three-letter answers beginning with the two changed letters: RTS, NAP, NEA, ENC, AGE, POX. The extra letters spell SPACEX, suggesting the contest answer, which is confirmed by changing letters in the first two words of the title (ETON MUST).

The 57-Year-Old Chiropractor Who Saved Notre Dame's Year

BY ROBERT O'CONNELL

When their College Football Playoff fortunes hung in the balance, and a single kick would decide whether they advanced to the national championship game, Notre Dame had a secret weapon. It wasn't Mitch Jeter, the graduate transfer who split the uprights with the 41-yard-kick that kept the Irish's title hopes alive.

It was the 57-year-old chiropractor in the stands who helped save Jeter's—and Notre Dame's—season.

Andrew Jeter, who just so happens to be Mitch's dad, practices out of Salisbury, N.C., where he adjusts the spines and limbs of everyone from infants to 100-year-olds. But after Mitch suffered injuries to his hip and groin during the season's opening months, Andrew took on his most personal patient. He dedicated months to realigning Mitch's body, helping him get to the point where he could score the most important points of Notre Dame's season.

"He wanted a chance," Andrew said of his son. "He was willing to do anything and everything to get back on the field."

It turns out Andrew was, too. For weeks on end, Andrew spent Monday to Thursday morning at his practice, then traveled wherever Notre Dame was playing—from South Bend to Atlanta—to do his de facto second job: nearly round-the-clock treatment on his son. The goal was to remove every misalignment in Mitch's bones—and to get him back on the field in time for the most crucial games of the year.

"It's kind of been my mindset, going through injury," Mitch said after making the first game-winner of his life on Thursday. "Having delayed gratification."

Mitch had started the year with a bang, lacing three field goals in an opening-week win over Texas

A&M—including the late 46-yarder that secured the victory. At the time, Andrew's concerns were just those of any sports dad. He liked to film Mitch's kicks with his phone, he said, because of the frustrating priorities of TV networks.

"You have a replay of the quarterback throwing the ball. You have a replay of the running back running the ball," he said. "But you never get a replay of a kick."

But after a kickoff came up short against Stanford in October, Mitch texted his parents that he'd hurt his groin, and Andrew's professional instinct kicked in. "It's a very tough area to heal," he said. "The hamstring and the groin are the worst-case scenarios."

Mitch's injury meant that the Irish now had a glaring weakness. Every coach feels better with a dependable kicker—and in the transfer from South Carolina, Notre Dame coach Marcus Freeman thought he had his.

Suddenly, his otherwise championship-worthy roster couldn't be trusted to finish drives with points. Notre Dame's non-Jeter kickers have attempted only six field goals all season. They've made just two.

When Mitch first came

back from injury, it wasn't much better. Over four games between his comeback and the start of the playoff, he made one of his five field goal attempts.

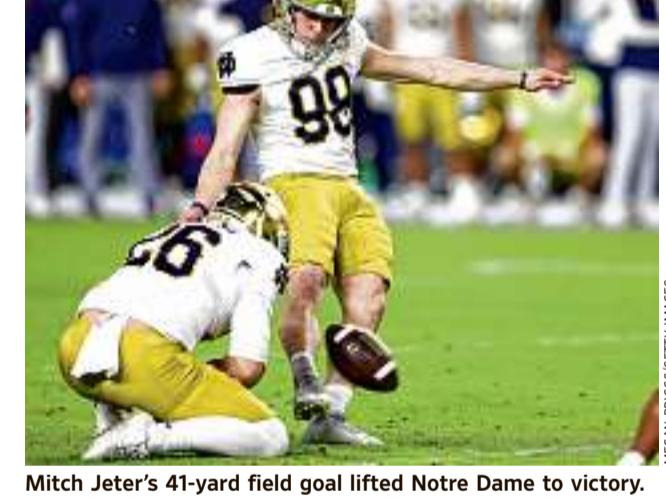
But behind the scenes, the race against the clock continued. The process was painstaking: Andrew would locate any misalignment of vertebrae and push them back into place with his hands, before moving on to the feet and legs.

To be sure, this sort of intensive and personalized regimen is unusual for a college athlete's groin injury. "I wasn't in direct communication with Notre Dame, they have a team chiropractor," Andrew said. "But there were just a few gaps we wanted to fill."

On Thursday night, in Notre Dame's semifinal showdown with Penn State, Freeman had no choice but to trust his season to a player who'd spent several painful weeks preparing for just such a possibility.

With seven seconds left in a tie game and 41 yards separating Notre Dame from their first championship appearance since 2013, Freeman called on Mitch.

"There is no moment too big for Mitch Jeter," Freeman said.



Mitch Jeter's 41-yard field goal lifted Notre Dame to victory.

MEGAN BRIGGS/GETTY IMAGES

OPINION

Why Maduro Fears Machado



AMERICAS
By Mary Anastasia O'Grady

Venezuela's dictator, Nicolás Maduro, did himself no favors by having his goons snatch opposition leader María Corina Machado off the street in Caracas on Thursday. By Friday morning, the U.S., the U.K., Canada and the European Union were among the governments announcing new sanctions on the South American regime. The U.S. Treasury increased the bounties on the heads of Mr. Maduro and his chief of repression, Diosdado Cabello, to \$25 million and added a bounty of \$15 million for defense minister and Russian confidante Vladimir Padrino López.

She's risking her life by fighting the regime and was briefly held by armed goons.

Venezuela had to know that international condemnation was coming. Yet when the plan was put in motion, it was judged worth the risk. Ms. Machado refuses to fold under the fear the regime has worked to instill across the nation. The prospect that her example of courage could spread is clearly too dangerous to contemplate. She needs to be roughed up.

In a telephone interview on Dec. 30, while hiding from Venezuelan police, Ms. Machado told me of the intention

of the threats that Mr. Maduro has made against her: "The regime has accused me of every imaginable crime. Maduro has said I'm on the run and that I should spend the rest of my life in prison. He has said I'm a terrorist, I'm responsible for what goes wrong in the country, and I'm going to pay for it."

Ms. Machado also worried about fellow patriots. "They've gone after my team, and every person who had responsibility organizing the election or safeguarding the vote at polling stations is either in exile, in prison or in hiding," she said. "Every day that goes by, they go after members of our team." Five democratic activists have taken refuge in the Argentine Embassy and are slowly being starved by Team Maduro. Democracy advocates estimate the regime holds 1,900 political prisoners in Venezuela.

Ms. Machado has had an outstanding arrest warrant against her since last summer. But on Thursday she emerged in public for the first time since Aug. 28 to lead protests against the dictatorship for its refusal to inaugurate President-elect Edmundo González Urrutia. He won the July 28 presidential election but has been in exile since September to avoid an arrest warrant.

At a stop on the eastern side of Caracas, Ms. Machado stood on a truck and addressed a cheering crowd. Shortly thereafter, as she traveled with a security escort on a motorcycle, she was intercepted by regime agents. They fired shots, hit one of her bodyguards and caused her to fall to the ground. The assail-



Maria Corina Machado

ers. If that were true, the regime could easily defuse the bombshell news by revoking the arrest warrant and allowing her to bring her message of freedom for Venezuelans around the nation. That's not about to happen.

Ms. Machado is a problem for the Maduro regime because she's the best retail politician the nation has seen in modern history. For more than two decades she's been venturing into Venezuela's poorest neighborhoods to build trust and spread the gospel about the link between liberty, property rights and prosperity.

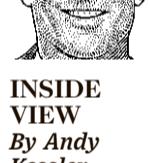
During the high-oil-price years of Hugo Chávez, hers wasn't always a welcome message. Shortly after his death in 2013, when she was a representative in the national assembly, some *chavistas* broke her nose. She wasn't deterred. She lost plenty of elections. But over the years, as *chavismo* has disappointed, she has won a following. She's now a national hero.

In December she told me that what's happening in Venezuela is "a social and cultural movement that goes beyond politics." It has generated a "change in the relationship between the citizen and the state." For the first time, she said, Venezuelan society is united in its aims, "without religious, racial or regional differences." These are big developments in a country rife with factions and woven on oil populism.

The Machado message speaks to the hearts and minds of millions of Venezuelans. It's why the regime's survival depends on silencing her.

Write to O'Grady@wsj.com.

My Festering Questions for 2025



INSIDE VIEW
By Andy Kessler

While the culture wars raged on for the past four years, some real-world questions festered:

Is something rotten at Apple? There is little growth. Earnings per share are basically flat since 2021 even with stock buybacks lowering share count. Estimates suggest iPhone unit sales are back where they were in 2015, while iPad unit sales have declined by almost half since 2013. The Apple Vision Pro augmented-reality headsets are a bust. Remember, growth stocks are highly valued on, well, growth.

Apple is also behind in artificial intelligence. Siri, like Amazon's Alexa, could have won the AI chatbot battle but is now a reminder of what could have been. A conversational Siri isn't expected until the spring of 2026. Every year, Google pays Apple around \$20 billion to be the default search engine on iPhones, iPads and Macs. That could go away with the Justice Department's antitrust remedies for Google. Yet Apple stock is near record highs. Sure, many companies aren't trading on real-world fundamentals—I'm looking at you, Tesla—but they will.

Is Google threatened? The good news is Google may save \$20 billion a year in Apple payments. But Google's problems are more structural: AI

search could easily eat into Google's almost \$200 billion worldwide search revenue and its 90% market share. Softening the blow, Google does include verbiage from its own Gemini AI on top of its web search results. Still, this is a big change.

Will Ozempic pay for itself? GLP-1 drugs look to be the new aspirin. It's hard to find diseases they don't affect. So far, they've helped treat type 2 diabetes, obesity, stroke, heart attack, sleep apnea, kidney disease and substance addiction. And there are hints these drugs may reduce the risks of colorectal, pancreatic and endometrial cancer. Wow. In December, a preliminary Cornell College of Business paper reported that GLP-1-using households spend 6% less on groceries within six months, while spending on chips, sweet bakery goods and cookies dropped up to 11%. These drugs are still expensive, and saving on Pringles won't pay for them, not yet. But they'll surely change long-term healthcare spending.

Is the AI hype cycle rolling over? Despite talks last week of Anthropic raising money at a whopping \$60 billion valuation, there are early signs. Usage prices are dropping. I'm seeing lots of Nvidia GPU chips on eBay. Without the fastest Nvidia chips, a Chinese AI model, DeepSeek, spent about \$5.5 million and in two months almost matched the OpenAI AI model's performance. Elon Musk's Grok now

should "Eat my dust" replace "E pluribus unum"? U.S. and European stock-market capitalizations were comparable at the end of 2009. Now estimates show that the U.S. market is more than three times the size of Europe's. The dollar and euro are close to parity. A Canadian dollar will buy you only 69 Lincoln pennies. Chinese consumers have lost \$18 trillion in real estate since 2021, more than U.S.

households lost in the 2007-09 financial mess. Eat my dust indeed.

Is the easy-money era over? The Federal Reserve cut short-term rates from 5.25% to 4.25% since September, yet long bond rates are up more than 100 basis points, from 3.6% to 4.8%. Still, there is plenty of froth. The Magnificent Seven stocks keep rising. Credit spreads, a measure of risk, are at 10-year lows. Crypto manipulation continues. Before blowing out last week, a joke cryptocurrency named Fartcoin increased more than 3,000% after Election Day, peaking at nearly \$1.6 billion value. Bitcoin has similar hot air. Stock markets rise because of productive earnings. As Charles Ponzi would explain, without productivity, the money coming out of crypto can only equal the money going in. So easy money over? Nope. The Fed may hike rather than ease this year.

Is Snoop Dogg overexposed? D-O-Double-G's soft nasal twang is irresistible. He's everywhere: The Olympics. A new album. A Snoop AI voice generator. Corona and T-Mobile ads. Throw him in with Martha Stewart for (wink, wink) Bic Lighters: "Perfect for candles . . . and more." I met Snoop at a basketball game years ago and told him, "Welcome to Oakland." I will never forget his twangy reply, "What up? What up?" Maybe he meant interest rates.

Write to kessler@wsj.com.

By Bob Greene

A n old song blasts unexpectedly from a radio speaker, and regardless of whether you liked it when it first came out, it yanks you back to the person you were the summer it was a hit, to the friends you had, to the house in which you and your family were living.

So it is on the rare occasions when the ever-evolving fraternity of former presidents gets together, as four of them did last week at the funeral services for Jimmy Carter. Each time it happens, the television commentary focuses on political triumphs and missteps, on successes and setbacks: the stuff of history books.

But to people at home, the sight of the men who once were president—men inevitably older, grayer, more weathered—has an effect

considerably more visceral. It is a reminder of the passage of the decades, a return to when the men on the screen, like the viewers at home, were younger, filled with ambition, not so far along life's winding highway.

Seeing them together is like hearing an old hit song on the radio.

Our presidents provide, even in the memories of citizens who don't ardently follow politics, a kind of sustaining backdrop to the times during which they served publicly and the citizens lived privately. This curious role comes with the job, although it appears nowhere in the Constitution. The presidents couldn't opt out if they wanted to.

Because of their ubiquity in

the national consciousness during their terms in office, they become, once they leave the White House, mileposts on the side of a bumpy road, spurring their fellow Americans to glance back reflexively on years gone by. And when every living former president shows up at the same place on the same day, the group photographs have much the same effect as that unanticipated old tune from the radio: It isn't just the song we're thinking of, but the path we have all been on.

The men who have been president know it. The years are passing for them, too, and seldom do they have reason to assemble. Ours are uncommon times, however, and next week the four former presidents who gathered at Carter's funeral will likely be together again, photographed anew.

One of the former presidents who was in the pews at

the funeral will be a former president no longer: He will be sworn in as the next commander in chief. And the current president, who delivered a eulogy for Carter last week and who is in the Oval Office this morning, will suddenly be the newest member of the ex-presidents club.

But just as new hit songs always replace old ones on the radio, just as one generation's fresh sounds become, somewhere down the line, evocative recollections, so too do the names and faces of the presidents in the reunion photographs change. What will never change is the feeling that seeing them together stirs in those who behold the images—the sense of sand sifting inexorably through a nation's hourglass.

Mr. Greene's books include "Fraternity: A Journey in Search of Five Presidents."

BOOKSHELF | By Mark P. Mills

The Dirty Work Of Clean Energy

Power Metal

By Vince Beiser

Riverhead, 272 pages, \$32

Mining is having a moment. Pundits and politicians have rediscovered the reality that extracting minerals from the earth is both critical for a modern economy and an inherently dirty business. Journalists writing about the industry often invoke both its strategic importance and William Blake's "dark satanic mills."

Rhenium, for instance—the last of all naturally occurring stable elements to be discovered, some 100 years ago—is what makes possible today's superconductors and high-temperature alloys for jet engines. We use minerals to create all sorts of magical devices, from lasers and MRI machines to computer chips and, of course, lithium batteries, which power everything from our smartphones to our electric vehicles.

In "Power Metal: The Race for the Resources That Will Shape the Future," Vince Beiser, a journalist and author whose previous book explored the role of sand in our economy, now turns to the mining implications of an "energy transition"—the push to replace conventional fuels and cars with batteries energized by wind and solar machinery.

Civilization as we know it would not exist without the earth's minerals. Anthropologists use the terms Bronze Age and Iron Age for a reason. Meanwhile, observers have long raised concerns about mining's effects on our health and the environment. Writing about land that has been polluted from mining in "On Airs, Waters and Places" more than 2,500 years ago, the Greek physician Hippocrates warned that "good waters cannot proceed from such a soil."

Our modern strategic worries began shortly after World War I, when military planners realized that the nation and its war machinery were dependent upon imports for many essential minerals. In 1922 Congress established a military board to stockpile 42 strategic metals, including tungsten, vanadium and chromium. The 1939 Strategic and Critical Materials Stock Piling Act, updated in 1979, 1987, 1994 and 2023, was intended to encourage domestic mining and reduce import dependencies.

The past century has seen countless government studies about America's reliance on imported minerals. In 1980 President Jimmy Carter signed the bipartisan National Materials and Minerals Policy, Research and Development Act calling for the coequal pursuit of mineral production and environmental protection. In the years since, the latter has crushed the former, stifling the American mining industry. Today the world mines more stuff than ever before—just not in the U.S.

As I've written before on these pages, "global mining today involves excavating and moving a quantity of rock each year equivalent to the tonnage of 7,000 Great Pyramids. Transition aspirations would require a tonnage north of 50,000 pyramids annually." Clearly such scale isn't only difficult—it's near impossible. The mere attempt has staggering environmental implications. Mr. Beiser wastes no time uncovering that truth. The title to his introduction: "There's No Such Thing as Clean Energy."

Mr. Beiser tells us he wants "to make clear the extent of the damage" that mining inflicts. He concludes his introduction by teasing that "we need a whole new approach." Spoiler alert: It's about all of us using far less stuff and especially having far fewer cars of any kind.

The book mostly chronicles the author's fascinating visits to people at myriad global mine sites. We learn about urban mining and the complex choreography of metal scavengers. On the subject of recycling, the author correctly concludes: "Recycling helps. But as a solution, utterly inadequate."

He discovers the reality that people who make a living "dealing only with dematerialized abstractions, intellectual products" that exist mainly on computers" in fact depend on all manner of machines "made with metals." Echoing the poet Blake, Mr. Beiser calls this a "Faustian bargain." Here I disagree. Humans are, to use the French philosopher Henri Bergson's term, *homo faber*—makers of tools and machines that create near magical productivity and value. It's a great bargain.

The scale of global mining required as part of the 'energy transition' has staggering environmental implications.

The book's dénouement and final chapter is devoted to the Netherlands' love of the bicycle, which Mr. Beiser holds as "the single best way we can reduce the damage done by our consumption of both minerals and energy." That conviction is shared by many transitionists and the International Energy Agency, which hopes the share of global households without a car will nearly double by 2050. California has similar aspirations.

Mr. Beiser marches through the car prohibitionists' standard fare, from accidents to land use, offering the usual palliatives for taking away your car, such as the benefits of exercise. "We need, in short, to redesign our cities, to orient them around human beings rather than automobiles." Never mind those humans who want or need cars.

The author revisits a widely repeated trope that there's a generational shift away from cars to "micromobility," the techie term for pedaled and battery-propelled bicycles, but he ignores the recent data that shows otherwise. One MIT study found that millennials exhibit "little difference in preferences for vehicle ownership" and "in contrast to anecdotes, we find higher usage in terms of vehicle miles traveled." Meanwhile, a 14-country survey released last year found that people under 30 "love cars and are neither ready nor willing to live without them." In the U.S., 75% of respondents expressed an attachment to their cars; across Europe the average was 83% of respondents, while in China the proportion ballooned to 97%.

It's true, as Mr. Beiser notes, that many cities are embracing the means for making cycling convenient and driving inconvenient. New York City has added nearly 600 miles of bicycle lanes to its roadways in the past decade. And now it has introduced a congestion toll, to further raise the cost of driving in Manhattan. Who benefits? In the U.S. we have data on that too: 0.5% of all commuters use a bicycle. The average age of those who commute by bike is 20 to 30, 70% male, 70% white and 80% with a college degree. Universal and diverse this is not.

One can conclude from Mr. Beiser's chronicle that we face serious challenges in meeting humanity's minerals needs. The single best way to help that? Don't subsidize and mandate energy machines that exponentially increase the demand for minerals. If you're already in a hole, stop digging.

Mr. Mills is the executive director of the National Center for Energy Analytics and the author of "The Cloud Revolution."

OPINION

REVIEW & OUTLOOK

SALT in Tax Reform's Wounds

House Republican snowbirds from New York and New Jersey flew south to Mar-a-Lago over the weekend to seek a favor at the rest of the country's expense. They want President Trump to increase a tax deduction for their residents, and Mr. Trump told them he will do so despite its costs for the GOP's larger agenda.

Their plea concerns the state and local tax deduction, or SALT, which Mr. Trump's 2017 tax reform capped at \$10,000. This was a policy victory, since the old uncapped deduction was a federal subsidy to places with high tax rates and plenty of wealthy residents, including California and much of the Northeast. Members of Congress in these locales, including Republicans, have been trying to reverse the change ever since.

