

THE WALL STREET JOURNAL.

D DOW JONES | News Corp *****

THURSDAY, OCTOBER 17, 2024 ~ VOL. CCLXXXIV NO. 92

WSJ.com

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DJIA 43077.70 ▲ 337.28 0.79%

NASDAQ 18367.08 ▲ 0.3%

STOXX 600 519.60 ▼ 0.2%

10-YR. TREAS. ▲ 6/32, yield 4.015%

OIL \$70.39 ▼ \$0.19

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EURO \$1.0862 YEN 149.64

What's News

Business & Finance

◆ **Stellantis vehicle deliveries** fell 20% in the third quarter as the Jeep and Ram-maker began to take measures to address excess inventory in the U.S. **B1**

◆ **Forecasters** are increasingly upbeat about the U.S. economy's prospects, according to The Wall Street Journal's latest quarterly survey of economists. **A2**

◆ **Major U.S. stock indexes** rose, with the S&P 500, Dow industrials and Nasdaq advancing 0.5%, 0.8% and 0.3%, respectively. **B9**

◆ **Elon Musk tapped** a close confidant to oversee Tesla's operations in North America and Europe, markets where the company faces stiffer competition and cooling demand. **B1**

◆ **SpaceX sued regulators** in California, claiming their rejection of its request for permission to launch more rockets was politically motivated. **B4**

◆ **McKinsey is overhauling** its China business after cutting back on government-linked clients and reducing the unit's workforce by nearly 500 people. **B1**

◆ **NBCUniversal plans to** add its regional sports channels to its Peacock streaming service as soon as early next year, people familiar with the matter said. **B3**

◆ **Lithium Americas said** GM will boost a planned second investment in the mining company's Thacker Pass project in Nevada by nearly 90% to \$625 million. **B2**

◆ **Novavax said the FDA put a** clinical hold on its application for a combination Covid-19 and influenza vaccine and stand-alone flu inoculation. **B3**

World-Wide

◆ **Ukraine and South Korea** raised concerns about the growing military alliance between Russia and North Korea, saying that Pyongyang is not only arming Moscow, but now has personnel in occupied Ukraine. **A1**

◆ **The FTC mandated** that businesses give consumers an easy way to drop subscriptions, approving a "click-to-cancel" regulation aimed at unwanted recurring bills. **A1**

◆ **Kamala Harris concluded** a rally in Pennsylvania resolving to continue using Trump's words against him as the Democratic nominee sharpens attacks on her opponent. **A4**

◆ **Israeli airstrikes hit** a municipal building in southern Lebanon, killing Nabatieh's mayor and at least 15 other people, according to state media, in a raid that Israel said targeted Hezbollah. **A8**

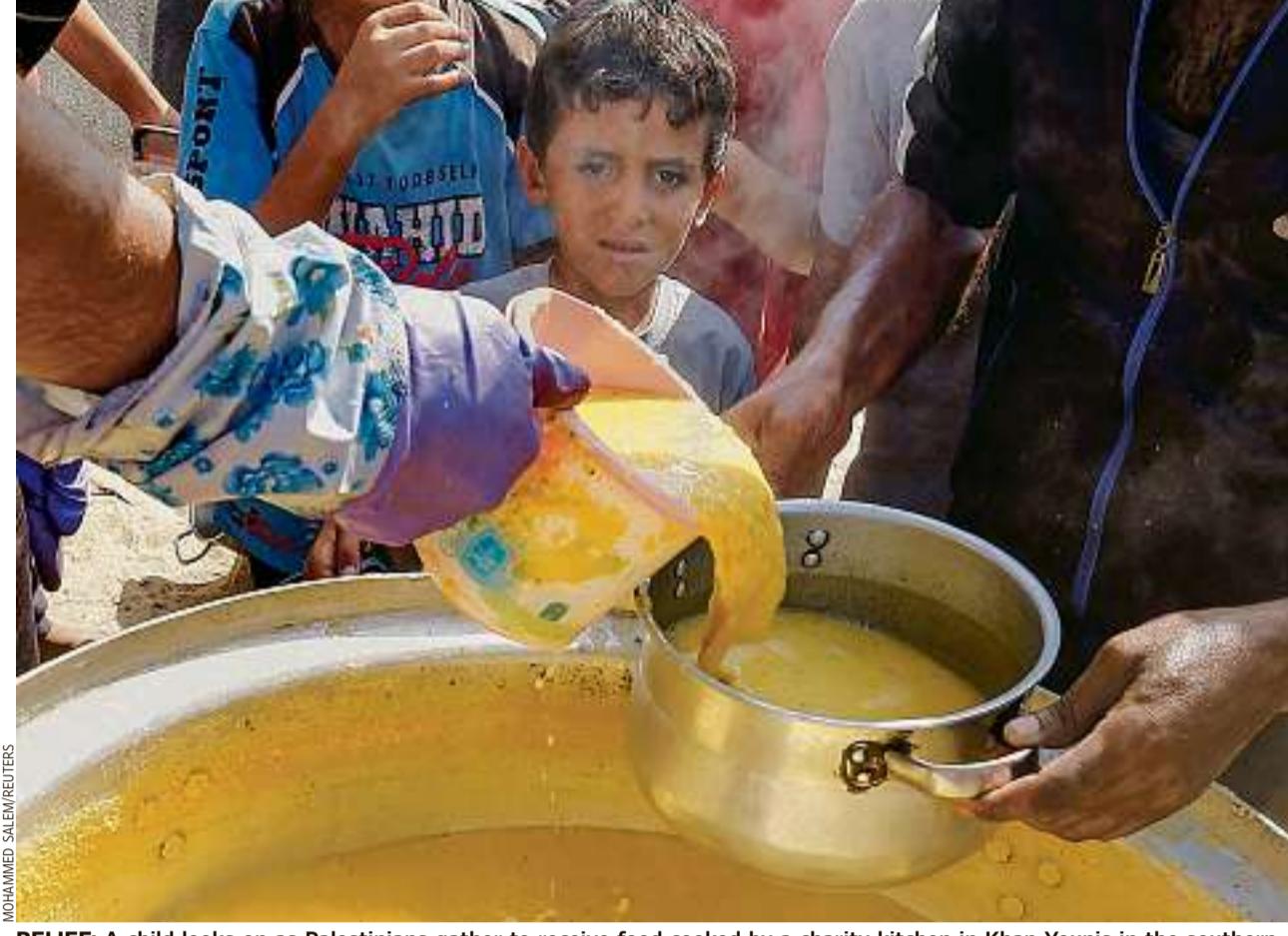
◆ **The U.S. is refocusing** its training of Ukrainian F-16 pilots on younger cadets rather than experienced members of the air force. **A9**

◆ **Columbia temporarily** banned from campus a professor in its business school who has accused the university of being a hotbed of antisemitism. **A3**

◆ **The Archdiocese of Los Angeles** agreed to pay \$880 million to 1,353 victims of clergy sexual abuse dating back decades, in what an attorney said was the largest single child sex-abuse settlement with a Catholic archdiocese. **A7**

◆ **More than 140 people**, including children, were killed in Nigeria when an overturned gasoline tanker truck exploded as they tried to salvage spilled fuel. **A18**

Aid Trucks Enter Gaza Amid Hunger Crisis



RELIEF: A child looks on as Palestinians gather to receive food cooked by a charity kitchen in Khan Younis in the southern Gaza Strip. Israel allowed aid trucks to enter northern Gaza on Wednesday after pressure from the White House. **A8**

FTC Eases Subscription Cancellations

The agency's new 'click to cancel' rule requires companies to simplify process

By DAVE MICHAELS
AND JOSEPH PISANI

Consumers often complain that getting out of a subscription or gym membership is like navigating a maze.

On Wednesday, federal regulators mandated that businesses give consumers an easy way out—just as simple as it was to sign up. The Federal

Trade Commission voted 3 to 2, along party lines, to issue a "click to cancel" regulation that eases the process of dumping unwanted, recurring bills.

"Too often, businesses make people jump through endless hoops just to cancel a subscription," FTC Chair Lina Khan said. "The FTC's rule will end these tricks and traps."

The agency's regulation is aimed at subscriptions and memberships that automatically renew unless a consumer takes action to cancel them. Businesses will have to offer a cancellation method that is "easy to find when the con-

sumer seeks to cancel," the regulation says, without dictating what the option has to look like.

Consumers routinely complain that businesses introduce friction into the cancellation process in an effort to retain them. Customer-service agents often try to cajole customers into not giving up a membership, sometimes offering discounts if they remain.

Consumers can't be required to interact with a live or virtual representative, such as chatbot, unless they consented to that step when they initiated the subscription, the rule says. If a consumer is required to cancel

over the telephone, the rule says sellers must be available during normal business hours to process the request.

"It's definitely welcome news," said Marco del Rosario, who had trouble canceling a monthly exercise class membership a couple of years ago.

The company required him to chat in a message box. Whenever he asked to cancel, he was given a discount or told pausing the subscription would be better than canceling.

After more than 30 minutes of back and forth, he made up a story that he was heading to Please turn to page A2

North Korean Soldiers Join War, Kyiv Says

Pyongyang provides advisers, factory workers, arms to Russia, Zelensky says

By DASL YOON
AND MATTHEW LUXMOORE

Ukraine and South Korea are raising concerns about the growing military alliance between Russia and North Korea, which they said now has boots on the ground in occupied Ukraine and continues to ship missiles and artillery shells to Russia.

President Volodymyr Zelensky of Ukraine cited on Wednesday Ukrainian military intelligence reports that North Korea was providing military personnel to aid Moscow's army, as well as workers for Russian factories to replace Russians killed in the war.

"It's effectively the participation of a second state in the war against Ukraine on the side of Russia," Zelensky told Parliament in an address.

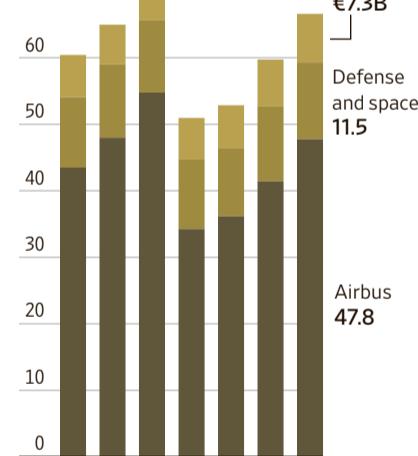
The president denounced Iran's support for Russia, which includes drones and missiles, and China's cooperation with Moscow, calling on partners such as the U.S. to increase military support.

Zelensky's comments came as he seeks to drum up backing for his "victory plan," an effort to secure more help from the West to strengthen Kyiv militarily and diplomatically, while weakening Russia's economy Please turn to page A9

◆ **U.S. shifts Ukraine pilot training younger..... A9**

Airbus Reduces Staff

Airbus is cutting up to 2,500 workers from its defense and space division—which makes satellites and spacecraft as well as jet fighters and drones—as the European aerospace giant battles with program delays, increased costs and competition from the likes of Elon Musk's SpaceX. **B1**



Hope Stirs in the Fight to Free The Milk and Sugar at Starbucks

Customers and baristas have been pining for a return of the condiment bar

By HEATHER HADDON

John Coleman has learned to live with his coffee habit, but most Starbucks baristas can't stomach his request for eight packets of sugar and just the right amount of milk.

Starbucks moved the sugar and milk behind the counter during the pandemic. But Coleman is among the chain's regulars bemoaning the decision to keep the condiment bar closed.

"Literally, it's different every day," said Coleman, a 52-year-old software sales executive from Evanston, Ill., about how baristas serve his Venti coffee. "It's worse for me and it's got to be worse for them."

Drip coffee drinkers already feel forlorn as Starbucks has leaned into supplying fancier drinks, like the Iced Brown Sugar Oatmilk Shaken

Espresso and TikTok-inspired Strawberry Cheesecake Frappuccino. Now, they feel shafted by coffee shops hiding creamers, forcing them to specify add-ons that can draw eye-rolls from employees or groans from patrons in line.

Add imprisoned condiments to the list of Covid-era restaurant practices that won't leave, like QR code menus and disposable dishes when dining in.

Pamela Braren takes her Starbucks coffee with half a packet of Sugar in the Raw and a smidgen of milk. When a harried barista heeds her request to doctor the brew, it typically comes out too light, she said. When they dispense the milk on the side, Braren ends up with a lamentable waste. "I think the baristas are young, and probably not drinking straight coffee,

Hot topic

The Guru Saying He Can Get Your 11-Year-Old Into Harvard

Jamie Beaton offers a pricey, yearslong boot camp preparing kids to apply to the Ivy League, drawing parents—and Wall Street

By DOUGLAS BELKIN

Seven children flew into New York in late July to meet with the college counselor they believed would get them into Harvard University or another top-flight U.S. college. Two traveled from Switzerland, two from Australia, one from the United Kingdom.

The youngest was 11.

They were there to meet Jamie Beaton, a 29-year-old Rhodes scholar from New Zealand with a reputation as the man who has cracked

the code on elite college admissions—and who is Wall Street's favored partner to mine the rich vein of parental anxiety embedded in the college process.

Beaton's message to the kids distilled: Optimize childhood by starting to build skills and interests years before high school. Strategically choose areas where you can excel—if you aren't going to be a top performer in an activity, drop it and move to something else. And find ways to be unique, whether through entrepreneurship—

Please turn to page A10

INSIDE



PERSONAL JOURNAL

The question travelers dread at boarding: 'May I gate-check your bag?' **A11**



SPORTS

After a decade and a half, the Yankees look to end a historic drought. **A14**

Storms Be Damned, Florida Builds Out In High-Risk Areas

By JEAN EAGLESHAM
AND CARL CHURCHILL

Driving through the mess left behind by twin hurricanes that slammed Florida, it doesn't take long to pass a construction site for another batch of new homes. Among them is La Linda Estates, which is being built in a high-risk flood zone on a barrier island near where Milton made landfall.

Florida built 77,000 new properties in high-risk flood areas since 2019, the most in the nation, according to an analysis by climate-modeling firm First Street Foundation for The Wall Street Journal.

The building binge is putting the real-estate industry, and the banks that finance it, on a collision course with insurers.

The new construction is one reason insurance bills for Milton and Helene are expected to be between \$40 billion and \$75 billion, according to ratings firm Morningstar

DBRS. Big payouts from natural disasters are driving insurers to raise rates and pull back on coverage.

Nationally, 290,000 new properties were built in high-risk flood areas from 2019 through 2023, almost 1 in 5 of the 1.6 million built in total in that period, the First Street analysis found.

Other states with heavy new construction in areas at high risk of flooding include Texas, with 63,000 properties since 2019, California with 21,000 properties, and North Carolina with 11,000, the First Street analysis found.

"We build in some of the most silly places, knowing what could happen," said Andrew Siffert, senior meteorologist at insurance broker BMS Group. He said that new development was one of the main reasons insured losses from catastrophes are increasing.

"The lenders need to play a

Please turn to page A6

U.S. NEWS

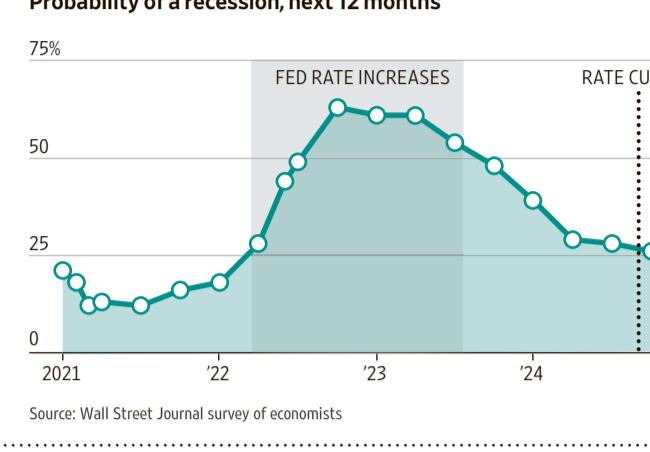
Economists Are Optimistic in New Survey

Forecasters have become more upbeat on growth prospects and remain confident that inflation will continue to cool

BY HARRIET TORY, PETER SANTILLI AND ANTHONY DEBARROS

Economists are increasingly upbeat about the economy's prospects, according to The Wall Street Journal's latest quarterly survey of business and academic economists.

The following graphics show what economists are thinking and how their predictions—and the economy—have changed over recent months and years.



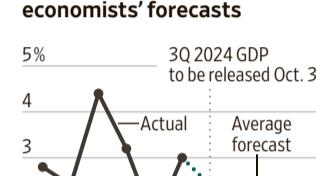
Source: Wall Street Journal survey of economists

A cheerier outlook for GDP

The U.S. economy has consistently defied predictions of a recession over the past couple of years, even as the Federal Reserve aggressively raised interest rates.

Last month, the central bank cut rates by a half-point in a bid to keep the labor market and economy on an even keel. The Journal's survey opened about two weeks later.

The forecasts of economists show they expect lower rates to have their intended effect: They now predict faster growth for the rest of this year compared with their July forecasts.



Note: Chart shows annualized change in real GDP from a quarter earlier, seasonally adjusted, and average forecasts among survey respondents.

Sources: Commerce Department (actual); WSJ survey of economists (forecasts)

Lower interest rates

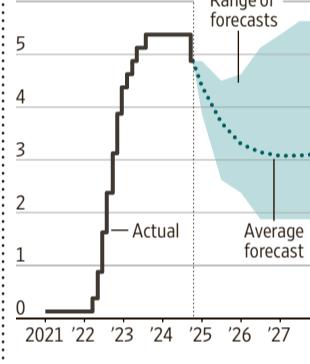
Economists sharply lowered their forecasts for short-term interest rates.

The Fed's September rate cut brought the benchmark federal-funds rate to a range between 4.75% and 5%. Economists in the October survey see this rate at 4.4% at the end of this year, implying two further, quarter-point moves.

In the July survey, economists had predicted this rate would be 4.9% at the close of 2024.

Economists also expect rates to sink faster in the years ahead, compared with what they were expecting in July.

Federal-funds rate target with economists' forecasts



Note: Chart shows the midpoint of the target range.

Sources: Federal Reserve (actual); WSJ survey of economists (forecasts)

Survey responses, then and now

We asked respondents a number of questions. Here is how their answers changed from previous surveys.

How would you grade the performance of Jerome Powell as Federal Reserve chair?

OCTOBER 2024 RESPONSES

Grade A

B

C

D

F

OCTOBER 2023

A

B

C

D

F

OCTOBER 2023

0

25

50

75

100%

Under which presidential candidate's proposed policies is inflation likely to be higher?

OCTOBER 2024 RESPONSES

Trump

Harris

Trump

JULY

Biden

0

25

50

75

100%

Under which presidential candidate's proposed policies are interest rates likely to be higher?

OCTOBER 2024 RESPONSES

Trump

Harris

Trump

JULY

Biden

0

25

50

75

100%

Which presidential candidate's proposed policies would put more upward pressure on the federal deficit?

OCTOBER 2024 RESPONSES

Trump

Harris

Trump

JULY

Biden

0

25

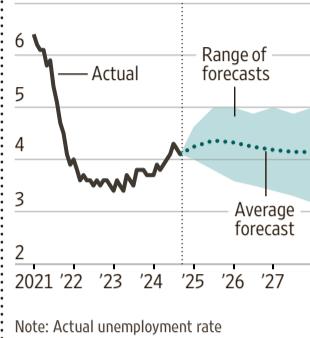
50

75

100%

Note: The latest survey was conducted Oct. 4-8. Source: Wall Street Journal survey of economists

Unemployment rate with economists' forecasts



Note: Actual unemployment rate is seasonally adjusted. Sources: Labor Department (actual); WSJ survey of economists (forecasts)

A slightly cooling labor market

With inflation easing, the labor market has increasingly become the focus of anyone trying to read the economy. Here, the expectations of economists were roughly in line with what they said in a Journal survey in July.

They continue to believe the unemployment rate will clock in at about 4.2% at the end of this year. The rate was 4.1% in September, according to the Labor Department's latest jobs report.

They also expect the U.S. to add about 130,400 jobs a month on average over the next 12 months—basically unchanged from their July forecast of 130,900.

These forecasts show that economists do expect further cooling in the labor market, which has been slowing down this year. But they don't see unemployment rising dramatically.

Whom we talked to

The Journal has been publishing consensus forecasts from a panel of academic, business and financial economists for more than 40 years. This survey was answered by 66 economists. Not every economist answers every question.

Core PCE inflation with economists' forecasts

Note: Based on 12-month changes in the PCE price index excluding food and energy.

Sources: Commerce Department (actual); WSJ survey of economists (forecasts)

Cooling inflation

Bringing down inflation has been the Fed's main focus over the past couple of years, and inflation has indeed eased greatly in 2024. But some analysts believe that inflation could still get stuck at a too-high level.

Even so, economists remained confident that inflation will continue to cool in the quarters ahead. This chart shows their forecasts for the core reading of the personal-consumption expenditures price index. The PCE is the Fed's preferred inflation reading; the core index shown here strips out volatile food and energy prices.

Note: Chart shows the midpoint of the target range.

Sources: Federal Reserve (actual); WSJ survey of economists (forecasts)

quires that companies tell consumers upfront about recurring-payment memberships.

The FTC could seek to punish sellers that violate the rule by initiating enforcement actions and seeking civil penalties.

The FTC's two Republican commissioners, Melissa Holroyd and Andrew Ferguson, opposed the rule. Holroyd wrote in a dissent that the commission lacks the authority to promulgate such a mandate. She also said Khan and the FTC's Democratic majority rushed to announce the final rule before the November election.

The Biden administration early on put its political heft behind supporting rules designed to fight so-called junk fees that annoy consumers.

“We are seeing another low in our abuse and misuse of the tools Congress has given us,” Holroyd wrote.

Rebecca Slaughter, a Democratic member of the commission, wrote in her own commentary that the rule had been carefully pared back from the original proposal issued in 2023. She noted that the process to start drafting the rule began during the Trump administration.

The FTC alleged earlier this year that Adobe failed to disclose early-termination fees for software subscriptions and made it hard for customers to cancel. The Justice Department filed the lawsuit in federal court in San Francisco on the FTC's behalf. Adobe has asked a judge to dismiss the case early.

FTC Makes Canceling Easier to Do

Continued from Page One
prison and couldn't use it anymore.

“That was the one that finally did it and they were able to process my cancellation,” said the 33-year-old in Seattle. “It was one of the most frustrating experiences.”

Trade groups representing publishers, advertisers and videogame companies opposed the FTC's proposal for the rule, which it issued in March 2023.

The groups said the FTC overstated consumers' weariness with ending subscriptions. The News/Media Alliance said at the time that a new rule was unnecessary because many states already regulate cancellation procedures. The Wall Street Journal publisher, Dow Jones, is a member of the association. The alliance didn't return a message seeking comment.

The regulation includes a broad prohibition against businesses making misleading statements about products or services they sell using recurring subscriptions.

That might be a strong weapon for the FTC when it wants to punish companies over their marketing claims. It also could be the trigger for a

CORRECTIONS & AMPLIFICATIONS

Signatures are legally required for shipments of some pharmaceuticals. A Page One article on Friday about parcel thefts incorrectly said signatures are required for all pharmaceuticals.

Universal Epic Universe theme park in Florida sits on a 750-acre site. A Business & Finance article on Wednesday about Universal's plans to open the park incorrectly said it was a 750-acre theme park.

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

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MEMORIAL: President Biden, former Presidents Barack Obama and Bill Clinton, and former House Speaker Nancy Pelosi pay their respects to Ethel Kennedy, widow of Sen. Robert F. Kennedy, at a service Wednesday at the Cathedral of St. Matthew the Apostle in the capital. She died Oct. 10 at 96.

U.S. NEWS

More Jews Feel Drawn to Their Faith

Hamas attack on Israel inspired some in U.S. to connect with their religion

By GREGORY ZUCKERMAN

Heather Kafetz has never been to Israel. She attended Hebrew school but felt Judaism had been forced upon her by her parents. As an adult, she only went to synagogue on the High Holidays.

Then came Oct. 7. That day last year Hamas fighters and other Palestinian militants breached the Gaza border, killing nearly 1,200 people and abducting about 250 hostages.

It affected Kafetz in ways she never anticipated.

Kafetz, a 52-year-old lawyer who lives in Clarksburg, Md., is now active in her Jewish community, leading fundraisers to help Israeli children who lost parents in the raid and those displaced by more recent attacks.

"It's something deeply rooted, this connection to each other, Israel and thousands of years of history," Kafetz says. "Deep-seated fears were triggered, I just felt our very existence was under attack."

Some Jews have protested Israel's offensive in Gaza, which has left more than 40,000 people dead, according to Palestinian health authorities, who don't distinguish between combatants and civilians. Campus protests against Israel and sometimes violent antisemitism spurred some Jews to make their faith less conspicuous.

But others have embraced their religion and Israel, sometimes for the first time.

Representatives of major Jewish denominations report increased participation in synagogue services and pro-Israel events in the past year.

Some 43% of American Jews say they are more engaged in Jewish life than before the Oct. 7 attacks, including roughly a third of the community who said they previously had minimal involvement, according to

a national survey of 6,000 people earlier this year by the Jewish Federations of North America, which represents Jewish communities across the U.S. and Canada.

In the last year there has been a 26% rise in participation in Jewish student unions, which are student-run clubs for teenagers in public schools, to more than 18,000 students, according to NCSY, a Jewish youth organization. Seventy-six new clubs have been launched, and the organization has fielded dozens of requests for new clubs at schools that are hours from the nearest Jewish community.

Giving to Jewish National Fund-USA, which supports various causes in Israel, is up 66%, including 52,000 new donors, compared with the previous year. Nearly 4,000 Americans have registered for trips the organization runs to volunteer in Israel since the Oct. 7 attacks.