Most of these lawmakers would love to scrap the cap, but at the very least these Republicans want the GOP's tax bill this year to raise the SALT cap to \$20,000 for married couples, who are currently subject to the same limit as single filers. Given the GOP's slim House majority, Mr. Trump will need these Members to vote for any tax bill, and his advisers have already conceded the \$20,000. Will they cave on more?

A tax bill is too important to fail, but it's worth rehearsing the reasons an increase in the SALT cap is bad policy and tax favoritism at its worst. Start with lost revenue. Doubling the SALT cap for joint filers would reduce federal revenue by \$175 billion over 10 years compared with extending the current cap, according to the Tax Foundation. That would claim about 5% from the amount that Republicans will need to extend the 2017 law's expiring lower income-tax rates under static-revenue rules.

Capping SALT was a consensus cause among fiscal conservatives for years before the 2017 law. Former House Ways and Means Chairmen Paul Ryan and Kevin Brady rallied the GOP against the deduction. The unlimited SALT subsidy was an incentive for spendthrift governors to raise taxes, since a voter in the top tax bracket who paid \$100 more to the state could turn around and get \$37 back from Uncle Sam.

Yet a small club of Republicans think their

Raising the cap is bad policy and could be bad tax politics too.

survival depends on lifting the cap. Many of them prodded Mr. Trump to embrace SALT during last year's campaign, and he obliged at a rally in Uniondale, N.Y., pledging to restore the deduction in his second term.

That promise seems to have made little difference in Congressional races. Several pro-SALT Republicans lost

their seats, including New York Reps. Marc Molinaro and Anthony D'Esposito, and California's Michelle Steel and Mike Garcia. Raising the deduction will help more Democrats than Republicans in Congress.

The pledge to restore SALT swayed few voters because its benefits flow to a fairly small group. Only about 10% of filers now itemize deductions, thanks to the 2017 reform that lifted the standard deduction. This year that standard deduction is \$30,000 for married couples. If the SALT cap were doubled, about 74% of the gains would go to households earning more than \$200,000 a year, according to the Tax Foundation.

Raising the SALT cap would also be a slap against the residents of low-tax states, who have less to deduct. At least 25 states—nearly all Republican-led—have cut their income taxes since the 2017 reform.

Meanwhile, restoring SALT would reduce the political incentive for the Democrats who run New York, New Jersey, Connecticut, California and other high-tax states to cut their taxes. Why should Republicans help the progressives and public unions who run Sacramento, Trenton and Albany?

A bill that extends the current tax rates must pass to prevent a \$4 trillion tax increase in 2026. But each parochial deduction in the name of buying votes will cause others to demand their pet deduction too.

That's the argument for shutting down bad ideas before their proponents dig in. SALT devotees are asking for a tax break for high earners at the expense of everyone else. We understand the need to count votes, but be careful or every Member and faction will hold the tax bill hostage and turn it into a vehicle for income redistribution rather than economic growth.

Gabbard's Confirmation Conversion

Does Tulsi Gabbard suddenly believe in gathering intelligence against America's enemies? That's presumably what she wants the U.S. Senate to believe with her come-lately conversion to support Section 702 data gathering.

The 702 provision of the Foreign Intelligence Surveillance Act lets the U.S. spy without a court warrant on the electronic communications of non-Americans located outside the country. Ms. Gabbard voted against 702 when she was in Congress, though everyone serious about national security understands the tool's vital importance.

Oklahoma Sen. James Lankford told our Kimberly Strassel on her podcast last week that Ms. Gabbard's views on 702 is crucial to whether defense-minded Republicans would support her nomination by President-elect Trump to be director of national intelligence (DNI). "If she comes out and says, 'No, I want to oppose all 702 authority'—that literally shuts down all of our national defense gathering," Mr. Lankford said.

He added that "she's going to get a fair hearing to be able to put those things out there and to say, 'This is what I believe about these issues.'" Voila, Ms. Gabbard suddenly saw the intelligence light.

She flips on Section 702 data collection to win Senate GOP support.

The question is whether Senators should believe her. Ms. Gabbard's explanation is hardly persuasive. She now says Congress has added enough

protections for civil liberties that she is comfortable supporting 702. But her previous criticisms were largely specious and demonstrated her lack of understanding about the threats against the U.S. and the few defensive tools the country has against terrorists and malign states. Data collection to detect patterns that can prevent attacks is essential.

Mr. Trump deserves some, but not total, deference on his nominees. He promised Ms. Gabbard a cabinet position in return for her endorsement during the campaign, and his nomination fulfills that pledge. But that doesn't mean the Senate must accept that political transaction, especially on national security.

The DNI operates largely in secret, coordinating intelligence from the 18 U.S. spy agencies and presenting the best estimate of threats for the President and his policy advisers. Ms. Gabbard's statements across her career have demonstrated a knee-jerk instinct to underestimate threats. She was an apologist for Syria's Bashar al-Assad on chemical weapons and she blamed Vladimir Putin's aggression on NATO expansion. A confirmation conversion doesn't erase that dangerous record.

Trump Speaks Truth to Wind Power

Every once in a while Donald Trump says something that shocks Washington with its blunt truth. So it was during last week's discursive press conference when he observed that wind power isn't economic without subsidies.

Wind farms "only work if you get a subsidy," Mr. Trump mused. "The only people that want them are the people that are getting rich off windmills, getting massive subsidies from the U.S. government. And it's the most expensive energy there is. It's many, many times more expensive than clean natural gas.... You don't want energy that needs subsidy."

The media's fact-checkers pounced and proclaimed that wind energy is among the cheapest and fastest-growing power sources. But that's only because of rich subsidies, which were sweetened by the Inflation Reduction Act. Federal tax credits can cover 50% of the cost of building an offshore wind farm and more than 80% of the cost onshore.

Even the Biden Energy Department, in a 2023 report, estimates that power from new onshore wind farms costs more than from gas-fired plants on a per-megawatt-hour basis if you exclude subsidies. Wind with tax credits is about 25% less expensive. On the other hand, offshore wind costs two to three times more than gas power even with subsidies.

These estimates notably don't account for the cost of backing up wind generation. Power from so-called peaker plants and batteries costs three to four times more than from baseload generators. It's far cheaper to run gas, coal and nuclear plants around the clock than to use

He says wind farms only work because of subsidies. He's right.

wind (and solar) some of the time and have to back them up with other forms of energy.

In any case, rising interest rates and inflation have rendered offshore wind uneconomic even with fat subsidies, which is why developers are canceling projects and begging for more largesse. Orsted in 2023 announced \$4 billion in write-downs after walking away from two projects off the New Jersey coast.

The reality is that most wind projects wouldn't be built without federal subsidies and state renewable mandates. The wind production tax credit was established in 1992 to boost an "infant" industry, but Republicans from wind states like Iowa, Kansas and Wyoming have joined Democrats to extend it every time it comes close to lapsing.

Democrats used a budget reconciliation trick to ensure that the wind and solar tax credits never expire by sunsetting them when U.S. emissions decline by 75% from 2022 levels. But that won't happen before 2050 under the Energy Department forecast—if ever. Perhaps Republicans should use the same nebulous sunset when they extend the 2017 tax cuts.

It's encouraging that Mr. Trump says he wants to end the renewable subsidies, which would reduce power-market distortions that are driving up electric rates. Perhaps he can persuade Republicans from wind states that, after 33 years of subsidies, wind power should be able to stand on its own as an adult.

Why is the U.S. giving welfare to wealthy wind developers when gas power plants don't need taxpayer dollars?

wind (and solar) some of the time and have to back them up with other forms of energy.

In any case, rising interest rates and inflation have rendered offshore wind uneconomic even with fat subsidies, which is why developers are canceling projects and begging for more largesse. Orsted in 2023 announced \$4 billion in write-

downs after walking away from two projects off the New Jersey coast.

The reality is that most wind projects wouldn't be built without federal subsidies and state renewable mandates. The wind production tax credit was established in 1992 to boost an "infant" industry, but Republicans from wind states like Iowa, Kansas and Wyoming have joined Democrats to extend it every time it comes close to lapsing.

Democrats used a budget reconciliation trick to ensure that the wind and solar tax credits never expire by sunsetting them when U.S. emissions decline by 75% from 2022 levels. But that won't happen before 2050 under the Energy Department forecast—if ever. Perhaps Republicans should use the same nebulous sunset when they extend the 2017 tax cuts.

It's encouraging that Mr. Trump says he wants to end the renewable subsidies, which would reduce power-market distortions that are driving up electric rates. Perhaps he can persuade Republicans from wind states that, after 33 years of subsidies, wind power should be able to stand on its own as an adult.

Why is the U.S. giving welfare to wealthy wind developers when gas power plants don't need taxpayer dollars?

PUBLISHER'S ANNUAL LETTER

A Report to Our Readers

As he prepares to leave his post, it was only natural for me to check in with Amb. Roger Carstens. After all, the Special Presidential Envoy for Hostage Affairs and I had shared many ups and downs together in the year past, culminating in his Aug. 1 call to me to confirm that our colleague was finally safe. It was his confirmation that set in motion one of the most gratifying headlines in our institution's history: "Evan Gershkovich Is Free."

When Amb. Carstens replied quickly with his well wishes for the year ahead, he casually mentioned that he was in Syria, focused on the next phase of an old mission: The search for U.S. reporter Austin Tice, who has been missing for 12 years.

His message hit me hard. It underscored in a visceral sense that, while the WSJ's crisis had ultimately resulted in a positive outcome, the fight for reporters' safety is far from over. So, too, is the fight to release unjust hostages kept by evil actors—and both issues desperately need continued support and attention. More on that later.

Amb. Carstens's message also highlighted his stoic sense of duty. It's something that in an era of increasing hysteria, hyperbole and a voracious competition for attention, many of us would do well to embrace: To stay focused on the task at hand, undistracted by the ups and downs of the day, real or imagined.

At The Wall Street Journal and Dow Jones, we remain undeterred from our mission: To provide the world's most trusted journalism, data and analysis to help people make decisions. That focus helped us to finish last year strong, recording the best year in our company's history. We are helping our customers navigate the path ahead by building a sustainable, thriving information business for the modern era that will allow us to continue to invest in world-class journalism, data and analytics.

Under the leadership of editor in chief Emma Tucker, our journalists are as focused as ever on reporting the news. Leading by example is Mr. Gershkovich himself, who remarkably is back to reporting and writing. His return to the Journal's pages came on Dec. 12 in a gripping byline shared with Drew Hinshaw, Joe Parkinson and Thomas Grove that offered a deep dive into the Kremlin spy unit responsible for his captivity.

For her priorities, Ms. Tucker, like any true journalist, cares greatly about remaining unbiased during this time of seismic change domestically and around the world. Stateside, she has redistributed her economics and politics teams across the nation, not just concentrating them in coastal cities. She has brought on top-talent journalists who are committed to reporting the essential news that our readers expect from us. She tells me "we live in a fractured world where adherence to truth and objectivity is fragile. I want our readers to rely on us to provide fair, balanced, well-written, factually correct journalism."

Ms. Tucker's strategy is to focus on reporting stories of consequence, in the areas that really matter to readers. Expect to continue to see that in these pages.

Ms. Tucker's commitment from the newsroom is very much echoed by our colleagues at WSJ Opinion, which serves as a forum for intelligent, thought-provoking commentary on the most influential and impactful issues of the day.

On his newsroom's priorities, editorial page editor Paul Gigot tells me the focus is on remaining broadly consistent in its take on world news, yet agile enough to make adjustments as facts and events change. "We're journalists and our goal is to keep readers informed," Mr. Gigot says, adding, "we have the luxury of doing it from a point of view."

As Mr. Trump and his incoming administration take office next week, Mr. Gigot tells me readers can expect his team to report and provide commentary on the impact of their policies on the nation's economy and deregulation, rebuilding American military strength and restoring deterrence, and more. The Opinion pages will treat the new Trump administration like it has the current one, examining its policies based on whether they are in the best interests of free individuals and a prosperous America.

While much of what lies ahead is unknown, one thing is certain: The role of leadership is as important as ever. To that end, later this week we will launch the WSJ Leadership Institute which we hope to grow into the world's premier business leadership institute—one that provides insights, coaching and communities to meet the demands of our time. We exist to inform the business community, and this increased investment in meeting the needs of today's leaders and helping to support and nurture tomorrow's is another output of that work.

At the center of everything we do is our commitment to gathering facts. Our reporters span the globe—each and every one resolute in their mission to inform with fact-based, reliable information. However, as we know all too well, this reach and impact doesn't come without risk.

I'm reminded often of the fight for reporters' safety and the need to support journalism. Today, 533 journalists remain in prisons worldwide. Upon returning to my office to start the year, I found on my desk a card from Jimmy Lai, founder and publisher of the now-defunct Apple Daily, who, through an intermediary, sent his own well wishes—and a prayer—from a Hong Kong prison where he's been since 2020.

Meanwhile, Amb. Carstens will move on from his position, to which he was appointed during the first Trump administration, after Inauguration Day—though his sense of duty and focus keep him undeterred in his final days in the role. His department will no doubt continue to fight.

Similarly, we will continue our fight to protect journalists worldwide—and to deliver reliable information, skipping both the tilt of bias and lens of doom that is so prevalent in media land, and never losing track of whom we serve: You, the business reader, finding your way through a world reshaping.

ALMAR LATOUR

Publisher

LETTERS TO THE EDITOR

The State's Faith and the Classroom's Religion

In "Home Schooling Saved a Dying Church" (Houses of Worship, Jan. 10), Rev. Robert Sirico mentions the restrictions faced by a Catholic school that received state funds. In 1962 our principal at St. Mary's in Orange County, Calif., challenged our eighth-grade class to debate the pros and cons of federal aid to Catholic schools.

Once our debates were concluded, Sister Mary Sacred Heart divulged her uncompromising opinion: "Federal money leads to federal control." She didn't want government interference, and Rev. Sirico proves her point. There can be no separation of church and state if the church expects the government to finance religious schools.

ALAN VOLLMANN

North Potomac, Md.

Nadine Shatzkes's letter ("Our Religious Public Schools," Jan. 10) reminds me of Cardinal John O'Connor's response to a New York City Public Schools chancellor. The setting was the cardinal's 1980s Sunday morning

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

Pepper ... And Salt

THE WALL STREET JOURNAL

"I dunno, I woke up this morning as a dinosaur."

OPINION

Biden, Trump and the Meaning of Stupidity

By Barton Swaim

Any student of politics is bound, sooner or later, to contemplate the mystery of stupidity. What is it? Does it correlate with education? Why does it so often show up in people who seem to be intelligent?

Last year I picked up a little book titled "The Basic Laws of Human Stupidity," by the Italian economic historian Carlo M. Cipolla (1922-2000). It was printed privately in English in 1976, and the first publicly available English-language edition appeared in 2011. The copy I bought was published in 2019. On the back of this handsome edition are two epigrammatic quotations. The first is by Bertrand Russell: "The trouble is that in the modern world the stupid are cocksure while the intelligent are full of doubt." The second is by Donald Trump: "Trust me, I'm, like, a smart person."

In politics as in life, the stupid person causes others to lose and gains nothing for himself.

The Russell quotation is meant to welcome potential readers into the circle of the nonstupid, to reassure them that they're among the blessed. Anybody thus flattered can't know much. Russell, though in the 20th century widely thought of as the consummate logician, was in many ways a crackpot: a sucker for any conspiracy theory that happened to reinforce his irrational hatred of the U.S., and an ardent, almost maniacal proponent of unilateral nuclear disarmament. Not a perfect specimen of nonstupidity,

in any case. He was also, for the record, supremely cocksure. (The book cover slightly misquotes him, incidentally. The original begins "The fundamental cause of the trouble," not simply "The trouble." The simpler version shows up on such websites as Brainyquote and AZQuotes, where the publisher's very nonstupid marketing division likely found it.)

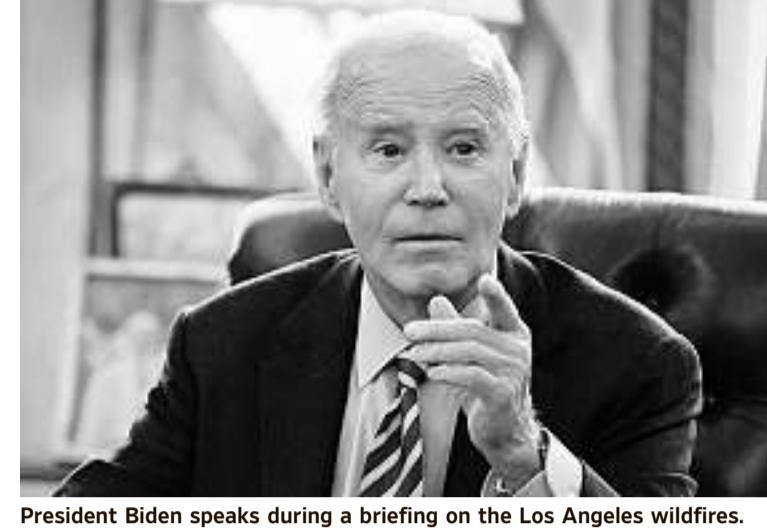
The Trump quotation is of course meant to be ironic. He's "like, a smart person," ha ha. We all know he's stupid, nudge nudge.

Yet if the marketers had bothered even to skim this short volume, they might have realized that Mr. Trump, whatever else may be said about him, can't possibly be considered stupid by Cipolla's definition.

The chief thing to note about Cipolla's conception of stupidity is that it isn't synonymous with what smart and illustrious people think is ill-advised or foolish. It's far more interesting than that. He insists that stupid people are evenly distributed throughout society. For Cipolla there are, per capita, as many stupid people among go-cart salesmen and swamp-dwelling gator hunters as there are among laureled economists and tenured intellectuals.

Cipolla divides people into four categories: helpless, bandit, intelligent and stupid. In any normal interaction between two people, he contends, the helpless person suffers a loss while the other gains. The bandit exacts a benefit while levying a loss on the other. The intelligent person gains while enabling the other person also to gain. The defining trait of the stupid person is that he gains nothing while obliging the other to take a loss.

Mr. Trump's fans can argue with his despisers about whether he belongs in the category of bandit or intelligent, but he definitely can't be classified as stupid according to Cipolla's definition.



President Biden speaks during a briefing on the Los Angeles wildfires.

wished him well; he did so without gaining any advantage for himself.

This perhaps explains why he has been so comparatively active since losing the election in November. These are the months when, no longer beholden to the electorate, an outgoing president can do things he knows to be dumb or counterproductive and suffer no harm for it.

In December, Mr. Biden pardoned 1,499 criminals, many of them guilty of heinous offenses and showing no signs of repentance. What was the point, other than to attract the praise of a little band of activists and the righteous scorn of everybody else? Then the president commuted 37 of 40 capital sentences. In a single move, he managed to offend the families of murdered victims (some of them children), express his contempt for the law and the courts (there was no question of the trials' fairness) and reveal that he has no principled objection to the death penalty (he passed over the three most infamous killers). And for all that, he gained nothing for his legacy or his party.

The pardon of Mr. Biden's son Hunter comes close to a bandit move, benefiting as it does the president while disgracing the presidency. A few months ago he made the foolish mistake of promising not to pardon Hunter, and so any gain must be weighed against the reputational loss of having told one of the more brazen falsehoods in presidential history.

On Jan. 3 the president blocked a Japanese company from buying U.S. Steel on "national security" grounds—one day after approving the sale of surface-to-air missiles to Japan. On one point I can agree with Bertrand Russell. Although the cocksure aren't always stupid, the stupid are definitely cocksure.

Mr. Swaim is an editorial page writer at the Journal.

The astounding fact of recent years, however, is that Mr. Trump's chief political opponent—Joe Biden—is a perfect specimen of Cipolla's idea of stupidity. For four years, Mr. Biden has made decisions and pursued policies that made his supporters, party, country and foreign allies worse off, and in almost every case he has gained nothing and very often suffered commensurate political losses. You could make a cogent argument that Mr. Biden belongs in the category of helpless, so often do his decisions benefit his political adversaries, chiefly Mr. Trump, and not himself. But those blunders—principal among them his insistence that he was capable of running for re-election—have exacted massive costs on the rest of the country.

For three years Mr. Biden made it policy to do nothing on the country's southern border apart from revoking Mr. Trump's executive orders. What did he gain from this dereliction? The answer isn't obvious. Mr. Biden overrode his military advisers and insisted on a total and immediate withdrawal from

Afghanistan, with no clear plan to extract Afghan allies, U.S. citizens or American military hardware. A loss for the U.S., for sure. But where was the benefit to Mr. Biden or his administration?

Starting in 2021, the president repeatedly compared an innocuous post-pandemic election reform in Georgia to Jim Crow—maybe the most toxic accusation it's possible to make in American politics. In so doing he made himself odious to the opposition party and ensured he would pass nothing further with its support. What was in it for him?

Mr. Biden openly defied the Supreme Court's ruling on his student-debt cancellation plan (the justices "tried to block me, but they didn't stop me"). He thus managed to sow resentment among Americans whose debts he didn't forgive, encourage a generation to indulge in foolish borrowing, and make himself look like the lawless strongman he accused Mr. Trump of being.

In each of these instances—and there are many others—Mr. Biden not only created ruin, discord and embarrassment for those who

wanted him well; he did so without gaining any advantage for himself.

This perhaps explains why he has been so comparatively active since losing the election in November. These are the months when, no longer beholden to the electorate, an outgoing president can do things he knows to be dumb or counterproductive and suffer no harm for it.

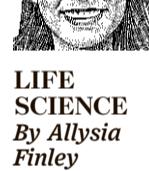
In December, Mr. Biden pardoned 1,499 criminals, many of them guilty of heinous offenses and showing no signs of repentance. What was the point, other than to attract the praise of a little band of activists and the righteous scorn of everybody else? Then the president commuted 37 of 40 capital sentences. In a single move, he managed to offend the families of murdered victims (some of them children), express his contempt for the law and the courts (there was no question of the trials' fairness) and reveal that he has no principled objection to the death penalty (he passed over the three most infamous killers). And for all that, he gained nothing for his legacy or his party.

The pardon of Mr. Biden's son Hunter comes close to a bandit move, benefiting as it does the president while disgracing the presidency. A few months ago he made the foolish mistake of promising not to pardon Hunter, and so any gain must be weighed against the reputational loss of having told one of the more brazen falsehoods in presidential history.

On Jan. 3 the president blocked a Japanese company from buying U.S. Steel on "national security" grounds—one day after approving the sale of surface-to-air missiles to Japan. On one point I can agree with Bertrand Russell. Although the cocksure aren't always stupid, the stupid are definitely cocksure.

Mr. Swaim is an editorial page writer at the Journal.

How the Left Turned California Into a Paradise Lost



After the November election, California Gov. Gavin Newsom announced his plans to "Trump-proof" the Golden State. How about fire-proofing? Los Angeles' horrific fires are exposing the costs of its progressive follies, which even wealthy liberals in their Palisades palaces can't escape.

Start with its environmental obsessions. The Los Angeles Department of Water and Power in 2019 sought to widen a fire-access road and replace old wooden utility poles in the Topanga Canyon abutting the Palisades with steel ones to make power lines fire- and wind-resistant. In the process, crews removed an estimated 182 Braunton's milkvetch plants, an endangered species.

The utility halted the project as state officials investigated the plant destruction. More than a year later, the California Coastal Commission issued a cease-and-desist order, fined the utility \$2 million, and required "mitigation" for the project's impact on the species. This involved replacing "nonnative" vegetation

with plants native to the state. You have to chuckle at the contradiction: California's progressives want to expel foreign flora and fauna but provide a sanctuary for illegal immigrants.

Since the milkvetch requires wildfires to propagate, the only way to boost its numbers is to let the land burn. A cynic might wonder if environmentalists interfered with fire prevention in hopes of evicting humans from what they view as the plant's rightful habitat. To radical environmentalists, every human is a colonizer.

Next, consider the government's misallocation of resources. Los Angeles Fire Chief Kristin Crowley complains the city cut her budget by \$17 million last spring, which she says reduced overtime compensation and interfered with wildfire preparation. Maybe, though the veteran firefighter may also be saying this to get more money for her department.

In truth, the fire budget didn't shrink since city leaders last autumn approved a new union contract that boosted pay and benefits by \$76 million—about \$20,000 per firefighter. Even before this raise, firefighters on average earned about \$200,000, plus \$90,000 in benefits. Many can

retire at 55 with pensions equaling 90% of their final salaries.

Los Angeles spent \$350 million this year on firefighter pensions and benefits. Much of that would have been better spent on fire prevention, which made up only 5% of the department's budget. Ms. Crowley calls "diversity, inclusion, and equity" a top priority, and the Fire Department boasted nine DEI positions.

Gavin Newsom promised to 'Trump-proof' the Golden State. If only he'd fireproofed it instead.

Bloated union contracts and DEI may not have directly hampered the fire response, but they illustrate the government's wrongheaded priorities. It's the same with water. Donald Trump blamed dry fire hydrants in L.A. on protections for the delta smelt fish. The real culprit was an overwhelmed water system, but both reflect government mismanagement.

Smelt protections restrict the

amount of water that flows from the state's north to the south. This has led to billions of gallons of water being flushed out to the Pacific Ocean each year, along with chronic water shortages, high unemployment, over-pumped wells and environmental degradation in the state's Central Valley. Mr. Newsom opposed Mr. Trump's first-term efforts to ease the fish protections. You can lead California progressives to water, but you can't make them think.

Consider the state's response to crime and homelessness, which may have contributed to the fires. Last year's Park Fire—the fourth largest in state history—was allegedly ignited by a man with two prior felony convictions who was on parole for a DUI. The Los Angeles Times reported in early 2021 that 24 fires on average were breaking out each day in the city's homeless encampments. A fire in an encampment shut down an L.A. freeway last November, the second time that had happened in a little over a year.

Good Samaritans on Thursday detained a homeless man who they said used a flamethrower to incinerate Christmas trees and garbage cans, around the same time as a major fire erupted. Police arrested the vagrant

on a felony probation violation—meaning he had been on parole for another felony—because they said they lacked probable cause to charge him with arson. The suspect reportedly claimed he was using a blowtorch to smoke marijuana.

Wealthy liberals have long been shielded from the consequences of their government's blunders. State regulators until recently even suppressed insurance rates for high-priced homes by barring insurers from fully pricing in wildfire risk and reinsurance costs.

Like King Canute, who tried to command the tides, Insurance Commissioner Ricardo Lara on Thursday prohibited insurers from dropping homeowners in areas affected by the fires. People who lose their homes deserve sympathy. But if insurers aren't allowed to limit their liabilities or adjust premiums based on risk, they will instead raise rates on everyone.

Democrats think they can wave away economic reality, much as they do when they pretend there are no costs to raising the minimum wage or taxes. Will the fires prompt Mr. Newsom and company to rethink their delusions? Forget it, it's La La Land.

Bad Policy Served as Kindling for California's Wildfires

By Tom McClintock

When Juan Cabrillo dropped anchor in what is now Los Angeles's San Pedro Bay in the autumn of 1542, he promptly named it the Bay of Smokes. Annual wildfires fanned by Santa Ana winds are nothing new in Southern California. This is how nature gardens. She doesn't care whose lives are destroyed, whose homes are burned, or how long it takes to reclaim the scarred land.

We mortals do. Throughout most of the 20th century, we took measures to minimize the frequency and severity of wildfires. We created land-management agencies to do some of the gardening ourselves. We removed excess timber, creating

resilient, fire-resistant forests, thriving mountain economies and a lucrative source of public revenue. We leased public lands to sheep and cattle ranchers whose stock kept brush from building up. We established competent infrastructure to stop fires from getting out of control. We cut firebreaks into the soil to contain flames.

Prior to 1800, California lost an average of around 4.5 million acres to fires every year. As we introduced scientific land-management and fire-suppression measures, by the end of the 20th century that average dropped to around 250,000 acres.

But in 2020 California suffered a single-year loss of 4.3 million acres to wildfires. Between 2019 and

2023, an average of more than 1.5 million acres burned each year. What happened?

The left blames a changing climate. But that doesn't explain California's long history with massive wildfires, or why fires became less threatening throughout most of the 20th century.

We can find a more likely culprit in the states' recent extreme environmental and social policies.

Environmental studies required by the National Environmental Policy Act of 1970 now cost millions of dollars and take an average of 5.3 years for forest-thinning projects in California to get approved. Often the cost amounts to more than the value of the timber itself. The amount of timber harvested from public lands has declined around 75% since the 1980s, with a concomitant increase in forest acreage destroyed by wildfire.

Sheep and cattle grazing on public lands, once common in Southern California, has largely been regulated out of use by bureaucratic restrictions and fees designed to discourage the practice. Wilderness restrictions make brush suppression more difficult throughout much of the state.

Environmental leftists promised that laws such as the National Environmental Policy Act, the Wilderness Act and the Endangered Species Act would protect and improve the environment. Fifty years later we're entitled to ask: How's it going? Between 2012 and 2021, we lost a quarter of California's

forestland to wildfires. A UCLA study estimated that California's 2020 fires released twice as much greenhouse gas into the atmosphere as had been prevented by the previous 18 years of primarily government-enforced restrictions.

Bad forest and water management, misplaced priorities and price controls all played a role.

Resource policy also changed radically. The visionary water projects of the 20th century gave way to increasingly restrictive conservation edicts while leftist officials neglected the region's basic water infrastructure. Authorities forced utilities to spend billions on wind and solar projects, money that could have otherwise funded such desperate priorities as fireproofing power lines. As a result, one of the states most heavily invested in wind power has to shut down its power lines on windy days. As a consequence of these follies, hydrants failed, and many overextended firefighters reported having no choice but to surrender to the blaze.

Despite sky-high taxes and government spending, Los Angeles's woke officials still can't spare proper funding for its Fire Department. Under Mayor Karen Bass, the city cut its already underfunded budget by more than \$17 million

last year. Meanwhile, the city spends almost twice as much as the fire department's budget on homelessness projects. These projects are strained by the state's illegal-immigrant problem, which is fueled in part by Los Angeles's designating itself a sanctuary city. Local officials seem more concerned with social justice than putting out real fires.

State-imposed price controls on fire-insurance premiums have destroyed that industry too. Premiums assign a dollar value to the risk of living in an area. As the risk increases, so do the premiums. But not in California, where regulators have limited companies' ability to set market premiums. These price controls do what they always do: distort the price signals consumers need to make rational decisions and create shortages of whatever is being controlled. Fire insurers can no longer charge sufficient premiums to cover their risk, leaving them with no choice but to exit the market.

Fire is a condition of nature, but how we deal with it is a choice. The tragedy in Southern California is the result of decades of self-destructive policies made by foolish politicians. We can change the policies that got us into this mess by throwing out the politicians who made them. Let's hope we do so before the next big fire.

Mr. McClintock, a Republican, represents California's Fifth Congressional District.

THE WALL STREET JOURNAL.

PUBLISHED SINCE 1889 BY DOW JONES & COMPANY

Lachlan Murdoch

Executive Chairman, News Corp

Rupert Murdoch

Chairman Emeritus, News Corp

Emma Tucker

Editor in Chief

Liz Harris, Managing Editor

Charles Forelle, Deputy Editor in Chief

Elena Cherny, Senior Editor; David Crow,

Executive Editor; Chip Cummins, Newswires;

Tanieth Evans, Digital; Brent Jones, Culture,

Training & Outreach; Alex Martin, Print & Writing; Michael W. Miller, Features & Weekend;

Prabha Natarajan, Professional Products;

Brahe Orwall, Enterprise; Philana Patterson, Audio; Amanda Wills, Video

Paul A. Gigot

Editor of the Editorial Page

Gerard Baker, Editor at Large

DOW JONES | News Corp

Robert Thomson

Chief Executive Officer, News Corp

Almar Latour

Chief Executive Officer and Publisher

DOW JONES MANAGEMENT:

Mae M. Cheng, EVP, General Manager,

Leadership; David Cho, Barron's Editor in Chief;

Jason P. Conti, General Counsel, Chief

Compliance Officer; Diana DeSevo, Chief People

Off

WORLD NEWS

North Korean Diary Shows Ukraine Horror

Dead soldier wrote of grisly tactics on battlefield that leave green troops exposed

The crude stick-figure diagram, sketched in blue ink, details how North Korean soldiers deployed to support

By Dasl Yoon in Seoul and Jane Lytvynenko in Kyiv, Ukraine

Russia in the Ukraine war should respond to the approach of a Ukrainian drone. One soldier—referred to as “bait” in the drawing—should stand still to lure the drone so that a pair of comrades can attempt to shoot it down.

The grisly tactics were divulged in a diary taken off a slain North Korean soldier on Dec. 21, with passages containing mundane details of life at the front, descriptions of combat tactics and expressions of love for North Korean leader Kim Jong Un, according to excerpts recently made public by Ukraine's special-operations forces. Independent experts say the diary entries appear genuine, with penmanship, word choice and expressions of ideological fervor all common in North Korea.

The young soldier who penned the passage about the drone died in a firefight alongside two other compatriots, Ukraine's special forces said.

“Even at the cost of my life, I will carry out the Supreme Commander's orders without hesitation,” one entry from the diary reads. “I will show the world the bravery and sacrifice of Kim Jong Un's special forces.”

The roughly 12,000 North Korean soldiers who arrived in Russia's Kursk region in Octo-



SERGEI KOROVAYEV FOR WSJ

An American-provided Bradley Fighting Vehicle used by the Ukrainian military sits near the Russian border in Sumy region.

ber were kept from the front lines for months, digging trenches and offering logistical support. Now they have been deployed into combat—and are being killed at a high rate.

Neither Moscow nor Pyongyang has publicly confirmed the presence of North Korean soldiers in Russia, which came months after the countries signed a mutual defense pact in Pyongyang. Neither government responded to requests for comment.

Russia has deployed its own soldiers with little regard for their lives, Kyiv and Washington officials said, as well as Ukrainian troops and captured Russian soldiers.

In their first weeks of combat, the North Korean soldiers

have been deployed recklessly, according to Ukrainian special-forces drone footage and military experts. They cut across open fields on foot and without armored vehicles or artillery backup, their dark camouflage uniforms highly visible against the white snow. Their training and integration with Russian forces look inadequate.

Many North Koreans are refusing to be captured, opting to kill themselves first or being finished off by their own side when injured, Ukrainian officials said.

Some 4,000 North Koreans have died or been injured since December, Ukrainian President Volodymyr Zelensky said on Thursday. U.S. officials say more than 1,000 North Ko-

reans died in the last week of December alone.

The heavy North Korean losses come in Kursk, a region in southern Russia on the border with Ukraine. Kursk has been hotly contested ever since Ukraine seized roughly 100 Russian towns and villages there last summer. As the only Russian territory under Ukrainian control, Kursk is seen as a potential bargaining chip in any talks that would halt fighting.

The early glimpses of the North Koreans in action depict them under duress, frightened or confused, according to a video compilation released by Ukraine's military and verified by Storyful, which is owned by News Corp, the parent company

of The Wall Street Journal.

In the compilation, clusters of North Korean troops cower in place or try to outrun Ukrainian drones chasing them. They often lack any cover as they run across fields between trenches.

Zelensky has suggested that tens of thousands of North Korean soldiers could eventually be deployed to Russia. South Korea's spy agency in December said it had spotted indications of a second deployment in the works.

The author of the diary is named Jong Kyong Hong, according to the passport Ukrainian officials found. He and two fellow troops were killed in a shootout on Dec. 21 with Ukraine's special-operations

forces near the village of Pogrebki in the southwest tip of Kursk.

The Korean-language handwriting in the diary is “distinctly North Korean,” down to different spellings for Russia than in the South, said Ryu Seong-hyeon, a former North Korean soldier who defected in 2019.

On Dec. 9, Jong jotted down a celebration of a friend's birthday, whom he called “my closest comrade.” He wrote that he longed for his homeland, having “left the warm embrace of my dear father and mother.”

In the description of the drone tactics—which was undated—Jong wrote that the soldier acting as a lure should maintain a distance of about 23 feet from the drone. Soldiers under artillery fire should run toward a previously hit location, since the odds of the same spot getting hit twice is minimal.

In a different entry, Jong had penned the words from a speech Kim gave to battalion commanders last November in Pyongyang.

Soldiers like Jong are required to memorize Kim's speeches word by word. The diary passage quotes Kim's goal for the North Korean army of “engaging in battle immediately” after receiving an order.

Based on the wording found in the North Korean state media report of Kim's speech, it appears that Jong had it memorized verbatim.

—Soobin Kim contributed to this article.

Watch a Video

Scan this code to watch a video of North Korean troops in Kursk.

Iran Races to Sell Oil Stored in China

Iran has shipped nearly three million barrels of oil from a storage site in China, people familiar with the matter said, in a bid to raise funds

By Laurence Norman, Bojan Pancevski and Costas Paris

that could be used to shore up Tehran's allied militia groups in the Middle East.

The oil is from a stockpile of at least 25 million barrels that Iran sent to China in late 2018, when it feared the imposition of new sanctions by the first Trump administration would prevent the country from exporting oil, those people said.

China gave its approval for the drawdown and shipments in December following talks in late November and December with Iranian officials, the people said. It isn't the first time Iran has sought to draw down and sell the oil, the people said, but Beijing hadn't previously given approval.

A Chinese Foreign Ministry spokesperson said the ministry wasn't aware of the situation but said Beijing cooperates with all countries, including Iran, within the bounds of international law. China has opposed the U.S. “abuse of illegal and unreasonable unilateral sanctions,” the spokesperson

said.

Iran's United Nations mission in New York declined to comment. The U.S. State Department didn't respond to a request for comment.

The additional oil revenue comes at a crucial time for Iran, as it tries to support its allied militias in the region, including Hamas and Hezbollah, which have been battered in conflicts with Israel. The fall of

the Assad regime in Syria came as another blow, choking off the land route Iran used to supply Hezbollah with cash and weapons. Iran, meanwhile, is facing high inflation and sluggish growth.

China's decision to allow Iran to ship the oil could stoke tensions with Washington, as President-elect Donald Trump prepares to take office. In his first term, Trump moved aggressively to curtail Iranian oil sales.

Trump's transition team has said he would return to his maximum-pressure campaign once he takes office Jan. 20. China, as the largest buyer of Iranian oil, could be critical to

Tehran hopes to use the revenue to bolster its allied Mideast militias.

Madestar might have to decide what he wants to give priority to in his relationship with Beijing, given his demands on trade and other issues.

The oil Iran stored in China in 2018 has been at two ports—in Dalian, east of Beijing, and Zhoushan, south of Shanghai, the people said. Two vessels—the Madestar and CH

Billion—recently set sail for

Dalian, the people said.

Madestar left the Dalian port in early January loaded with two million barrels of oil, and the CH Billion is believed to be still docked there, set to be loaded with 700,000

barrels, they said.

Madestar stopped transmitting its location and planned route under the AIS international signal system for three days in early January while it was in the waters off Dalian, the people said. During that time, it traveled to the port, they said. It then headed to waters off South Korea to transfer the oil to another ship, they said. CH Billion only transmitted its location data for a brief period on Jan. 6.

China's decision to allow Iran to ship the oil could stoke tensions with Washington, as President-elect Donald Trump prepares to take office. In his first term, Trump moved aggressively to curtail Iranian oil sales.

Trump's transition team has said he would return to his maximum-pressure campaign once he takes office Jan. 20. China, as the largest buyer of Iranian oil, could be critical to

China's decision to allow Iran to ship the oil could stoke tensions with Washington, as President-elect Donald Trump prepares to take office. In his first term, Trump moved aggressively to curtail Iranian oil sales.

Trump's transition team has said he would return to his maximum-pressure campaign once he takes office Jan. 20. China, as the largest buyer of Iranian oil, could be critical to

China's decision to allow Iran to ship the oil could stoke tensions with Washington, as President-elect Donald Trump prepares to take office. In his first term, Trump moved aggressively to curtail Iranian oil sales.

Trump's transition team has said he would return to his maximum-pressure campaign once he takes office Jan. 20. China, as the largest buyer of Iranian oil, could be critical to

China's decision to allow Iran to ship the oil could stoke tensions with Washington, as President-elect Donald Trump prepares to take office. In his first term, Trump moved aggressively to curtail Iranian oil sales.