Demand has increased for tefillin, the black leather boxes worn by Jewish men during morning prayers; mezuot, which Jews affix to doorposts; and Shabbat candles, says Rabbi Motti Seligson, a spokesman for Chabad-Lubavitch, a Brooklyn-based Hasidic movement that often ministers to less religious Jews.

"People are looking for a safe haven and to connect with their Jewish values and community and seek comfort in ritual," says Rabbi Hara Person, chief executive of the Central Conference of American Rabbis, which represents Reform rabbis.

High-profile American Jews, including Debra Messing and Jerry and Jessica Seinfeld, have advocated for Israel on social media or visited the country, while reality star Meredith Marks announced on television that she would be having a bat mitzvah, which she didn't have in her youth.

"Since October 7, one good thing is that people got in touch with their Jewishness," says Donny Deutsch, the former advertising executive, who has defended Israel on



Cornell's Chabad Center hosted 250 students for Shabbat dinner this year, up from 150 during the same week a year ago.

LAUREN PETRACCA FOR THE WALL STREET JOURNAL

'I just wanted to show support,' after the Oct. 7 attack, says Brandon Strahl.

Lubavitch, a Brooklyn-based Hasidic movement that often ministers to less religious Jews.

television and is planning a trip to the country. "A switch went off in so many people."

Applications from American citizens to emigrate to Israel are up 76% since the Oct. 7 attacks compared with the same period the year before, according to Nefesh B'Nefesh, which assists relocations. About 4,000 people are expected to move this year, up from 3,047 in 2023, the organization says.

The new interest carries opportunities—and challenges—for American Jewish communities. Those in their 20s and 30s "want to show Jewish pride and take more ownership of their Jewish identity," but don't always share the same allegiance to Israel as older members, Rabbi Person says.

Some also want "an affiliation that's outside the conventional synagogue," she says, so communities are creating social experiences including study, meals and hikes.

On campus, the picture is also nuanced. A survey of more

than 1,000 Jewish students at more than 100 U.S. campuses released last month by two Tufts University academics showed the percentage of students who said their Jewish identity is "very important" to them has increased to 65% from 57% in 2022.

"There's been an awakening among a group of people who were previously unaffiliated," says Eitan Hersh, the study's co-author.

Participation in Jewish events on U.S. campuses soared after the Oct. 7 raid but has since largely fallen to pre-attack levels as new students engage with the community while others retreat out of fear of antisemitism, Hersh says.

Last month, on the first Friday night of the new semester, Cornell University's Chabad Center hosted 250 students for Shabbat dinner, its biggest ever, up from 150 during the same week last year.

Brandon Strahl, a 22-year-old from Ventnor City, N.J., never had a connection to Judaism. The son of a Catholic father and a Jewish mother, Strahl skipped a bar mitzvah, never went to synagogue and had nothing to do with Israel.

Last year, days after Oct. 7, Strahl shocked friends and family and began eating kosher, despite his love for bacon cheeseburgers.

"I'm not a religious person, but I went to a prayer thing and I just felt the urge to eat kosher," he says. "I just wanted to show support."

Strahl now dons tefillin twice a week and donates to Jewish charities. He posts about Israel on social media to help others understand the country's struggles, he says.

"It makes me feel happy, it's an emotional thing," he says. "I feel like I'm helping."

THE EXCEPTIONAL DAYS OCTOBER 11-27

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PARIS



Heather Kafetz of Clarksburg, Md., is now an active member of her Jewish community.

Columbia Suspends Pro-Israel Professor

By JOSEPH PISANI

An outspoken Columbia University professor, who has accused the school of being a hotbed of antisemitism, has been temporarily banned from its campus.

Columbia said it isn't letting Shai Davidai on its campus because he has repeatedly harassed and intimidated the university's employees, including in an incident last week.

Columbia said it expects Davidai will return to campus after he completes training on how employees should behave. The school didn't say how long the training would last.

Davidai, a Columbia business professor who has been a fixture at protests, said in a phone interview that the school was referring to an Oct. 7 event on campus commemorating the victims of last year's Hamas attack on Israel. "This is clear retaliation," Davidai said. "I feel horrible—not for myself. The university is basically telling Jewish students, the Jewish community, where it stands."

Columbia said it respects Davidai's right to free speech. Davidai said the university told his lawyers he was being

banned from campus on Tuesday. Columbia said the professor is still employed by the university and the ban doesn't affect his compensation.

Davidai, who is Jewish, said he was at the Oct. 7 memorial when pro-Palestinian protesters started circling it. He saw employees walking by, including Cas Holloway, Columbia's chief operating officer, and started filming them to post the videos to social media, asking them why they were allowing the protests to happen.

"This is the COO of Columbia

allowing this to happen on Oct. 7," Davidai said in one video as he follows Holloway. "Cas, what do you have to say?"

Columbia and other universities were rocked by pro-Palestinian protests and encampments after the Oct. 7, 2023, attack and the subsequent war in Gaza. This spring, pro-Palestinian protesters took over and barricaded a building on campus. Police were brought in, pulling students out and arresting them.

Davidai has been critical of

Columbia for allowing the pro-

tests to go on, posting on social media that the campus isn't safe for Jewish students.

Minouche Shafik, the school's former president, stepped down in August after intense criticism from some donors, alumni and students that she wasn't doing enough to stop the protests. She was criticized by others for allowing police on campus. Shafik cited the toll the job had taken on her family for her resignation.

Katrina Armstrong, who runs the Columbia University Irving Medical Center, was named interim president.

A recent report by a task force of Columbia faculty members found Jewish students had been threatened and harassed on campus during the past school year. Nearly 500 students were interviewed by the task force, and it found antisemitism against students was pervasive on campus and on social media.

Davidai said he isn't currently teaching classes because the fall semester is when he conducts his research. The ban, he said, will prevent him from going to his office and faculty meetings, making it hard for him to complete his work.



Shai Davidai at a pro-Israel rally in Manhattan on Oct. 6.

STEPHANIE SPINDEL/REUTERS

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U.S. NEWS

Harris Sharpens Tone on Trump

Democrat leans into threat of new term, tries to use rival's words against him

BY KEN THOMAS
AND TARINI PARTI

When Vice President Kamala Harris walked off the stage of a rally in Erie, Pa., which included a video compilation of Donald Trump's recent comments about "the enemy from within," she told her campaign staff that she wanted to keep using the former president's own words against him, advisers said.

The video footage of Trump, which Harris presented for the first time at Monday's rally, is part of the Democrat nominee's decision to deliver much sharper attacks against her Republican rival during the campaign's final weeks. Harris is leaning into the threat of a second Trump term, building upon her portrayal of the former president as a self-interested politician who doesn't have an agenda for the middle class.

"He tells us what he would do if he is elected president," Harris told the crowd, instructing her staff to "please roll the clip." The rallygoers then watched as Trump said that "those people are more dangerous, the enemy from within, than Russia and China," and railed against "radical left lunatics" who might need to be handled by the National Guard or the U.S. military.

"He considers anyone who doesn't support him or will not bend to his will an enemy of the country—it's a serious issue," Harris said. "He's saying that he would use the military to go after them. Think about this!"

Trump doubled down on his "enemy from within" comment during a Fox News town hall that aired Wednesday, and criticized Harris for attacking him for it.

"They are a party of sound bites," he said, adding that Democrats were the ones who were the "threat to democracy."

Harris, a former prosecutor and California attorney general, has told aides she wants to use the clips to present "evidence" as she makes her closing argument against Trump, people familiar with the conversations said. One of the people said there is nothing more powerful than to simply use Trump's own words to make that case. Harris has also been encouraging voters to watch Trump's rallies, and calling out what she sees as his weird behavior.

When Trump spent a portion of an unusual Monday town hall in Pennsylvania pick-



Kamala Harris spoke at an event in Erie, Pa., on Monday that featured a video compilation of Donald Trump's comments.



Trump held a rally in Coachella, Calif., over the weekend.

Vice President's Favorability Drops

Recent polls show Vice President Kamala Harris's favorability has declined since she first became the nominee. A Wall Street Journal poll of 600 registered voters per state in seven battlegrounds between Sept. 28 and Oct. 8 found 46% viewed her favorably, while 50% viewed her unfavorably.

Those findings were in line with Donald Trump's favorability ratings.

Harris's drop in popularity raises the question of

whether she should spend more time and money on pushing a positive message about herself rather than a negative one about Trump.

Besides warning against a potential second Trump term, Harris has also tried to get under Trump's skin, as she did during her debate against the former president, making the case that the GOP nominee isn't being transparent with voters and criticizing his performance at rallies.

River, in Washington Crossing, where George Washington crossed the river in 1776 during the Revolutionary War.

Before signs that read "Country Over Party," Harris said the choice was between her and someone "who I think we can guarantee will sit in the Oval Office plotting retribution, stew in his own grievances and think only about himself and not you."

In 2016, Hillary Clinton repeatedly assailed Trump over everything from his business acumen to his vulgar language and treatment of women. In 2018 midterms, Democrats kept attacks more focused on Trump's threats to freedoms such as abortion rights.

In 2022, President Biden emphasized the idea that Trump was a threat to democ-

racy. Biden pushed the same theme in 2024, and Democrats were divided on whether that was effective as the main message. Since replacing Biden, Harris has put more focus on Trump's threats to freedoms such as abortion rights.

Josh Schwerin, a Democratic strategist, said Democrats have learned they need to both present an economic message in the bulk of their ads, but also find a line of attack that can break through to voters on other platforms.

"In the final three weeks to an election, raising the stakes, giving people a sense of urgency to show up, and talking about the threat is a component of that complete package, and it's not either or," Schwerin said.

ELECTION 2024

Candidates Take To Different Forums on Fox

Kamala Harris and Donald Trump both courted Fox News viewers Wednesday, with the vice president making a play for undecided voters in a combative interview and the former president trying to improve his standing with women in a friendly environment.

The vice president directed her pitch toward Republicans and independents who might be frustrated by President Biden's policies but have reservations about giving Trump another term.

Meanwhile, Trump, who has largely been sticking to conservative media, did a town hall hosted by Fox News's Harris Faulkner in Georgia before an audience of supportive women.

In her testy interview with Bret Baier, marked by frequent interruptions, Harris more clearly separated herself from Biden than she had previously. "I represent a new generation of leadership," she said. "I, for example, am someone who has not spent the majority of my career in Washington, D.C."

Pressed repeatedly on immigration policies, Harris portrayed herself as more solutions-oriented than Trump and distanced herself from her previous more liberal positions.

—Tarini Parti

and Natalie Andrews

More States Begin Early Voting

It is now possible to cast an early ballot in several more states. Early voting locations will stay open until Election Day in Rhode Island, while Tennessee residents can vote early until Nov. 1. Kansas and Iowa also opened their early voting programs. Called advance in-person voting and in-person absentee voting, respectively, days and hours of operation vary by county.

Tuesday, more than 300,000 voters in Georgia cast ballots during the state's first day of early voting. Turnout was more than double the previous record set in 2020.

—Xavier Martinez

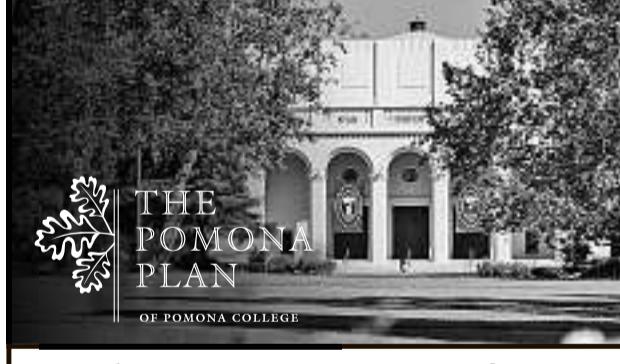
Montana Democrat Is Top Fundraiser

Three Democratic candidates for hotly contested U.S. Senate seats each raised more than \$30 million during the third quarter, according to their latest federal filings.

Atop the cash pile: incumbent Sen. Jon Tester of Montana, who raked in \$32.2 million, according to his filing Tuesday with the Federal Election Commission. Tim Sheehy, his Republican opponent, raised \$9.7 million.

Tester outraised all Senate candidates between July and September, the filings show. Right behind him: Ohio incumbent Sherrod Brown, with \$30.7 million, and Democratic Rep. Colin Allred, who is challenging Texas Republican Sen. Ted Cruz, with \$30.3 million.

—Anthony DeBarros



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Carter, Age 100, Casts Early Ballot in Georgia

By XAVIER MARTINEZ

When former President Jimmy Carter turned 100 earlier this month, he reportedly said he was more excited to vote for Vice President Kamala Harris than he was about his centenary. The Carter Center said that he cast his absentee ballot by mail Wednesday, achieving both his goals.

Carter has been in hospice care since early 2023.

Hundreds of thousands of Georgians cast their ballots Tuesday during the state's record-breaking first day of early voting. Early in-person voting will continue through Nov. 1. Registered voters can request an absentee ballot to vote by mail, though requests must be received by Oct. 25.



Jimmy Carter in 2016

Paths to Victory in the 2024 Election



Scan this code for an interactive graphic that allows you to explore the possible combinations needed in battleground states for either former President Donald Trump or Vice President Kamala Harris to win. Harris and Trump are both striving to reach the 270 out of 538 total electoral votes needed, 95 of which are up for grabs in seven battleground states.

Nebraska Voter Registration Curb Is Lifted

Nebraska residents with felony records can register to vote immediately after finishing their sentences, the state Supreme Court ordered Wednesday, in a case that challenged the state's top election chief.

The ruling could enfranchise thousands of Nebraskans ahead of the state's looming voter registration deadline, according to the American Civil Liberties Union, which brought the suit.

The state legislature earlier this year removed a two-year waiting period after finishing sentences to prison and parole for otherwise eligible voters with felony convictions.

—Mariah Timms

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U.S. NEWS



A vehicle drove through a flooded street in Siesta Key, Fla., last week after Hurricane Milton hit the state.

Florida Builds Out Risky Areas

Continued from Page One
role," said Robert Gordon, a senior vice president at industry body the American Property Casualty Insurance Association. He said the lenders can be on the hook for decades while insurers can raise rates every six to 12 months.

"The lenders...are really in the best position to make sure there's the right consideration of the long-term risk," said Gordon, whose family had to evacuate from Tampa ahead of Milton. "A lot of times that's not happening right now."

Even as climate change drives up the frequency and severity of natural disasters, developers keep building in harm's way.

La Linda Estates is made up of 13 homes on Siesta Key near Sarasota, steps from the Gulf of Mexico. Homes sell for

just under \$3 million. Listings said they are at high risk of flooding and wind damage, as well as high heat. The area was still cleaning up from late September's Helene when Milton hit last week.

Dustin Anderson, a Realtor at Serhant selling the homes, said they "did not have any major damage" after Helene or Milton. The developer Pampa Sunbelt said the homes have a concrete structure and conform to Florida's design code.

People in the U.S. have moved to risky areas just as they became more vulnerable because of climate change. In the decade through 2020, the U.S. population overall grew 7.4% but rose 10.2% in the South and 9.2% in the West, including areas vulnerable to storms and wildfires, according to ratings firm AM Best.

Home insurers racked up more than \$32 billion in underwriting losses in the four years through last year, according to S&P Global. The result is premiums "have nowhere to go but up," Morningstar said in a research note on Monday.

Lenders and developers

counter that they take climate risks into account for new buildings. A study by reinsurer Swiss Re found the reduction in hurricane damage because of Florida's strict building standards was significant. But it was far outweighed by the increased losses caused by an influx of millions of sunseekers.

Developers are making matters worse by skirting official flood zones while still building in high-risk areas, the First Street analysis suggests. Typically, high-risk flood zones are designated by the Federal Emergency Management Agency as official Special Flood Hazard Areas, which exclude factors such as heavy rainfall and can be outdated.

First Street said high-risk zones are bigger than official maps suggest. Homes built in official flood zones need to get flood insurance if supported by a government-backed mortgage and conform to tougher building codes, making them more expensive for buyers.

Just outside of the official zones, but inside what First Street considers high risk,

those requirements don't exist. That is where developers are building.

Of the 77,000 recently built properties in Florida that First Street identified as at high risk of flooding, 41,000—or more than half—fell outside the official flood zones. Nationally, 211,000 properties were built outside official flood zones but within First Street's high-risk areas in the five years through last year, the analysis found.

"Millions of people are at heightened risk of flooding in hurricanes, without the protection against that risk they would be afforded if flood zones were more accurate," said Jeremy Porter, First Street's head of climate-implications research.

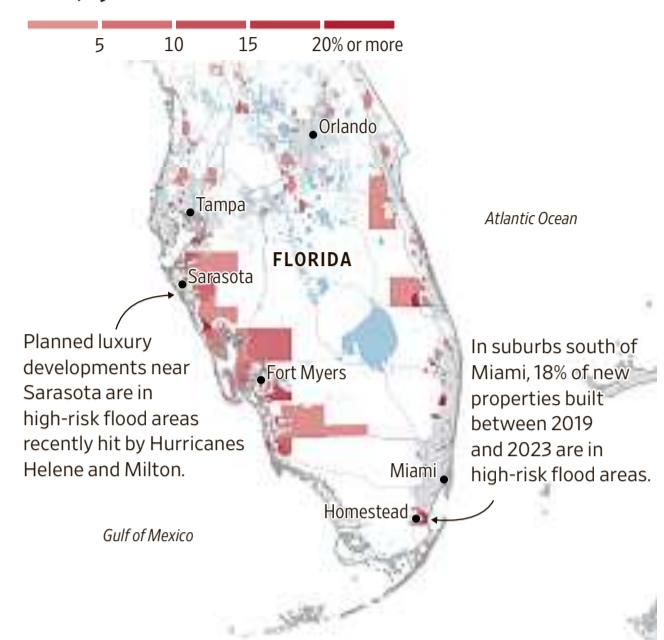
A spokeswoman for FEMA, which is responsible for the flood zones, said it "uses the latest science and data" for its maps. "FEMA's process is careful to neither underestimate nor overstate the current flood risk," she said.

Trevor Burgess, chief executive of insurer Neptune Flood, said states like Florida should consider changing the

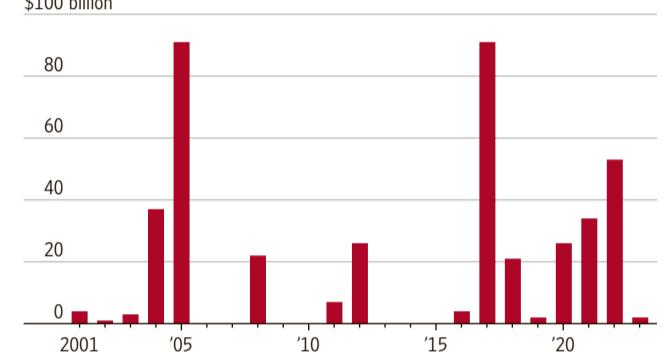
Building in Harm's Way

Florida leads the nation in developing properties in high-risk flood areas.

Percentage of properties built from 2019–23 in high flood risk areas, by census tract*



Insured losses from U.S. named storms and hurricanes, adjusted for inflation



*High flood risk areas are those within the 100-year flood zone. Tracts with less than 1% of new properties not shown.

Sources: First Street Foundation (flood risk); BMS Group (losses) CARL CHURCHILL (map)/WSJ

building codes for areas that aren't in official high-risk flood zones, and "just go up a foot or so."

The sea level in his Florida hometown—and Milton target—St. Petersburg "is nearly a foot higher than when I was born," the 52-year-old Burgess said. He was speaking from Washington, D.C., where he had evacuated. He didn't yet know whether his house was damaged.

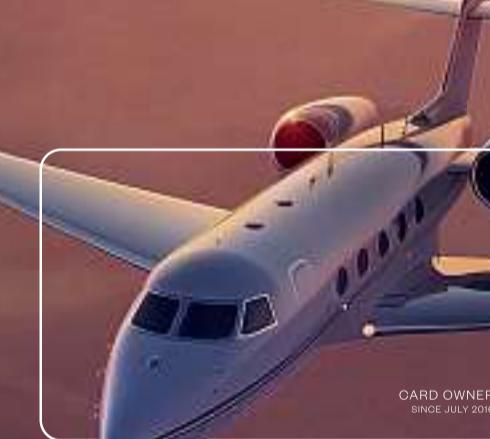
Builder Lennar invites home buyers to "live life in ultimate style and comfort" at a devel-

opment of hundreds of houses plus a golf course in Homestead, south of Miami. The site of the development, Altamira, is in an area classified by First Street as a high flood risk.

Homestead was flattened in 1992 by Hurricane Andrew, which was the costliest storm to hit Florida for 25 years. One result was Florida's tough building code; another was that insurers began their retreat from the state.

A spokeswoman for Lennar didn't respond to requests for comment.

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U.S. NEWS

Political Ads Don't Mention Crypto but Are Funded by It

By CAITLIN OSTROFF
AND VICKY GE HUANG

Bernie Moreno will support manufacturing jobs in Ohio, protect Social Security and be tough on immigration when he is elected to the U.S. Senate. At least that is according to a campaign ad that has been viewed more than 160 million times.

What the video doesn't address is his stance on crypto—the industry that funded the 30-second clip and emerged as one of the biggest ad spenders of this election cycle.

A trio of super political-action committees are seeking to elect candidates like Moreno to pass crypto legislation that would allow the industry to operate unfettered in the U.S.

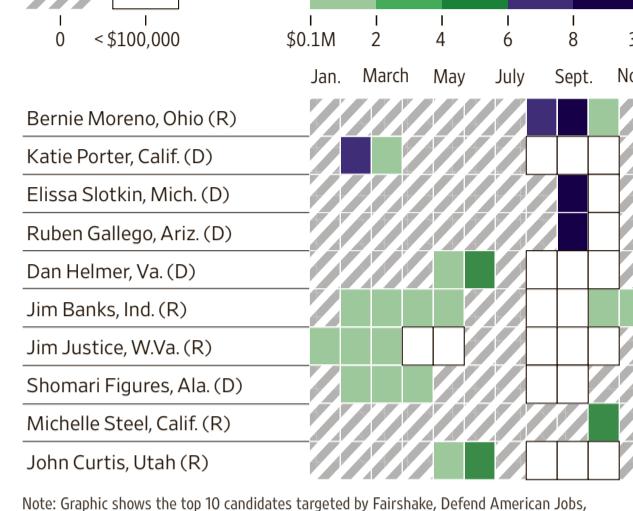
The super PACs deployed more than \$62 million on ads in September—their largest monthly sum to date, according to a Wall Street Journal analysis of data from ad-tracking firm AdImpact. Together, the PACs have raised nearly \$170 million from an industry A-list that includes crypto exchange **Coinbase Global**, Cathie Wood's ARK Investment Management and venture-capital firm Andreessen Horowitz.

Yet one thing the ads all have in common? None of them actually mention crypto.

Instead, the ads focus on domestic jobs, immigration and other wedge issues at the heart of the election. The strategy isn't necessarily unusual in political advertising—the environmental and pro-Israel lobbies are among the other groups whose messaging might appear off topic to some viewers. This election cycle, however, marks the first time that the crypto industry has exerted similar financial power.

Crypto "is not an issue that moves the vast majority of voters," Moreno said in an interview, while adding that the ads

Select ad spending by three super political-action committees, by candidate



Note: Graphic shows the top 10 candidates targeted by Fairshake, Defend American Jobs, and Protect Progress. Spending excludes ads aired only on cable-news networks. October and November data reflect spending on future ads.

Source: AdImpact

do a good job introducing his messaging to the electorate.

A former car dealer, Moreno is the founder of a blockchain startup that focuses on property titles. He has been a longtime crypto supporter, frequently speaks at crypto conferences and accepts campaign donations in bitcoin.

The Ohio Republican is looking to defeat Democratic incumbent Sherrod Brown—one of the loudest crypto critics on Capitol Hill—in a race with high stakes for the industry. In September, the super PACs pumped \$30 million into TV, streaming and digital ads for Moreno, by far the most of any other congressional candidate.

"When I win, there's no question that the crypto industry will have played a pivotal role in making that happen," said Moreno.

Crypto companies have been on the defensive since the 2022 market meltdown that culminated in the collapse of exchange FTX. Founder Sam Bankman-Fried and members of his team were among the big-

gest political donors in the 2022 midterm cycle, contributing more than \$70 million in less than 18 months. Bankman-Fried, who is serving a 25-year sentence in prison for fraud, personally donated \$40 million.

The Securities and Exchange Commission has since sued Binance, Coinbase and other crypto platforms, claiming they sell tokens that should have been registered with the agency as securities. The lawsuits have galvanized the companies to push back against the agency and campaign for new legislation to regulate the industry.

Former President Donald Trump emerged as an ally of the crypto industry in recent months. He pledged to create a strategic bitcoin reserve to hold the nation's supply and fire Gary Gensler, the chair of the SEC who is leading the fight to police the sector.

Support for crypto legislation has gained traction among some members of Congress. In May, the House passed a bill that would have

expanded the ability of the Commodity Futures Trading Commission to be a crypto watchdog, removing power from the SEC. The bill died in the Senate, though, lacking support for a companion bill required for it to become law.

Although much of the money for September's ad blitz went to Republican candidates like Moreno, Fairshake—the largest of the three super PACs—and its affiliates plowed millions of dollars into supporting Democratic candidates in key swing states as well.

Michigan Democratic Rep. Elissa Slotkin and Arizona Democratic Rep. Ruben Gallego each got almost \$10 million in favorable ads from the pro-crypto super PACs for their Senate campaigns.

"We are proud of the progress we have seen toward the creation of a sustainable bipartisan coalition," a Fairshake spokesman said. "We will continue to execute this strategy through November and into the future."