Trump's transition team has said he would return to his maximum-pressure campaign once he takes office Jan. 20. China, as the largest buyer of Iranian oil, could be critical to

China's decision to allow Iran to ship the oil could stoke tensions with Washington, as President-elect Donald Trump prepares to take office. In his first term, Trump moved aggressively to curtail Iranian oil sales.

Trump's transition team has said he would return to his maximum-pressure campaign once he takes office Jan. 20. China, as the largest buyer of Iranian oil, could be critical to

China's decision to allow Iran to ship the oil could stoke tensions with Washington, as President-elect Donald Trump prepares to take office. In his first term, Trump moved aggressively to curtail Iranian oil sales.

Trump's transition team has said he would return to his maximum-pressure campaign once he takes office Jan. 20. China, as the largest buyer of Iranian oil, could be critical to

China's decision to allow Iran to ship the oil could stoke tensions with Washington, as President-elect Donald Trump prepares to take office. In his first term, Trump moved aggressively to curtail Iranian oil sales.

Trump's transition team has said he would return to his maximum-pressure campaign once he takes office Jan. 20. China, as the largest buyer of Iranian oil, could be critical to

China's decision to allow Iran to ship the oil could stoke tensions with Washington, as President-elect Donald Trump prepares to take office. In his first term, Trump moved aggressively to curtail Iranian oil sales.

Trump's transition team has said he would return to his maximum-pressure campaign once he takes office Jan. 20. China, as the largest buyer of Iranian oil, could be critical to

China's decision to allow Iran to ship the oil could stoke tensions with Washington, as President-elect Donald Trump prepares to take office. In his first term, Trump moved aggressively to curtail Iranian oil sales.

Trump's transition team has said he would return to his maximum-pressure campaign once he takes office Jan. 20. China, as the largest buyer of Iranian oil, could be critical to

China's decision to allow Iran to ship the oil could stoke tensions with Washington, as President-elect Donald Trump prepares to take office. In his first term, Trump moved aggressively to curtail Iranian oil sales.

Trump's transition team has said he would return to his maximum-pressure campaign once he takes office Jan. 20. China, as the largest buyer of Iranian oil, could be critical to

China's decision to allow Iran to ship the oil could stoke tensions with Washington, as President-elect Donald Trump prepares to take office. In his first term, Trump moved aggressively to curtail Iranian oil sales.

Trump's transition team has said he would return to his maximum-pressure campaign once he takes office Jan. 20. China, as the largest buyer of Iranian oil, could be critical to

China's decision to allow Iran to ship the oil could stoke tensions with Washington, as President-elect Donald Trump prepares to take office. In his first term, Trump moved aggressively to curtail Iranian oil sales.

Trump's transition team has said he would return to his maximum-pressure campaign once he takes office Jan. 20. China, as the largest buyer of Iranian oil, could be critical to

China's decision to allow Iran to ship the oil could stoke tensions with Washington, as President-elect Donald Trump prepares to take office. In his first term, Trump moved aggressively to curtail Iranian oil sales.

Trump's transition team has said he would return to his maximum-pressure campaign once he takes office Jan. 20. China, as the largest buyer of Iranian oil, could be critical to

China's decision to allow Iran to ship the oil could stoke tensions with Washington, as President-elect Donald Trump prepares to take office. In his first term, Trump moved aggressively to curtail Iranian oil sales.

Trump's transition team has said he would return to his maximum-pressure campaign once he takes office Jan. 20. China, as the largest buyer of Iranian oil, could be critical to

China's decision to allow Iran to ship the oil could stoke tensions with Washington, as President-elect Donald Trump prepares to take office. In his first term, Trump moved aggressively to curtail Iranian oil sales.

Trump's transition team has said he would return to his maximum-pressure campaign once he takes office Jan. 20. China, as the largest buyer of Iranian oil, could be critical to

China's decision to allow Iran to ship the oil could stoke tensions with Washington, as President-elect Donald Trump prepares to take office. In his first term, Trump moved aggressively to curtail Iranian oil sales.

Trump's transition team has said he would return to his maximum-pressure campaign once he takes office Jan. 20. China, as the largest buyer of Iranian oil, could be critical to

China's decision to allow Iran to ship the oil could stoke tensions with Washington, as President-elect Donald Trump prepares to take office. In his first term, Trump moved aggressively to curtail Iranian oil sales.

Trump's transition team has said he would return to his maximum-pressure campaign once he takes office Jan. 20. China, as the largest buyer of Iranian oil, could be critical to

China's decision to allow Iran to ship the oil could stoke tensions with Washington, as President-elect Donald Trump prepares to take office. In his first term, Trump moved aggressively to curtail Iranian oil sales.

Trump's transition team has said he would return to his maximum-pressure campaign once he takes office Jan. 20. China, as the largest buyer of Iranian oil, could be critical to

China's decision to allow Iran to ship the oil could stoke tensions with Washington, as President-elect Donald Trump prepares to take office. In his first term, Trump moved aggressively to curtail Iranian oil sales.

Trump's transition team has said he would return to his maximum-pressure campaign once he takes office Jan. 20. China, as the largest buyer of Iranian oil, could be critical to

China's decision to allow Iran to ship the oil could stoke tensions with Washington, as President-elect Donald Trump prepares to take office. In his first term, Trump moved aggressively to curtail Iranian oil sales.

Trump's transition team has said he would return to his maximum-pressure campaign once he takes office Jan. 20. China, as the largest buyer of Iranian oil, could be critical to

China's decision to allow Iran to ship the oil could stoke tensions with Washington, as President-elect Donald Trump prepares to take office. In his first term, Trump moved aggressively to curtail Iranian oil sales.

Trump's transition team has said he would return to his maximum-pressure campaign once he takes office Jan. 20. China, as the largest buyer of Iranian oil, could be critical to

China's decision to allow Iran to ship the oil could stoke tensions with Washington, as President-elect Donald Trump prepares to take office. In his first term, Trump moved aggressively to curtail Iranian oil sales.

Trump's transition team has said he would return to his maximum-pressure campaign once he takes office Jan. 20. China, as the largest buyer of Iranian oil, could be critical to

China's decision to allow Iran to ship the oil could stoke tensions with Washington, as President-elect Donald Trump prepares to take office. In his first term, Trump moved aggressively to curtail Iranian oil sales.

Trump's transition team has said he would return to his maximum-pressure campaign once he takes office Jan. 20. China, as the largest buyer of Iranian oil, could be critical to

China's decision to allow Iran to ship the oil could stoke tensions with Washington, as President-elect Donald Trump prepares to take office. In his first term, Trump moved aggressively to curtail Iranian oil sales.

Trump's transition team has said he would return to his maximum-pressure campaign once he takes office Jan. 20. China, as the largest buyer of Iranian oil, could be critical to

China's decision to allow Iran to ship the oil could stoke tensions with Washington, as President-elect Donald Trump prepares to take office. In his first term, Trump moved aggressively to curtail Iranian oil sales.

Trump's transition team has said he would return to his maximum-pressure campaign once he takes office Jan. 20. China, as the largest buyer of Iranian oil, could be critical to

China's decision to allow Iran to ship the oil could stoke tensions with Washington, as President-elect Donald Trump prepares to take office. In his first term, Trump moved aggressively to curtail Iranian oil sales.

Trump's transition team has said he would return to his maximum-pressure campaign once he takes office Jan. 20. China, as the largest buyer of Iranian oil, could be critical to

China's decision to allow Iran to ship the oil could stoke tensions with Washington, as President-elect Donald Trump prepares to take office. In his first term, Trump moved aggressively to curtail Iranian oil sales.

BUSINESS & FINANCE

© 2025 Dow Jones & Company. All Rights Reserved.

Last Week: S&P 5827.04 ▼1.94% S&P FIN ▼2.71% S&P IT ▼3.10% DJ TRANS ▼0.52% WSJ\$IDX ▲0.60% 2-YR. TREAS. yield 4.394% NIKKEI 39190.40 ▼1.77%

Monday, January 13, 2025 | B1

[See more at WSJ.com/Markets](#)

Investors Bet Profits Will Revive Rally

With Fed unlikely to cut rates as quickly as hoped, earnings are even more critical

By KRISTAL HUR

The postelection stock rally has sputtered. Investors are looking to the coming earnings season to revive it.

The Dow Jones Industrial Average has given up all of its gains since the presidential election, down 0.7% from Nov. 5. The Russell 2000 index of smaller stocks, thought to be one of the biggest potential beneficiaries of a second Donald Trump presidency, has fallen 10% from its recent high in late November.

A spate of hotter-than-expected economic data, including Friday's blockbuster jobs report, has spurred growing doubts about whether the

Federal Reserve will cut interest rates this year. Government-bond yields soared in response, putting pressure on stocks.

The central bank began bringing down interest rates from a two-decade high last fall but signaled a more cautious approach going forward.

Rate cuts tend to be a tailwind for stock prices because they stimulate economic growth and reduce the appeal of bonds.

Stocks won't be able to maintain their torrid rise of the past two years and are likely to face greater pressure ahead if yields keep rising, analysts warn.

The Dow industrials and the S&P 500 are down about 1% in the early days of 2025, while the yield on the benchmark 10-year Treasury note settled Friday at 4.772%, its highest mark since November 2023.

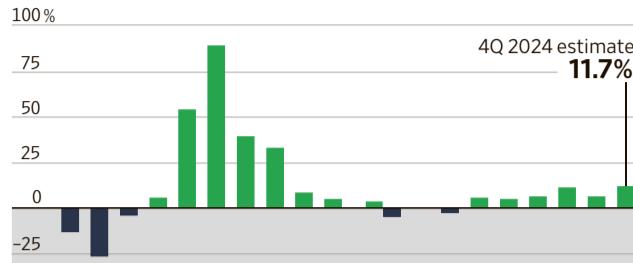
With the Fed unlikely to cut rates as quickly as investors hoped, analysts say corporate earnings growth—historically one of the biggest drivers of stock gains—becomes even more critical to keeping the market afloat.

"This fourth-quarter earnings season is probably one of the most consequential earnings seasons that we're going to see in a long time," said Larry Adam, chief investment officer at Raymond James.

Investors will parse results from big banks including JPMorgan Chase, Wells Fargo and Citigroup in the coming days, along with those of BlackRock, the world's largest asset manager. Fresh consumer inflation numbers are on tap Wednesday.

Analysts expect companies in the S&P 500 to report a roughly 12% jump in profits from the prior year, according to FactSet. That would mark

S&P 500 quarterly earnings, change from a year earlier



4Q 2024 estimate 11.7%

S&P 500 price/earnings, next 12 months*



*Through Wednesday

Source: FactSet

the biggest year-over-year gain since the fourth quarter of 2021, but is down from the 14.5% growth analysts had expected in late September.

Just as important for investors, the coming earnings season, the first since Trump's

electoral win, puts corporate leaders in the hot seat to explain how they plan to navigate the president-elect's populist agenda.

Some worry that Trump's proposed tariffs could raise

Please turn to page B6

Mets Owner Cohen Tops Rivals Off Field

By PETER RUDEGEAIR

Steve Cohen's New York Mets lost to a playoff rival to end their 2024 baseball season. The billionaire's hedge fund, meanwhile, topped the competition.

Cohen's **Point72 Asset Management** generated a return in 2024 of about 19% in its flagship fund, according to people familiar with the matter. It outperformed funds from **Citadel, Millennium Management** and other peers as well as indexes tracking the broader hedge-fund industry. In 2023, Point72 gained 10.6%.

That run left Point72 with one of Wall Street's good problems: having too much investor cash to deploy. The firm has told clients it would hand back to them between about \$3 billion to \$5 billion in profit in early 2025, the people familiar with the matter said.

It managed \$35 billion in assets in mid-2024.

Investors were satisfied enough with recent returns to approve an increase in fees. Rather than charge a fixed management fee, firms like Point72 pass on some or all of the costs of running their funds to investors, an amount that can vary year to year.

Going forward, Point72 clients will foot the bill for certain costs that Cohen previously covered, the people familiar with the matter said. The change will likely boost the expenses investors bear by a few tenths of a percentage point of fund assets.

At the top of today's hedge-fund hierarchy are large multimanager firms like Point72, Citadel and Millennium that divvy up money across scores of specialized teams and constrain risk-taking to produce more dependable returns. They have also come to account for a disproportionate share of hedge-fund jobs, and their trading has an outsize footprint in the stock market.

Citadel's main fund gained 15.1% in 2024, people familiar with the matter said. Millennium gained 15% and **Balyasny Asset Management**, another big multimanager firm, gained 13.6%, the people said. A composite hedge-fund index from PivotalPath was up 10.8% for the year, while the total return of the S&P 500 index was 25%.

Many pension plans, foundations and other hedge-fund investors prefer the steadier performance of multimanager firms to boom-or-bust hedge funds where home-run years can be followed by strikeouts. Cohen, worth about \$21 billion according to Forbes, has plowed much of his hedge-fund fortune into the Mets. He purchased the team

Please turn to page B2

Skechers' Focus on Casual Shoes Pays Off

By INTI PACHECO

The National Basketball Association's 2023 most valuable player and last season's top European goal scorer aren't Nike or Adidas athletes. When playing, they wear what Martha Stewart wears: Skechers.

The shoe company—known for its hands-free slip-in styles—has grabbed the attention of enough people to become the third-largest footwear company in the world by sales.

It is on track to net \$10 billion in revenue by 2026, without achieving the coolness status that can juice demand for a brand.

Skechers did it by capturing parts of the market that are largely neglected by its competitors.

Nike has superstars. Hoka has tapped into hardcore runners. Tech bros are willing to pay up for On shoes. Skechers thrives on retirees looking for comfortable kicks and families looking for something more affordable for their children.

"It's almost the complete opposite of what the bigger brands do," John Vandemore, Skechers finance chief, said. "We're just a different player."

Skechers isn't flashy. Executives say they are in the "foot covering" business, and they work to make those coverings comfy and cheap.

Its children's styles cost around \$50, and the brand doesn't sell the limited releases that can fetch hundreds of dollars. It does, however, make \$115 pickleball shoes with Goodyear rubber.

The company gets about two-thirds of its sales outside the U.S.

Instead of opening its own stores, Skechers sometimes works with a franchise system and will wait years before investing on its own operations



Over the past five years, Skechers' share price has nearly doubled, while shares of Nike and Adidas have declined over 25%.

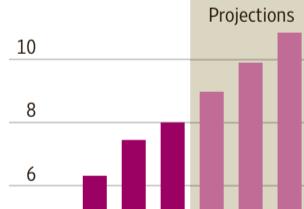
overseas. Skechers executives say they are bigger than Nike in India.

"People try to pigeonhole us into the Nike model or the Adi model, and it just doesn't work," Vandemore said. "It doesn't mean that our model isn't successful."

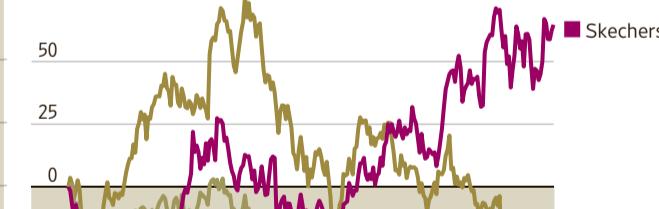
Skechers has also started making soccer cleats and basketball sneakers, and it has scored some superstar endorsers. It added Bayern Munich striker Harry Kane to its roster in 2023, then signed a deal with Philadelphia 76ers star Joel Embiid last year.

"You get them because the

Skechers annual revenue



Share-price performance, past five years



Sources: S&P Capital IQ (revenue); FactSet (share performance)

Constellation Energy Is a Hot Stock Again

By JENNIFER HILLER

Three years ago, **Constellation Energy** was spun out of the utility **Exelon**, hived off as an unwanted company running nuclear-power plants that might close.

Last week, Constellation's stock hit a record, and it signed one of the power industry's largest acquisitions.

Constellation, the country's biggest producer of nuclear power, agreed to buy the private-equity-owned **Calpine**, a major generator of natural-gas-fired and geothermal power for \$16.4 billion, plus debt. Shares rose 25% on Friday. The stock was the second-best performer in the S&P 500 that day.

It is part of a remarkable turnaround for Constellation, Calpine and other power producers, which have emerged from years of ho-hum electricity demand as the newly popular kids. Constellation's stock has risen roughly 575% since the spinout.

The industry's glow is due in large part to the boom in demand for electricity-hungry artificial-intelligence computing. That trend has sent the wealthy tech sector on a desperate hunt for city-sized amounts of power for new data centers.

Technology companies have preferred wind, solar or nuclear power because they avoid

INSIDE



BUSINESS NEWS

JPMorgan Chase disables comments on return-to-office announcement. B3

APPAREL

Clothing manufacturers target 'forever chemicals' amid state bans. B6

A Bond Selloff Is Rocking Governments and Wall Street

By JON SINDREU

Wall Street is really worried about bonds. It might be time to buy some.

On Friday, a jobs report that blew past expectations pushed

yields on 10-year Treasurys to 4.772%, the highest close since Nov. 1, 2023, and those on 30-year paper to 4.962%.

What is spooking markets, however, is that much of the recent rise in yields doesn't appear to reflect expectations of stronger economic growth. Rather, it might be the result of investors applying a higher discount or "term premium" to hold long-term bonds, estimates

by the Federal Reserve suggest. Some analysts attribute this to the possibility of Donald Trump's promised tariffs derailing the global economy and leading to a jump in inflation, while his tax cuts bloat budget deficits further.

Movements in term premiums are usually strongly correlated across the globe and the consequences are being felt more starkly in weaker economies overseas, especially in Britain. There, 30-year yields are trading around 5.4%, a 27-year high. U.K. Treasury chief Rachel Reeves, who made a pledge to appease bond markets while attempting to set out some moderate growth ambitions in her latest budget, is un-

der strong pressure.

France is also in the hot seat: The government is shackled by a parliamentary deadlock, and now has borrowing costs firmly above those of Greece.

In a further sign of trouble, the pound and the euro are falling, with the latter sliding close to parity with the U.S. dollar. The S&P 500 and the Stoxx Europe 600 ended Friday down 1.5%, and 0.8%, respectively.

But counterintuitively, bonds may prove to be the safest place amid the storm. For one, the fiscal doomsayers are probably wrong: Countries that print their own currency can't truly be pushed to default. More important, inflation-linked Treasurys

Please turn to page B9

INDEX TO BUSINESSES

These indexes cite notable references to most parent companies and businesspeople in today's edition. Articles on regional page inserts aren't cited in these indexes.

A		B5
Adidas	B1
Alphabet	B6
Amazon.com	B3,B6
American International Group	B10
Apple	B6
Arthur J. Gallagher	B6
Authentic Brands Group	B5
B		
Balyasny Asset Management	B1
BlackRock	B1
Brookfield	B5
C		
Catalyst Brands	B5
Chubb	B10
Citadel	B1
Citigroup	B1
Columbia Sportswear	B6
Conagra Brands	B3,B6
Constellation Energy	B1
D		
Costco Wholesale	B3
E		
Exelon	B1
F		
FedEx	B6
H		
Hoka	B1
J		
JCPenney	B5
JPMorgan Chase	B1,B3
L		
L.L. Bean	B6
M		
Mama's Creations	B3
Meta Platforms	B6
Microsoft	B6
Millennium Management	B1
N-O		
Nike	B1,B6
Nvidia	B6
P		
Ontrak	B5
R		
Ryan Specialty Holdings	B10
S		
Shein	B5
Simon Property Group	B5
Skechers	B1
Sparc Group	B5
T		
Tesla	B6
TP ICAP Group	B9
V		
VF	B6
W		
Wells Fargo	B1

INDEX TO PEOPLE

A		B4
Adam, Larry	B1
Ardison, Michael	B3
Aschbrook, Larry	B4
B		
Bezos, Jeff	B4
Bragdon, Peter	B6
Buccola, James	B3
Buchanan, Keith	B6
C-D		
Caviness, Joel	B10
Cohen, Steve	B1
Connolly, Sean	B6
Dimon, Jamie	B3
Drews, Paul	B4
Dwyer, Matt	B6
G-H		
Gao, Cathy	B4
Gold, Matea	B4
J-K		
Grabow, Jeffrey	B4
Greenberg, Michael	B2
Greenberg, Robert	B2
Gruber, Anthony	B3
Harper, Kevin	B5
Hirsch, Todd	B2
Holston, Rob	B3
L-M		
Jacobson, Aaron	B4
Jordaan, Hendrik	B9
Kaercher, Michael	A2
Kruckenberg, Caleb	B5
N-O		
Lee, Yuri	B4
Lewis, William	B4
Marberger, Dave	B3
McAlear, Matt	A2
Mendoza, Ryan	B4
Millerchip, Gary	B3
Miran, Stephen	A2
P-R		
Pospisil, Troy	B5
Reade, Anna	B6
Richter, Greg	B3
Rosen, Marc	B5
Ryan, Patrick	B10
S-T		
Sauvage, Nicolas	B4
Sequeira, Neil	B4
Slonieski, John	B3
Solarz-Patel, Milan	B5
Telnæs, Ann	B4
Thalberg, Marisa	B5
V-Y		
Vandemore, John	B1
Weinberg, David	B2
Wilmot, Scott	B2
Wu, Simon	B4
Yun, Claire	B4

'Den of Thieves 2' Opens at No. 1



The sequel to the action-heist hit earned \$15.5 million.

Estimated Box-Office Figures, Through Sunday

Sales, In Millions

Film	Distributor	Weekend*	Cumulative	% Change
1. <i>Den of Thieves 2: Pantera</i>	Lionsgate	\$15.5	\$15.5	—
2. <i>Mufasa: The Lion King</i>	Disney	\$13.2	\$188.8	-44
3. <i>Sonic The Hedgehog 3</i>	Paramount	\$11.0	\$204.5	-48
4. <i>Nosferatu</i>	Focus Features	\$6.8	\$81.8	-48
5. <i>Moana 2</i>	Disney	\$6.5	\$434.9	-48

*Friday, Saturday and Sunday in North American theaters

Source: Comscore

Cohen Tops Hedge-Fund Competitors

Continued from page B1 for about \$2.5 billion in 2020 and spared no expense to upgrade its roster to compete for a World Series title. Once a publicity-shy figure, Cohen now shares his thoughts on the team and messages with fans on the social-media platform X, where he has nearly 300,000 followers. Many affectionately call him "Uncle Steve."

After the Mets lost to the Los Angeles Dodgers in last year's playoffs, Cohen signed superstar outfielder Juan Soto to a 15-year, \$765 million contract. It was the richest deal for a player in sports history.

A few months ago, Cohen decided to stop trading his own portfolio to focus on run-

ning and building out Point72. He recently hired a former Blackstone executive, Todd Hirsch, to lead an expansion into private credit, among the fastest-growing corners of Wall Street.

Point72 also launched a stand-alone stock picking fund in October dedicated to artificial-intelligence companies that Cohen planned to stake with \$150 million of his own money, according to an investor presentation reviewed by The Wall Street Journal. The fund, called Turion after AI theorist Alan Turing, will hold stocks for longer and be more exposed to market swings than Point72's main fund. Turion gained about 14% in the final three months of 2024.

Multimanager firms are so flush with capital that finding opportunities to put that money to work has become more challenging. Millennium and others are allocating billions of dollars to outside hedge funds, while Citadel in prior years also decided to hand back billions to clients.



Steve Cohen, owner of the New York Mets and hedge fund Point72.

Skechers Bets on Casual

Continued from page B1 marketplace didn't take care of them," said Skechers Chief Operating Officer David Weinberg.

The company reported sales of \$8 billion in 2023, up from \$1.8 billion about a decade ago. Investors have taken notice. Over the past five years, Skechers' share price has nearly doubled, while shares of Nike and Adidas have declined more than 25%.

Entering the race

Skechers has been run by its founder, Robert Greenberg, for three decades. The 84-year-old chief executive operates the business from its Manhattan Beach, Calif., offices with his son Michael Greenberg as president.

The father-son team doesn't participate in quarterly earnings calls, and the CEO hasn't done a major media appearance in about a decade. In 1989, Robert Greenberg sued American Airlines after the company published a photo of him in an in-flight magazine, saying he agreed to be interviewed on the condition that no photographs of him were published.

Skechers didn't make the Greenbergs available for this article.

The entrepreneur moved to California in the 1970s and got his start in the footwear industry by selling E.T.-branded shoelaces. Greenberg and his son turned that business into L.A. Gear, which became a large athletic-shoe maker in the 1980s with celebrity endorsers such as Michael Jackson.

L.A. Gear ran into trouble when it entered the performance market, sponsoring such athletes as Wayne

BUSINESS & FINANCE



The athletic-shoe company is on track to net \$10 billion in revenue by 2026

LAINA APISUKH FOR WSJ

Filling holes

Skechers shifted in recent years into the performance arena to fill what its leaders see as openings left by Nike and others.

The business got a boost from Nike's decision during the pandemic to exit from many retailers that catered to lower-income consumers and focus on selling directly to consumers.

Nike also cut back on styles that sold for less than \$100.

In late 2023, Nike sued Skechers, claiming its rival was infringing Nike's patents for its Flyknit technology for seamless shoes.

Skechers responded that the lawsuit was baseless and an example of Nike using its financial resources to stifle competition. The case is pending.

Skechers executives said they are still more interested in creating comfy shoes than

signing the most expensive athletes. On its website, the company dedicates a section to showcase its comfort technologies.

Maria Afsharian is a convert. The Montclair, N.J., real-estate agent wore only sandals and had given up on sneakers because she couldn't find ones that wouldn't hurt her heels. Last year, her chiropractor recommended Skechers.

"I don't even think about my feet anymore," Afsharian said. The 59-year-old said the Skechers Go Walk shoes have made her more active, and she doesn't get blisters anymore. "Since I have these, I'm unstoppable," she said.

Skechers does work with designers, street artists and celebrities, but executives said they don't rely on projects that are limited releases because they don't think limited releases generate the same hype and awareness as they do for other brands.

"That's not really our consumer," said Vandemore, the finance chief. "That's not what somebody's looking for us to do."



Constellation and Microsoft plan to restart the undamaged reactor at the Three Mile Island plant in Pennsylvania.

Constellation Energy Is Hot Again

Continued from page B1 carbon emissions. But in practical terms, power demand is rising so quickly that companies can't be picky.

For now, sustainability commitments are taking a back seat to tech companies' desire to rapidly build data centers, according to analysts.

The deal for Calpine and its fleet of natural-gas plants is a shift for Constellation, which investors have viewed as a bet on nuclear power's future in the U.S. Constellation Chief Executive Joe Dominguez says tech companies and others are running out of carbon-free power options. "They're going to have to use some natural gas, and we want to be able to participate in that," he said.

Nuclear renaissance

In 2022, Exelon was among several utilities selling competitive generation businesses. Constellation's pitch to investors and lawmakers was that the country would increasingly need nuclear's reliable and carbon-free generation.

While nuclear plants provide a reliable backbone to electric grids across the country, many had folded under competitive pressures from natural gas and renewables. Several states had stepped in with tax credits or other forms of support to halt closures.

Within weeks of the spinout, Russia invaded Ukraine, which sent natural-gas prices higher and prompted a rethink of global energy security, including the value of nuclear plants.

In August 2022, federal tax credits for nuclear power were approved under the Inflation Reduction Act, giving generators like Constellation a price floor to ensure that plants could stay open. Constellation has since notched improvements to its credit rating, too, which was earlier considered almost speculative.

Last September, Constellation and Microsoft signed a high-profile deal to restart the undamaged reactor at the Three Mile Island nuclear plant in Pennsylvania, the site of the nation's biggest civilian power accident. Constellation also plans license extensions at existing plants and "upratings" to produce more nuclear power at existing reactors.

There are a limited number of such projects, though, and building new nuclear plants will be costly and time-consuming. Small modular reactors, which developers say

Natural-gas needs

When private-equity firm Energy Capital Partners and a group of co-investors agreed to take Calpine private in 2017, Tyler Reeder, president and managing partner of ECP, said the purchase was "a little bit contrarian."

"New nuclear is a good bit away in our estimation," Dominguez said. "We believe gas is going to be part of the solution set for businesses for at least the next couple of decades and quite honestly probably more. We've understood that for a while, and so we don't think of this as a pivot."

"Given the increased political and overall attention on power demand, we would expect a protracted process and likely opposition from stakeholders, including regulated utilities," analysts at

BUSINESS NEWS

JPMorgan Stops Remarks on Office Policy

The bank's return-to-office post on an internal website drew employee ire

By ALEXANDER SAEEDY

JPMorgan Chase shut down comments on an internal webpage announcing the bank's return-to-office policy after dozens of them criticized the move and at least one suggested that affected employees should unionize, according to people familiar with the matter.

The bank's senior executives announced in an internal memo Friday that JPMorgan Chase would require all of its roughly 300,000 employees to work full-time from the office starting in March, with only a limited number of exceptions.

More than half of the bank's full-time workers, including senior managers and those with client-facing roles such as branch workers, have already been working full time from offices. The move primarily impacts back-office roles such as call-center workers who had still been able to work remotely two days a week.

After the bank announced the policy change, it posted it to an internal company website where it often shares



The bank said in a memo Friday that its employees would need to work full time from the office starting in March.

news. Employees are able to post comments that include their first and last names.

Many employees shared concerns such as increased commuting costs, child-care challenges and the impact on

work-life balance. One person suggested they should consider unionizing to fight for a hybrid work schedule, the people familiar with the matter said.

Soon after, the bank dis-

abled comments on the article. The original article is still up and some of the comments remain visible, the people said.

Some employees spoke out on social-media sites against

the bank's planned return-to-office policy after news broke of it earlier in the week.

"The ability to work from home makes it significantly easier with babies at home," said one employee on

LinkedIn, who has since deleted his comment. "Taking that away will make it much more stressful to perform parental duties."

The bank's executives said when announcing the move that affected employees would receive a 30-day notice before they are expected to return to the office full time.

They also said there will be a limited number of teams that can work remotely or on a hybrid basis if their "work can be easily and clearly measured."

"We know that some of you prefer a hybrid schedule and respectfully understand that not everyone will agree with this decision," the memo states. "We feel that now is the right time to solidify our full-time in-office approach. We think it is the best way to run the company."

Last year, JPMorgan CEO Jamie Dimon told The Wall Street Journal that he thought employees should be back in the office five days a week, but he said, "There are some jobs where taking a day or two at home is fine."

Other companies, including **Amazon.com**, are calling employees back to the office five days a week after years of more flexible policies following the pandemic. Some have speculated that such mandates are used to thin out ranks.

Medalist Seeks \$750 Million For New Fund

By ISAAC TAYLOR

Medalist Partners aims to raise \$750 million for its fourth private-credit fund focused on asset-based lending, according to people familiar with the matter.

The fund will probably have its initial close during the current quarter and a final close near the end of this year, according to a person with knowledge of the fund.

If the firm reaches its goal, the total capital collected will exceed the fund's predecessor by 25%.

Medalist closed its third asset-based fund in June 2023 with \$600 million.

New York-based Medalist's managers expect to capitalize on the retreat of traditional banks from asset-backed lending, said one of the people familiar with the matter. The fund's areas of focus will include investing in specialty, commercial and residential real estate.

Medalist plans to focus on smaller deals and opportunities with fewer rivals where it can obtain more attractive terms including on pricing, according to documents shared with investors.

The firm's strategy is designed partly to mitigate recent concerns among credit-fund investors that firms face too much competition for too few deals, and that too much money is being raised for investments in traditional market segments such as direct lending to middle-market businesses.

Popular strategies like financing equipment, aircraft and lawsuits are also areas of interest for the firm under its strategy for the new private-credit fund.

Medalist's investment interests include financing property development.

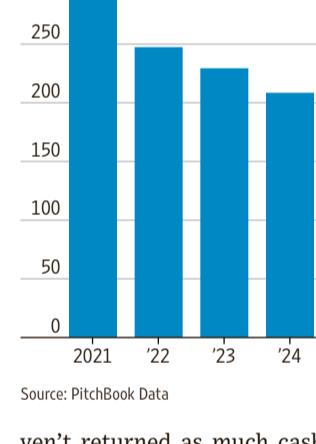
The firm expects to back building-site preparation services providers, which ready open lots for residential construction. These loans are usually short-term, two-year commitments.

Medalist typically works with developers operating in the southeastern U.S., as they see more demand in this region than elsewhere.

Although global private-credit fundraising has declined for three consecutive years, according to research from PitchBook Data, institutional investors have expressed increased interest in backing nonbank lending.

Private-equity and venture-capital strategies generally ha-

Capital raised by global private-credit funds



Food Sellers Push to Raise Sales Volume

By JENNIFER WILLIAMS

After years of raising prices, food companies making everything from cookies to snacks and frozen meals say they need to sell more products to post a profit.

Price increases have been good for profits, but executives at packaged-food-and-snack companies see sustained volume growth as the way forward, so they are flooding store aisles with new takes on familiar products. Executives also are shelling out on marketing and scooping up brand names to entice inflation-wary consumers.

"If you're [growing] through price increases, you're usually just keeping up with your competition," said Anthony Gruber, chief financial officer at **Mama's Creations**. "You're not gaining any more product out on the shelves, and you're not gaining more consumers."

The fresh-deli-prepared-food maker's growth primarily comes from volume, which drove around 90% of sales in the three months ended Oct. 31.

Volume growth is even more critical when consumers are stretched, executives say. Discussions about brand, price and package size that historically took place once or twice a year now come up monthly to help adjust based on a product's performance, said Rob Holston, head of the global and Americas consumer products sector group at EY.

Executives also are rethinking how long they should keep some products on store shelves, hoping limited runs of six to eight months spark excitement and sell more product, Holston said.

Costco Wholesale is always focused on volume and holding prices down, said Gary Millerchip, the warehouse grocer's CFO. He pointed to price cuts last year for several of the company's own Kirkland Signature brand products: Organic



Conagra is raising Duncan Hines prices to offset a rise in expenses, but is absorbing higher costs on some other items.

peanut butter dropped 13% to \$9.99; Sauvignon Blanc declined to \$6.99 a bottle from \$7.49; and prices on frozen shrimp products fell \$1 last year.

While some items on Costco's shelves are cheaper, the wholesale giant still is holding on to a profit. After the price cut on frozen shrimp products, for instance, sales of crustacean-specific offerings grew 30%, while overall sales dollars rose 11%, Millerchip said.

"This approach lowers the amount of profit per item sold," he said. "But by growing the total amount of items sold, it can increase overall profit."

Retailers and food makers influence prices as they look to adjust to shoppers' budgets and protect profit. Packaged-food-and-snack companies measure how price changes and the number of products sold affect revenue.

The closely watched metrics also account for mix—typically added in with either price or volume, which includes where products are sold, packaging and size.

Price changes have carried more of the load in recent years. While pandemic-era inflation has slowed, some groceries have seen an uptick in prices since last fall and food costs remained near a 19-

sorbing higher costs for eggs and meat that affect products such as its frozen meals.

Conagra's price mix rose in recent years, largely because of price increases and boosted its profit. But with fewer price increases, its price mix in late 2023 slipped into negative territory for the first time since at least 2021. It has stayed negative since.

Organic net sales also were down for most of 2024 until the latest quarter ended Nov. 24, when they increased slightly because of volume improvements. Volumes also rose for the first time after at least eight consecutive quarters of declines.

Conagra executives last month said 67% of the company's brands held or gained volume share in the latest three-month period, with microwave popcorn, chili and frozen single-serve meals among the standouts.

"We're not where we want to get to in terms of volume growth on a continued basis," said Chief Financial Officer Dave Marberger. "But we broke positive, which is a really important threshold for us."



Edgewood Management LLC
takes pleasure in announcing that

JULIANNE MULHALL

has become a Partner of the firm

Edgewood Management LLC
600 Steamboat Road, Suite 103
Greenwich, CT 06830

JANUARY 2025

How New Wearable Tech Targets Brain Waves for Better Sleep

GETTY IMAGES

Scan this code to listen to a podcast from WSJ's The Future of Everything. Do you have trouble falling asleep? Now there's tech designed to help users not only nod off more quickly but improve their slumber.

BUSINESS & FINANCE

Venture Investors Make 2025 Predictions

A warming exit market and AI specialization are among trends seen

By MARC VARTABEDIAN

Venture capitalists faced a tricky crosscurrent of trends last year that required them to balance a dearth of exit opportunities with a continued investing frenzy for artificial intelligence startups.

What will venture investors face in 2025?

Venture capitalists, lawyers and analysts wrote to WSJ Pro Venture Capital with predictions for what this year will bring. The responses were both unsolicited and in response to a request for input in the WSJ Pro Venture Capital newsletter.

Broadly, venture investors and analysts voiced optimism, forecasting a rebound in initial public offerings and merger-and-acquisition activity, the primary ways they cash out of their investments. Both markets have been sluggish over much of the past two years. Startups are largely ready for public markets, investors said, after several years of focusing on business fundamentals. The consensus

is that relaxed M&A regulation and larger companies eager to incorporate AI via acquisitions will help startups looking for exits.

Respondents also predicted investment in the AI sector will flow to more-specialized enterprise applications offering a return on investment for customers.

Meanwhile, startup investors say this year they will need to adjust to policy and geopolitical shifts that will affect the tech, supply-chain and manufacturing sectors. Easing regulation could affect portfolios, many said.

Here are excerpts of responses:

Aaron Jacobson, partner at New Enterprise Associates: "With the change of administration, I expect the return of mega M&A deals. We are going to see a \$20 billion-plus M&A outcome for a leading AI company. I also expect the IPO market to reopen in 2025, especially for AI companies given public investor interest in broadening exposure to the sector."

Ryan Mendoza, a partner at Serum Ventures: "There will be continued excitement for software and hardware automation, especially AI agents and robots. While product market fit may not be



Larry Aschebrook, G Squared founder and managing partner.

achieved immediately, there will be significant momentum toward a breakout year for these technologies. Driven by pressure from the government to restore domestic production and supply chains, manufacturers will need to scale capacity quickly."

Simon Wu, partner at Cathay Innovation: "The IPO market in 2025 will likely see mixed dynamics. Many top-tier private companies may continue to avoid going public as they find sufficient demand from secondary funds willing

to provide capital at attractive valuations. However, IPO activity will surge before the third quarter of 2025 as companies rush to take advantage of a narrow window."

Larry Aschebrook, founder and managing partner of G Squared: "2025 will be the year AI focus shifts to reasoning from chatbot and text generation capabilities; by 2026, we'll see agents capable of autonomous critical decision-making become mainstream."

Neil Sequeira, managing

director at Defy: "The longer companies have stayed private allowed them to build stronger financial metrics which public market investors appreciate. The new administration has signaled that M&A reviews will be less stringent and more efficient, allowing for strong private businesses to be acquired by larger technology companies, [activity] which has been stymied the past few years."

Jeffrey Grabow, EY U.S. venture capital leader: "AI

will continue to dominate the venture-capital landscape, capturing 45% of all VC funding, up from 40% in 2024. Investments will shift from general applications to more specialized, infrastructure-driven placements. This trend reflects a more selective investment approach, with VCs moving away from high-volume funding in favor of targeted, strategic investments."

Cathy Gao, partner at Sapphire Ventures: "In 2025, I expect to see more companies moving from experimentation to actually embedding generative AI into workflows."

Yuri Lee, partner at IVP: "As AI advances enable robots to move from structured, repetitive tasks to more complex and dynamic real-world applications, we'll see rapid prog-

ress in robotic perception, manipulation, and decision-making capabilities."

Claire Yun, an investor at Piva Capital: "Generative AI will continue to accelerate and supercharge robotics; simultaneously, we will see a chokepoint in human labor as an aging domestic workforce and protectionist policies create a sharp supply and demand imbalance. The result will be a colorful Cambrian explosion of robots as they step in to fill this gap."

Nicolas Sauvage, president of TDK Ventures: "A transformative regulatory environment could do the following: Accelerate AI product launches as oversight shifts to enterprise self-regulation; reshape cybersecurity and data privacy frameworks; create new opportunities in domestic manufacturing and supply chains; impact clean-tech adoption."

Paul Drews, a managing partner at Salesforce Ventures: "The likely emphasis on government efficiency and lower regulation will spur growth, exits and investment."

John Loeffler, AP

"There is an opportunity for implementing cloud-based solutions to drive measurable ROI and increased productivity of the organizations within our government."