Earlier in the year, the ad spending was targeted at knocking a handful of candidates out of primary races.

Fairshake deployed almost \$10 million to campaign against California Senate candidate Katie Porter. The ad campaign claimed Porter took cash from "big banks, big pharma and big oil," an allegation she disputes.

Porter, who lost the primary, says she didn't have a clearly established position on crypto at the time. But she had signed a letter seeking information about how bitcoin mining in Texas may affect climate change, the stability of the energy grid and consumers.

"This is a new kind of special-interest influence because it was so nakedly about the money," Porter said of the super PACs. "I was just used to illustrate the power of their money."

U.S. WATCH

LOS ANGELES

Archdiocese Agrees On Settlement

The Archdiocese of Los Angeles has agreed to pay \$880 million to victims of clergy sexual abuse dating back decades, in what an attorney said was the largest single child sex-abuse settlement with a Catholic archdiocese, it was announced Wednesday.

Attorneys for 1,353 people who allege that they suffered horrific abuse at the hands of local Catholic priests reached the settlement after months of negotiations with the archdiocese.

The agreement caps a quarter-century of litigation against the archdiocese in the U.S.

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WASHINGTON STATE

Navy Searches For 2 Aviators

The U.S. Navy was searching Wednesday for two aviators whose plane crashed during a routine training flight.

The EA-18G Growler jet from the Electronic Attack Squadron crashed east of Mount Rainier at about 3:23 p.m. Tuesday, according to Whidbey Island Naval Air Station. Search teams, including a U.S. Navy MH-60S helicopter, launched from NAS Whidbey Island to try to find the crew and examine the crash site.

Navy officials said they didn't know if the two crew members managed to eject before the crash, which remains under investigation.

The search was happening in rainy and cloudy weather near Mount Rainier, a towering active volcano that is blanketed in snowfields and glaciers year-round.

—Associated Press

BALTIMORE

Two Men Charged In 7 Homicides

Two men have been indicted by a Baltimore grand jury and charged with killing at least seven people as suspected hit men for a gang, officials announced Tuesday.

Cornell Moore and Keith Russell, both 38, are accused of stealing cars and using those vehicles to carry out shootings, which included a 2022 double homicide of a man and his pregnant fiancée, according to prosecutors.

She died but doctors were able to deliver the baby, according to police.

They have also been charged with three nonfatal shootings and a series of carjackings starting in 2020.

Attorneys representing Moore and Russell aren't yet listed in online court records for this case. Emails seeking comment were sent to attorneys representing the men in separate continuing cases in Baltimore County.

—Associated Press

LAS VEGAS

Prison Term Set in Reporter's Murder

A former Las Vegas-area Democratic elected official was sentenced Wednesday to serve at least 28 years in Nevada state prison for killing an investigative journalist

Cornell Moore and Keith Russell, both 38, are accused of stealing cars and using those vehicles to carry out shootings, which included a 2022 double homicide of a man and his pregnant fiancée, according to prosecutors.

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—Associated Press

Regulators Are Struggling To Fix Laundering Laws

By DYLAN TOKAR

When lawmakers passed legislation intended to modernize the U.S.'s anti-money-laundering rules, many banks hoped the changes would make complying with the rules less burdensome, allowing them greater flexibility in how they allocate resources when screening for suspicious activity by customers.

As the adage goes, "Be careful what you wish for."

Banks for years have struggled to maintain programs to effectively manage money laundering risks. Such programs are expensive and the costs of failing to maintain them can also be high. Last week, **TD Bank** agreed to pay \$3 billion in penalties and limit its U.S. growth for failing to properly monitor and prevent cash deposits by Chinese criminals tied to the sale of fentanyl and other illicit drugs.

In charging documents, prosecutors alleged TD had maintained an anti-money laundering program that looked adequate on paper but failed in a number of crucial areas. TD executives enforced a "flat cost paradigm," according to the Justice Department, which prevented its anti-money-laundering budget from growing despite an increase in both profit and risk.

For years, banks have looked for more guidance from regulators about how to best allocate resources toward stopping financial crime. This year, the U.S. Treasury Department took a long-awaited step toward updating the patchwork of rules and regulations designed to keep dirty money out of the financial system. The department's financial crimes bureau has been under instruction to update its regulations since Congress passed the Anti-Money Laundering Act of 2020.

The Treasury's proposal for doing so would require banks to formalize an already common practice of conducting periodic risk reviews. It also would require banks to begin

incorporating a set of national priorities into their anti-money-laundering programs. On their face, the measures didn't appear to be a vast departure from what banks were already doing to fight money laundering.

But industry groups have been critical, saying the proposal flies in the face of what Congress intended when it tasked the Treasury's Financial Crimes Enforcement Network with reforming the U.S.'s financial crimes safeguards.

Influential groups such as the American Bankers Association and Bank Policy Institute have sent strongly worded letters to FinCEN, saying the Treasury bureau's proposal was simply creating new regulatory requirements instead of getting smarter about the old ones.

"We believe the proposed rule will do little to change the status quo," Gregg Rozansky, a lawyer for BPI, wrote in a letter last month to FinCEN. "It will neither implement the intent of Congress...nor facilitate a risk-based approach to identifying and disrupting financial crime."

Treasury officials say they are reviewing the industry feedback.

"This is a work in progress," Brad Smith, the Treasury's acting undersecretary for terrorism and financial intelligence, told attendees of a conference hosted by the ABA last week.

The groups have also sent letters to other financial regulators, including the Federal Reserve, that examine banks on their anti-money-laundering controls and have issued parallel proposals.

Under the current regime,

financial institutions filing millions of suspicious activity reports a year, many of which may have little value to law-enforcement officials. The FinCEN proposal does little to alleviate that kind of regulatory pressure, banking groups say.

Instead, FinCEN's proposal formalizes a requirement for financial institutions to conduct an assessment that identifies the risks facing their organization. Commentators have pointed out the practice is already widespread in the industry. Making it a requirement—which regulators say will increase consistency across the industry—adds to banks' regulatory burden since they will then be examined on how well they complete the assessment based on newly formulated standards, according to some industry groups.

A Treasury proposal would require banks to formalize risk reviews.



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WORLD NEWS

Israel Hits Big City In South Lebanon

Mayor of Nabatieh, at least 15 others killed in airstrikes, says state media

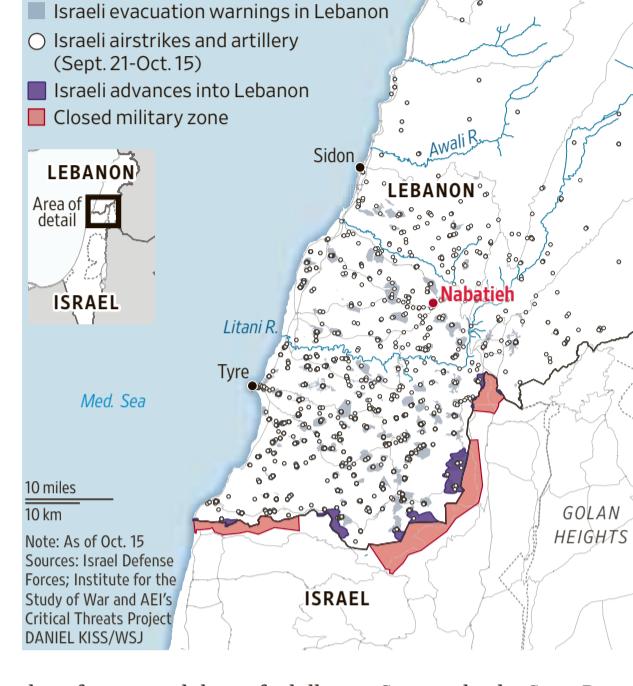
BY OMAR ABDEL-BAQUI

Israeli airstrikes hit a municipal building in southern Lebanon, killing the city's mayor and at least 15 others, according to state media, during an air raid that Israel said was targeting Hezbollah.

Israel said it struck dozens of targets in and around the southern Lebanese city of Nabatieh, one of the region's largest, including weapon-storage units and Hezbollah militants. The city's mayor, Ahmad Kahil, and others were killed, and dozens injured, when the municipal headquarters was hit, according to the state-media report. Israel's military declined to say whether the mayor was the target of the strikes, which were about 8 miles from the Israeli border.

Lebanese Prime Minister Najib Mikati condemned the attack, saying that the strikes hit the municipal building as city officials were meeting to discuss humanitarian response efforts, as the area has faced heavy bombardment.

Israel also renewed its air campaign in Beirut on Wednesday.



day after several days of a lull, hitting the city's southern suburbs, where Hezbollah has a significant presence. Israeli airstrikes on at least two buildings in densely populated areas of central Beirut killed 22 people last Thursday. U.S. officials have expressed concerns about Israel's bombing campaign.

"We have made clear to Israel that we oppose the bombing campaign...in Beirut," State Department spokesman Matthew Miller said Tuesday.

Separately, the State Department on Wednesday announced sanctions against three people and four companies for their role in a sanctions-evasion network that it says generates revenue for Hezbollah, including the production and distribution of an amphetamine.

More than 2,300 people have been killed in Lebanon since last October, according to Lebanon's Health Ministry. The figure doesn't specify how many were combatants. Hun-



Israel struck dozens of targets in and around the southern Lebanese city of Nabatieh.

dreds of thousands of Lebanese have been displaced in the country of 5.5 million.

Israel stepped up its attacks in Lebanon last month, starting with remote detonations of thousands of electronic devices, and thousands of airstrikes, including the assassination of Hezbollah leader Hassan Nasrallah.

Hezbollah began striking Israel last October, one day after the Hamas-led attacks in Israel that authorities there say killed about 1,200 people. Tens of thousands of Israelis in the country's north have been displaced by the Hezbollah attacks. In addition to destroying Hamas in Gaza, Israel recently said having its residents return to the north is a war goal.

Hezbollah, an Iran-backed

militia, has said it would stop its strikes when a truce is reached in Gaza, where more than 42,000 people have been killed, according to Palestinian health authorities, who don't say how many were combatants.

Meanwhile, Israel allowed aid trucks to enter northern Gaza on Wednesday after pressure from the White House sped up Israel's opening of the crossing, a person familiar with the matter said.

Israel shut the crossings in early October to allow troops to enter the enclave amid a stepped-up offensive against Hamas in the north. Israel's previous blocking of aid trucks into northern Gaza sounded alarms among aid groups and the White House.

The Biden administration has urged Israel to improve the

humanitarian situation in Gaza or risk a cut to arms sales.

In a letter to senior Israeli officials, dated Oct. 13 and signed by Secretary of State Antony Blinken and Defense Secretary Lloyd Austin, the U.S. blamed Israel for a significant drop in humanitarian aid into Gaza that contributed to starvation and suffering.

Israel launched a renewed ground operation nearly two weeks ago amid signs that Hamas was reconstituting there. The top American officials gave Israel 30 days to "reverse the downward humanitarian trajectory" or else it "may have implications" for future weapons transfers and funding under U.S. law.

—Anat Peled and Adam Chamseddine contributed to this article.

Lebanese Civilians Caught in the Crosshairs

BY STEPHEN KALIN
AND ADAM CHAMSEDDEINE

AIN EL-DELB, Lebanon—For years, a helpful, middle-aged man lived in the basement apartment of a seven-story residential building on a hillside. Some neighbors in Ain el-Delb said they knew he was connected to Hezbollah, the militant group. But they said they didn't think he was important enough to be an Israeli target.

At about 4 p.m. on Sept. 29, an Israeli munition slammed into the building, killing the man and his wife, along with at least 43 others, according to Lebanon's Ministry of Health. Another 70 people were hurt. It was one of the single deadliest strikes in the Israel-Hezbollah conflict.

Israel's military said it had aimed at and killed militants, whom it identified as "the commander of Hezbollah's Sidon compound along with several other operatives." It described the building as a headquarters.

Hezbollah members familiar with the situation said the man who lived in the apartment building in Ain el-Delb was head of the group's logistics committee in the southern city of Sidon, a role with civic and security responsibilities. They said his rank put him in the low to middle levels of the group.



People mourn the victims of an Israeli strike in Lebanon that killed 45 civilians.

For Mahmoud Badreddine and other survivors of the strike, the building was the place they had sought refuge from fighting farther south, where Israeli forces were waging a fight against Hezbollah.

Badreddine said he had arrived with his family days before the strike. He said he was sipping coffee behind the building when dust, glass and metal shrapnel filled the air. Then another blast rocked the

building, bringing it down.

"The trees were shaking and falling," he said two days later from his hospital bed. His right foot has to be amputated. His wife, a grandson and other relatives died, he said.

Since Israel intensified the conflict with Hezbollah, it has targeted members of the organization. With many Hezbollah leaders, fighters and other operatives living among the civilian population, the campaign

has meant a sharp rise in deaths among non-combatants and prompted criticism by those who say Israel isn't doing enough to minimize casualties.

Hezbollah didn't respond to questions about the strike and Israeli assertions that it endangers civilians by placing fighters and weapons in residential areas.

In addition to being the world's most heavily armed non-state force, Hezbollah is a

political party and the effective local government in swaths of southern Lebanon. The man in the Ain el-Delb building arranged religious pilgrimages to Iran for locals and secured local party events.

As with most Hezbollah members, he would have been subject to being called on to fight if needed. One resident who knew him for years said he talked about being part of a paramilitary group affiliated with Hezbollah but separate from its rank-and-file fighters.

In Ain El-Delb, the apartment building targeted by Israel was fuller than usual on Sept. 29—swollen with refugees and residents' extended families gathered for Sunday lunch.

Two days after the strike, rescue workers were still pulling bodies from the rubble, using excavators and hydraulic jackhammers to break through reinforced concrete as they searched for three missing children.

Everyday items, including women's handbags, a child's bicycle and a pasta strainer, were strewn among broken wooden furniture, concrete blocks, reinforcing bars and electricity cables. A fourth-grader's math and geography homework was wedged in the debris.

The Israeli military said it had issued a warning, but declined to give further details.

Egypt Replaces Spy Chief

BY JARED MALSIN
AND SUMMER SAID

Egyptian President Abdel Fattah Al Sisi on Wednesday replaced his powerful spy chief, who played an instrumental role in brokering cease-fire and hostage negotiations between Israel and Hamas.

The former intelligence chief, Abbas Kamel, who for years was seen as the second-most powerful person in the country, built trusted relationships with U.S. and Israeli intelligence officials, and also leaders in Hamas, a U.S.-designated terrorist organization.

Kamel was reappointed as special envoy of the president and general coordinator of the security services, according to Egyptian state media. Within Egypt's opaque political system, officials were divided about whether his new role is a promotion to oversee both the security and intelligence apparatus or a demotion.

He was replaced by another intelligence official, Hassan Radash, as chief of the General Intelligence Service, one of several large intelligence agencies in Egypt, state media said.

Global Conflicts Fuel Escalation in Nuclear-War Risks

BY LAURENCE NORMAN

The Cold War's end promised relief from nuclear nightmares. Long-adversarial governments agreed to eliminate warheads and collaborated to stop the spread of atomic weapons. That promise is now slipping away.

Russian President Vladimir Putin in September touted new rules on using nuclear arms, offering Moscow's latest signal of readiness to use atomic weapons in its defense. North Korea's nuclear arsenal is expanding. Iran is close to developing usable nuclear weapons, prompting fears of a Middle East arms race.

One of the two critical U.S.-Russia nuclear-arms-control treaties has collapsed. The other, which caps how many nuclear weapons Russia and the U.S. deploy, expires in early 2026.

Roughly 60 years ago, President John F. Kennedy warned that by 1975 the world could have 15 to 20 nuclear powers. His fears were inflated: There are only nine today.

Still, the global nonproliferation system is in greater peril

than at any time since the Cold War, said Rafael Grossi, director-general of the United Nations International Atomic Energy Agency, or IAEA. The threat of a nuclear confrontation, which a decade ago seemed fanciful, is no longer unimaginable.

"The shared consensus among great powers on the importance of nonproliferation—which was critical to building and sustaining the nonproliferation regime since the 1960s—has eroded," said Eric Brewer, a former director for counterproliferation at the National Security Council, now at the Nuclear Threat Initiative think tank. "I think at a minimum we're going to end up in a world with more countries that are capable of building nuclear weapons."

After the Berlin Wall fell, the U.S. and Russia cooperated to deactivate more than 3,000 strategic nuclear warheads lo-

cated in the former Soviet republics of Belarus, Kazakhstan and Ukraine. By 2012, Russia and the U.S. each held fewer than 5,000 warheads. In 1988, they had more than 41,000 and 23,500 respectively, according to the Federation of American Scientists.

South Africa, which had developed a small nuclear arsenal, became the first—and still only—country to scrap its nuclear weapons in the early 1990s. A decade later, Libya agreed to end its nuclear program. Iran, in the wake of the U.S. invasion of neighboring Iraq, agreed to start negotiations over its nuclear research.

Nonproliferation faced some setbacks. Pakistan tested its first nuclear weapon in 1998, and North Korea did so in 2006.

Efforts to contain nuclear threats have centered on the 1970 Treaty on the Non-Proliferation of Nuclear Weapons, or NPT. It codified a decision

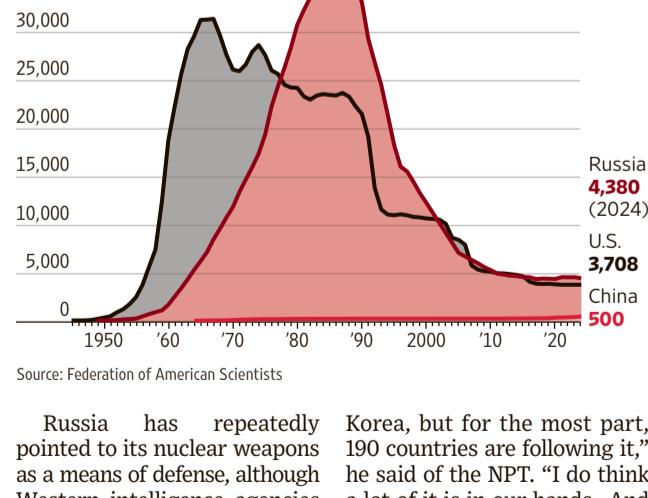
made by the two superpowers that limiting the spread of nuclear weapons was more important than seeking advantage by each giving its allies the bomb.

The NPT, which today has 191 signatories, commits countries without a bomb to using nuclear energy for peaceful purposes and grants the IAEA oversight powers. It includes a pledge by nuclear-weapons states to work in good faith to reduce their arsenals.

As tensions have grown among the U.S., China and Russia in recent years, the consensus around nonproliferation has frayed. Officials say Iran could be months away from building a nuclear weapon, and Saudi Arabia has said it would follow suit if that happens. Top officials in South Korea and Turkey have talked about their countries going nuclear.

Russia's actions since its invasion of Ukraine have raised the first real specter of nuclear-weapons use in decades. The invasion itself represented a violation of terms of a 1994 pact, under which Ukraine handed over Soviet nuclear weapons on its territory to Russia.

Estimated nuclear warhead stockpiles



Russia has repeatedly pointed to its nuclear weapons as a means of defense, although Western intelligence agencies have detected no real steps to prepare for nuclear use.

Matthew Kroenig, senior director of the Atlantic Council's Scowcroft Center for Strategy and Security, argues that despite the strains on the global nonproliferation system, the U.S. has the tools to shore it up.

"We focus on the problem children like Iran and North

Korea, but for the most part, 190 countries are following it," he said of the NPT. "I do think a lot of it is in our hands...And I think the big one is extended deterrence and can we get our nuclear strategy in order and credibly assure our allies?"

The IAEA's Grossi is less sanguine. Today's increasingly tense global environment makes "the attraction of nuclear weapons very strong," he said in September. "It's a difficult moment, indeed."

WORLD NEWS

U.S. Shifts Ukraine Pilot Training Younger

Move away from experienced fliers could delay full use of F-16s on battlefield

By LARA SELIGMAN
AND BRETT FORREST

WASHINGTON—The U.S. is refocusing its training of Ukrainian F-16 pilots on younger cadets rather than experienced air force members, a decision that could extend by many months the timeline for when Kyiv will have a full squadron of the Western-built aircraft ready for the battlefield.

The new direction is the result of the lack of experienced Ukrainian pilots with requisite English-language abilities who can be spared from the battlefield, U.S. officials said. Some officials also said the U.S. believes younger cadets would be more open to Western-style instruction.

The training course has been a subject of debate, particularly after an August crash that killed one of Ukraine's top fighter pilots, a former MiG-29 squadron commander who had recently graduated from the program, and destroyed one of Ukraine's few F-16s.

Ukraine is desperate for additional F-16s and pilots to bolster its air defenses, which are being overwhelmed by Russian aerial attacks. The bombardments are devastating Ukraine's military as well as damaging critical civilian infrastructure like the power grid, a growing vulnerability as the weather turns colder.

For the past year, the U.S. and international partners have been training small numbers of Ukrainian pilots to fly F-16 jet fighters at three locations: Morris Air National Guard Base in Arizona, the Danish military air base in Skrydstrup—which shut recently as the Royal Danish Air Force transitions to the new



Ukrainian servicemen carried flags after a ceremony marking Ukrainian Air Forces Day at an undisclosed location in August.

F-35—and the recently opened Fetești Training Center in Romania. A dozen pilots have passed through the courses so far, and 11 of those are now flying in Ukraine.

Even before the decision, Ukraine likely wouldn't have a full squadron of F-16s—20 planes and 40 pilots to operate them—until spring or summer next year at the earliest, a person with knowledge of the program said.

While the initial cadre of Ukrainian pilots learning to fly F-16s all had many years of flying Soviet jet fighters under their belts, the coalition has recently added more cadets to the mix. While the experienced pilots could skip basic flight training, the rookies must spend a year learning to fly at facilities in the U.K. and France before moving to the F-16 course in Arizona and Romania.

"It is a mix," a senior Pentagon official said. "Some have been experienced pilots, and we still are receiving more experienced pilots. But there's also those that do not have that kind of pilot training and experience."

The Ukrainian Air Force didn't respond to a request for comment about the F-16 training.

The training course has been a focus of attention since the deadly August crash, on the first day Ukraine used F-16s in combat, during a major Russian drone and missile barrage.

The crash raised questions about whether the pilots were rushed through the course and

into battle without adequate preparation. It can take years to train a Western air-force cadet to fly F-16s from scratch.

For U.S. Air Force pilots, the training lasts about two years from start to finish, said

retired Lt. Gen.

David Deptula, the dean of the Mitchell Institute for Aerospace Studies. Nine months to a year is required to complete basic flight training, followed by

four to six months flying a chosen aircraft and an additional four to six months to learn the procedures of a first operational unit.

To get an experienced pilot, you need an experienced

pilot. That's just a fact of life," Deptula said. "You don't come out of elementary school and become an Olympic athlete in a couple of months."

Even after training, Western pilots typically fly for months in exercises and with their units before executing live missions. Ukraine's new F-16 pilots, by contrast, have been transferring from training directly to the battlefield, without the time and experience generally required to operate the advanced airplane optimally.

The U.S. accelerated the training course for Ukraine's veteran pilots to six to nine months, depending on experience, by focusing on the specific missions they would face in the war against Russia, primarily air defense.

Ukrainian officials have argued for months that accelerated training is necessary be-

cause of the existential threat their country is facing. They say they need pilots trained as quickly as possible and have pushed for the U.S. to open additional spots in the program.

U.S. officials say Ukrainian trainees have struggled with aspects of the curriculum as well as competency in English, which is required to complete the course.

American instructors also found that some Ukrainian pilots in the initial batches of students—who were experienced in flying Soviet-designed MiG jet fighters and fresh from serving in an active war zone—were resistant to American training methods, two people familiar with the matter said.

This dynamic reflects a frequent tension on weapons training between NATO instructors, who have a set way of doing things, and Ukrainians, who are faced with immediate needs in the war against Russia and often have more battlefield experience than their Western trainers, people familiar with the matter said.

Many of the Ukrainian pilots also struggled to decipher English-language F-16 training manuals. Some pilots who began the course in Denmark failed the program, a Western official said.

Eight cadets who spent the past year learning basic flying skills on Alpha Jets, a jet trainer aircraft, in France, started training in September on the F-16 in Romania, a person familiar with the program said. Another eight, all experienced fighter pilots, are wrapping up F-16 training in Arizona now and will arrive in Ukraine early next year.

Additional cadets are undergoing basic pilot training in France and the U.K.

At Ukraine's urging, President Biden in September said the U.S. would expand the number of positions in the program from 12 to 18 total in Arizona and Romania. This expansion will take place next year, a Pentagon spokesman said.

North Korea Role in War Grows: Kyiv

Continued from Page One
and war machine.

Mykhailo Podolyak, a Ukrainian presidential adviser, said North Korea has sent as many as 400 engineers and related staff to help Russia use the missiles that Pyongyang has transferred.

The Biden administration is looking into reports that North Korean troops are fighting for Russia. While they haven't corroborated them, U.S. officials said they have no reason to believe the reports aren't true. Washington has obtained some intelligence that could help them make a clear determination, two U.S. officials said.

U.S. National Security Council spokesman Sean Savett said North Korean forces aiding Russia in the fight "would mark a significant increase" in Pyongyang's relationship with Moscow. On Wednesday, South Korea's Defense Ministry said it was closely monitoring the possible deployment of North Korean personnel.

President Vladimir Putin of Russia and North Korea's leader, Kim Jong Un, signed a defense treaty in June, hardening their military alignment against the West. With North Korean weapons already fueling Russia's war efforts, the partnership with Moscow would allow the Kim regime to gain battlefield experience, as well as economic benefits that the sanctioned nation is in dire need of, analysts said.

Last week, South Korea's defense minister said it was highly probable that North Korean officers were killed in a Ukrainian missile strike near Donetsk, following reports by Ukrainian media. He said it is likely that North Korea would send troops to the battlefield in Ukraine. The Kremlin dismissed the claims as false.

On Wednesday, the U.S., Japan and South Korea launched a sanctions-monitoring team to review violations by North Korea, after Russia vetoed an extension to the mandate of the United Nations panel of experts in April. U.S. and South Korean officials have said



Smoke and flames engulfed a local market after a Russian military strike on Mykolaiv, Ukraine, earlier this week.

that military cooperation between Russia and North Korea is a violation of U.N. sanctions.

"The potential for this to be a major effort in tracking and holding to account steps that North Korea is taking across a range of provocative actions is real," Deputy Secretary of State Kurt Campbell said Wednesday, after talks with his Japanese and South Korean counterparts.

Ukrainian officials said North Korean military engineers were supervising the use of its weapons. North Korea has a history of sending military personnel with its weapons to provide guidance and supervision, but the presence of these officers signals that Pyongyang is providing more than just artillery shells and missiles, weapons experts said.

North Korean missiles and artillery shells are relatively easy for Russian soldiers to operate because they are based on Soviet designs, but the anti-tank guided-missile carrier seen in the footage would require assistance for operation, said Yang Uk, a military expert at the Asan Institute for Policy Studies in Seoul.

During the 1973 Yom Kippur war, North Korean technicians were dispatched to train the Egyptian air force, but North Korean pilots ended up flying jet fighters for it, and a similar situation might occur with Russia, Yang said. With reports of North Korean missiles exploding in midair, North Korean officers also would have the advantage of learning how some of their missiles were performing, he said.

North Korea also was involved in the Syrian civil war, with officials of the Syrian op-

position informing an international delegation in Geneva in 2016 that two North Korean military units were fighting for Syrian government forces.

"There's a pattern of North Korean technicians being dispatched who later participate in actual fighting," Yang said. "North Korea has few friends, and deploying military personnel helps them solidify alliances."

North Korea's provision of weapons has strengthened Russia's hand in Ukraine, with U.S. officials saying Pyongyang has shipped at least 16,500 containers of munitions and related materiel to Moscow since last September. Moscow and Pyongyang have been engaging in a variety of exchanges, with the Kim regime importing Russian horses, and hundreds of Russian tourists visiting North Korea.

Moscow also is in dire need of additional soldiers, as Putin must avoid another Kursk-type invasion as he fails to draft more Russians to fight in his war, said Chris Monday, an associate professor at South Korea's Dongseo University who studies Russia and North Korea. This opens a lot of doors for North Korea to get help from Russia on long-range rocket technologies and even agricultural drones for farming in return for dispatching soldiers, he said.

Earlier this week, Putin submitted his military pact with North Korea to the Russian Parliament for ratification, which analysts said could be aimed at providing a legal basis to send troops to Ukraine. It is unclear how many soldiers North Korea is willing to deploy.

—Alexander Ward contributed to this article.

Last year, my father actually gave up on reading—the eyestrain was just overwhelming. But now, with this lamp, Dad can even read his newspaper again. Thanks for delivering on everything stated in your ads and restoring my father's favorite hobby—reading!"

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FROM PAGE ONE

Starbucks Fans Want Condiments

Continued from Page One
so they just don't understand," said Braren, a 52-year-old accountant from Westwood, Mass., and Starbucks shareholder who has dialed back visits to every few months from several times a week because of the squirrelly condiments.

Starbucks customers may have a sympathetic ear to their condiments crisis in new Chief Executive Brian Niccol. While Niccol's 19-year-old daughter gets her drinks loaded up by novelties like Vanilla Sweet Cream Cold Foam,

he sticks to basic Americanos. Niccol has said the chain has work to do to run cafes that consumers actually want to visit, and he aims to get on it.

Starbucks, the world's biggest coffee chain by locations and sales, long had a section of the store devoted to a table typically featuring whole and reduced-fat milks, soymilk, packets of sugar, Stevia and other sweeteners, along with chocolate powder, cinnamon, nutmeg, vanilla powder and other accouterment.

Many coffee shops locked away self-service condiments when health authorities feared Covid could spread on surfaces. Around 2021, Starbucks opted to keep milk and sugar sequestered behind the counter at stores it owned, putting baristas in charge of doling them out. The company said at the time the move would be less wasteful.

A Reddit post from around that time sparked nearly 150 responses, with many baristas trashing the change for adding yet another task to their syrup and foam juggling. "I've never seen so many grown women and men have actual temper tantrums over literal milk," a barista said at the time.

Some cafe owners axed the condiment bar long before the pandemic, arguing they are a waste of space and time. Many health departments require cafes to toss milk sitting on a counter after a set period, or plunge the containers into messy ice baths.

Plus, there's theft. Sweetener packets can disappear by the fistful, particularly painful for owners as sugar prices have risen. Los Angeles bagel shop owner Jason Kaplan has always had workers add coffee condiments, even if it means

customers' indulgences are publicized when orders are called out. "If you want milk and four sugars, everyone's going to know about it," said Kaplan, owner of Maury's Bagels, who equates his practices to the New York City coffee cart tradition.

Cafes that restored condiment bars view them as a perk. Dunn Brothers Coffee believes customers should have their coffee exactly as they want it, and the company can deal with any mess that comes with a self-service station, said Alexis Gillette, vice president of marketing for the Minneapolis-based chain of around 50 shops. "If you want two of this, 10 of that, swirled around six times and sing the rain dance, whatever it is, we want to accommodate you," she said.

Stuckey McIntosh remembers when he could easily tai-

lor his java to the darkness of the coffee's roast with help from the condiment bar. The chain's Sumatra roast needed more milk, and Pike Place didn't. It's too complicated these days to get into the weeds with a busy barista about his tastes, said the 73-year-old electrical engineer.

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Joshua Morris, a 40-year-old former Starbucks barista in Philadelphia, said he first would add milk for customers and ask if the color was right. Some would push the cup back and he'd have to make a new one. Pouring milk in a cup for customers didn't solve

the problem: many would only use a couple of drops, wasting the rest.

A Starbucks spokesman said baristas' expertise in customizing beverages has always been at the heart of the company's offering.

Some Starbucks locations still have condiment bars. Licensees, which run locations in airports, grocery stores, hotels and elsewhere, were allowed to bring back the bars if they wished.

Larry Casper, a 78-year-old financial adviser in Asheville, N.C., said he misses the tradition of adding his own sugar, but the baristas at his local Starbucks have come to care about his needs.

"I keep changing. I was getting two shots of vanilla every day, so they gave that to me automatically. I started adding one sugar, so they ask now," he said.

Guru on College Admissions

Continued from Page One
ship, scholarship or PR.

"A great education transformed my life," said the chief executive and co-founder of Crimson Education. "It can change yours too."

The kids took note of every word. "He's like the Steve Jobs of college counseling," said one of the attendees, a Japanese high-school student.

Private equity is also paying attention. Crimson, launched in 2013, is now valued at \$554 million after several funding rounds, according to PitchBook. Investors include venture capital giants Tiger Management and related firm Tiger Global Management, plus Icehouse Ventures, former New Zealand Prime Minister John Key and Verlinvest, a Brussels-based fund created by the founding families of Anheuser-Busch.

This year, Beaton's clients made up nearly 2% of students admitted to the class of 2028 at several schools including Brown, Columbia, Harvard and the University of Pennsylvania. Among his clients, 24 earned admission to Yale, 34 to Stanford and 48 to Cornell. The acceptance letters were certified by PricewaterhouseCoopers and a list of students was provided by Beaton to The Wall Street Journal.

Clients pay Beaton's firm from \$30,000 and \$200,000 for a four- to six-year program that includes tutoring in academics and test-taking, and advice on how to gather stellar teacher recommendations and how to execute extracurricular projects. Those can range from writing a book, to publishing an academic paper or starting a podcast.

Crimson has come to dominate an elite slice of the growing U.S. market for help navigating the competitive, confusing and shifting university admission process. Eager families pay more and more for a leg up into an elite school, aiming to acquire what is seen as a vital chip in a winner-take-all economy.

Revenue in college consulting overall has tripled to \$2.9 billion over 20 years, according to IBISWorld, a market research firm.

Around 10,000 people work as full-time college consultants in the U.S., with another 3,000 abroad, said Mark Sklarow, chief executive of the Independent Educational Consultants Association. That's up from less than 100 in 1990.

At the top end is Beaton, whose eye-popping resume is packed with exclusive degrees. He attended Harvard and won a Rhodes scholarship, which he used to earn a Ph.D. in public policy from the University of Oxford. He followed that with two masters from Stanford, one in business and the other in education technology. He also earned a masters in education entrepreneurship from the University of Pennsylvania, a masters in finance from Princeton, a law degree from Yale and a masters in global affairs from Tsinghua University in China.

Supply and demand'

For Tiger Management, the high-profile hedge fund founded by the late Julian Robertson and now run by his son, Alex Robertson, the case for buying down to faith in Beaton—who worked for Tiger as a college student—and confidence that the market for elite degrees would continue to grow, Alex Robertson said.

"It's all supply and demand,"



Jamie Beaton of Crimson Education chatted with a colleague in Manhattan. Left, he met with Crimson students and alumni there.

vacations. "I didn't want to lie on a beach," he said. By his sophomore year his company had revenue north of \$1 million.

While an undergraduate, Beaton commuted every Thursday to Manhattan to work as an analyst at Tiger Management. Julian Robertson became one of Crimson's first investors.

Critics say the Wall Street-backed college counselors are preying on the anxieties of well-to-do families desperate to get their children into elite schools. Admissions deans say they can actually do more harm than good.

Authenticity in an application is critical, said Mark Dunn, a senior associate director for outreach and recruitment at Yale. Hiring an enrollment counselor can work against a student if an application seems "overly engineered," he said.

"We encounter many applications that present to the admissions committee as just a long list of accomplishments, with no sense of the dynamic adolescent behind them," he said. "We admit people, not accomplishments!"

Beaton said 52 Crimson clients were accepted at Penn to begin this fall. Whitney Soule, dean of admissions, declined to comment on that figure or specifically on Crimson's work, but expressed wariness at claims made by the industry. Admission decisions depend on the needs of the university and the programs they are trying to fill, she said. From the outside, that is not knowable. "You can't figure this out," she said.

Some critics said Crimson's success is exaggerated because its students are highly motivated and already at the top in academics and activities, and would likely be among those accepted to Ivy Leagues anyway.

Beaton likened his assessment of the admission criteria to Wall Street analysts scouring data to understand the inner workings of companies. "The universities may wish to believe none of this is studyable or analyzable," he said. "But through a combination of information on faculty hiring, information on the ratios of department faculty to students, admissions rates by major...we're able to provide good counsel."

He added that there is nothing special about college admissions that makes it immune from preparation and training.

Some Crimson families, meanwhile, are sensitive to the optics of hiring a private coun-

selor. One father from Massachusetts whose eighth-grade son works with a Crimson tutor sang the praises of the company but asked that the family not to be identified because the parents didn't want the accomplishments of their son diminished. "We don't want people to think he didn't do these things himself," the father said.

A student's 23 tutors

Data from the Crimson applications accepted at Ivy Leagues have refined Beaton's understanding of what it takes to get in. The average score on advanced-placement exams was 4.8 out of 5. The accepted students took an average of 8.4 AP classes.

The average SAT score for an Ivy acceptance was 1568, and grades were as close to perfect as possible. A's and A minuses are acceptable, but "B's are bombs," Beaton said.

Beaton said he advises students to aim for 10 activities connected across one or two themes, and that at least one should have a social-justice component. Leadership falls into two categories, institutional positions such as captain of sports teams or class president, and entrepreneurial positions.

One Crimson example: A student started a podcast in which he interviewed economists from around the world. The show became so popular he received solicitations from universities to highlight their professors.

Good teacher recommendations aren't good enough. Teachers should highlight that a student is exceptional, ideally among the most remarkable the teacher has taught in their career. Crimson offers strategies to elicit recommendations of that caliber.

About one third of Crimson students hit all the marks, and they have the strongest chance of earning admission into a top university, Beaton said.

Crimson likes to start working with students at age 11 to build their study and time management skills before high school begins.

Sarah Tierney is a platinum strategist at Crimson, which means she works with the company's highest paying students and is the hub for clients—their primary point of contact who draws out their interests and sets their projects in motion.

One of her students has 23 tutors helping her on academic subjects and test preparation. The student is also writing a novel, editing an essay for a competitive journal and working on a research paper that looks at the linguistic patterns in Taylor Swift songs.

Tierney and other strategists brainstorm with students to generate ideas for projects and then find experts to help execute them—what employees compare to companies hiring consultants to help their businesses.

Sometimes Tierney works as her students' public relations agent to help generate publicity for something they did, since media coverage can help set applications apart.

"You've got to be able to differentiate yourself, whether that's through a unique family circumstance, or unique research or unique interest, such that you break through the competitive clutter," she said.

Two Romanian immigrants in California said they hired Crimson to help their son. They are both successful professionals living in Los Gatos, a wealthy town in Silicon Valley, and want to push their eighth-grader as far as possible but not too far, said Daniela Ilceau. "For us, education is critical," she said.

"It has helped us cross class lines. It has given us everything."



Beaton with his mother, Paula Beaton, at his graduation from Harvard.

PERSONAL JOURNAL.

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THE WALL STREET JOURNAL.

Thursday, October 17, 2024 | A11


CARRY ON
DAWN
GILBERTSON

t looms every time you board a plane.

And lately, it seems to be in overdrive: airline gate agents practically begging you to give up that rollaboard in the name of preserving precious overhead-bin space.

Delta Air Lines agents began the full-court press at 5 a.m. on my 6:20 a.m. departure from Phoenix to New York two weeks ago. **Southwest Airlines** made no fewer than six gate announcements ahead of my flight from Dallas Love Field in September. There was even a self-described bag cop in the jetway.

The gate agents warn travelers about the likelihood of overhead-bin space filling up, especially for travelers in later boarding groups. They tout the fact that you can check it for free as if that's a draw to those who don't want to trudge down to baggage claim.

Why is there still gate-check madness in this era of promised bigger bins? Airlines say they are solving a real problem, not trying to coax or force travelers into giving up their carry-on simply to speed boarding.

Some passengers say it has gotten too aggressive.

Pam Abate and her husband, George, were in boarding group five of six on a **United Airlines** red-eye from Sacramento, Calif., to Newark, N.J., after a trip to wine country in early October.

The airline made them gate-check their bags. They say they boarded to find half-empty bins on a plane already retrofitted with those bigger bins.

"We're like, 'What the actual heck is going on? This is nonsense,'" she says.

Extra baggage

Delta says roughly 70% of its flights require gate-checking bags, up about 10 percentage points from before the pandemic. It blames fuller planes and passengers' packing habits, especially today's trips that blend work and leisure. Increasing checked-bag fees certainly don't help the cause.

"More people are bringing more pieces, and those pieces are larger than before," says Greg Forbes, the airline's managing director of airport experience.

Airlines generally don't know how much passengers will bring on board until they show up. Carriers have been simultaneously cracking down on how many bags you can bring on and meticulously managing the overhead-bin space. Delta developed a digital tool called a gate-check estimator based on historical trends on the route, fleet type, seasonality and other factors. United says it has a similar tool, Bag Predictor, that takes into account everything from



Travelers Bemoan the Question, 'May I Gate-Check Your Bag?'

Airlines push for fliers to check their luggage at the gate, even when there may be room overhead



▲ Pam and George Abate were forced to gate-check their bags only to find empty overhead bins.



▲ Comedian Courtney Zelazny wasn't happy when Delta made her gate-check her carry-on.

aircraft type to length of trip.

On Delta, airport employees have it and know how many gate-check bags to shoot for on each flight. The process starts at airport check-in, Forbes says, with a kiosk pop-up offering to check a carry-on size bag for free at the counter if it's a flight where carry-on space is expected to be tight.

The estimator also drives those announcements in the boarding area. Forbes says the number of bags that still need to be gate-

checked is "staring them right in the face."

Airlines are desperate to handle gate-checked bags as early as possible so flight attendants and ramp workers aren't scrambling to find homes for them and ultimately check them at the last minute.

"The chances of delay go really, really high," Forbes says. "We want to avoid that."

No tool is perfect, of course. The passenger in the exit-row aisle seat across from me on the

Monos, on a flight home from New York. She joked on X that she "kept making longing eye contact" with the empty bins.

"There was just a ton of overhead space," she says.

Passenger behavior

Forbes says Delta's estimator can miss the mark if passenger behavior differs from the norm, such as more travelers heeding the rules to only put large carry-ons in the bin. He apologizes to passengers who feel they have checked bags unnecessarily, but says the airline would rather err on the conservative side.

"I'd rather miss and maybe

have a little bit of bin space...but everybody gets where they're going on time," he says.

At the same time, he says, the airline doesn't gain anything if it unnecessarily checks too many carry-ons. It eats up worker time, along with angering passengers.

A United spokeswoman says the airline does its best to accurately predict the number of bags that need to be gate-checked. Gate agents communicate minute-by-minute with flight attendants to monitor overhead bin space, the airline says.

Jacob Singleton, a 27-year-old consultant who lives in Chicago, was in group two on a United flight out of LaGuardia in New York in March. He was annoyed when gate agents made him check his Away carry-on, but kept quiet because another passenger said something and received a snarky response.

"At that point I was like, 'OK, I'm not going to ask because I don't want to be put on the no-fly list,'" he says.

He says airlines could solve the carry-on problem by making checked bags cheaper—or free. (Southwest doesn't charge and still has this problem.)

"If they're going to let you check your bag for free at the gate, they can let you check it [at the counter] for free," he says.

CLOCKWISE FROM TOP: LEE KLAVERNS; PAM ABATE

Savers Say Goodbye To Higher Yields

BY RACHEL LOUISE ENSIGN

A mourning period is under way for the all-too-brief era of 5% yields.

Interest rates on savings accounts, CDs and money-market funds are falling after the Federal Reserve cut its benchmark rate by half a percentage point last month. And with the central bank expected to keep lowering rates, savers are preparing to say goodbye to the bounty that higher yields have brought in recent years.

"It makes a whole lot of differ-

ence in terms of being able to go out and enjoy life," said Keith Edwards, a 67-year-old former biotechnology executive who lives outside Philadelphia.

Edwards and his wife, Maria, in recent years spread their savings of about \$900,000 across roughly 30 certificates of deposit that pay as much as 5% a year. They used the interest payouts to help pay for meals out, a new roof and a vacation to Portugal.

A drop of 1 percentage point in CD yields would cost them about \$9,000 annually.

Banks are often quick to cut the rates they offer on deposits once the Fed lowers rates. No bank surveyed by Bankrate.com offered a one-year CD paying 5% nationally in early October. The average yield on the largest money-market funds was 4.69% on Friday, down from 5.10% at the end of August, according to Crane Data.

Those rates are likely

to keep falling. Fed officials have penciled in additional cuts, which would take the fed-funds rate to just below 3.5% by the end of 2025.

For now, many savers are staying put.

Money-market funds held a record \$6.8 trillion on Oct. 10, according to Crane Data. CDs made up 17% of domestic bank deposits in the second quarter of this year, up from 7% in the first quarter of 2022, according to data from the Federal Deposit Insurance Corp.

Sharon Salyer, 73, of Portsmouth, Va., recently noticed that the rate on her \$20,000 savings account offered through the wealth

CDs as a share of domestic bank deposits, quarterly



Note: Data through second quarter 2024
Source: Federal Deposit Insurance Corp.

Banks are often quick to cut deposit rates once the Fed lowers rates.

manager and retirement-plan provider Empower fell to 4.2% from 4.7%. She looked around for an account paying more, but could only find marginally better rates at banks she had never heard of. She looked into buying Treasurys, but those yields were lower, too.

"I felt like, 'Well, shoot, this isn't much different than if I left it in a credit union,'" Salyer said.

The savers looking for a secure place to put their cash suffered for years after the Fed slashed interest rates to near zero following the 2008-09 financial crisis and at the start of the pandemic. In March 2022, the central bank started ag-

gressively raising rates to tame inflation. Savings accounts and CDs started offering their most attractive yields in years.

Jason Galak, a first-year law student in Newark, N.J., is using his high-yield savings account to help cover his living expenses. The rate on the account has already dropped to 4.10% from 4.4%.

Still, the 23-year-old likes the safety of cash while he is in school and wouldn't consider moving his money into other investments unless rates fell a lot more.

Edwards, who has the roughly 30 CDs, doesn't plan to change his approach. He has a note on his calendar to check his holdings once a week and hunts for deals. This spring he got a five-year CD paying 5% from troubled New York Community Bancorp, which is changing its name to Flagstar Financial. He expects to cut back on spending as his CDs start yielding less.

"I used to invest in stocks. I've invested in commodities. The ups and downs of both of those just turn me off," Edwards said.

Others are opting for riskier holdings, a phenomenon that could lift markets. Last year, Charlie Sweigart boosted the share of his \$600,000 investment portfolio held in a money-market fund that holds Treasurys and other ultrasafe securities to 20%. "You got 5% basically risk-free," he said.

This summer, the 72-year-old retiree who lives in Winston-Salem, N.C., put most of that money into real-estate investment trusts, or REITs. He thinks those will earn him more as the Fed cuts rates.



▲ Keith and Maria Edwards have benefited from the interest payouts on their CDs.

KEITH EDWARDS

PERSONAL JOURNAL.

Why Your Body Takes Longer To Bounce Back After Age 40

Injuries, colds, restless nights and alcohol can all hit harder when we get into midlife



BY ALEX JANIN

Feel like it takes longer to recover from everything these days—whether it's an injury or poor sleep? That's the reality of what time is doing to our bodies.

Researchers call our ability to bounce back from health stress “biological resilience.” Evidence suggests that it declines with age, driven by biological and other factors, including parenting, work stress, changes in exercise habits, and menopause.

Often, these stresses pile up from early life and can reach a tipping point in our thirties and forties.

“There are these moments where the whole system seems to undergo like a vibe shift,” says Dr. Heather Whitson, a geriatrician and clinical investigator who directs the Duke University Aging Center.

These midlife declines in resilience parallel emerging science suggesting that aging itself doesn't happen in a linear way, doctors and researchers say. A small study out of Stanford that looked at biomolecular shifts in the body found two aging “waves”

appear to occur around ages 44 and 60.

While the Stanford study’s findings are difficult to generalize to the broader adult population, family medicine doctors report seeing similar age-related changes in their patients. The first shift often happens for patients in their late 30s and early 40s, says Dr. Benjamin Missick, family medicine doctor at Novant Health in North Carolina.

That’s when they begin to question why their cholesterol is suddenly rising, why controlling their blood pressure requires more medication, and why they’re gaining weight despite maintaining their diet.

“This decline is not steady,” he says. “There are times in our life where there will be rapid changes.”

‘40 and falling apart’

In the days before her fortieth birthday, Christina Goldpaint, a data analyst in Long Beach, Calif., proclaimed to a friend that it was going to be her best decade yet.

Then, in quick succession, she developed tendonitis in her foot, a urinary tract infection, and blepharitis, an inflammation of the eyelid. She spent the first weeks

▲ Our ‘biological resilience’ to setbacks lessens as we grow older.

of her 40s shuttling between primary care, urgent care and specialist visits.

“That’s something that should affect somebody who’s 60, not somebody who just turned 40 and fabulous,” she says. “It became 40 and falling apart.”

Research shows we lose roughly 3% to 8% of muscle mass per decade after age 30, with a faster decline after 60, while fat mass increases. This can lead to less mobility and a greater risk of falls and injury, plus other long-term effects.

This also means we need to eat progressively fewer calories as we age in order to maintain our weight, says Dr. Sarah Nosal, a family medicine doctor in New York and president-elect of the American Academy of Family Physicians.

Muscle tissue stores more water than fat mass does, so we are also more susceptible to dehydration as we age, says Nosal. That, plus changes in our enzymes that process alcohol differently and at a lower level, help explain why it often feels harder to recover from a night of drinking the older we get.



▲ Drew Dyck plays one-on-one basketball with his 12-year-old son in their driveway.

We also tend to take more medications. Roughly one in five adults aged 40 to 79 take at least five prescription drugs, according

to Centers for Disease Control and Prevention data. Some have effects that make us more susceptible to getting sick, plus other side effects.

There are also hormonal changes at play, including the gradual decline in sex hormones and growth hormones for men, and more dramatically for women during perimenopause and menopause, says Elissa Epel, who studies aging and stress in the department of psychiatry and behavioral sciences at the University of California, San Francisco.

Emotional toll

Beyond the physical changes, the psychological toll of being a member of the so-called sandwich generation can have an impact on our biological resilience, doctors and researchers say. Many middle-aged people are caring for children and aging parents, tending to a busy career, and enduring major life events like a significant injury or death of a close loved one.

“Your actual mental health and wellness impacts how likely you are to have poorer health outcomes,” says Nosal, citing factors such as changes in blood pressure to weight gain. Stress can hurt your sleep, which can, among other things, hurt your ability to build muscle and memories, she says.

There are things we can do to age more resiliently, these health experts say, and they largely come down to good health habits: prioritizing sleep, exercising and minimizing stress.

Some evidence suggests exposing the body to low-dose stressors like exercise, a phenomenon called “hormesis,” primes the system to be able to recover better down the line.

“The healthier you are before the stressor, the more likely you are to be able to respond well to the stressor,” says Whitson, the Duke researcher.

Drew Dyck, a 47-year-old author and book publishing editor, used to bounce back immediately from a vigorous workout. Now, he says, it’s more of a slog than a bounce. A former high school and college basketball player, Dyck regularly spent three intense hours practicing and felt nothing the next day.

“If I do that now, I’m not exaggerating, I’ll be sore for a week,” he says. “Not just my legs, but my back, my toes, my fingers, like everything you can feel.”