The Washington Post Limps Into Trump's Second Term

By ALEXANDRA BRUELL

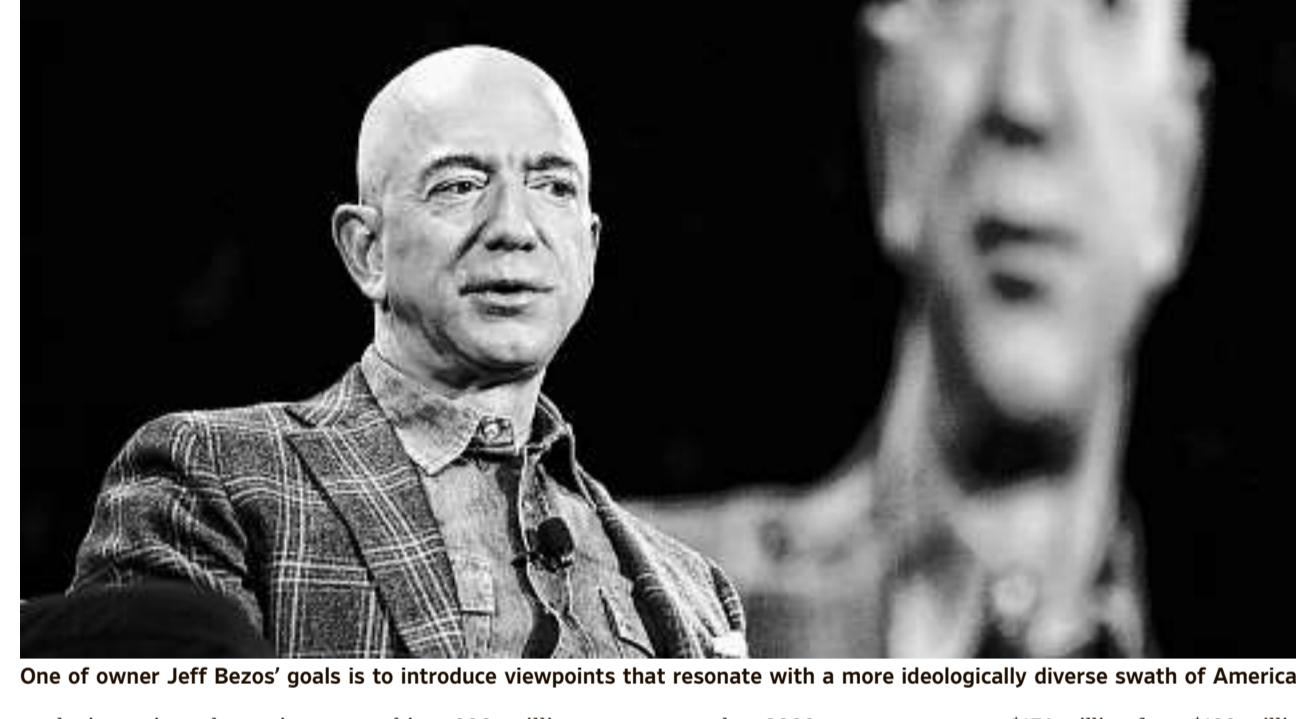
Donald Trump's return to the White House should be a moment for the Washington Post to shine. The news outlet has a rich history of hard-nosed political reporting, and its coverage of Trump's first term led to a huge jump in readership.

But as the president-elect's second term approaches, the Post is mired in financial challenges and internal drama.

Subscription and ad-revenue shortfalls are taking a toll on the business, which lost around \$100 million last year, and leaders are struggling to convince staff that they have a clear editorial vision and continuing commitment to hard-hitting journalism, according to more than a dozen people close to the newsroom. Rivals have poached many top Post journalists in recent weeks, and are in talks with others.

It is a critical moment for an institution that has prided itself on holding the powerful to account, from Watergate to the Jan. 6, 2021, insurrection. The Post, like its rivals in news publishing, is contending with a decline in public trust of traditional media and competition from new-media formats such as podcasts and social media.

Owner Jeff Bezos envisions significant changes. One of his



One of owner Jeff Bezos' goals is to introduce viewpoints that resonate with a more ideologically diverse swath of America.

goals is to introduce viewpoints that resonate with a much larger, and more ideologically diverse, swath of America, according to people familiar with the matter. "Increasingly we talk only to a certain elite," he wrote in an op-ed before the November election.

Post leadership has internally discussed a goal of

reaching 200 million users, according to staffers, though some in the newsroom say it isn't clear how that will be measured and whether the figure includes social media followers.

The Post had 54 million digital visitors in November 2024, according to media-measurement firm Comscore, down from 114 million in No-

vember 2020.

To hit the Post's ambitious audience target, executives have articulated a desire to use artificial-intelligence tools and news aggregation, according to people familiar with the discussions.

Many of the challenges fall on the shoulders of Matt Murray, who was named interim executive editor in June. On Thursday, Murray told colleagues that his appointment was no longer temporary, but the company wouldn't be making a formal announcement on the matter, a Post spokeswoman said. Murray was formerly The Wall Street Journal's editor in chief.

"Our industry is in the middle of a major transformation," a Post spokeswoman said. "The Post is committed to innovating, creating and leading the way forward to reach all Americans with nonpartisan news and thought-provoking reported views."

The Post distinguished itself with coverage of Trump's first term under the banner "Democracy Dies in Darkness" and subscriptions surged, reaching around 3 million in January 2021. When interest in politics faded, the customer base contracted.

Losses accelerated when, shortly before the 2024 election, Bezos pulled a prewritten endorsement of Kamala Harris, and more than 250,000 people canceled their subscriptions within days.

Bezos defended the move in his op-ed, saying endorsements "create a perception of bias." A person close to the company said many subscribers have since returned.

The Post's loss in 2024 was

roughly 30% greater than the loss a year earlier, according to people close to the company.

Bezos' defense of the move

\$174 million from \$190 million in 2023, missing a target, according to a person familiar with the Post's finances.

The paper has been planning cost-cutting measures, and last Tuesday said it would eliminate nearly 100 business roles, or about 4% of its workforce. The newsroom wasn't hit by these layoffs.

Even as interim editor, Murray made his presence felt. He has asked that certain writers—including some who write more-analytical pieces—move to the opinion side of the operation under opinion editor David Shipley.

Shipley is part of a continuing effort to more clearly divide and label opinion and news.

Murray is conducting a content review aimed at determining what resonates with current and prospective audiences, people familiar with the review said.

It is expected to be completed in the first quarter, and will look at everything from the material in an article to the story's length and what time of day it is published.

He also has instituted a policy that the Post shouldn't cover itself.

The Post didn't write about the fact that Shipley killed a cartoon showing Bezos and other prominent figures bowing to Trump, prompting the cartoonist Ann Telnaes to resign.

Shipley said it was too similar to other recent opinion pieces.

"I find the explanation for killing the cartoon unconvincing and the decision demoralizing," Erik Wemple, the Washington Post's media critic—who reports to the

opinion section—wrote in a reader Q&A Monday.

Murray didn't respond to requests for comment.

The changes inside the Post have left many staffers frustrated and confused about the future, the people close to the newsroom said. Journalists across areas from politics to national security, including Ashley Parker, Michael Scherer, Tyler Pager and Hannah Allam, have defected to publications such as the New York Times, the Atlantic and ProPublica. Josh Dawsey, a political investigations and enterprise reporter, is leaving for the Journal, where he worked before the Post.

National editor Philip Rucker, investigations editor Peter Wallsten, and senior national investigations editor Rosalind Helderman are in the latest batch of newsroom leaders taking calls from other publications, according to people familiar with the discussions.

Some staffers describe friction between Chief Executive William Lewis and the newsroom, and he hasn't addressed the newsroom since a contentious town hall in June. Lewis, who was previously CEO of the Journal's parent company, Dow Jones, has expressed frustration to people within and outside the Post that the newsroom isn't open to the urgent changes needed to put the paper on stronger financial footing.

A spokeswoman said Lewis has "tremendous respect and appreciation for his colleagues at the Washington Post."

The mood for those still at the Post has been further dampened by a mandate to return to the office five days a week, effective later this year.

Some long-time editors

and reporters were particularly saddened by the departure of Matea Gold, a well-regarded senior Post editor who had interviewed for the top editor job. She left to become the Washington editor for the New York Times.

In December, Post editors threw a last-minute gathering to recognize newsroom employees worthy of its internal awards for courage in journalism and embodying the Post's principles.

Gold, who spoke at the event, shared a heartfelt thanks to the newsroom and highlighted its ambitious and effective work.

"Go find stories that will change the way people see the world and understand one another," she said in her speech, according to a longtime Post employee.

—Suzanne Vranica contributed to this article.

ADVERTISING

The Marketplace

To advertise: 800-366-3975 or WSJ.com/classifieds

BANKRUPTCIES

IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

In re: FIRST MODE HOLDINGS, INC.,¹ Case No. 24-12794 (KBO), Debtors (Jointly Administered)

NOTICE OF DEADLINE FOR FILING OF CLAIMS ASSESSED UNDER SECTION 503(b)(9) OF THE BANKRUPTCY CODE

THE GENERAL BAR DATE IS ON FEBRUARY 6, 2025.

PLEASE TAKE NOTICE OF THE FOLLOWING:

On December 15, 2024, the above-captioned debtors and debtors in possession (collectively, "Debtors") filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "Court"). On January 7, 2025, the Court entered an order (Docket No. 99) (the "Bar Date Order") establishing certain deadlines for the filing of proofs of claim in the above-captioned cases.

1. The Bar Date Order, the "General Bar Date" or "Bar Date," is defined as the later of (i) the General Bar Date or the Governmental Bar Date, as applicable, and (ii) the date that is 21 days from the date on which the debtors' initial motion for relief under chapter 11 of the Bankruptcy Code is filed in the United States Bankruptcy Court for the District of Delaware (the "Court").

2. The Bar Date Order, the "General Bar Date" or "Bar Date," is defined as the later of (i) the General Bar Date or the Governmental Bar Date, as applicable, and (ii) the date that is 21 days from the date on which the debtors' initial motion for relief under chapter 11 of the Bankruptcy Code is filed in the United States Bankruptcy Court for the District of Delaware (the "Court").

3. The Bar Date Order, the "General Bar Date" or "Bar Date," is defined as the later of (i) the General Bar Date or the Governmental Bar Date, as applicable, and (ii) the date that is 21 days from the date on which the debtors' initial motion for relief under chapter 11 of the Bankruptcy Code is filed in the United States Bankruptcy Court for the District of Delaware (the "Court").

4. The Bar Date Order, the "General Bar Date" or "Bar Date," is defined as the later of (i) the General Bar Date or the Governmental Bar Date, as applicable, and (ii) the date that is 21 days from the date on which the debtors' initial motion for relief under chapter 11 of the Bankruptcy Code is filed in the United States Bankruptcy Court for the District of Delaware (the "Court").

5. The Bar Date Order, the "General Bar Date" or "Bar Date," is defined as the later of (i) the General Bar Date or the Governmental Bar Date, as applicable, and (ii) the date that is 21 days from the date on which the debtors' initial motion for relief under chapter 11 of the Bankruptcy Code is filed in the United States Bankruptcy Court for the District of Delaware (the "Court").

6. The Bar Date Order, the "General Bar Date" or "Bar Date," is defined as the later of (i) the General Bar Date or the Governmental Bar Date, as applicable, and (ii) the date that is 21 days from the date on which the debtors' initial motion for relief under chapter 11 of the Bankruptcy Code is filed in the United States Bankruptcy Court for the District of Delaware (the "Court").

7. The Bar Date Order, the "General Bar Date" or "Bar Date," is defined as the later of (i) the General Bar Date or the Governmental Bar Date, as applicable, and (ii) the date that is 21 days from the date on which the debtors' initial motion for relief under chapter 11 of the Bankruptcy Code is filed in the United States Bankruptcy Court for the District of Delaware (the "Court").

8. The Bar Date Order, the "General Bar Date" or "Bar Date," is defined as the later of (i) the General Bar Date or the Governmental Bar Date, as applicable, and (ii) the date that is 21 days from the date on which the debtors' initial motion for relief under chapter 11 of the Bankruptcy Code is filed in the United States Bankruptcy Court for the District of Delaware (the "Court").

9. The Bar Date Order, the "General Bar Date" or "Bar Date," is defined as the later of (i) the General Bar Date or the Governmental Bar Date, as applicable, and (ii) the date that is 21 days from the date on which the debtors' initial motion for relief under chapter 11 of the Bankruptcy Code is filed in the United States Bankruptcy Court for the District of Delaware (the "Court").

10. The Bar Date Order, the "General Bar Date" or "Bar Date," is defined as the later of (i) the General Bar Date or the Governmental Bar Date, as applicable, and (ii) the date that is 21 days from the date on which the debtors' initial motion for relief under chapter 11 of the Bankruptcy Code is filed in the United States Bankruptcy Court for the District of Delaware (the "Court").

11. The Bar Date Order, the "General Bar Date" or "Bar Date," is defined as the later of (i) the General Bar Date or the Governmental Bar Date, as applicable, and (ii) the date that is 21 days from the date on which the debtors' initial motion for relief under chapter 11 of the Bankruptcy Code is filed in the United States Bankruptcy Court for the District of Delaware (the "Court").

12. The Bar Date Order, the "General Bar Date" or "Bar Date," is defined as the later of (i) the General Bar Date or the Governmental Bar Date, as applicable, and (ii) the date that is 21 days from the date on which the debtors' initial motion for relief under chapter 11 of the Bankruptcy Code is filed in the United States Bankruptcy Court for the District of Delaware (the "Court").

13. The Bar Date Order, the "General Bar Date" or "Bar Date," is defined as the later of (i) the General Bar Date or the Governmental Bar Date, as applicable, and (ii) the date that is 21 days from the date on which the debtors' initial motion for relief under chapter 11 of the Bankruptcy Code is filed in the United States Bankruptcy Court for the District of Delaware (the "Court").

14. The Bar Date Order, the "General Bar Date" or "Bar Date," is defined as the later of (i) the General Bar Date or the Governmental Bar Date, as applicable, and (ii) the date that is 21 days from the date on which the debtors' initial motion for relief under chapter 11 of the Bankruptcy Code is filed in the United States Bankruptcy Court for the District of Delaware (the "Court").

15. The Bar Date Order, the "General Bar Date" or "Bar Date," is defined as the later of (i) the General Bar Date or the Governmental Bar Date, as applicable, and (ii) the date that is 21 days from the date on which the debtors' initial motion for relief under chapter 11 of the Bankruptcy Code is filed in the United States Bankruptcy Court for the District of Delaware (the "Court").

BUSINESS & FINANCE

Ownership-Reporting Law's Return Sought

Supreme Court is asked to stay an injunction pausing its implementation

By MENGQI SUN

The U.S. Supreme Court is expected to rule soon on the national injunction issued by a lower court that paused the implementation of the Corporate Transparency Act, a law requiring companies to disclose their true ownership.

The Justice Department, on behalf of the Financial Crimes Enforcement Network, in an application filed on New Year's Eve asked the Supreme Court to stay the injunction issued by a Texas district judge in early December.

The attorneys representing FinCEN said the government is likely to succeed in defending the constitutionality of the law and that the district court's injunction was "vastly overbroad," according to the filing.

The lawyers said the Su-

preme Court, at a minimum, should narrow the injunction to the plaintiffs in the case.

The case was submitted to Justice Samuel Alito, who has requested a response from the plaintiffs in response to FinCEN's motion to stay the injunction by 4 p.m. Friday.

Attorneys from 25 states, including West Virginia, Kansas and South Carolina, on Thursday submitted an amicus brief that asked the court to deny FinCEN's motion, saying the CTA's requirements hurt the states and the people that do business in them.

The U.S. government's plea to the Supreme Court capped a chaotic month in the implementation of the CTA leading up to its first filing deadline of Jan. 1, 2025. The deadline has shifted or potentially changed several times in mere weeks.

Halt in December

The implementation was first halted in early December by a Texas district judge. Then a failed Congressional stopgap

bill to keep the U.S. government funded attempted to delay the deadline by a year to 2026, but the final stopgap measure approved by Congress didn't include the provision.

The national injunction was then stayed by a circuit court on Dec. 23, with the Treasury Department extending the deadline to Jan.

13 for most companies to file. The same appeals court, however, four days later vacated the stay, pausing the implementation of the law.

The oral arguments for the appeal at the circuit court-level are set for March 25.

Companies and trusts aren't currently obligated to file beneficial ownership information to FinCEN and won't face liability if they fail to comply when the injunction is active, the agency said. But companies can still voluntarily

file their ownership information with the agency, FinCEN said.

The Corporate Transparency Act, a bipartisan effort passed in 2021 to curtail the use of anonymous shell companies and help track flows of illicit money, mandates millions of companies and trusts to file beneficial ownership in-

formation with the Treasury's FinCEN or face the possibility of penalties such as fines and jail time.

The law covers an estimated 32 million small businesses nationwide.

The law has faced several lawsuits from small-business owners and groups challenging its constitutionality since it was passed.

At least seven cases are currently pending across the country and observers say it will likely go to the Supreme Court.

"The government continues to believe that the CTA is constitutional and will continue defending the law as necessary," a FinCEN representative said on Wednesday.

To File or Not?

Caleb Kruckenberg, the lead attorney representing the plaintiffs in the Texas case and litigation director at non-profit public-interest law firm Center for Individual Rights, said his team is preparing a response to be submitted to Justice Alito on Friday.

Kruckenberg said the law is a violation of the Fourth Amendment prohibiting unreasonable searches and seizures by the government and is an action the federal government doesn't have authority to impose.

"Because of the kind of information we are talking about, if people are concerned, I would advise people to not file," he said.

The roller-coaster run of decrees around the law has

added to the confusion already felt by many small business and trust owners regarding the patchwork of rulings on the constitutionality of the CTA across various jurisdictions.

"It's so confusing; we are dealing with the confusion on a daily basis," Milan Solarz-Patel, a co-founder of beneficial ownership filing service provider FinCEN Guidance, said. "Even the professionals that are using our service are asking, 'What do we do?'"

But some service providers said many businesses are forging ahead with filing while awaiting legal clarity.

Troy Pospisil, chief executive of legal tech provider Ontra, said many of their customers in the private-equity industry, whose ownership involves complex corporate structures, filed before Jan. 1.

"It's not wasted in any way," he said. "Having that info organized is going to be important to comply with other jurisdictions' requirements and responding to know-your-customer requests."

JCPenney Merges With Aéropostale Owner to Form Catalyst

By DEAN SEAL

JCPenney has merged with **Sparc Group**, the owner of brands including Aéropostale and Brooks Brothers, to form a new apparel powerhouse called **Catalyst Brands**.

The department-store chain said last week that the all-equity merger brings its banner and various exclusive private brands under the same umbrella as Sparc's portfolio, which also includes Eddie Bauer, Lucky Brand and Nautica.

Catalyst Brands is launching with more than 1,800 store locations, 60,000 employees and \$1 billion in li-

quidity, JCPenney and Sparc said.

JCPenney Chief Executive Marc Rosen is set to helm the new company, which will be based at JCPenney's current corporate location of Plano, Texas.

Former Walmart retail executive Kevin Harper was hired as chief operating officer and Marisa Thalberg, previously JCPenney's consulting chief marketing and brand officer, will serve as Catalyst's chief customer and marketing officer.

Catalyst will operate as a joint venture between JCPenney and Sparc, or Simon Properties Authentic Retail Concepts, a strategic partner-

ship between **Simon Property Group**, **Brookfield Corp.**, **Authentic Brands Group** and **Shein**.

JCPenney was acquired by Simon Property and Brookfield for \$800 million in 2020 after the retailer filed for Chapter 11 bankruptcy protections that year.

Catalyst said last week that it sold the U.S. operations of Reebok, a subsidiary of **Authentic Brands**, and is exploring strategic options for Forever 21, the retailer operated by Authentic Brands and Simon Property.

The merger doesn't affect the intellectual property owned by Authentic Brands, which Sparc licenses.



The chain said the merger brings its various brands under the same umbrella as Sparc's.

IMAGE OF SPORTS/NEWSCOM/ZUMA PRESS

**THE JOURNAL
COLLECTION**

Sail With Regent Seven Seas Cruises® and Access Exclusive Savings

Enjoy a \$500 shipboard credit per suite when you book on the ultraluxury, all-inclusive cruise line.