Today, due to some tendonitis in his left knee, he prioritizes daily two-mile walks with his wife over high-intensity exercise. It also takes him longer to recover from a bad night of sleep than it used to, he adds, so he sometimes sneaks 20-minute naps into his afternoons.

“Aging sucks,” he says. “But it beats the alternative.”

FROM TOP: ISTOCK; DREW DYCK



Frozen shoulder isn’t visible in an X-ray, but sometimes it’s visible on an MRI. Usually doctors diagnose it through a clinical exam.

The sooner you treat frozen shoulder, the better the outcome, says Dr. Jocelyn Wittstein, a professor at Duke University’s Department of Orthopaedic Surgery. If you catch a case in which the shoulder is very inflamed but not yet supertight—usually within the first three months—a corticosteroid injection can reverse it. Starting treatments after the shoulder is very frozen isn’t as effective, she says. In rare cases, people need surgery.

Who gets it?

Frozen shoulder overwhelmingly affects midlife women. People with

Why women at midlife?

Dr. Anne Ford, an obstetrician and gynecologist at Duke and division chief of Duke Women’s Health Raleigh, commonly asks her middle-aged female patients if they have joint issues. She estimates up to 20% of her perimenopausal and menopausal patients say they do—including frozen shoulder.

Estrogen receptors are present throughout the body, and estrogen has an anti-inflammatory effect, Wittstein says. So when women’s estrogen levels drop during the menopause transition, that weakens the musculoskeletal system, leading to bone and muscle issues, she says.

In a study, Ford and Wittstein found that women who didn’t use hormone therapy—typically estrogen and progesterone supplementation—were twice as likely to develop frozen shoulder. But because the raw numbers of women taking hormone therapy were so small compared with the number who didn’t, the finding didn’t quite reach statistical significance.

Adrianna Berlin, a 45-year-old in Grand Rapids, Mich., says she started experiencing perimenopausal symptoms earlier this year. But when she started feeling pain in her shoulder, she chalked it up to gym workouts.

She started using hormone therapy to help with such perimenopausal symptoms as night sweats and irritability. Three weeks later she says her shoulder problems went away. She had a lapse in her medication once, and noticed that her shoulder started acting up again.

“The pain in my shoulder is gone when I’m back on my medication constantly,” she says.

Frozen Shoulder Can Develop Out Of the Blue

 YOUR HEALTH
SUMATHI REDDY

Here’s one more thing you can (not) look forward to in middle age: something called frozen shoulder.

Formerly known as “adhesive capsulitis,” frozen shoulder is a painful condition where inflammation immobilizes the shoulder joint for months or even years. Doctors don’t know exactly what causes it. Unlike many other orthopedic problems, it’s not often triggered by overuse. Midlife women are especially prone to it.

At least 2% to 5% of people experience a frozen shoulder in their lives, according to studies, though the condition isn’t well-tracked. A 2022 study found a nearly 40% increase in frozen-shoulder diagnoses during the first year of the pandemic compared with the previous year. Some doctors say they are seeing more patients with frozen

People often confuse frozen shoulder with other orthopedic problems.

shoulder as the population ages and rates of diabetes and other health problems that can contribute to the condition increase.

Its propensity in midlife women, some doctors say, could be linked to declining estrogen levels during menopause, which hurts bones and muscles. Preliminary data suggests that hormone therapy could help prevent it.

What is it?

Frozen shoulder sometimes happens after an injury or surgery, but it often develops out of the blue. The condition occurs when the shoulder’s capsule becomes stiff and tight as adhesions—thick bands of tissue—develop.

Symptoms come in three stages: The “freezing” stage typically occurs first, with worsening pain that makes it hard to move your shoulder. During the second—or “frozen”—stage, pain lessens but stiffness remains, and your range of motion is limited. The final, “thawing” phase is when your range of motion returns to normal.

Frozen shoulder can last from three months to two years. On average, it lasts six to nine months, says Dr. Laura Moore, a sports-medicine surgeon at the Hospital for Special Surgery’s Women’s Sports Medicine Center. Treatments, aiming to reduce inflammation and improve pain and function, can vary, she says. Her go-to is a combination of steroid injections, an oral anti-inflammatory and physical therapy.

Frozen shoulder isn’t visible in an X-ray, but sometimes it’s visible on an MRI. Usually doctors diagnose it through a clinical exam.

Health problems associated with big changes in hormones, such as Type 2 diabetes and thyroid disorders, are also more at risk, doctors say. So are people with nerve issues, those who have had neck surgery or stroke, and people with Parkinson’s disease, says Moore.

People often confuse frozen shoulder with other orthopedic problems, particularly rotator cuff tears or injuries, says Moore.

The hallmark feature of frozen shoulder is stiffness, while people with rotator cuff injuries can generally raise their arms without getting that feeling of hitting a wall, says Dr. Quin Throckmorton, a professor of shoulder and elbow surgery and vice chief of staff at the University of Tennessee-Campbell Clinic.

WSJ. ISTOCK



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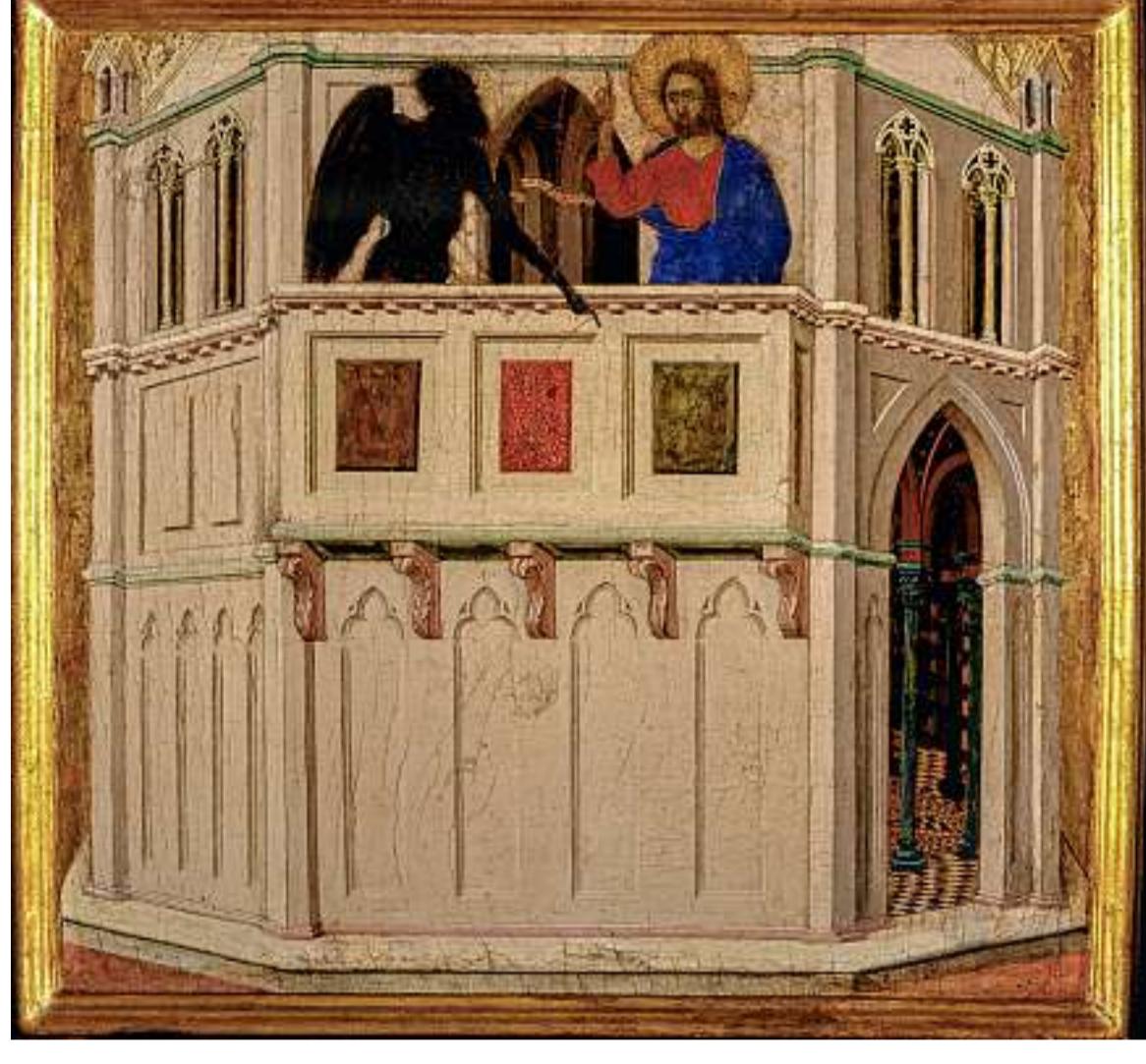


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A public service message from the U.S. Department of Housing and Urban Development in cooperation with the National Fair Housing Alliance. The federal Fair Housing Act prohibits discrimination because of race, color, religion, national origin, sex, familial status or disability. For more information, visit www.hud.gov/fairhousing.

ARTS IN REVIEW



ART REVIEW

A Pivotal City Of the Renaissance

A sweeping show at the Met focuses on Siena's role in the art of that era

BY CAMMY BROTHERS

Picture yourself in a medieval Italian church, light streaming down from above. The gold glint of an altarpiece attracts your notice from afar, and as you approach you see that not only the gold is gleaming but also the colors—bright reds, blues, pinks and greens, all fully saturated. The altarpiece features many scenes, each set within an elaborately crafted, multipaneled frame. This is the physical context, and the experience, that a museum cannot fully reproduce but can hope to evoke in bringing the magnificent paintings of late medieval Italy to life for modern viewers.

A monumental, quietly spectacular show at the Metropolitan Museum of Art, "Siena: The Rise of Painting, 1300-1350," has achieved just that, showcasing the subtle but sparkling beauty of Siena's four premier painters, beginning with Duccio, a contemporary of

Giotto, perhaps lesser known but every bit his equal. The show, consisting of over 100 objects and featuring a number of extraordinary loans, was organized by a curatorial team led by Stephan Wolohojian of the Met and Caroline Campbell, director of the National Gallery of Ireland. Besides Duccio, its focus is on Ambrogio Lorenzetti, his brother Pietro, and Simone Martini.

While Giotto gets more credit, these four also transformed painting in Italy, creating moving renditions of biblical stories that gave free play to the artist's imagination.

The challenges of conveying their achievements to an audience beyond Italy are many. Duccio made relatively few works, and museums rarely lend them. Many of the works of the three other painters are frescoes, still attached to walls in Siena, Assisi and Arezzo.

Beyond these practical problems, art historians' premium on naturalism—which the Sienese eschewed—has meant that the artis-

Clockwise from top left: Duccio's 'The Temptation of Christ on the Temple' (c. 1308-11), Pietro Lorenzetti's 'Cut-Out Crucifix' (c. 1315-20), and Simone Martini's 'Christ Discovered in the Temple' (1342).

tic activity in Renaissance Florence has received more attention. Nonetheless, these scenes are closely observed, emotionally stirring, and feature vibrant colors and finely embossed gold. They conveyed religious meaning and served as objects of devotion while providing an intimate picture of habits of dress and dining, views of architectural interiors and cityscapes.

Their three-dimensional representations, though not strictly perspectival, persuasively convey a sense of space while advancing the narrative.

Despite their challenges, the curators have reunited many scattered fragments of polyptychs (as these multipaneled altarpieces are known). Most striking is their reassembly of 10 surviving panels from Duccio's "Maesta" (c. 1308-11), a two-sided work designed for the

high altar of Siena Cathedral. It measures roughly 15 feet square and was originally composed of over 50 panels, a painting with the ambition and complexity of Giotto's Arena Chapel compressed into a single object. The city celebrated its completion with a procession to the sound of trumpets and church bells.

While the centerpiece of "Maesta" was a large representation of the Virgin and Child, it is in the small narrative panels, each one a marvel of compact expression, that Duccio reveals his re-



markable powers of invention. In each he creates a fresh interpretation of a biblical story, retaining the sense of the divine while including humanizing details—such as the bustle of the servants preparing the feast while attending to

rocky landscapes, or dense urban centers, but the consistent scale of the figure of Christ unifies the scenes.

The inclusion of sculptures, enamels, metalwork and manuscripts provides a fascinating context for the interpretation of hybrid works such as Pietro Lorenzetti's striking "Cut-Out Crucifix" (c. 1315-20). The illusionistically painted cross and Christ figure form a single, free-standing wooden object, its edges following the contour of Christ's body and the cross.

In a number of paintings, architecture becomes not only a prominent feature but also a protagonist. In Ambrogio Lorenzetti's "Saint Nicholas Resuscitates a Young Boy," the interior, exterior and two stories of a house become distinct stages to show the Devil strangling a child and St. Nicholas reviving him.

For his part, Simone demonstrates how much emotion can be conveyed by gesture and facial expression. In "Christ Discovered in the Temple" (1342), Joseph looks down at Christ as if to chastise him, gesturing toward the Virgin, who holds out a concerned hand. Christ casts his eyes down, avoiding both of their gazes and folding his arms like a sullen teenager.

A standalone picture, it shows how much Simone had learned from Duccio, but also his ability to depict sacred protagonists in a way that makes their struggles feel universal. In his directness and empathy, Simone set the agenda that artists from Leonardo da Vinci to Caravaggio would follow over the next centuries. His painting makes a fitting close to an extraordinary show.

Siena: The Rise of Painting, 1300-1350

The Met Fifth Avenue, through Jan. 26, 2025

Ms. Brothers is a professor at Northeastern University and the author of "Giuliano da Sangallo and the Ruins of Rome" (Princeton).

Ambrogio Lorenzetti's 'Stories From the Life of Saint Nicholas' (c. 1332-34), left, and Duccio's 'Triptych With the Crucifixion, Saint Nicholas, Saint Clement and the Redeemer With Angels' (1311-18), below.



SPORTS

The New York Yankees' Historic Drought

A decade and a half has passed since the team's last pennant. Is this the year the streak ends?

BY JARED DIAMOND
AND ROBERT O'CONNELL

AnTHONY Volpe understood the pressure that comes with playing for the New York Yankees long before he became the team's starting shortstop last season. He had a Yankees cap placed on his head two hours after he was born at a Manhattan hospital and spent his childhood summers cheering in the stands of the ballpark that he now calls his office.

So the expectations have always been clear. "What makes the Yankees the Yankees is winning, and winning a World Series," Volpe said.

There's just one problem. Volpe has seen the Yankees win a championship exactly once in his lifetime. It came in 2009—when he was in the third grade.

A decade and a half has passed since the Yankees' last pennant. That's barely a blip for just about anyone else, but it's an eternity for a franchise that considers any season that doesn't end with a parade to be an abject failure. Over that span, they have spent more than \$3 billion in player salaries and won more games than all but one other club—and have exactly no hardware to show for it.

While fans outside the Bronx are celebrating the misfortune of the organization widely known as the "Evil Empire," the current drought constitutes a full-blown crisis on the corner of E. 161st Street and River Avenue. Since Babe Ruth brought the Bronx Bombers to their first World Series in 1921, the Yankees have claimed a record 27 titles and participated in the Fall Classic a whopping 40 times.

In the 103 years since, the Yankees have never gone more than 15 years without a trip to the World Series. That was the gap between Reggie Jackson's last World Series appearance in 1981 and Derek Jeter's first in 1996. Now there's this one, a stretch so long that there are—gasp!—kids in high school who have never seen the Yankees on baseball's grandest stage.

That's what makes this week so



The Yankees' last World Series appearance was in 2009. The team is two wins away from a Fall Classic return.

critical. The Yankees are two victories away from returning to the World Series after taking a 2-0 lead in the American League Championship Series with a 6-3 win over the Cleveland Guardians on Tuesday. If they finish the job, they will finally snap the streak that has incited considerable panic in delis and pizzerias across the city. If not, they will become losers in a way the Yankees haven't experienced in more than a century.

"We understand the weight of what we need to do," Yankees slugger Giancarlo Stanton said, "the importance of this time."

Though the Yankees have long been baseball's most successful franchise, it was former owner George Steinbrenner who established the impossible standards the team now espouses.

He issued a formal apology to

New Yorkers after the Yankees lost the '81 World Series, he would fire and rehire managers on a whim and he publicly criticized players he felt were underperforming. The Yankees won seven championships during Steinbrenner's tenure, capped by the Jeter-led dynasty that transformed them into a global phenomenon. "Winning," he once said, "is the most important thing in my life, after breathing."

As a result, every player who arrived in the Bronx would quickly learn that individual honors and playoff berths meant nothing without a trophy. It is a mantra buried deep within the Yankees' culture that can take newcomers by surprise. Mark Teixeira, the Yankees' first baseman from 2009 through 2016, began his career with the Texas Rangers, where, "The expectation was: Play your

best, compete, we'll see what happens," he said.

Teixeira quickly discovered that wouldn't cut it in New York.

"Everywhere you turn, when you're wearing the pinstripes," he said, "the expectation is winning."

That mantra made Jeter, a five-time champion, a legend. Others weren't so lucky. Don Mattingly, a beloved former first baseman, debuted one year after the Yankees played in the 1981 World Series and retired the year before they returned in 1996. He's the best player in Yankee history to never experience the World Series, and he carried that weight "almost to a fault," said Buck Showalter, Mattingly's manager for the final four years of his career.

Aaron Judge, the Yankees' current ring-less superstar, can relate. "If we don't win it all," Judge said,

"I feel like it's my fault."

But Steinbrenner died eight months after the Yankees' most recent title, in 2009. The franchise that his son, Hal, now runs faces a completely different baseball reality.

Today's game isn't friendly to juggernauts. The playoffs are larger and more prone to the whims of randomness than ever before. Rules have been put in place to mitigate the financial advantage the Yankees hold over their competitors. The rise of data analytics has made brainpower baseball's ultimate form of currency.

It isn't as if the Yankees haven't been good. They haven't had a losing record since 1992 and have reached the playoffs in 25 of the last 30 seasons. One of the main reasons they haven't been in the World Series for so long is simply bad luck.

Nonetheless, George Steinbrenner's legacy continues to loom large. There is a life-size statue of his likeness outside the spring-training stadium in Tampa, Fla., that bears his name. Hal has little choice but to stick to his father's stated goal—even if it seems wildly unfair in 2024.

"It doesn't mean the Yankees aren't real, real good if they're not the last team standing, but what they're judged by is pretty tough," Showalter said. "That's why I have so much respect for people who meet those expectations."

On Tuesday, Gerrit Cole, the Yankees \$324 million ace, felt the pressure of the October cauldron. He slogged through 4 1/3 taxing innings before New York pulled away for the win.

But those high stakes were exactly what he was looking for when he signed with the winningest franchise in American sports.

"Pressure," Cole said, "is a privilege."

ERIC GAY/ASSOCIATED PRESS

The WSJ Daily Crossword | Edited by Mike Shenk



PLAY IT AGAIN | By Mike Shenk

- Across**
- 1 Madrileño's morsel
 - 5 LeBron, for two stretches, for short
 - 8 Betrayed shock
 - 14 Teague of "Kingdom of the Planet of the Apes"
 - 15 Hoppy quaff
 - 16 City of northern Spain
 - 17 Bones of contention
 - 19 In a state of disrepair
 - 20 Sounds sloshed
 - 21 Cathedral recess
 - 23 Football's Boettger, Taylor and Hilliard
 - 24 Roadie's burden
- Down**
- 26 Amazon biz
 - 28 Kin of popovers
 - 34 Flock faction
 - 35 Title for Lestrade: Abbr.
 - 39 Switzerland's Dent Blanche, e.g.
 - 40 Some person
 - 42 Start for stationary or political
 - 43 Chad neighbor
 - 45 Hue akin to oatmeal
 - 47 Compass maker
 - 48 Tourist shop purchases
 - 51 Lukewarm
 - 52 Reserved
 - 53 May in New Jersey, e.g.
 - 56 Dent Blanche, e.g.
 - 63 Dent Blanche, e.g.
 - 64 Dent Blanche, e.g.
 - 66 Dent Blanche, e.g.
 - 67 Dent Blanche, e.g.
 - 68 Dent Blanche, e.g.
 - 69 Dent Blanche, e.g.
 - 70 Dent Blanche, e.g.
 - 71 Dent Blanche, e.g.

25 "The Amazing Race" host Keoghan

27 Slothful

28 Supportive calls

29 Admit (to)

30 —wip (topping brand)

31 At risk

32 Chad neighbor

33 Gordon Gekko's byword

37 Concessions

39 Hand cost

41 "Doggone it!"

44 Followed, as advice

46 Fire alert, in a hospital

47 Epitome of nakedness

49 Sports stunners

50 Blacken

53 Pigeons' patter

54 "Breathing Lessons" author Tyler

55 Fairylife being of Persian myth

57 Supermarket section

59 "Oh, got it"

60 College head

61 Spot

63 College sr.'s test

65 Orwell's Napoleon, e.g.

71 Veto

Previous Puzzle's Solution

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

He Is Baseball's Hottest Pitcher And He Can't Throw a Strike

BY JARED DIAMOND AND ANDREW BEATON

JOSE QUINTANA HARDLY looks like the most dominant pitcher in baseball.

The New York Mets' left-hander is 35 years old, has bounced between seven teams in the last eight seasons and throws a fastball that barely cracks 90 miles per hour. To the major leagues' best sluggers, his pitches look like beach balls.

But for the last two months, Quintana has somehow become the game's best pitcher. And the reason why is that he violates the one thing that every 8-year-old kid is told the first time he steps onto the mound in Little League: The first rule of pitching is throwing strikes.

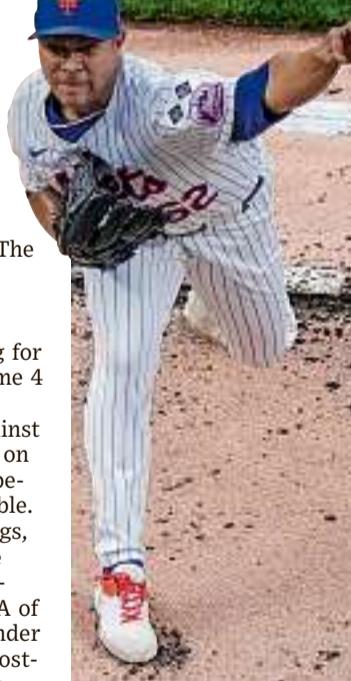
Against all the odds, Quintana, who is starting for the Mets in a critical Game 4 of the National League Championship Series against the Los Angeles Dodgers on Thursday, has suddenly become completely unhittable. Over his past eight outings, he has allowed just three earned runs over 47 1/3 innings—a microscopic ERA of 0.57. He has yet to surrender an earned run in his 11 post-season frames, helping to propel the Mets to the verge of the World Series for the first time since 2015.

He's done all of it while throwing strikes less often than any qualified pitcher in the sport, with just 44% of his pitches this season crossing the plate in the zone. It's a formula that seemingly shouldn't work, upending more than a century of conventional wisdom about what makes for an effective pitcher. The top hurler in the sport this season, the Detroit Tigers' Tarik Skubal, led the American League with a zone percentage of 56.6%. Throwing strikes is supposed to be a requirement of the job.

But somehow Quintana's wonky aim is precisely what

has turned him into an unlikely force for a Mets squad improbably closing in on a pennant. He has been so great of late that even his own pitching coach has been left a little baffled.

"It's hard to explain, because you can't explain it objectively," Jeremy Hefner said. "But there's some sort of deception or how his ball comes out of his hand that



The Mets' Jose Quintana

makes the batter swing."

If Quintana always threw the ball over the plate, it likely wouldn't go so well. He features a variety of pitches, but they aren't particularly impressive in their speed or movement compared to a conventional ace. He strikes batters out less often than almost anybody in baseball. Hefner admits that Quintana's "stuff doesn't jump off the page" in an era where the average fastball is 94 mph.

It turns out that is Quintana's magic trick. Batters lick their chops when they see the ball coming out of his hand—only to wind up flailing when the ball darts

outside the strike zone at the last moment. It is just enough to generate weak contact.

Nothing exemplifies this quite like Quintana's changeup, a pitch he almost never bothers to throw for a strike. Only 20.8% of his changeups found the zone this season, but opposing batters often couldn't help themselves when they saw one coming. They still swung at the pitch 40.6% of the time and whiffed at it on 36.2% on swings—the highest rate of any of his pitches.

His controlled chaos has turned him into a nightmare for hitters. Just ask Trea Turner, the Philadelphia Phillies star who was the last batter Quintana retired in Game 4 of the division series last week.

Quintana began the at-bat with a changeup that Turner couldn't stop himself from chasing, even though it barely reached home plate. Then, once Quintana had two strikes, he had Turner right where he wanted him.

He ripped off a curveball that landed in the dirt. Turner fanned at it for strike three.

Back in early June, Quintana's ERA was 5.29, making him a liability on the Mets staff. Yet late in the season, his smoke and mirrors tactics started to fool batters everywhere. For his part, Quintana credits some mechanical tweaks with his arm angle. "Better results every time I throw the ball," he said recently.

Mets manager Carlos Mendoza has a different theory about Quintana's turnaround. He thinks the resurgence started when Quintana "stopped nibbling, and he started attacking."

"He was in the zone trusting his stuff," Mendoza said.

Except that hasn't been true at all. Only 37% of Quintana's pitches in the playoffs have actually been in the strike zone—even fewer than in the regular season.

FRANK FRANKLIN II/ASSOCIATED PRESS

► Solve this puzzle online and discuss it at WSJ.com/Puzzles.

OPINION

Who's Normal, Trump or Harris?



WONDER LAND
By Daniel Henninger

What do voters want from this election, four years of big changes or four rare years of stability? Which candidate, Kamala Harris or Donald Trump, is likely to fulfill what seems to be the electorate's longing for a simultaneous mixture of disruption and normalcy?

Mr. Trump entered U.S. politics in 2015 as a hurricane of disruption. In debates and primaries, he rolled over more traditional Republican opponents, insulting them and promising big changes, most memorably that he'd build "a wall" along the southern border. He then beat, barely, his establishment Democratic opponent, Hillary Clinton. His

After 2020's retreat from the disruption of 2016, what do voters want in 2024?

term produced traditional public policy but also constant tumult. Four years later, the electorate's appetite shifted from disruption to stability.

Another agent of disruption emerged but this time from within the Democratic Party. Democratic socialist Bernie Sanders achieved a surprising early lead in the presidential primaries. Fearing that the degree of progressive change Sen. Sanders was offering would scare too many voters, the party establishment anointed Joe Biden, Barack Obama's former vice president. (This election may end the party's vice-presidential-nominee fixation.)

It is conventional wisdom that Trump-supporting voters are complicit in an assault on "democracy." But most of these voters are conservative traditionalists or right-leaning centrists who are mainly op-

posed to the political and social disruptions caused by what they call "wokeness." For them, Mr. Trump aligns with their notions of stability.

Ms. Harris has drawn criticism lately for finding no policy differences between herself and Mr. Biden's unpopular presidency, as she admitted on "The View." But there's no reason to be surprised that she is basically rerunning the Biden election playbook from 2020.

Like Mr. Biden, she is campaigning as the anti-Trump. Ms. Harris devoted her rally in Erie, Pa., this week almost entirely to an attack on Mr. Trump's character and intentions—"dictator on day one," etc., etc. It's a crude strategy but after such close results in 2016 and 2020, the razor-thin polling margins in so many swing states suggest the Clinton-Biden-Harris strategy of running against Mr. Trump remains viable.

Even so, there's little reason to believe Ms. Harris isn't promising the same fake post-Trump normalcy that Mr. Biden did. With the election won, Mr. Biden adopted the left-wing policy agenda of Sens. Sanders and Elizabeth Warren. Even as Ms. Harris casts herself as less disruptive to American life than Mr. Trump, she came out this week



Donald Trump

ALEX BRANDON/ASSOCIATED PRESS

for legalizing marijuana and giving cannabis-store licenses to people with drug convictions, a policy already wrecking neighborhoods in New York.

The Biden-Harris idea that Mr. Trump's presidency was four years of chaos deserves some inspection. Before the Covid-19 pandemic arrived in early 2020, the day-to-day activities of the Trump administration itself hardly qualified as chaos. Who remembers the passage of the Trump tax bill in 2017 or the 2020 approval of the Keystone XL pipeline? What's recalled instead from Inauguration Day onward are the media's Russia-collusion narrative, the Mueller investigation and the Democratic House's impeachments.

Should Mr. Trump get a second chance at the presidency without this political carpet-bombing? That won't happen unless voters give Republicans control of Congress. A decisive Republican sweep would be one road to relative political stability, giving Democrats time to rethink their leadership.

But a caveat: It isn't clear Mr. Trump himself wants political stability, even if elected. Would he settle down in a second term, or does he need sparring partners to keep himself interested? Would his attack rallies stop? Might undecided voters conclude Mr. Trump is inherently volatile?

There is another path voters may choose to a more settled daily politics: They could elect Ms. Harris president while giving Republicans control of the Senate and House. Today, that's derided as gridlock. But it's possible the American people in their wisdom will impose a cooling-off period of divided government.

Write henninger@wsj.com.

The Policy Elephant in the 2024 Election

By Karl Rove

The 2024 election will be one of America's most consequential. The presidential candidates are offering our country strikingly different paths. But neither Donald Trump nor Kamala Harris is saying much about some of the nation's greatest challenges.

The first is America's national debt, now \$35.7 trillion. That's larger than our entire economic output for a year. For the first time in history, the U.S. is spending more on the debt's interest payments than on defense.

The Committee for a Responsible Federal Budget says Mr. Trump added \$8.8 trillion to the debt during his term, offset by \$443 billion of deficit reduction. As of June, the Biden-Harris administration had added a further \$6.2 trillion to the debt, offset by \$1.9 trillion of deficit reduction. The debt will grow when Mr. Biden signs the fiscal 2025 budget. The Congressional Budget Office projects that absent any significant changes, the debt will reach nearly \$50.7 trillion by the end of 2034. Without presidential leadership, we'll be on a road that ends with our children and grandchildren much less prosperous.

Yet neither candidate seems interested enough to offer voters a plan to do something about it. Instead, both are offering subsets of voters financial goodies. Ms. Harris would give first-time

homeowners \$25,000 for a down payment and small business startups a \$50,000 deduction. Both candidates want tip income to be tax-free. Mr. Trump would raise the cap on the state and local tax deduction. These proposals won't increase economic growth.

They'll add to the debt while warping the tax code. When did tips become a more worthy income source than an hourly wage or monthly salary? Why give wealthy blue-state homeowners preferential tax treatment?

The second significant issue the candidates are ignoring is the coming bankruptcy of the U.S. social safety net. According to their actuaries, Social Security's trust fund will be depleted in 2035 while Medicare's hospital trust fund will go bust in 2036. Studies suggest about half of Americans 65 or older live in households that get at least 50% of their income from Social Security. About 25% rely on the program for at least 90% of their income.

Both candidates are silent on these coming bankruptcies. Perhaps that's politically wise, but a reckoning still looms for the many Americans who depend on those programs. Addressing it now is the responsible thing to do.

Sadly, what the candidates have said about the safety net would put it in greater peril. Mr. Trump would end taxes on benefits of wealthier Social Security recipients, causing the program to go bankrupt

two years earlier. Ms. Harris wants to add an expensive home-healthcare benefit to Medicare but won't say what it'll cost or how she'd pay for it. She seems to think drug companies will just cough up the money.

Then there's the third dire issue: the country's faltering security. The July report from the Commission on the National Defense Strategy con-

There are three dire problems that neither candidate has bothered to address.

cluded that "the threats the United States faces are the most serious and most challenging" since World War II and could result in a "near-term major war." But the U.S. "is not prepared" for a global conflict if it erupts. America "lacks both the capabilities and capacity" for the military "to be confident it can deter and prevail in combat."

Neither candidate can dismiss this disturbing warning as political spin. Congress created the commission to help develop a bipartisan agreement on America's strategic challenges. Led by former Rep. Jane Harman (D., Calif.) and Ambassador Eric Edelman, who served in Republican administrations, it's a panel of respected foreign-policy and national-defense figures.

So we should all take seriously the commission's urging that the U.S. cannot "wait for the next Pearl Harbor or 9/11." America must strengthen alliances now. The U.S. military must adopt new technologies faster, fund a larger industrial base to supply weapons and materiel, and be organized so all its branches can fight more effectively together. The commission argues that to prevent war, the U.S. must prepare to fight and win any conflict. Strength is the best deterrence.

Yet here again, both candidates are mostly mute. Mr. Trump occasionally asserts he alone can keep the peace—a claim so vague as to be silly.

Ms. Harris largely ignores the issue, thereby raising doubts about her as a prospective commander in chief.

The campaign's policy debates have been truncated generally, and on these three vital issues—debt, entitlements and defense—recklessly superficial. These challenges won't go away, whoever is elected. Without the benefit of a national discussion amid the campaign, no consensus can emerge on what to do. America is headed for trouble on multiple fronts, and both Ms. Harris and Mr. Trump are whistling past the graveyard.

Mr. Rove helped organize the political-action committee American Crossroads and is author of "The Triumph of William McKinley" (Simon & Schuster, 2015).

Arizona Lawn Signs Point Toward Trump

By Masada Siegel

Scottsdale, Ariz.

My neighborhood was flooded with Biden signs in 2020. As I wrote in these pages then, I knew Joe Biden would win Arizona because it was apparent the tide had shifted significantly in my once-red city. These days, Trump flags on poles fly high, with only few Kamala Harris signs in sight.

There are other indications of change all over Arizona, both on the streets and in homes. In late September, I attended an event in northern Phoenix sponsored by the conservative Independent Women's Network. It was a diverse group of Republican

women including Native Americans, African-Americans and Latinas. I met Yanilda Rivera, 50, a mother of two young children. She is originally from the Dominican Re-

Scottsdale neighbors convinced me Biden would win in 2020.

public and moved to Arizona in 2005 from White Plains, N.Y. She told me she and her relatives in New York are voting for Donald Trump.

"It's a no-brainer I'm voting

Republican," she said. "My life

was better under Trump. Every-

thing now is so expen-

sive—it is out of control. I was a lifelong Democrat until President Obama's second term. Over time I realized the Democratic Party wants people to be on welfare to keep them dependent."

Last week at Target, the saleswoman who helped me find a toy for my son's birthday looked around hesitantly, then confided she was voting for Mr. Trump. She had grown up in Europe and explained that she thought Ms. Harris lacked a basic understanding of international affairs. She worries that under Democratic leadership, the U.S. is perceived as weak.

Arizona women often focus on individual liberties. Many moms are like Andrea Nicole,

37, a lifelong Democrat who sat out the 2020 election and now backs Mr. Trump. "The values of the Democratic Party have changed too much," she says. "It feels like the Democrats focus on the extreme viewpoints and identity politics and there is no room for moderate voters in the Democratic Party anymore. They no longer advocate for individual choice and freedom. They focus on promoting personal liberties even for kids under 18, but are taking away families' rights and freedoms on how to raise their children."

Women like these will help make Arizona red again.

Ms. Siegel is a freelance journalist.

BOOKSHELF | By Richard Babcock

A Custodian Of Evil

Our Nazi

By Michael Soffer

Chicago, 296 pages, \$25

The 1966 high-school yearbook photograph shows a sturdy middle-aged man in a work shirt, an impressive ring of keys dangling from one hand. This was Reinhold Kulle, the head custodian at Oak Park and River Forest High School in Oak Park, a Chicago suburb. The photo effectively captures the competence and determination widely attributed to the popular figure at the school.

What the picture doesn't convey is that, a quarter-century before, Kulle had been a member of the Nazi SS Totenkopfdivision—the Death's Head Division—and had served as a guard at the Gross-Rosen slave-labor concentration camp, the scene of unrelieved horror and tens of thousands of deaths.

Sixteen years after that picture ran, as the country finally stirred itself to contend with former Nazis living in the U.S., Kulle's past came to light. In "Our Nazi," Michael Soffer, who has taught at Oak Park and River Forest High School, provides a carefully researched account of what happened next—the conflicted and often confounding reaction of Kulle's colleagues and neighbors as the government sought to deport him.

A dozen years after the war, Kulle and his family had slipped into American life quietly. By some estimates, as many as 10,000 Nazis of various degrees of monstrosity entered the U.S. Some were welcomed as scientists, others as useful anticommunists; still others—such as Kulle—entered because of a lax immigration system.

The government's subsequent efforts to expel the former Nazis sometimes earned news coverage—most notably, the case against the concentration camp guard John Demjanjuk. Outside of Chicago and Oak Park, the Kulle case drew little attention, and the value of Mr. Soffer's book lies in its narrow focus on this situation and the effect it had on the people of a progressive American suburb.

Kulle grew up in a working-class family in Silesia, then a part of Germany. He joined the Hitler Youth and then the Waffen-SS. At 19 he was selected for the elite Death's Head Division, commanded by Theodor Eicke, a particularly avid Nazi. Seriously wounded on the Eastern Front in 1942, Kulle recovered, but his injuries took him out of combat. Instead, like many Death's Head soldiers, he was dispatched to guard a concentration camp; in his case, Gross-Rosen, in his home region of Silesia.

Gross-Rosen was a vicious, deadly facility where prisoners were worked to death in a quarry and, at times, outright murdered. Kulle's precise role remains unclear, but he claimed to have spent most of his time on the camp's perimeter, preventing escapes and training recruits.

In 1945, after Germany surrendered, Kulle shed his Death's Head uniform. For the next dozen years, he worked in a West German factory and lived with his wife, daughter and son. In 1957, looking for a better life, the family applied for a visa at the U.S. Consulate in Frankfurt. In the paperwork and interview, Kulle knew to hide his Nazi activities, which likely would have precluded a visa. When asked, he simply said that he'd been in the German army. Visa granted.

The family made its way to relatives in a Chicago suburb, and several years later Kulle won a place on the custodial staff at the high school in Oak Park, a town well known as the hometown of Ernest Hemingway and the site of Frank Lloyd Wright's studio. Kulle excelled at his job—hardworking, helpful, collegial. Within a few years, the school named him chief custodian. "After more than fifteen years at OPRE," Mr. Soffer writes, "Kulle had become something of an institution. He had no formal contract, but there was no need. He adored the school, and the feeling was mutual."

A beloved public-school employee in suburban Chicago is revealed to have once been a guard at a concentration camp.

When the school authorities learned they likely had a former Nazi on staff—alerted by a 1982 story in the Chicago Sun-Times about deportation proceedings against Kulle—the community was flummoxed. Oak Park had enjoyed a history of strong liberal ideals, notably about integration. What should be done about an ex-Nazi at the high school? As Mr. Soffer documents, many in the town and at the school rose to Kulle's defense. Some knew Kulle and had worked with him. "I can only say that as a symbol of something evil, Mr. Kulle is an extremely poor example," one supporter wrote to a local paper. Others spoke generally of fairness and forgiveness.

Another faction was dismayed at the seeming indifference to Kulle's past and appalled that his defenders were treating him as a victim. "It was lost on no one that Kulle's most vocal opponents were Jewish," Mr. Soffer writes. The school board, pressed from both sides, worried over what to do. Meantime, a deportation hearing played out slowly in a Chicago courtroom. The government lawyers had no evidence linking Kulle directly to violence toward prisoners, but witnesses provided harrowing evidence of the murderous cruelties inflicted at the camp.

In the end, the school made a quiet, generous arrangement with Kulle, allowing him to retire. Nevertheless, the immigration judge ordered Kulle deported. He'd lied about his membership in the SS, and service as a concentration camp guard legally amounted to persecution, regardless of directly incriminating evidence. In 1987 Kulle was deported to West Germany, where he lived freely until his death in 2006.

Can subsequent good works ever mitigate horrendous choices made and actions taken at a young age? Does employment in a public school influence that analysis? Does it make a difference if the perpetrator expresses guilt and remorse? (Kulle apparently did not.) Mr. Soffer walks through the proceedings and the conflicts that took place in Oak Park with sure-handed care, but I wish he had taken a moment to step back and explore the larger issues.

Those questions no doubt underlay the hard experience endured by the people of Oak Park throughout the Kulle affair. Leah Marcus, a Jewish member of the school board, captured something of the town's torment in a Yom Kippur speech to her synagogue, trying to explain the enduring support for the custodian. "Kulle did not look like a monster," Mr. Soffer writes, recounting her talk. "If ordinary men could do such terrible things, Marcus noted, 'might not I?'"

Mr. Babcock is a novelist and the former editor of Chicago magazine.

OPINION

REVIEW & OUTLOOK

Biden's Pre-Election Threat to Israel

On Oct. 18, 2023, President Biden announced that humanitarian aid would move from Egypt to Gaza with Israel's consent "based on the understanding that there will be inspections and that the aid should go to civilians, not to Hamas." A year later Mr. Biden has reneged on that pledge, and he's blaming Israel in the bargain.

Mr. Biden's words a year ago were definitive: "Let me be clear. If Hamas diverts or steals the assistance, they will have demonstrated once again that they have no concern for the welfare of the Palestinian people and it will end. As a practical matter, it will stop the international community from being able to provide this aid." Note that "it will end."

Instead the President has demanded that Israel transfer ever more aid, even as Hamas steals it to keep power over Gaza's population. Israel's Channel 12 News reported, with video evidence, that Hamas commandeered 47 of 100 aid trucks entering Gaza last Tuesday. This is Hamas's lifeline. It keeps the war going.

Israel lately had been squeezing Hamas in northern Gaza, trying to break its aid-grip on the people, but Vice President Kamala Harris came out against the effort on Sunday. She is grandstanding for anti-Israel voters in Michigan after Israel had privately agreed to relent. Earlier that day the Biden Administration had threatened Israel in a letter from senior U.S. officials Antony Blinken and Lloyd Austin: Surge aid to Gaza within 30 days or risk a weapons embargo.

The timing couldn't be worse. Israel may soon retaliate against Iran for its recent missile attack, and Ayatollah Ali Khamenei needs to know that America has Israel's back. Instead Mr. Biden sends a more equivocal message: The

He once pledged Gaza aid would stop if Hamas stole it. What happened?

U.S. will aid Israel's defense but do its best to weaken Israel's response to attacks.

Hence the arrival of the Thaad missile-defense system in Israel this week—while U.S. officials leak that Israel agreed in exchange to spare Iran's nuclear and oil assets. The Administration made its peace with Israel's limited ground operation in Lebanon—while pressuring Israel to curb its attacks on Hezbollah leaders in the Beirut suburbs.

The U.S. aid ultimatum is best understood in this light. The Biden team supports Israel, but not the moves that might deliver victory. The Administration suggests it could withhold offensive weapons from Israel—while maintaining missile defense. Under duress, Israel has signaled it will cooperate on the aid, so Mr. Biden may not make good on his threat. The question is why he so often threatens Israel, and never Hamas or Iran.

Mr. Biden's threat letter also urges Israel to keep the status quo with Unrwa, the compromised United Nations refugee agency, and schedule Red Cross visits for Hamas prisoners in Israel, which isn't required for unlawful combatants. Meanwhile, Hamas refuses Red Cross visits to the hostages it holds.

Hamas broke off hostage talks weeks ago. As White House spokesman John Kirby said Tuesday, "I wish I could tell you that there are fresh negotiations at hand. There aren't, but that's because Mr. [Yahya] Sinwar," Hamas's leader, "has shown absolutely zero interest in continuing that discussion."

The Biden-Harris answer is to send him another aid bailout—and then wonder why the Gaza war continues. Israel's military has resisted taking charge of aid distribution directly, but it may have no other choice.

Whitmer's Home-Care Cash Grab

More Americans are working to help an aging parent, and Michigan Gov. Gretchen Whitmer wants a piece of the action. She thinks these family caregivers are public employees, ripe for dues collection, and she wants her union friends to cash in.

Ms. Whitmer signed a bill last week that classifies "individual home health caregivers" as state employees—but only for the purpose of collective bargaining. People who prepare meals or measure out pills for a relative at home won't get access to typical government perks, like gold-plated health insurance. Their "benefit" will be getting nudged to join a new branch of the Service Employees International Union (SEIU).

If enough caregivers vote to adopt the union, the SEIU will claim dues from the payments that its new members receive from Home Help, a Medicaid program in Michigan that offers \$13.53 an hour to family caregivers. Each member who joins would owe the union about 2.75% of the stipend. The union stands to collect up to \$13 million a year, according to the Mackinac Center for Public Policy.

But caregivers can't expect bigger stipends in return for those dues. Their union will bargain with Michigan's health department, which has no power to boost Home Help funding without legislative approval. The SEIU will take cash from struggling families and repay them with little more than moral support.

The scheme is so bald that Michigan has already rejected it twice. Family caregivers were first deemed public employees 20 years ago under Democratic Gov. Jennifer Granholm, and the SEIU skimmed \$34 million out of home

care stipends from 2006 to 2012. Republicans in the Legislature let the program lapse, but the union launched a ballot measure to restore it, certain that the public would support union rights for care workers. The measure failed 56% to 44%.

Democrats won't let the idea die because the SEIU is among their biggest funders, contributing more than \$200 million to the Harris-Walz campaign and other races this election cycle. Gov. Whitmer says restoring the union will boost care workers' stipends, leaving out that the state doubled Home Help funding between 2014 and this year, while the workers had no bargaining rights. The SEIU and Democrats are the only winners in the stipend skim.

That's why lawmakers want to make sure caregivers don't even think about not joining the SEIU. The new law requires all care workers to attend "orientation" sessions, where they'll supposedly learn the mechanics of taking care of their loved ones—i.e., the work they are already doing.

The real purpose is to make them sit through a 30-minute pitch from the SEIU about the benefits of joining up. Republicans proposed an amendment that would have required the state to inform workers of their right not to join, but Democrats voted it down.

Several other states have reclassified home-care workers as public employees, including California, Oregon and Washington, giving unions a key into ordinary households. Progressive lawmakers are happy to count anyone who receives state payments as a de facto government worker, and to tap another funding source for union allies.

Gavin Newsom Raises Gas Prices Again

Is California Gov. Gavin Newsom trying to raise gasoline prices? It's hard not to wonder after he signed legislation this week that does precisely that. Meantime, his climate regulators next month plan to raise prices even more.

"You're seeing gas prices drop across the rest of the country, but spike in California," Mr. Newsom declared on Monday as he signed a bill imposing onerous new mandates on refineries. Oil companies "buy all these ads saying somehow it's California's fault. They've been manipulating you. They've been lying to you."

The truth is that California's gasoline prices are on average \$1.47 a gallon higher than the national average owing to its gas taxes—the highest in the country—and environmental regulations, including cap-and-trade and low-carbon fuel standard. High operating costs have spurred seven California refineries to cease production over the last decade.

This has contributed to a tight market and price spikes whenever a refinery has problems. California's new law will require refiners to maintain larger stockpiles of fuel, supposedly to mitigate supply shortages. But even Mr. Newsom's energy commission warns that the mandate could "increase average prices."

That's because refiners will have to spend hundreds of millions of dollars building and maintaining more inventory, which they will have to replenish continuously since gasoline has a shelf life of only a few months. Refineries already maintain about two weeks of supply. Some may shut down to avoid the new and costly burden.

Refinery union leaders warn that the mandate will harm their workers. "Profit employs

our members and allows them to feed their families," they wrote to legislative leaders last week. "It should not be deemed villainous to operate legal and needed industries that turn a profit for shareholders, especially when they employ hundreds of thousands of Californians and contribute billions of dollars in tax revenue."

Mr. Newsom disagrees. His goal is to drive oil and gas companies out of business, or at least out of the state. California's oil production has declined about 35% since he entered office in January 2019 and by half over the last decade. Last month he signed a bill letting localities block new wells.

Now the California Air Resources Board (CARB) is preparing to ratchet up the state's low-carbon fuel standard, which requires refiners to blend increasing amounts of renewable fuels into diesel and gasoline. CARB last September projected that the stricter standard would increase gas prices by 47 cents a gallon next year.

Danny Culloward of Harvard's Kleinman Center for Energy Policy last week estimated prices could climb 65 cents a gallon in the near term and by nearly \$1.50 by 2035. Stanford University researchers forecast that the combination of the low-carbon fuel standard and cap-and-trade program would raise prices by \$1.50 a gallon by 2030.

The kicker is that CARB plans to vote on the rule three days after the election. That's politically convenient timing for Democrats in close-fought House and legislative races where Republicans have campaigned against the state's high gasoline prices. While Mr. Newsom vilifies Big Oil, voters are starting to figure out that the real prices villains are in Sacramento.

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OPINION

My Long Road From Truman To Trump

By Bartle Bull Sr.

I've been an outspoken Democrat since 1948, when I was the only student in my fifth-grade class to "vote" for Harry Truman. It's been astonishingly difficult to disclose that next month I will vote for Donald Trump.

Like many, I will be doing so in the European way, voting for a party and its issues, rather than in the American way of supporting someone I like. When I have expressed my views—on economics, security and cultural matters—long-time liberal friends have said, "You sound like Trump, or some uneducated hillbilly." Ignoring my schooling at Harvard, Oxford and the Sorbonne, these friends sound like well-meaning dilettantes, otherwise described as self-righteous, useful idiots or bien-pensant.

I've been a Democrat since 1948, when I was 10. But I can no longer abide what my old party has become.

Such responses prompt me to compare my own liberal credentials with theirs. This makes me a difficult adversary, as I have long been an extremely useful idiot, overloaded with liberal credentials.

To name a few: In 1956 I helped coordinate Harvard Freshmen for Adlai Stevenson. Ten years later, I was arrested as a civil-rights lawyer in Hattiesburg, Miss., where Vernon Dahmer, the local head of the NAACP, had been burned alive in his house. In the same state, I later campaigned for Charles Evers for governor.

In 1968 I quit my job as a Wall Street lawyer to serve as Robert F. Kennedy's New York campaign coordinator. In 1972, I organized the New York Citizens Committee for McGovern-Shriver. During this period, I was publisher of the Village Voice, a left-wing Manhattan newspaper. In 1976 I worked as Jimmy Carter's New York state campaign manager, and in 1978 in South Carolina to support Charles Ravel's challenge to Sen. Strom Thurmond. My last Democratic Party campaign was in Harlem, backing Craig Schley, a young black reformer, in a primary against Rep. Charles Rangel. In 2008 I was chairman of New York Democrats for John McCain for President.

At the international level, in 1993-94, I volunteered in Bosnia with the International Rescue Committee to help Muslim refugees, spending Christmas Eve with Bosnian soldiers in a bunker in the mountains. In 2010, at 72, I worked in Afghanistan with the Initiative to Educate Afghan Women, going on foot patrols to girls' schools. The Biden administration later abandoned these courageous women to the Taliban.

For a long time, like an old locomotive, I have been building steam inside when liberal friends, with the certitude and arrogance of the righteous, decry me as a "right-winger." In a Harvard class-reunion speech many years ago, I said that "Harvard should stand up to the tyrannies of the left today the way it stood up to the tyrannies of the right in the days of Joe McCarthy." But the progressive agenda doesn't seem to include what Truman and John F. Kennedy considered liberal values, such as true political tolerance.