REDEEM NOW

wsj.com/tjc-regent

SUBSCRIBER BENEFIT



BUSINESS & FINANCE

Apparel Sellers Target ‘Forever Chemicals’

New state bans are increasing pressure to dump PFAS that stay in environment

BY H. CLAIRE BROWN

Bans on the sale of clothing containing “forever chemicals” went into effect in New York and California on Jan. 1. Similar bans are scheduled to roll out in more states next year.

Also known as PFAS or perfluoroalkyl and polyfluoroalkyl substances, forever chemicals are used in clothing to repel water and prevent stains. A growing body of research has found that the chemicals persist in the environment for years after products are thrown away, and they have been linked to negative health outcomes.

“In terms of a public health issue, PFAS checks, unfortunately, all of the boxes,” said Anna Reade, lead PFAS scientist at the Natural Resources Defense Council. “The chemicals are super persistent, so what we’ve made decades ago is still in our environment now. As we continue to make more PFAS, we’re going to be dealing with that issue for decades to come.”

In an effort to limit the amount of PFAS entering the environment, lawmakers have passed bans on intentionally adding the chemicals to certain consumer products. The apparel bans in New York and California follow a successful effort to end their use in food packaging led by the Food and Drug Administration. California’s ban applies to additional textiles including bedding, upholstery, and towels. PFAS also can be found in cosmetics, nonstick cookware, and fire extinguishing foam.

Several apparel firms announced goals of eliminating PFAS from their supply chains in time for the Jan. 1 deadlines.



At Patagonia’s research and development facility in Ventura, Calif., experts look over samples of PFAS-free materials.

They weren’t all successful. VF Corp., which owns The North Face, Vans, Timberland, Dickies, JanSport, Smartwool and other brands, originally planned to eliminate or restrict unwanted chemicals, including PFAS, by 2025. A representative said the company now plans to hit this target by the end of March 2026. She added that 95% of VF products are manufactured without PFAS and the company plans to comply with local laws.

The parent companies of Abercrombie, American Eagle, Calvin Klein and Tommy Hilfiger didn’t respond to inquiries asking whether they had met their 2024 and 2025 phaseout targets.

Some brands spent several years testing alternatives for the chemicals, and L.L. Bean, Columbia Sportswear and Patagonia have all announced that new products are free of intentionally added PFAS. Solutions range from eliminating unnecessary applications to



Patagonia testing fabric for water repellency.

developing new water-repellent chemistries.

“We’d already done a lot of work on this before, which is why we were able to do what we did,” said Peter Bragdon, general counsel at Columbia Sportswear.

He said the company eliminated PFAS from a large number of products manufactured for spring 2024 and all prod-

ucts manufactured for fall 2024.

Even companies that have managed to eliminate PFAS in new clothing are still stuck with older raincoats and ski jackets that are now illegal to sell in two of the largest markets in the U.S. The fashion industry produced an estimated \$2.5 billion to \$5 billion worth of excess inventory in 2023,

according to a McKinsey report on the state of fashion. Some apparel makers may also be struggling to keep track of which items contain PFAS and which don’t.

L.L. Bean said it still plans to sell the “limited amount of PFAS positive items” in its inventory and Columbia’s Bragdon said the company will sell the “small amount” of older inventory in markets where it is legal to do so. Patagonia said it sent a small quantity of older inventory to its outlets.

Apparel makers emphasized that they don’t believe PFAS in clothing poses a threat to human health.

Industry executives said brands may have offered deeper-than-usual discounts on certain products during the holiday season to try to get rid of backstock containing PFAS. Others may try to segregate their inventory to avoid PFAS sales in regions with bans, though this could prove logistically difficult. Apparel

makers interviewed for this article all said they planned to avoid selling clothing with PFAS in New York and California. Violators of the new laws may face fines.

Evidence of PFAS fire sales was scant in New York City on Dec. 31, the last day it was legal to sell clothing containing the chemicals in the state. While retailers REI and Paragon Sports were both offering postholiday discounts, markdowns on outerwear at both stores appeared to max out at 30%. A spokesperson for REI said it was on track to meet its goals of eliminating the chemicals in certain product categories by the end of 2024.

Matt Dwyer, head of product footprint at Patagonia, said eliminating PFAS was easier in some products than others. In the company’s popular Black Hole luggage collection, for example, the backpacks’ interior liner contained PFAS. The team could eliminate the chemical without adding a replacement.

For other products, the company had to find alternative fabrics that could repel water. About 10 years ago, Patagonia asked its mills to send samples of PFAS-free fabrics.

“Literally, they stood up like a sheet of paper and you could rip them in half with your hands,” Dwyer recalled.

Going forward, Patagonia products will contain 10 to 12 different chemistries for waterproofing, generally from families such as silicones and polyurethanes, Dwyer said.

Even after a company tests and approves a new product, getting factories up to speed can take time. Dwyer said the company’s factory took an extra year to bring a PFAS-free version of a best-selling down jacket to market after testing and approval.

“The biggest barrier, probably, is the supply chain,” said Reade, the PFAS scientist at NRDC. “Supply chains are incredibly complex, not transparent, and messy.”

Investors Pin Hopes On Profits

Continued from page B1
prices for U.S. companies that import overseas products and pass those costs to customers. There are also concerns that Trump’s trade policies and plans for mass deportations could reignite inflation if implemented, and in turn further keep interest-rate cuts at bay.

Strong consumer spending helped keep the economy chugging along in 2024. But consumers, particularly lower-income Americans, began reeling in their spending. Holiday shopping data revealed that wealthier consumers splurged on gifts while lower-income shoppers struggled to pay for necessities such as groceries and child care.

Early quarterly results suggest consumers are still tight-

ening their purse strings. Nike last month reported a drop in quarterly sales from the prior year. FedEx lowered its earnings and sales guidance for the fiscal year.

Conagra Brands, which produces Swiss Miss hot-chocolate mix and Pam cooking spray, reported a decline in sales and warned that sticky inflation and a strong U.S. dollar could weigh on its business this year.

“Economic pressures continue to shape consumer purchasing decisions,” Conagra Chief Executive Sean Connolly said on last month’s earnings call.

Analysts still expect earnings growth to leap in the year ahead. They are projecting a 15% jump in corporate profits from 2024. Some strategists say blockbuster growth could be hard to achieve, given the political and economic wild cards that investors could face in the coming months.

Stocks are also looking increasingly pricey, putting more pressure on companies to re-

port financial results that justify their towering valuations. The S&P 500 was recently trading at about 22 times its projected earnings over the next 12 months, above its 10-year average of 18.5 times, according to FactSet.

Some strategists say earnings growth will need to broaden beyond technology titans to support the next leg of the stock rally.

Their staggering size has made their ability to deliver profits and positive guidance hugely influential over the market’s direction. The Magnificent Seven—Alphabet, Amazon.com, Apple, Meta Platforms, Microsoft, Nvidia and Tesla—are expected to post a 22% jump in fourth-quarter earnings. That compares with a 8.7% rise from the other 493 companies in the S&P 500, according to FactSet data as of Thursday.

Analysts expect financial companies to see the highest year-over-year earnings growth among the S&P 500 sectors, at about 40%, followed by a 21% jump from



FedEx lowered its earnings and sales guidance for the company’s fiscal year.

communication-services companies, according to FactSet. The energy sector is expected to report the biggest profit

decline, at 26%.

“The healthy next step for this market is for everything, the earnings growth but also

valuation, to spread,” said Keith Buchanan, senior portfolio manager at Globalt Investments.

THE TICKER | MARKET EVENTS COMING THIS WEEK

Monday

Treasury budget
Dec. '24
\$129.0 bil. deficit

Dec. '25, exp
\$75.0 bil. deficit

Earnings expected
Estimate/Year Ago

KB Home 2.44/185

ServiceTitan (0.03) / n.a.

Tuesday

Producer price index

All items, Nov. up 0.4%

Dec. expected up 0.3%

Core, Nov. up 0.2%

Dec. expected up 0.3%

Wednesday

Consumer price index

All items, Nov. up 2.7%

Dec. expected up 2.9%

Core, Nov. up 3.3%

Dec. expected up 3.3%

EIA status report

Previous change in stocks in millions of barrels

Crude-oil stocks down 1.0

Gasoline stocks up 6.3



Citigroup is expected to report quarterly per-share earnings of \$1.22 on Wednesday.

Distillates up 6.1	Jan. expected -0.5	Purch. previous down 7.0%	Earnings expected Estimate/Year Ago	BlackRock 11.33/9.66
Empire Manufacturing Dec., previous 0.2	Mort. bankers indexes	Refinan. prev. up 2.0%	Bank of New York Mellon 154/0.33	Citigroup 12.2/(1.16)
Crude-oil stocks down 1.0				Goldman Sachs Group 8.17/5.48

JPMorgan Chase 4.09/3.04

Wells Fargo 1.35/0.86

Thursday

Import price index

Nov. previous up 0.1%

Dec. expected down 0.3%

Initial jobless claims

Previous 201,000

Expected 210,000

Friday

Retail sales, ex. autos

Nov. previous up 0.2%

Dec. expected up 0.4%

Retail sales

Nov. previous up 0.7%

Dec. expected up 0.4%

Business inventories

Oct. previous up 0.1%

Nov. expected up 0.1%

EIA report: natural-gas

Previous change in stocks in billions of cubic feet

down 40

Earnings expected

Estimate/Year Ago

Bank of America 0.77/0.35

M&T Bank 3.70/2.74

Morgan Stanley 1.68/0.85

PNC Financial Services Group 3.33/1.85

U.S. Bancorp 1.05/0.49

UnitedHealth Group 6.74/6.16

Freddie Mac mortgage survey

Previous weekly averages

30-year fixed 6.93%

15-year fixed 6.14%

Housing Starts Nov., previous 1.289 mil.

Dec. expected 1.32 mil.

Capacity utilization Nov., previous 76.8%

Dec. expected 77.0%

Industrial production Nov., previous down 0.1%

Dec. expected up 0.3%

Earnings expected Estimate/Year Ago

Fastenal 0.48/0.46

Huntington Bancshares 0.31/0.15

Regions Financial 0.55/0.52

Schlumberger 0.90/0.86

State Street 2.43/2.04

Truist Financial 0.88/(3.85)

Building Permits Nov., previous 1.505 mil.

Dec. expected 1.46 mil.

Monday U.S. markets are closed for Martin Luther King Jr. Day

* FactSet Estimates earnings-per-share estimates don’t include extraordinary items (losses in parentheses) ▲ Adjusted for stock split

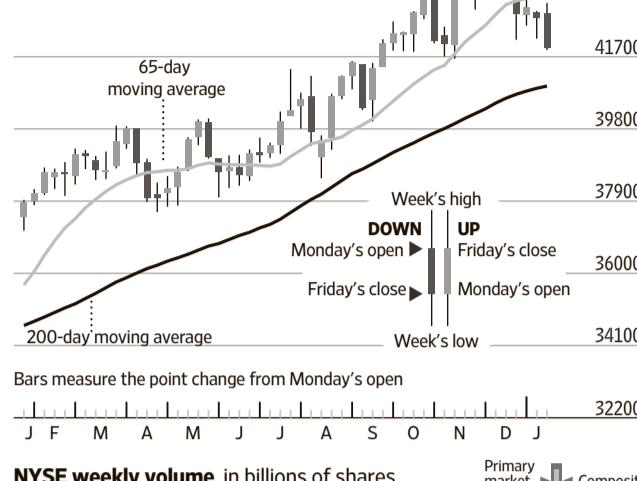
Note: Forecasts are from Dow Jones weekly survey of economists

MARKETS DIGEST

Dow Jones Industrial Average

41938.45 ▼793.68, or 1.86% last week
High, low, open and close for each of the past 52 weeks

Current divisor 0.16268413125742



Bars measure the point change from Monday's open

J F M A M J J A S O N D J

NYSE weekly volume, in billions of shares



*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; ^Based on Nasdaq-100 Index

S&P 500 Index

5827.04 ▼115.43, or 1.94% last week
High, low, open and close for each of the past 52 weeks



Bars measure the point change from Monday's open

J F M A M J J A S O N D J

Primary market ► Composite

Scan this code
Get real-time U.S. stock quotes and track most-active stocks, new highs/lows, mutual funds and ETFs.
Available free at WSJMarkets.com

New to the Market

Public Offerings of Stock

IPOs in the U.S. Market

Initial public offerings of stock expected this week; might include some offerings, U.S. and foreign, open to institutional investors only via the Rule 144a market; deal amounts are for the U.S. market only

Expected pricing date	Filed	Issuer/business	Symbol/primary exchange	Pricing range(\$)	Low	High	Bookrunner(s)
1/15	12/6, 2024	Flowco Holdings Support Activities for Oil and Gas Operations	FLOC N	17.8	21.00	23.00	JPM Securities, Jefferies, Piper Sandler

Lockup Expirations

Below, companies whose officers and other insiders will become eligible to sell shares in their newly public companies for the first time. Such sales can move the stock's price.

Lockup expiration	Issue date	Symbol	Offer price(\$)	Offer amt. (\$ mil.)	Through Friday (%)	Lockup provision	
Jan.12	Oct.15, 24	Santini Creation Holdings Group	SFHG	4.00	9.2	-70.8	90
Jan.13	July 18, '24	Ardent Health Partners	ARDT	16.00	220.8	-1.3	180
	July 18, '24	TWFG	TWFG	17.00	215.1	69.6	180
Jan.14	July 19, '24	Artiva Biotherapeutics	ARTV	12.00	179.0	-22.1	180
	July 19, '24	QMM Holdings	QMMH	4.00	8.8	-77.8	180
Jan.18	July 23, '24	Primega Group Holdings	PGHL	4.00	7.0	-70.3	180

Sources: LSEG Data and Analytics; Dow Jones Market Data

IPO Scorecard

Performance of IPOs, most-recent listed first

Company	SYMBOL	Friday's close	% Chg From Offer	1st-day	Company	SYMBOL	Friday's close	% Chg From Offer	1st-day
Mint	MINT	4.11	2.8	...	Leishen Energy Holding	LSE	5.55	38.8	27.6
MIMI	MIMI	Jan.10/\$4.00			New Century Logistics	NCEW	Dec.18/\$4.00		
3E Ntwk Technology Grp	3ENW	2.83	-29.3	-12.9					
MASK	MASK	Jan.8/\$4.00			Cantor Eqty Ptnrs I	CEPO	10.05	0.5	...
ZYBT	ZYBT	Jan.7/\$4.00			Zhengye Biotechnology Holding	ZBIO	4.62	15.4	-5.0
INLIF	INLIF	4.67	16.8	4.9	Anteris Tech Global	AVR	Dec.13/\$6.00		
MLACU	MLACU	Jan.2/\$4.00			Mountain Lake Acquisition	MLAC	Dec.13/\$10.00		
OneConstruction Grp	ONEG	3.13	-21.8	4.3	NetClass Technology	NTCL	Dec.13/\$5.00		
ParkHa Biologics Technology	PHH	4.83	20.8	18.7	Roman DBDR Acquisition II	DRDBU	Dec.13/\$10.00		
Healthin	HIT	5.19	29.8	1.8	ServiceTitan	TTAN	Dec.12/\$71.00		
RANGE	RANGE	10.08	0.8	0.8	Jackson Acquisition II	JACS.U	Dec.10/\$10.00		
Youxin Technology	YAAS	3.60	-20.0	-8.9	Linkers Industries	LNKS	Dec.5/\$4.00		

Sources: Dow Jones Market Data; FactSet

Public and Private Borrowing

Treasurys

Monday, January 13

Wednesday, January 15

Auction of 13 and 26 week bills; announced on January 9; settles on January 16

Auction of 17 week bill; announced on January 14; settles on January 21

Thursday, January 16

Auction of 4 and 8 week bills; announced on January 14; settles on January 21

A Week in the Life of the DJIA

A look at how the Dow Jones Industrial Average component stocks did in the past week and how much each moved the index. The DJIA lost 793.69 points, or 1.86%, on the week. A \$1 change in the price of any DJIA stock = 6.15-point change in the average. To date, a \$1,000 investment on Dec. 31 in each current DJIA stock component would have returned \$29,589, or a loss of 1.37%, on the \$30,000 investment, including reinvested dividends.

Sources: Dow Jones Market Data; FactSet

International Stock Indexes

Region/Country	Index	Latest Close	Week % chg	52-Week Range	Close	High	Low	YTD % chg
World	MSCI ACWI	833.86	-1.58	712.11	873.73	-0.9		
	MSCI ACWI ex-USA	322.63	-0.82	303.36	357.36	-1.0		
	MSCI World	3678.22	-1.59	3120.44	3855.07	-0.8		
	MSCI Emerging Markets	1057.10	-1.50	958.39	1187.97	-1.7		
Americas	MSCI AC Americas	2194.20	-1.90	1796.03	2299.62	-0.8		
Canada	S&P/TSX Comp	24767.73	-1.22	20584.97	25691.80	0.2		
Latin Amer.	MSCI EM Latin America	1861.40	1.02	1842.59	2599.32	0.5		
Brazil	Bovespa	118856.48	0.27	118522.68	137343.96	-1.2		
Chile	S&P IPSA	3666.84	1.62	3265.99	3714.61	1.4		
Mexico	S&P/BMV IPC	49596.70	1.31	48837.72	58711.87	0.2		
EMEA	STOXX Europe 600	511.50	0.65	467.71	528.08	0.8		
Eurozone	STOXX Europe 50	4379.94	1.48	4033.40	4577.60	1.7		
Austria	Euro STOXX	511.26	1.58	462.34	527.81	1.2		
Belgium	ATX	3651.51	0.02	3327.04	3775.49	-0.3		
France	CAC 40	7431.04	2.04	7130.04	8239.99	0.7		
Germany	DAX	20214.79	1.55	16431.69	20426.27	1.5		
Greece	Athex Composite	1503.73	1.14	1331.34	1510.93	2.3		
Israel	Tel Aviv	2450.23	1.47	1805.50	2458.11	2.3		
Italy	FTSE MIB	35090.23	2.82	30077	35410	2.6		
Netherlands	AEX	890.30	0.64	771.43	944.91	1.3		
Norway	Oslo Bors All-Share	1714.20	1.24	1440.55	1714.20	4.2		
Portugal	PSI 20	6299.98	-2.25	6055.53	6971.10	-1.2		
South Africa	FTSE/JSE All-Share	83466.58	-1.47	71693.09	87643.65	-0.7		
Spain	IBEX 35	11720.90	0.59	9858.3	12118.7	1.1		
Sweden	OMX Stockholm	958.50	-0.63	859.65	1019.81	0.4		
Switzerland	Swiss Market	11791.91	1.44	11091.58	12451.48	1.6		
U.K.	FTSE 100	8248.49	0.30	7446.29	8445.80	0.9		

Source: FactSet; Dow Jones Market Data

Other indexes

Region/Country	Index	Latest Close	Week % chg	52-Week Range	Close	High	Low	YTD % chg
World	MSCI ACWI	833.86	-1.58	712.11	873.73	-0.9		
	MSCI ACWI ex-USA	322.63	-0.82	303.36	357.36	-1.0		
	MSCI World	3678.22	-1.59	3120.44	3855.07	-0.8		

CLOSED-END FUNDS

Listed are the 300 largest closed-end funds as measured by assets. Closed-end funds sell a limited number of shares and invest the proceeds in securities. Unlike mutual funds, closed-end funds do not buy their shares back from investors who wish to cash in their holdings. Instead, fund shares trade on a stock exchange. **NA** signifies that the information is not available or not applicable. **NS** signifies funds not in existence for the entire period. 12 month yield is computed by dividing income dividends paid during the past 12 months for periods ending at month-end or during the previous 52 weeks for periods ending at any time other than month-end) by the latest month-end market price adjusted for capital gains distributions. Depending on the fund category, either 12-month yield or total return is listed.