Now, as a lifelong Democrat, I am voting Republican for policy reasons, not because I like Mr. Trump. I believe my old party, as it abuses the powers of office and threatens to pack the Supreme Court and end the filibuster, now supports a government that is far too strong at home and far too weak abroad.

Mr. Bull is a writer living in up-state New York. His latest novel is "We'll Meet Again."

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By Phil Gramm
And Donald J. Boudreaux

Modern protectionists are desperate to find historical examples of tariffs promoting industrialization and economic growth. To this end, they increasingly argue that 19th-century America's extraordinary economic success was fueled by high tariffs. In an essay for the Economist, former U.S. Trade Representative Robert Lighthizer insists that "when America grew in the 19th century from a modest agricultural country into the world's largest economy, tariffs were critical to its success." Oren Cass writes that "behind some of the world's highest tariff barriers, the United States transformed from colonial backwater to continent-spanning industrial colossus." Michael Lind says the U.S. during the 19th century "pursued a successful import substitution strategy that transformed it from an agrarian to an industrial economy with the help of tariffs."

It's true that America had high tariffs throughout the 19th century and experienced substantial economic growth. But tariffs were the nation's primary revenue source until the ratification of the 16th Amendment—which authorized income taxes—in 1913. Alexander Hamilton, who supported industrial subsidies that Congress rejected, was skeptical of high tariffs since no tax revenue is collected on goods that tariffs keep out of the country and tariffs funded about 90% of the government.

Not until 1816 was a tariff enacted with any serious protectionist intent, according to Dartmouth economist Douglas Irwin. Protectionism peaked in 1828 with what came to be known as the Tariff of Abominations, which raised average tariff rates on all merchandise imports to an all-time high of 57.3%. During those years of rising tariff rates, U.S.

No, Tariffs Don't Fuel Growth



A 1913 cartoon supporting free trade and opposing tariffs.

amidst all the fluctuations and vicissitudes incident to human affairs, had never ceased to make the most rapid progress in agriculture, arts, and commerce. To aspire that unexampled and uninterrupted prosperity, which even legislative errors cannot arrest, to a tariff is one of the most strange delusions by which intelligent men have ever suffered themselves to be deceived."

In 1875 the great British economist Alfred Marshall visited the U.S. to see whether protective tariffs fueled economic growth. Before his visit, Marshall thought the infant industry argument for tariffs might have merit. What he observed in the U.S. changed his mind. In 1903, reflecting on his trip, Marshall wrote: "I found that, however simple the plan on which a protective policy started, it was drawn on irresistibly to become intricate; and to lend its chief aid to those industries which were already strong enough to do without it."

While 19th-century American industrial output grew fastest when tariff rates were falling, trade policy was nevertheless largely incidental to America's astonishing economic expansion. Growth was unleashed in a country whose citizens had more economic freedom than any people who had ever lived. It was this freedom that fueled entrepreneurship and productivity. Combined with the country's vast natural resources and openness to foreign investment and immigration, this freedom—not tariffs—produced the American economic miracle.

*Mr. Gramm, a former chairman of the Senate Banking Committee, is a nonresident senior fellow at the American Enterprise Institute. Mr. Boudreaux is a professor of economics at George Mason University and the Mercatus Center. This article is based on their forthcoming book, *The Triumph of Economic Freedom: Debunking the Seven Great Myths of American Capitalism*.*

Rates were high in the 19th century, but the economy boomed most when the rates were at their lowest.

cades. During that same time frame, the average annual rate of growth in industrial output was 6.7%—more than 40% higher than during earlier years when average tariff rates were rising.

By 1860 industrial output was 563% greater than it was in 1830. This far outpaced the 144% U.S. population growth during the same period. Mr. Irwin describes the few decades preceding the Civil War—when average tariff rates were falling—as a period of "rapid industrialization." He writes that between 1839 and 1859 the manufacturing sector ex-

panded from about 15% to 21% of gross domestic product.

During the Civil War, the U.S. government hiked tariffs to raise revenue for the war effort. By 1870 the average tariff stood at 44.9%. But from 1870 to 1890, average tariff rates on all merchandise imports fell again, this time to an average of 29.6%, a 34% decline. As average tariff rates fell during those two decades, industrial output grew at an average annual rate of 6%—one-third faster than during the rising-tariff era of 1816 through 1830. In 1890 the Republican-backed McKinley Tariff raised industrial tariffs to nearly 50%, but in the 1890 and 1892 elections Democrats swept into power and reduced industrial tariffs. While America's economy grew throughout the 19th century, the most rapid periods of industrialization occurred when average tariffs were falling.

Proponents of more government spending used the politically expedient argument that tariffs helped infant industries by protecting them from foreign competition. But in 1831 the nation's longest serving secretary of the Treasury, Albert Gallatin, rejected the conclusion that high tariffs promoted economic growth. He wrote that "the American people,

How Harris Obstructed California Home Construction

By Joel Kotkin
And Michael Toth

Kamala Harris has a plan to help America's struggling home buyers by increasing the supply of houses. Her recently released 82-page policy book, "A New Way Forward for the Middle Class," calls for clearing away the "regulatory burden" and "red tape" that constrains new-home construction. Tim Walz promoted the "three million new houses proposed" under Ms. Harris's "bold forward plan" during the vice-presidential debate.

Yet like Ms. Harris's scripted re-

versals on fracking, immigration and Medicare, her push to build more single-family homes contradicts her past positions. As California's attorney general, she wielded the state's environmental laws against new residential developments, exacerbating the affordability crisis that her campaign plan aims to address.

Years of excessive housing regulations and legal attacks on developers have left much of California unaffordable today. Median house prices in the Los Angeles, San Diego and San Jose metropolitan areas are more than 300% above the national average. In 2021 California had the nation's second-lowest homeownership rate at 55.9%, slightly above New York.

California's depressing homeownership rates are a direct result of the policies embraced by Ms. Harris and her fellow Golden State progressives. As attorney general, she put the interests of climate activists ahead of aspiring homeowners. She opposed regional plans that would have allowed for more growth on the suburban fringe, where housing is more affordable. In the end, restrictions on building on the periphery pushed millions of Californians to flee to more affordable states.

Shortly after taking office in 2011, Attorney General Harris issued a comment letter criticizing a plan to add 79,000 housing units in northern Los Angeles County's Santa Clarita Valley. Rather than removing the regulatory burden around new-home

construction, Ms. Harris directed the local planners to develop a "detailed" Climate Action Plan, set "binding emissions reduction targets," and demonstrate that the plan would "curb low-density sprawl and increased driving."

Ms. Harris also used litigation against planners. In 2012, the attorney general joined a lawsuit brought by two environmental groups against a plan to expand the highways around San Diego. The groups that initiated the litigation opposed the transit plan because it would "induce sprawl and reinforce the region's dependence on car-oriented transportation." Ms. Harris failed to convince the California Supreme Court that the climate assessment supporting the plan was unlawful, but the decision came six years after the suit was filed. It's a familiar story in California. Developers face almost unlimited lawsuits from environmental and other interest groups, which can slow projects down for decades.

The biggest losers from the housing policies espoused by Ms. Harris

have been millennials and minorities who aspire to own homes. Californian baby boomers and Gen Xers have homeownership rates closer to those in the rest of the country, but the rate is nearly half the national level for Californians under 35. Many

She says she wants to clear away 'red tape,' but as attorney general, she produced a lot of it.

of those now leaving the state are in their 30s and 40s—precisely the group that tends to buy houses. The African-American homeownership rate in California was roughly 36% in 2021—well below the national rate of 44% and nearly one-third lower than it was 20 years ago. California's Latino homeownership rate ranks 41st nationwide.

Yet rather than support policies that have worked elsewhere, notably

in Texas, Ms. Harris has embraced the Yimby, or "yes, in my backyard" movement, which seeks to nationalize progressive preferences for more rental and high-density living. The movement has a major problem: Public preference for single-family homes is "ubiquitous," as Jessica Trounstine at the University of California, Merced recently found. Most Californians, according to a survey by former Obama campaign pollster David Binder, oppose legislation that bans single-family zoning.

If Ms. Harris wins in November, young people and middle-income Americans may find their housing options, in contrast to her claims, ever more limited. It could be springtime for progressives but also for a greatly diminished American dream.

Mr. Kotkin is a fellow at Chapman University and a senior research fellow at the University of Texas' Civitas Institute. Mr. Toth is a founding partner of PNT Law, based in Austin, Texas.

A Biden-Starmer Giveaway Helps China

By John Bolton

As a one-term president, Joe Biden appears eager to take actions he might not have taken if he had to worry about getting re-elected. The latest example: He apparently pushed the U.K. to cede sovereignty of the Chagos Islands in the Indian Ocean to the island country of Mauritius. The Chagos archipelago is unremarkable but for one key fact: Diego Garcia, its largest island, houses a critical U.S.-U.K. military base near the Indian Ocean's geographic center point.

British media report that U.S. officials, fearing that existing International Court of Justice rulings and a potential push in the United Nations General Assembly would pose political problems, pressured British Prime Minister Keir Starmer to cede them on Oct. 3. Whatever Mr. Starmer's motivation—whether to appease Mr. Biden or lessen guilty feelings about imperial history—the decision was utterly misguided.

The Chagos "problem" hasn't figured prominently in British politics before now, except in certain Labour Party circles. Jeremy Corbyn, Labour's leader before Mr. Starmer, obsessed over the issue, long a priority for Labour's Trotskyite wing. Worried about disapprobation by biased global courts, the White House and State Department during Mr. Biden's term fell in sync with Britain's Corbynites.

Under the deal, Diego Garcia will remain under British jurisdiction for at least 99 years. The site is home to a critical U.S. military facility, fittingly nicknamed the "footprint of freedom." The island will

only become more important to U.S. resistance against China's efforts to achieve hegemony in the Indo-Pacific.

Mauritius, meantime, is increasingly China-friendly. China is its top trading partner, and Beijing has used debt-trap diplomacy—lending with strings attached—to ensnare the island nation. If the British Parliament approves transferring the Chagos to Mauritius, China will be able to maneuver ships and planes near Diego Garcia for intelligence-gathering and military operations. Given Beijing's history of militarizing comparable tiny landmasses in the South China Sea, the threat is clear.

China has long conducted extensive undersea surveys of the Indian Ocean, ostensibly for commercial reasons but obviously in pursuit of maritime dominance. A Beijing presence in the Chagos will facilitate these efforts, posing a direct threat to India, which it appears wasn't consulted by either Whitehall or Foggy Bottom.

There's no compelling logic for ceding the islands to Mauritius. That the Chagos are associated with Mauritius is actually a fluke of colonial administration: France was Mauritius's first colonial European power, governing the islands from the larger chain after taking control in the early 1700s. Britain acquired Mauritius after victory in the Napoleonic Wars and continued France's governing mode. Many alternative solutions for the islands are available, but neither Washington nor London have shown an appetite for considering them.

The U.S. faced analogous challenges in ending its administration

of the Trust Territory of the Pacific Islands, or TTPI, during the 1980s and '90s. Once German colonies, the islands became a Japanese mandate under the League of Nations, and, after 1945, a U.N. trusteeship under U.S. control. One part of the TTPI, the Northern Marianas, became an American commonwealth. Three others—Palau, the Marshall Islands and Micronesia—chose independence but entered into Compacts of Free Association with the U.S., giving Washington authority over their foreign and security policies.

For all the overblown rhetoric about a British "diplomatic success," it seems no one bothered to ask Chagossians their views. Given Mauritius's prior poor treatment of Chagossians, Chagossians might have preferred to have become a U.S. commonwealth.

China has already tried to take advantage of Washington's inattention in the former TTPI by aggressively pressing its interests and intentions and using debt-diplomacy tactics. Although Washington is now pressing back against Beijing, we can't afford to make similar mistakes in the Chagos or the broader Indian Ocean.

Messrs. Biden and Starmer have checked the Chagos Islands off Mr. Corbyn's to-do list. Let's hope there aren't any other foreign-policy surprises in Mr. Biden's remaining lame-duck period.

Mr. Bolton served as White House national security adviser, 2018-19, and ambassador to the United Nations, 2005-06. He is author of "The Room Where It Happened: A White House Memoir."

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WORLD NEWS

U.K. consumer prices, change from a year earlier



Inflation In U.K. Falls Below BOE Target

By ED FRANKL

Inflation in the U.K. fell to below the Bank of England's 2% target in September for the first time in more than three years, boosting the chance of an interest-rate cut in November.

Consumer prices were 1.7% higher in September than the same month of last year, easing from the 2.2% rate of inflation in August, and reaching the lowest level since April 2021, the Office for National Statistics said on Wednesday.

That was below the 1.9% expected by economists polled by The Wall Street Journal, and below the BOE's own prior forecast of 2.1% made at its August meeting.

The pound fell 0.5% against the dollar after the data release.

With stickier services prices also showing signs of slowing, investors expect policymakers to lower borrowing costs when they meet in November. In August, rate setters voted to lower the rate for the first time since early 2020, before holding in September, when both Federal Reserve and the European Central Bank cut rates.

Markets expect the ECB to follow through with a back-to-back cut this week as the eurozone's economy seems set to slow, and chances are rising the Bank of England may do the same in November and December.

"The case for sequential rate cuts is rising. And the MPC can start to contemplate a faster dial of restrictive policy," said Sanjay Raja, Deutsche Bank Research's chief U.K. economist.

Helping the BOE to settle on a cut is slowing services inflation—long a worry for rate setters—which rose by 4.9%, the smallest increase since May 2022.

Core inflation, which strips out the more volatile energy and food costs, eased to 3.2% from 3.6% in August.

This comes after data published Tuesday showed a cooling labor market, with wage growth falling back and payrolls data pointing to lower employment, giving policymakers more confidence that inflationary pressures are easing.

"We can finally see the light at the end of the tunnel in the fight against inflation," said Joe Nellis, economic adviser at business-services firm MHA.

China Attacks Taiwan From Within

Taipei says Beijing uses diplomats, hackers, celebrities to weaken resolve

By JOY WANG AND AUSTIN RAMZY

As Beijing dispatched its military on Monday in a show of force that encircled Taiwan, China's coast guard posted a map showing its ships ringing the island in a heart-shaped formation, describing it as "an act of love."

To Taiwan, the social-media message was just one piece of China's multifaceted campaign to intimidate, isolate and influence the people and leaders of the island democracy to give up their commitment to self-rule.

Alongside its most high-profile tactic—sending a message of military dominance—China is employing what Taiwan says is an expanding army of hackers, diplomats, prosecutors and celebrities in its effort to persuade Taiwan to submit to Beijing.

"If you put all these things together...Taiwan feels under intense pressure and probably greater than anything ever before," said Bonnie Glaser, managing director of the Indo-Pacific program at the German Marshall Fund, a Washington-based think tank.

China claims Taiwan, an island 100 miles from the mainland, as its own territory. Support within Taiwan for maintaining the current arrangement—an island democracy governed from Taipei—is at a high, according to a 30-year survey on the topic. Voters this year elected a new president whose party is committed to resisting China's embrace.

Mainland officials depict President Lai Ching-te as an advocate for Taiwan's independence—a red line for Beijing. Lai says he is committed to preserving the status quo.

The threat to us includes military, gray zone and economic coercion, hybrid warfare, legal warfare and psychological



TAIWAN COAST GUARD/ASSOCIATED PRESS

A China Coast Guard vessel operated near the Matsu islands off Taiwan on Monday.

Beijing Law Targets 'Independence Die-Hards'

Beijing revived the secession theme this year, publishing guidelines on enforcing a 2005 secession law.

The instructions call for Chinese courts to "punish 'Taiwan independence' die-hards" with sentences that could include execution.

China used the law for the first time against a Taiwanese citizen in April, sentencing 34-year-old activist Yang Chih-yuan to nine years in prison.

Yang, who had once been involved in a small pro-independence party, was arrested in the Chinese city of Wenzhou in 2022. He was there, he said, to teach Go, the traditional board game.

The secession law is one of the legal tools that China is using to try to intimidate Taiwan, said Bonnie Glaser, managing director of the Indo-Pacific program at the German Marshall Fund, a Washington-based think tank.

It's a constant drumbeat of signals," said Glaser, "that according to China, Taiwan is part of China, and they will use every tool in their tool kit to bring about reunification."

warfare," Joseph Wu, head of Taiwan's National Security Council, said after the Chinese drills began on Monday.

As the drills unfolded, cyberattacks multiplied: Taiwan was hit on Monday with at least twice the average number of daily attempted breaches, the military's cyber command reported.

Beijing's Taiwan Affairs Office didn't respond to a request for comment on accusations that Beijing is behind the cyberattacks.

More than 90,000 cyberattack attempts on Taiwan were

detected in August, with targets including government infrastructure, according to Taiwan's Digital Affairs Ministry. It was the highest number since a surge two years earlier during a controversial visit to the island by then-U.S. House Speaker Nancy Pelosi.

Chinese diplomats have taken part in an effort to chip away at the international backing, both official and unofficial, that Taiwan relies on to maintain its status.

At the United Nations, China has seized on the 1971 resolution that allowed

Beijing to take Taipei's seat at the world body, portraying it as evidence that Taiwan is part of China with Beijing as its legitimate government.

Beijing, meanwhile, is pursuing a yearslong campaign to press the dozen small nations that remain Taiwan's official allies to flip their allegiance, wooing them with the promise of market access and investment.

Beijing has also inserted language about its claim to Taiwan into the official joint statements that emerge from meetings with China-friendly

French Soccer Star Mbappé Denies Report of Rape Case

By JOSHUA ROBINSON

A lawyer for French soccer star Kylian Mbappé, one of the most famous and marketable athletes on the planet, has denied any wrongdoing after Swedish authorities opened a rape investigation following a visit Mbappé and his entourage made to Stockholm last weekend.

The lawyer, Marie-Alix Canu-Bernard, was responding to a report in the Swedish newspaper Expressen saying the soccer star was "suspected on reasonable grounds of rape." Prosecutors confirmed on Tuesday that they were investigating a rape allegation, but didn't name Mbappé directly.

"He is completely serene,

but he is also astonished to see this media circus," Canu-Bernard said Tuesday evening. "He doesn't see anything at all that could be held against him."

Mbappé himself had earlier posted on X that the matter was "fake news" and hinted

that any suggestion of inappropriate behavior could be a dirty trick tied to a continuing contract dispute with his former club Paris Saint-Germain. Representatives for

Mbappé, who now plays for Real Madrid, had been due to appear before a magistrate this week over a matter of 55 million euros, equivalent to \$59.8 million, in salary and bonuses, which he believes PSG still owes him.

A spokesman for Paris Saint-Germain declined to comment.

Mbappé hasn't been charged with any crime.

Under normal circumstances, Mbappé wouldn't have even been in Sweden last weekend, because the French national team was in action in matches against Israel and Belgium. But Mbappé had asked for time off from national-team duty, citing a thigh injury, and went on a trip to Stockholm instead.

"It's so predictable," Mbappé posted in a sarcastic tweet after the report emerged, drawing a connection to his dispute with PSG. "And by coincidence [it comes out] the night before the hearing."

Mbappé has long been the golden boy of French soccer, ever since the kid from the Parisian suburbs emerged as a teenage sensation at AS Monaco. He made his profes-

sional debut at just 16 and then moved to PSG in 2017, before his performances for France at the 2018 World Cup launched him to global superstardom. Between his electric speed and his lethal finishing, Mbappé positioned himself as the kind of generational game-changer who could succeed Lionel Messi and Cristiano Ronaldo.

With his business affairs overseen by his mother, he signed major sponsorship deals with Nike and Dior.

That is why when Mbappé first began considering an exit from PSG, it practically

became a matter of state. He received phone calls from former French President Nicolas Sarkozy and current President Emmanuel Macron urging him to remain at the club—which is exactly what Mbappé did until last summer when he joined Real Madrid.

But once the long-awaited divorce between Mbappé and his hometown club finally came, the terms were less than friendly. Last month, PSG defied a French soccer league order to pay the €55 million, arguing that Mbappé had waived it on his way out of Paris.

WORLD WATCH



SIT, STAY, SOLVE CRIME: A dog demonstrates skills during the celebration of National Police Day at the Nepal Police headquarters in Kathmandu on Wednesday.

NIGERIA

Tanker Explosion Kills 140 People

More than 140 people, including children, were killed in Nigeria when an overturned gasoline tanker truck exploded in flames while they tried to scoop up fuel, emergency services said Wednesday. Dozens more were injured.

Deadly tanker accidents are common in Nigeria, which lacks an efficient railway system to transport cargo. People often salvage fuel with cups and buckets—especially because of soaring prices.

The latest accident occurred at midnight in northern Jigawa state's Majiaya town when the tanker driver lost control on a highway, police spokesperson Lawan Adam said. Residents rushed to the scene before the "massive inferno." Most of the bodies were unrecognizable, emergency services said.

—Associated Press

ARGENTINA

Liam Payne, 31, Dies from Fall

Former One Direction singer Liam Payne, 31, whose chart-topping British boy band generated a global following of swooning fans, was found dead Wednesday after falling from a hotel balcony in Buenos Aires, local officials said.

Buenos Aires police said in a statement that Payne fell from the third floor of the Casa Sur Hotel in the trendy Palermo neighborhood of Argentina's capital.

Medics confirmed his death on the spot, the statement said.

Pablo Policicchio, the communications director for the Buenos Aires Security Ministry, said in a statement that Payne "had jumped from the balcony of his room." Police rushed to the hotel in response to an emergency call just after 5 p.m. local time.

—Associated Press

ITALY

Surrogacy Ban Extended Overseas

Italy on Wednesday criminalized citizens who go abroad to have children through surrogacy, a measure slammed by opponents as "medieval" and discriminatory to same-sex couples.

The measure extending a surrogacy ban in place since 2004 was promoted by Premier Giorgia Meloni's far-right Brothers of Italy party and its conservative coalition partner, the League, asserting that it protects women's dignity.

The Senate after a seven-hour debate passed the bill 84-58, the final step in the process after the Lower House's approval last year.

Italians seeking surrogacy in countries such as the U.S. or Canada, where the practice is legal, can face up to two years in jail and up to 1 million euros (\$1.1 million) in fines.

—Associated Press

BUSINESS & FINANCE

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S&P 5842.47 ▲ 0.47% S&P FIN ▲ 1.22% S&P IT ▲ 0.36% DJ TRANS ▲ 1.94% WSJ\$IDX ▲ 0.30% 2-YR. TREAS. yield 3.934% NIKKEI (Midday) 38944.93 ▼ 0.60% See more at [WSJ.com/Markets](#)

Airbus Trims Defense, Space Staff

Layoffs of up to 2,500 come as the company faces rising costs, project delays

By BENJAMIN KATZ

Airbus is cutting up to 2,500 workers from its struggling defense and space division as the European aerospace giant battles with program delays, increased costs and competition from the likes of Elon Musk's **SpaceX**.

The company on Wednesday said the cuts were part of a restructuring at the division, which makes products ranging from satellites and spacecraft to jet fighters and drones. The cuts represent about 7% of the roughly 35,500 workers employed at the unit, according to its latest annual report.

The move by Airbus comes days after arch rival **Boeing** announced plans to cut as much as 10% of its workforce, or about 17,000 staff, as its

new chief executive seeks to rebuild the company's finances amid a safety crisis and strike by factory workers.

Airbus has struggled to improve the fortunes of its space and defense division for years against a backdrop of rapid technological advancements, limited government spending and growing competition from the likes of SpaceX in the market for satellites and spacecraft.

"A fast changing and very challenging business context... requires us to become faster, leaner and more competitive," said Michael Schoellhorn, head of Airbus's defense and space unit.

Airbus in 2023 took a charge of €600 million, or roughly \$650 million, against the division. This July it booked a separate €989 million charge after reassessing the timelines and costs associated with a range of telecommunication, navigation and space observation programs.

Chief Executive Guillaume Faury said at the time that the company was contending with greater competition from "some disruptive new players, and in particular, one disruptive new player."



The defense and space division, which has operations across Europe, last year accounted for about 17.6% of Airbus's revenue.

Faury also said in July that the division was in the throes of a broad strategic review as it weighed options that include a restructuring, tie-ups with other manufacturers, and a potential sale of part of the

business. Airbus has already revamped the division's management, bringing in a 10-year veteran from its commercial aircraft division, Alain Fauré, to lead its space programs.

Meanwhile, the defense side of the division, which primarily makes jet fighters, drones and other military aircraft, hasn't seen the same influx of orders that other Euro-

pean manufacturers have in recent years. Russia's invasion of Ukraine has led to a surge in demand for equipment such as armored vehicles and artillery—products that Airbus doesn't specialize in.

Challenges in space and defense come as Airbus continues to face disruption and delays within its core business of making commercial aircraft—by far its largest driver of profits. That business has been battling to meet its ambitious plans to rapidly expand production of its best-selling aircraft after having slashed manufacturing capacity during the pandemic.

The defense and space division, which has operations across Europe, last year recorded €11.5 billion in sales, or about 17.6% of Airbus's total revenue. Airbus's commercial aircraft division accounted for €47.8 billion, or about 73% of total revenue.

Its third division manufactures helicopters.

—Alistair MacDonald contributed to this article.

Tesla Taps Musk Aide To oversee Western Markets

By BECKY PETERSON

Tesla Chief Executive Elon Musk has tapped one of his closest confidants to oversee operations in North America and Europe, two markets where the company is facing stiffer competition in the electric-car space and cooling consumer demand.

Omed Afshar, who joined Tesla in 2017, is now a vice president in charge of sales and manufacturing with senior executives in those two regions reporting to him, according to people familiar with the changes. He has assumed some responsibilities formerly held by Tom Zhu, Tesla's senior vice president for automotive, who earlier this year went back to China.