Source: LSEG

Friday, January 10, 2025

	52 wk		
Fund (SYM)	NAV	Close	Ttl Ret
General Equity Funds			
Adams Diversified EqCr ADX 22.53 20.22 -10.3 29.6			
BlackRock EqnLg Rock Cr BLX 21.49 20.15 -6.2 13.2			
Central Secs CET 54.21 44.80 -17.4 29.7			
CohenStrsCEOpfd FOF 12.03 12.66 +5.2 22.1			
EVTAxDivIncmv EVT 23.86 NA 16.4			
GabelliDiv&IncrTr GDV 27.30 23.93 -12.3 18.2			
Gabelli Equity Tr GAB 5.13 5.38 +4.9 20.2			
GeneralArme GAM 57.61 50.77 -11.9 40.0			
JHancock TaxAdv HDX 23.50 21.97 -6.5 20.4			
Liberty All-Star Equity USA 6.90 6.98 +1.2 16.4			
Liberty All-Star Growth ASG 6.08 5.66 -6.9 17.4			
Royce Micro-Cap Tr RMT 10.83 9.69 -10.5 16.9			
Royce Value Trust RVT 16.71 15.65 -6.3 20.9			
Source Capital SOR 43.43 43.50 +0.2 22.2			
Special Opportunities SPE NA 14.87 NA 34.5			
Sprott Focus Trust FUND 8.30 7.29 -12.2 3.7			
SRH Total Return STEW 20.21 15.79 -21.9 17.1			
Tri-Continental TY 35.23 31.27 -11.2 20.3			
Specialized Equity Funds			
abrdn Glb Preop AWP 3.72 3.77 +1.3 10.2			
abrdn Global Infra Inc ASGI 18.92 17.31 -8.5 7.0			
Adams Natural Resources PEO 24.71 21.39 -9.4 16.0			
ASA Gold & Prec Met Ltd ASA 24.04 21.77 -9.4 42.8			
BlackRock Eqy & Res BGR 14.14 13.22 -6.5 11.0			
BlackRock EqnLg Rock Cr BDJ 8.95 8.37 -6.5 14.4			
BlackRock EqnLg Bdy BOE 11.98 10.81 -9.8 15.4			
BlackRock Enh Int'l BCX 4.87 5.83 -5.1 9.5			
BlackRock EqnLg Cap Altt ECAT 17.51 16.47 -5.9 18.3			
BlackRock Hlth Sci BMEZ 16.60 15.35 -7.5 12.4			
BlackRock Hlth Sciences BME 41.82 38.82 -7.2 -3.3			
BlackRock InnovGro Term BIGZ 8.42 7.54 -10.5 15.2			
BlackRock Res & Comm BCX 9.73 9.85 -8.0 6.2			
MS ChinaShrDF CAF 15.05 12.05 -19.9 0.5			
MS India IIF 29.26 24.95 -14.7 33.2			
Nuveen Multi-Asset Eqn NAI 11.90 NA 12.2			
Nuveen Rl Ass't Inc & Gro JRI 12.92 12.08 -6.5 14.2			
NYLI CBRE Glb Inf Mgt MEGI 13.55 12.19 -10.0 0.3			
Templeton Dragon TDF 9.80 8.11 -17.2 7.4			
Templeton Em Mkt EMF 13.93 11.80 -15.3 8.0			
Convertible Sec's. Funds			
abrdn Cntrbl & Incfd AVK 12.22 11.77 -3.7 14.7			
CalamosConvOp CHY 10.42 11.59 +11.2 10.8			
AlpsRing Multi-Sector ERC 9.77 9.12 -6.7 8.6			
AresDynm Crt Alloc ARDC NA 15.10 NA 9.3			
Hilco Bd PCF 7.08 6.55 -7.5 13.4			
V Conv & Inc'l NCV NA 3.45 NA 14.3			
V Conv & Inc'l NCZ NA 3.12 NA 18.0			
V Div Inc & Conv ACV NA 22.00 NA 12.8			
V Eqty & Conv Inc NIE NA 23.64 NA 21.6			
World Equity Funds			
abrdn Eng Mkt Eqn AEF 5.86 5.13 -12.5 12.0			
abrdn Glb Dyn Inv AGD 10.75 9.83 -8.6 16.8			
abrdn Tot Dyn Inv AOD 9.31 8.46 -9.1 16.8			
Allspingl MultiOp APP 6.53 4.82 -12.8 20.6			
BladRock Alloc Term BCAT 16.40 15.44 -5.9 20.3			
CalamosGloDynm CHW 6.74 6.74 -9.9 26.3			
PIMCO Corp & Inc Strat PCN NA 14.40 NA 10.0			
PIMCO Hlnc PML NA 4.88 NA 11.8			
PIMCO IncmStrd Fd PFL NA 8.48 NA 11.6			
PIMCO IncmStrd Fd PNF NA 7.50 NA 11.5			
Putnam Mbs Int PIM 3.39 3.26 -3.8 8.1			
Putnam Prem Inc PPT 3.76 3.55 -5.6 8.7			
Western Asset Dvtln WDI NA 14.45 NA 12.3			
BlackRock NY Mun BNY 11.45 10.20 -10.9 5.3			
BlackRock NY Mun BNL 16.17 14.78 -8.6 7.6			
Franklin Muni Fund FTF 6.94 6.58 -5.2 11.1			
FS Credit Opportunities FSCO NA NA 10.4			
JHAn Investors JHI 14.58 13.94 -4.4 9.7			
MF Charter MCR 6.70 6.26 -6.6 0.0			
NuvCorePlusImpact NPCT 11.54 10.50 -9.0 12.2			
BR MunYld Ql Mty MIO 15.93 15.32 -3.8 6.9			
PIMCO Corp & Inc Opty PTA NA 14.40 NA 10.0			
BR MunYld Ql Mty MYI 12.76 11.96 -6.0 4.9			
PioneerMuni Fund PMI 9.00 8.78 -2.4 5.6			
PIMCOMunil PML 8.10 8.12 -3.3 5.8			
Pimco Muni III PMX 7.73 7.22 -6.6 5.3			
PioneerHlncAdv PHC 9.06 8.46 -6.6 4.4			
PioneerMuniHlncOpty MIO 12.72 11.96 -6.0 4.9			
PioneerMuniHlnc MHI 9.92 9.31 -6.1 4.3			
CaenFitzgerald STC 12.12 NA 21.1			
CantorFitzgerald STC 12.34 NA 22.2			
Putnam Muni Opp MMU 11.26 9.96 -11.5 4.1			
RiverNorth Mu Inc II RMF 15.36 13.65 -11.1 7.7			
RiverNorth Mu Inc II RMF 15.36 13.65 -11.1 7.7			
Primark Priv Eq Inv IPM 14.30 NA 17.8			
Thombar Inc Bld Ops TBD 18.25 16.21 -11.2 8.5			
VirtusTotalRetfd ZTR NA 5.82 NA 10.6			
Single Stock Bond			
BlackRock CA Muni BZF 12.42 11.22 -9.7 5.9			
BR MH NY Qly MUJ 12.64 11.08 -12.3 5.5			
BR MH NY Qly MHN 11.52 10.38 -9.9 5.2			
BR MunYld Ql Mty MYW 11.56 11.33 -9.8 5.2			
BR MunYld Ql Mty PAQ 12.62 11.70 -7.3 6.0			
BlackRock NY Mun NYU 11.45 10.20 -10.9 5.3			
Putnam Mbs Int PUT 11.48 11.48 -10.7 6.0			
Western Asset Inf-Lk WIA 7.95 NA 7.5			
Western Asset Inf-Lk WIW NA 8.25 NA 8.7			
World Equity			
abrdn AP IncFd FAX 16.67 15.01 -10.0 13.4			
MS EMktDombdebt EDD 4.95 4.43 -10.5 11.4			
MS EMktDombdebt EDF 11.20 10.73 -10.6 11.9			
MS EMktDombdebt EDG 10.70 10.63 -11.9 5.6			
MS EMktDombdebt EDH 10.70 10.63 -11.9 5.6			
MS EMktDombdebt EDJ 10.70 10.63 -11.9 5.6			
MS EMktDombdebt EDK 10.70 10.63 -11.9 5.6			
MS EMktDombdebt EDL 10.70 10.63 -11.9 5.6			
MS EMktDombdebt EDM 10.70 10.63 -11.9 5.6			
MS EMktDombdebt EDN 10.70 10.63 -11.9 5.6			
MS EMktDombdebt EDP 10.70 10.63 -11.9 5.6			
MS EMktDombdebt EDR 10.70 10.63 -11.9 5.6			
MS EMktDombdebt EDS 10.70 10.63 -11.9 5.6			
MS EMktDombdebt EDT 10.70 10.63 -11.9 5.6			
MS EMktDombdebt EDU 10.70 10.63 -11.9 5.6			
MS EMktDombdebt EDV 10.70 10.63 -11.9 5.6			
MS EMktDombdebt EDW 10.70 10.63 -11.9 5.6			
MS EMktDombdebt EDX 10.70 10.63 -11.9 5.6			
MS EMktDombdebt EDY 10.70 10.63 -11.9 5.6			
MS EMktDombdebt EDZ 10.70 10.63 -11.9 5.6			
MS EMktDombdebt EDB 10.70 10.63 -11.9 5.6			
MS EMktDombdebt EDC 10.70 10.63 -11.9 5.6			
MS EMktDombdebt EDF 10.70 10.63 -11.9 5.6			
MS EMktDombdebt EDG 10.70 10.63 -11.9 5.6			
MS EMktDombdebt EDH 10.70 10.63 -11.9 5.6			
MS EMktDombdebt EDI 10.70 10.63 -11.9 5.6			
MS EMktDombdebt EDJ 10.70 10.63 -11.9 5.6			
MS EMktDombdebt EDK 10.70 10.63 -11.9 5.6			
MS EMktDombdebt EDL 10.70 10.63 -11.9 5.6			
MS EMktDombdebt EDM 10.70 10.63 -11.9 5.6			
MS EMktDombdebt EDN 10.70 10.63 -11.9 5.6			
MS EMktDombdebt EDP 10.70 10.63 -11.9 5.6			</

FINANCE & MARKETS

Liquidnet Settles With SEC Over Data Claims

BY DEAN SEAL

The electronic trading network Liquidnet has agreed to pay a \$5 million regulatory fine to resolve allegations that the company failed to protect confidential trading information and had faulty controls around market access.

The Securities and Exchange Commission said on Friday that the broker-dealer, which is a U.S. subsidiary of the London-based financial-services firm **TP ICAP**, violated the commission's market-access rule for a number of years by setting inappropriate credit thresholds, in-

cluding having a default set at \$1 billion.

Liquidnet also failed to adequately limit employee access to confidential subscriber trading information, the SEC said.

Without admitting or denying the allegations, the company has agreed to pay a \$5 million penalty to resolve the case.

The SEC said Liquidnet has already undertaken remedial efforts, including retaining an outside consultant to correct and improve the company's controls and procedures related to the market access rule and other requirements.

Private-Equity Firm Founder To Pay \$250,000 Civil Penalty

Inquiry looked into whether investor funds were used for personal expenses

BY MIRIAM GOTTFRIED

The founder of a private-equity firm backed by several wealthy families agreed to pay a \$250,000 civil penalty as part of a settlement with the Securities and Exchange Commission, the regulator said Friday.

The settlement is the result of a yearslong investigation by

the SEC into Hendrik Jordaan and his firms One Thousand & One Voices Management and Family Legacy Capital. The agency launched the investigation in response to complaints that Jordaan was using investor funds to cover personal expenses, The Wall Street Journal reported in 2021.

Jordaan and his firms improperly charged expenses to his funds, including payments for outsourced financial services, public relations and legal fees, the SEC order said.

From 2019 through at least 2022, the firms also submitted invoices to the funds for "unsupported and unspecified expenses" without confirming that the funds should have paid them and failed to adopt policies to prevent such violations, according to the order.

Jordaan didn't admit or deny the SEC's findings as part of the settlement. A representative for him didn't respond to a request for comment.

A South African-born attorney, Jordaan started One Thousand & One Voices in 2013 in the Denver area, raising money from brewing scion John K. Coors and other

wealthy local families for a fund to invest in sub-Saharan Africa. He later began raising a fund aimed at providing family-run businesses in the U.S. with loans and expertise.

Jordaan had already been removed as the manager of both funds prior to the settlement, according to people familiar with the matter.

Other investors in the Africa fund included members of the Belk family, which founded the eponymous department store, and the Lepriño family of mozzarella-cheese giant Lepriño Foods, the Journal reported.

HEARD ON THE STREET

Bond Selloff Is Rocking Governments

Continued from page B1
sold off too, belying the idea that markets see a hot economy and tariffs as a serious inflationary problem.

It might all have to do with interest rates after all. Since December, the Fed has squashed expectations of a prolonged rate-cutting cycle. As a result, the middle part of the Treasury yield curve—from two to five-year maturities—has become positively sloped for the first time since 2022. Only the very short end, from three months to one year, remains inverted, reflecting the one or two cuts that markets suggest might happen this year.

The reason alarms are ringing is that longer-term bonds sold off even more—a “bear steepening” trade, in Wall Street lingo. Three out of four times, yield curves steepen for the opposite reason, historical data shows: A fall in short-term yields driven by central banks cutting rates

very fast. Bear steepenings after a period of inverted yield curves are rare and mostly are reminiscent of the “stagflation” periods of the 1970s and 1980s.

But this gets to the core of the matter. Today’s situation, in which central banks have been able to aggressively raise rates without harming the economy, then slowly cut them while launching hawkish messages, is nearly unprecedented.

Keeping this in mind, what is happening to bonds makes sense. Fixed-income investors ruled out a “hard landing” for the economy, and were persuaded by officials that returns on cash probably won’t dip below 3.5% for the foreseeable future. They thus demanded a larger reward to lock up their money for longer. This term premium isn’t huge: It is reportedly adding 0.6 percentage point to 10-year yields, when the historical average is 1.5 percentage points.

So why did stock markets react so negatively on Friday? One key factor might be stretched valuations. After years of tech-led rallies, the S&P 500 has become so expensive that, even if analysts’ optimistic outlook for 2025 is realized, its one-year forward earnings yield has fallen to 4.6%—the same as the yield of a 5-year Treas-

30-year government bonds



Treasury yield curve



Yields for the past five years



Sources: Tullett Prebon (bonds); FactSet (yield curve, yields)

sury. This explains why equity holders are seeing bonds as competition.

This doesn’t rule out the possibility that yields could rise further, or

that high yields themselves could have a negative impact on economic growth, especially abroad.

Were growth and corporate earn-

ings to truly suffer, central banks would need to go into stimulus mode. Guess which asset class gains in that scenario: bonds.

Are You Missing Out On WSJ Digital Content?

Your WSJ subscription goes far beyond the news at your door each day. From audio articles to curated newsletters, explore more with your WSJ digital benefits.

Here's a quick look at additional ways to access WSJ.



Newsletters

Keep up with your interests with our curated newsletters—included with your subscription and sent directly to your inbox.

WSJ.com/printnl



Audio

Give your eyes a break and instead press play. Listen to the latest audio articles or dig into the topics you care about with our WSJ podcasts.

WSJ.com/print_audio



The Print Edition App

On the go? Page through the digital version instead. Access the subscriber-only app to click through the day's print articles—and never miss a story.

WSJ.com/print_app

Email Sharing

Grant access to the biggest headlines. Share WSJ stories with your friends and family. Simply click on the share icon above the article to message or copy the link.

Look for this

Not sure how to access WSJ.com with your current print subscription?
[Visit WSJ.com/digitalaccess](http://WSJ.com/digitalaccess)

THE WALL STREET JOURNAL.

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

California Has Insurance Safety Valve

A segment of the market has shifted away from standard policies toward more-bespoke offerings

Many insurers have pulled back from offering standard California homeowners policies, but that isn't the only option.

Instead, homeowners can turn to what might be thought of as the wholesale side of the private personal-insurance business. This is distinct from what is known as the admitted market, which refers to the typical, state-regulated policies on offer from insurers to consumers. The nonadmitted market, such as coverage via so-called excess-and-surplus lines, can be accessible to homeowners, though often only through specialized brokers or agents.

That coverage can be more bespoke, with higher limits than other policies—but with more-expensive premiums, or with tougher terms. Such policies might only be available after an applicant has sought and failed to get coverage in the standard market. Historically, this might have been where someone turned to insure a rare vintage car or a home with very valuable art. But this market has grown in re-

cent years.

S&P Global Ratings in a note on Thursday said preliminary third-party estimates suggest that the wildfires in Los Angeles County could result in \$10 billion to \$15 billion of industrywide insured losses, potentially matching the roughly \$16 billion loss from the 2017 Tubbs Fire in Northern California. Some estimates have even said insurance losses could exceed \$20 billion.

So one big question after these fires is whether the surplus market might absorb an increasing amount of coverage needs—or if regulators' recent changes to the admitted market can draw more insurers back to offering standard policies.

A longer-term, secular shift away from standard policies toward bespoke ones could actually be a growth opportunity for some insurers, as well as wholesale brokers who help agents source that coverage.

Following the 2017 and 2018 wildfires in California and a recent increase in the cost of reinsurance coverage, some insurers have pulled back from offering standard policies in California. The years since also have coincided with an uptick in losses from other so-called secondary perils, such as severe thunderstorms or winter storms, across the U.S.

Nationally, excess-and-surplus premiums made up about 9% of total U.S. industry premiums in 2023, up from around 5% in 2018, according to S&P Global Market Intelligence. That growth has come via several lines, including for commercial insurance. For property premiums in some states, the share is much higher, including California (about 14% as of 2023), Florida (about 21%) and Louisiana (about 23%), according to S&P's figures.

Some bespoke coverage can come through insurers that in recent years have pulled back from



PAUL KITAGAKI JR/ZUMA PRESS

Reinsurance costs have risen as fires and storms hit California. A Sacramento home damaged in a storm last year.

the standard homeowners policy market in California. Insurers such as Chubb can provide coverage to California homeowners via units that serve high-net-worth individuals, for example. American International Group backs a business called Private Client Select that covers high-net-worth individuals.

Chubb shares fell over 5% last week and AIG declined over 3%, more than the overall 2.4% drop for S&P 500 insurance-industry companies.

But dynamics for insurers are complex when disasters like these fires strike. As long as losses aren't overwhelming to insurers' earnings or capital—and they almost certainly won't be for large, diversified providers—they might eventually play into their long-term growth

and pricing.

Some providers have said that pricing in the E&S market was actually softening a bit recently, with more competition and capital coming in. But it is possible that an event like this wildfire will "harden" pricing, such as if there are some players who back away from the market.

Alternatively, demand for surplus coverage could jump as people look for more protection than they can get in the admitted market, or from California's state-backed Fair Plan, known as an insurer of last resort.

Wholesale insurance brokerage companies also have seen an uptick in activity in the surplus market. Speaking to investors last year, Joel Cavaness, chairman for the Ameri-

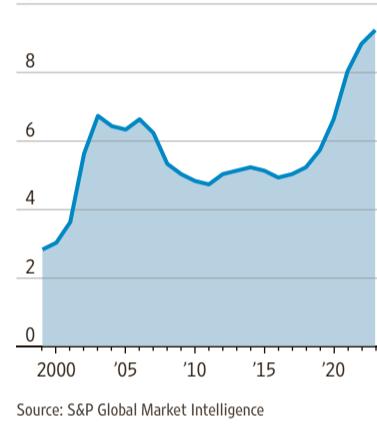
cas for specialty insurance at Arthur J. Gallagher & Co., noted a "significant inflow of requests for E&S coverage for homeowners, both traditional homeowners as well as high net worth."

Insurance company Ryan Specialty recently teamed up with Private Client Select. The changing risks from perils such as wildfires, wind and severe storms have "accelerated way beyond what admitted markets can adjust to," Ryan founder and Executive Chairman Patrick Ryan said at an analyst conference. "Business has to go into the E&S market," he said. "Not everybody believes that, but we do."

In insurance, risks can eventually find a home—at the right price and terms.

—Telis Demos

Excess-and-surplus premiums as a percentage of U.S. industry total premiums



Source: S&P Global Market Intelligence



Bringing Communities of Support to Students

At Communities In Schools, we place knowledgeable and caring adults inside schools. These site coordinators surround students with a community of support to ensure they have access to everything they need to engage in learning, graduate, and succeed in life. We are there for them fostering life skills, providing mentor support, academic enrichment and resources like school supplies, meals, and access to technology.

See how we go all in for kids at CommunitiesInSchools.org



© 2023 Communities In Schools, Inc.