The move is a step up for the 37-year-old Afshar, who had previously worked in Tesla's office of the CEO. As in his earlier position, he will report directly to Musk. Afshar became less visible at the electric-car maker starting in 2022 and in recent years has held roles at two of Musk's other companies, SpaceX and X, according to people with knowledge of the matter.

Afshar and Tesla didn't return requests for comment. Nor is he listed on the company's website, which only shows three senior executives—Musk, Zhu, and Chief Financial Officer Vaibhav Taneja.

Afshar's LinkedIn page shows his title at Tesla since 2020 as an emoji wearing a cowboy hat.

Tesla's leadership team has been in flux since this spring, when Musk laid off more than 10% of the company and abruptly shifted plans for a long-promised affordable car model. Several top executives left at the time, including the heads of Tesla's energy business, its public-policy group and the supercharger team.

The world's most valuable automaker is under pressure to revive its sales momentum and reverse a slide in profitability that has some analysts and investors concerned about the state of the car business. The move comes as Musk shifts more resources to ro-

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Stellantis Vehicle Deliveries Slump 20% on U.S. Woes

By DOMINIC CHOPPING

Stellantis vehicle deliveries fell 20% in the third quarter as the maker of Jeep and Ram brands began to take measures to address excess inventory in the U.S. while delays to new model launches also hurt shipments.

Overall shipments in the quarter fell to 1.15 million vehicles, from 1.43 million in the same quarter last year.

The auto giant, whose brands include Chrysler, Fiat, and Peugeot, said Wednesday that vehicle deliveries in North America fell 36% in the quarter. Some 170,000 fewer cars were shipped to North American customers than in the same quarter a year earlier, with more than 100,000 of them related to production cuts aimed at reducing dealer inventory.

U.S. dealers have long complained that Stellantis cars are less affordable than those of competitors, driving away buyers. In response, the company ramped up deals for car buyers and intensified plans to cut the

number of cars it ships to its dealers. Sales in the U.S. were also held back by gaps in its product lineup, but Stellantis is preparing to launch a new generation of cars starting in late 2024 with the Dodge Charger Daytona and Jeep Wagoneer S, the automaker said.

However, the company said its U.S. market share edged higher through the quarter, rising to 7.9% in August from 7.2% in July, and to 8% in September as inventory levels fell by 50,000 vehicles compared with the end of the prior quarter.

The company last month cut profitability and cash forecasts as it contends with its problems in the U.S. while warning on an increasingly difficult car market with shaky demand and stiff competition. That prompted a broad management shake-up as the automaker tries to turn its fortunes around.

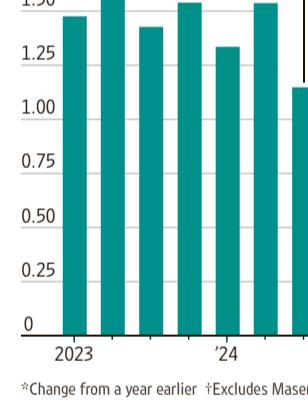
In Europe, overall deliveries fell 17% to 496,000 vehicles in the third quarter as the company's new platform for small and midsize cars experienced

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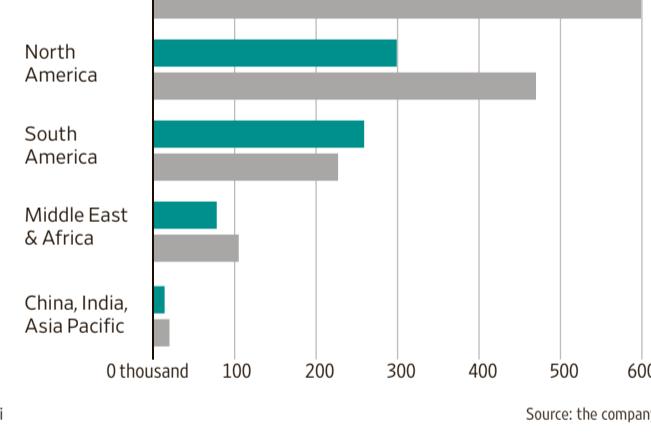


The company said its U.S. market share edged higher through the quarter, rising to 7.9% in August.

Stellantis quarterly vehicle deliveries



Deliveries by region in the third quarter[†]



McKinsey Cuts China Workforce as It Seeks To Ease Security Risk

McKinsey is overhauling its China business after cutting back on government-linked clients and reducing the unit's workforce by nearly 500 people, about a third of the total.

By Yoko Kubota in Beijing and Raffaele Huang in Singapore

To reduce security risks associated with doing business in China, the U.S.-based consulting firm has been separating its China operations from other global operations, people familiar with the matter said—a practice increasingly popular among multinational companies.

Western businesses with decades of experience in China—both McKinsey and those it advises—are facing some of their most challenging times because of geopolitical tensions and the slowing Chinese economy. McKinsey has been facing scrutiny in Washington over work linked to the Chinese government, while some Chinese clients have been shifting to local rivals.

Over the past two years, McKinsey's workforce in Greater China, which includes

Hong Kong and Taiwan, has shrunk by hundreds of employees, people familiar with the matter said. McKinsey in June 2023 referred to having nearly 1,500 employees in the region on its Greater China website. Joe Ngai, the head of McKinsey's China business, said the company's employee attrition rate in the country has been at its historic average of around 20%, but it has slowed hiring. McKinsey still has more than 1,000 employees in Greater China, he said.

It has stopped working with Chinese local-government clients and cut back on state-linked projects, which used to account for a significant portion of its projects. Its latest strategy calls for helping multinational companies navigate China's changes, advising Chinese companies that want to expand overseas and working with Chinese companies going through executive transitions, said Ngai.

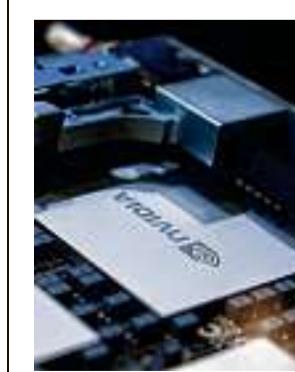
"Our clients all face challenges. We have to help them face up to these challenges," said Ngai in an interview. In a difficult and slow-growth market, "many of McKinsey's

INSIDE



BUSINESS NEWS

NBC plans to stream local sports, including Boston Celtics games, on Peacock. **B3**



HEARD ON THE STREET

Capital spending by the biggest tech players is exploding. **B10**

CBS News President Is Tested By Crises, Critical Ownership

By JOE FLINT

CBS News President Wendy McMahon is getting a baptism by fire.

In the job barely a year, McMahon is trying to contain several crises that have divided the storied newsroom, including backlash over the network's handling of a "60 Minutes" interview with Vice President Kamala Harris and a debate about whether a morning anchor went too far in his questioning of a guest about Israel and the war in Gaza.

McMahon spent last week attempting to quell internal tensions and deal with a torrent of negative press while also overseeing hurricane coverage.

Meanwhile, Shari Redstone, nonexecutive chairwoman of CBS parent **Paramount Global**, has inserted herself into the controversy as well.

At McMahon's direction, CBS News is considering an editorial review to further address issues of fairness in reporting. The goal of the review would be to ensure that subjectivity doesn't seep into reporting, according to a senior executive. How such a review would be implemented is still under discussion.

CBS is also planning an in-



CBS News' Wendy McMahon spent last week trying to quell internal tensions and dealing with negative press.

vestigation to review concerns employees have raised about their personal experiences in the newsroom, including anti-Semitism, anti-Muslim views, racism and sexism, the executive said.

McMahon's trials come as Paramount is in the midst of merging with Skydance Media, whose leadership team has been meeting with executives to determine future strategy. McMahon is scheduled to sit down later this week with Jeff Shell, the media veteran who has been tapped to become president of Paramount Global after the deal closes.

McMahon, 50, is an outsider to the clubby world of network news. The New Orleans native came up the ranks through local television, eventually rising to run **Walt Disney's** ABC TV station unit. She joined CBS in 2021 as head of its station group and co-president of News, and took her current title in August 2023.

The squabbles spreading beyond the halls of CBS's corporate offices and newsroom into the public realm are seen by some inside the company as a sign that McMahon and her team are struggling to main-

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BUSINESS & FINANCE

Lithium Americas Says GM Lifts Investment in Nevada Mine Project

By ADRIANO MARCHESE

Canada's **Lithium Americas** said **General Motors** will boost a planned second investment in the miner's Thacker Pass project in Nevada by nearly 90% to \$625 million, giving the auto maker an ownership stake in the mine producing the critical ingredient for electric-vehicle batteries.

The Detroit company's increased investment follows the U.S. Department of Energy's \$2.26 billion preliminary commitment in March to finance development of lithium-processing facilities at Thacker Pass.

The Vancouver, British Columbia, company on Wednesday said GM will make a second-tranche investment into the Thacker Pass operations in Humboldt County of \$430 million in cash, and a \$195 million letter of credit to back reserve requirements under the DoE loan.

U.S.-listed shares of Lithium Americas shot up 22% in Wednesday's trading.

The Thacker Pass deal comes even as GM and Detroit rival **Ford Motor** have delayed or canceled several electric-vehicle models as U.S. consumers have been slower to embrace EVs than the automakers had once forecast. Still, GM Chief Executive Mary Barra has said the company



BRIDGET BENNETT FOR WSJ

Construction of the Thacker Pass lithium project in Nevada's Humboldt County last year.

still was positioning itself for an all-electric future, even if it is slower to materialize than her team originally expected.

"We're pleased with the significant progress Lithium Americas is making to help GM achieve our goal to develop a resilient EV material supply chain," said Jeff Morrison, GM's senior vice president of global purchasing and supply chain, in a news release.

The transaction announced Wednesday follows the first tranche of GM's investment of

\$320 million to acquire about 15 million common shares of Lithium Americas. It also replaces an earlier agreement for a second-tranche investment of \$330 million from the companies' original deal January 2023. This original GM equity investment was for a total of \$650 million.

In addition to the GM and DoE deals, Lithium Americas earlier this year raised \$275 million through a public offering of 55 million shares.

As part of the updated in-

vestment on Wednesday, GM agreed to extend its existing offtake agreement for up to 100% of production volume from the first phase of Thacker Pass to 20 years.

GM also will enter into an additional 20-year offtake agreement for up to 38% of second-phase production volumes.

Lithium Americas will have a 62% interest in Thacker Pass and will manage the project, with GM holding the remaining 38% interest.

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McKinsey Sheds Staff In China

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core skills and capabilities are actually more important than ever," he said.

McKinsey's reshaping of its China business comes as rival consulting firms continue to undertake extensive work for government agencies and state-controlled companies.

McKinsey first opened in mainland China in 1993 and grew quickly alongside the nation's economy, with both Chinese and multinational clients. Dominic Barton, global managing partner from 2009 to 2018, had earlier worked in Shanghai, and his successor, Kevin Sneader, had worked in Hong Kong.

McKinsey was known for winning business from China's biggest state-owned firms,

which play a central role in the economy. These have included China Construction Bank and China Telecom, which McKinsey advised on digitization and operation management projects. Another big client was privately owned insurer Ping An.

Ngai told Chinese news website Sohu Finance in 2020 that about 80% of the clients in McKinsey's China business at the time were domestic companies, with half of those being state-owned firms. The remaining 20% were multinational firms, he said. Ngai and a McKinsey representative didn't give a client breakdown for past years or today.

While consulting fees in China tend to be lower than in the U.S., an issue that led to some tension within McKinsey, the firm generally was willing to overlook it in pursuit of growth, said people familiar with its strategy.

That strategy has changed.

In Washington, American lawmakers have been criticizing McKinsey for advising the U.S. government—including on

defense-related projects—while also consulting for the Chinese government or affiliated organizations. Its global managing partner, Bob Sternfels, was grilled in Congress about the subject this year.

In the wake of the scrutiny over conflicts of interest, McKinsey has been revising its client list and cutting back on certain projects in China. A McKinsey representative said that the central government of China isn't, and to its knowledge has never been, the company's client.

Asked about McKinsey's current work with Chinese state-owned companies, Ngai said McKinsey selects clients rigorously and follows protocols to prevent conflicts of interest.

Within China, the biggest challenges include economic sluggishness and Beijing's clampdown on the business of due diligence and information-

gathering by foreign consultancies. Last year, police visited Bain's Shanghai office and separately raided the offices of Capvision, a consulting firm that connects investors with individual experts who provide industry intelligence.

McKinsey also faces price competition.

Some Chinese companies in the market for advice are turning to less-expensive domestic alternatives to U.S. brands.

Companies with names little-known abroad—among them Alpk Management Consulting and StratOp Group—are picking up clients, as are local technology giants such as Alibaba Group and Huawei Technologies for projects involving digitization.

Last year, foreign consulting firms' revenue in China fell 6.3% while local consultants increased revenue slightly, according to Chinese consulting

market-research firm Shensixing. The foreign firms held a 40% share of the \$7.7 billion market, Shensixing said.

McKinsey, whose global revenue was around \$16 billion in 2023, doesn't disclose its revenue or profitability in China. Globally, the company has about 45,000 employees.

This summer, some of McKinsey's senior consultants gathered in Singapore, where Ngai briefed them about McKinsey's China strategy running through 2026, people familiar with the event said.

Among its work with Chinese businesses seeking to go overseas, McKinsey has advised on projects aimed at selling Chinese electric vehicles overseas, people familiar with the matter said.

Meanwhile, McKinsey has taken some steps to separate its China operations from the rest of the world. Its global computer systems are being divided, with mainland China employees set to be cut off from accessing certain databases and documents, people familiar with the matter said.

Stellantis Delivers Slump 20%

Continued from page B1
launch delays. Despite this, Stellantis said the outlook for new European product launches is strong, with orders of 50,000 units for its new Citan C3 and 80,000 units for the new Peugeot 3008.

Rival European manufacturers such as **Volkswagen**, **BMW** and **Mercedes-Benz** said last week that they had seen car sales held back in the quarter by a challenging Chinese market, with soft demand and strong pricing competition.

Overall sales in China and India & Asia Pacific fell 30% to 14,000 vehicles in the third quarter.

Crises Test CBS News President

Continued from page B1
tain control. Several veteran CBS News producers and correspondents countered that a loud minority is overstating the level of dissent McMahon is facing.

Last week, the Sunday morning political show "Face the Nation" aired a clip from a coming "60 Minutes" interview with Harris in which the Democratic presidential nominee gave a vague and rambling answer to a question about Israel. When the interview did air on "60 Minutes" that answer was replaced with another, more succinct, portion of her answer.

Former President Donald Trump questioned the editing and called for regulators to pull CBS's broadcast licenses.

CBS executives said the interview was edited for time and Harris's answer on "60 Minutes" was part of the same exchange that was excerpted on "Face the Nation." Still, some CBS News staffers expressed frustration over what they saw as an unforced error.

Meanwhile, a separate controversy was unfolding over an interview that morning show anchor Tony Dokoupil had on Sept. 30 with Ta-Nehisi Coates about Coates's new book on Israel. The network's standards department and race and culture unit determined that his tone during the interview with Coates showed a pro-Israel bias. That determination led to



Shari Redstone, chair of Paramount Global, which owns CBS.

a backlash from some CBS journalists and media critics who said Dokoupil was guilty only of practicing good journalism.

The dust-up over Dokoupil's interview reflects the tension within many newsrooms over coverage of the Middle East and Israel's wars with Hamas and Hezbollah. Several overseas correspondents raised concerns to another newsroom leader—who has since left that role—that Dokoupil's off-the-cuff commentary on the Middle East had made their jobs covering the conflict more difficult. Those complaints weren't acted on or passed along to McMahon or her top lieutenant, Adrienne Roark, who heard from dozens of staffers demanding their concerns about the Coates interview be addressed publicly. The leadership agreed that was the right course to take, people familiar with their thinking said.

In addition to managing her newsroom, McMahon must also navigate discontent from above. Shari Redstone, the controlling shareholder of CBS

parent Paramount Global, said at an industry conference last week that CBS made a mistake in questioning Dokoupil over his interview with Coates. Redstone called Dokoupil to praise him and had dinner with the anchor earlier this week, according to people close to both of them.

Redstone has reached out on occasion to senior leaders in news and above, including Paramount Global Co-CEO and CBS CEO George Cheeks, usually to say she didn't think the network was balanced enough in its coverage of the Middle East, according to current and former CBS executives as well as people close to her.

This past spring, Redstone told some CBS officials that she wasn't pleased with a "Face the Nation" anchor Margaret Brennan contributing. McMahon also gave oversight of "Evening News" to "60 Minutes" chief Bill Owens with a mandate to push more long-form journalism. She added a third hour to the morning news program, to keep up with rivals at ABC and NBC.

—Isabella Simonetti contributed to this article.

she felt was a liberal tilt. Redstone at times also had former Paramount Global CEO Robert Bakish express her concerns to Cheeks, before Bakish's departure earlier this year, the executives said.

Bakish declined to comment. Last week's public remarks by Redstone led Cheeks to issue a statement of support for McMahon, calling her an "outstanding and accomplished leader." Dokoupil, meanwhile, has reached out to clear the air with colleagues, people at the network said. He recently spoke with some foreign correspondents to express remorse for any harm his comments on Israel caused those on the front lines of the war.

McMahon is part of a wave of business executives heading news units at broadcast networks. Some longtime employees consider McMahon an interloper facing a steep learning curve when it comes to managing on-air talent and running a network news operation. Others say she is a needed change agent trying to innovate at a unit stuck in its ways and perennially last in the ratings.

One major change McMahon made in her first year is announcing that after the election, she will replace "Evening News" anchor Norah O'Donnell with political analyst John Dickerson and WCBS's Maurice DuBois, with "Face the Nation" anchor Margaret Brennan contributing. McMahon also gave oversight of "Evening News" to "60 Minutes" chief Bill Owens with a mandate to push more long-form journalism. She added a third hour to the morning news program, to keep up with rivals at ABC and NBC.

Redstone has been offering commentary since before McMahon took the helm at CBS News. She also pushed for more conservative voices on the network to balance what

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BUSINESS NEWS

NBC to Stream Local Sports on Peacock

Channels carrying the Warriors, Celtics and others to be made available

By JESSICA TOONKEL

Boston Celtics and Philadelphia Phillies fans will soon be able to watch their teams' games on NBCUniversal's Peacock streaming service.

The entertainment company plans to add its regional sports channels to Peacock as soon as early 2025, according to people familiar with the plans.

The four NBC Sports networks that will be added have local broadcast rights in Boston, Philadelphia and across northern California, including to games for high-profile teams such as the Phillies of Major League Baseball and the Golden State Warriors and Celtics of the National Basketball Association. The games will continue to be available on television.

The company is still completing details of the plan and the rollout could be delayed. One option executives are discussing is to make the channels available as add-ons in the local markets so that fans there can pay extra to stream



The Boston Celtics, seen above playing the Toronto Raptors, are among the teams that NBC Universal will soon stream.

games.

As major entertainment companies compete to attract customers to their streaming services, many are turning to live sports as a way to differentiate their offerings and appeal to cable-TV cord-cutters. Even Netflix, which has long

stayed away from live sports, has begun buying the rights to one-time events, such as this season's Christmas Day NFL games.

Earlier this year, NBCUniversal agreed to pay \$2.5 billion a year for the rights to 100 NBA games a season

across NBC and Peacock, as well as first- and second-round playoff games and six conference-finals series, The Wall Street Journal reported. The company already streams programming from the National Football League, Big Ten college sports, English

Premier League soccer, golf and the Tour de France.

When it comes to regional sports networks—which have rights to show games in local markets—NBCUniversal is a small competitor. The sector has been under increasing pressure as more people can-

cel their cable subscriptions, opting for streaming. Diamond Sports, the largest competitor, is going through bankruptcy proceedings, squeezed by the rising cost of fees and the slow-motion collapse of the traditional TV business.

Regional sports networks had 115 million subscribers at the end of 2023, a 29% drop from five years earlier. NBCU's four wholly owned regional sports networks had 10.7 million subscribers at the end of 2023, down from 13.4 million five years earlier, according to S&P Global Market Intelligence.

NBCUniversal has gone back and forth about whether to offer its regional sports networks directly to consumers or to sell the channels. In 2021, the company shut down NBC Sports Northwest. In 2022, it sold NBC Sports Washington to Monumental Sports & Entertainment, which already had a stake in the network.

More recently, it shut down NBC Sports Chicago after the owners of the Chicago White Sox, Chicago Bulls and Chicago Blackhawks—of MLB, the NBA and the National Hockey League, respectively—didn't renew their rights to air games on the network and decided to launch their own.

Chinese Security Review Of Intel Is Urged

By ASA FITCH AND SHERRY QIN

An influential Chinese industry group called for a cybersecurity review of Intel's products, threatening to embroil the chip maker in a new round of U.S.-China tension over technology as it contends with other big challenges in its business.

The CyberSecurity Association of China on Wednesday urged for the review by the nation's regulator, saying that Intel's products have shown security vulnerabilities and high failure rates and pose a national-security threat to the country.

The call could be a precursor to an official investigation in one of Intel's most important markets by the powerful Cyberspace Administration of China, which last year conducted a cybersecurity review of another American chip maker, Micron Technology. That review identified "significant security risks" in Micron's products, and the administration directed major operators of IT infrastructure in the country not to buy them.

Micron estimated the ban would reduce its sales by a low double-digit percentage.

Intel's shares fell by as much as 4% Wednesday before regaining some ground to close down 1.5%.

A spokeswoman said that Intel would work with Chinese officials to "clarify any questions that may exist and demonstrate Intel's deep commitment to the safety and security of our products."

For Intel, any curtailing of sales in China could have a significant impact when the company is struggling.

Intel made more than a quarter of its sales in China last year, although that includes chips used in products assembled in the country and exported to the U.S. and elsewhere.

FDA Puts Hold on Novavax Vaccines

By DENNY JACOB

Novavax said federal regulators put a clinical hold on its application for a combination Covid-19 and influenza vaccine and stand-alone flu inoculation, sending shares down sharply.

The vaccine maker on Wednesday said the Food and Drug Administration placed the hold because of a report of a "serious adverse event" of motor neuropathy

in one clinical-trial participant outside the U.S., who received the vaccine in January 2023.

This participant was part of a Phase 2 trial for the combination vaccine that was completed in July 2023, and reported the adverse event in September of this year, the Gaithersburg, Md., company said.

"While we do not believe causality has been established for this serious ad-

verse event, we are committed to working expeditiously to fulfill requests for more information from the FDA," Novavax Chief Medical Officer Robert Walker said.

"Our goal is to successfully resolve this matter and to start our Phase 3 trial as soon as possible."

Shares tumbled before the opening bell on Wednesday and slid further on the news once trading began.

The stock closed down 19%

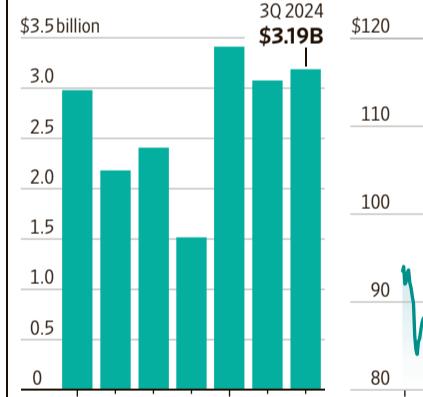
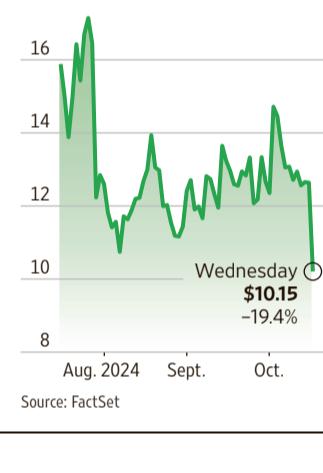
at \$10.15.

The company has seen its stock swing sharply on news related to its potential Covid-19 vaccines.

Shares rose in August after the FDA granted an emergency-use authorization for an updated version of the vaccine.

While the public-health crisis has largely subsided, health officials still recommend those who are eligible to get the updated vaccine.

Novavax share price, past three months



Morgan Stanley Stock Closes at Record After Quarterly Profit Jumps

By ANNA MARIA ANDRIOTIS

Morgan Stanley stock rallied after the bank reported quarterly earnings that beat Wall Street's expectations.

Profit rose 32% to \$3.19 billion. That amounted to \$1.88 a share, which was better than expected.

Revenue rose 16% to \$15.383 billion.

Investment-banking revenue surged 56% to \$1.463 billion.

Morgan Stanley shares climbed 6.5% in Wednesday's trading to close at \$119.51, a record in data going back to 1993 and its largest percentage gain since November 2020, according to Dow Jones Market Data.

Overall, the U.S.'s biggest

banks reported stronger-than-expected earnings for last quarter, due in large part to a strengthening dealmaking environment.

The Federal Reserve's recent interest-rate cut combined with improving CEO confidence and pent-up demand to execute on deals are seen as a positive for deals, helping to boost investment banking revenue in the third quarter for Goldman Sachs, JPMorgan Chase, Citigroup and others.

Total volumes aren't at levels experienced in 2021, when easy monetary policy led to a bumper year of mergers and capital markets activity, but big banks are sounding increasingly positive about the runway for growth in dealmaking.

Sanofi, Paris Discuss Opella Deal Concerns

By HELENA SMOLAK

Sanofi is in discussions with the French government to address concerns officials raised about a potential sale of a controlling stake in the company's consumer-health business, Opella, to private-equity firm Clayton Dubilier & Rice.

French Finance Minister Antoine Armand told the country's National Assembly on Tuesday that the govern-

ment wouldn't rule out taking a stake in Opella through a state-owned investment bank and seeking representation on its board of directors.

The French government is seeking commitments from Sanofi that Opella would maintain employment, production and research-and-development activities in the country and could block a deal if those requirements aren't met, the Ministry of Economics, Fi-

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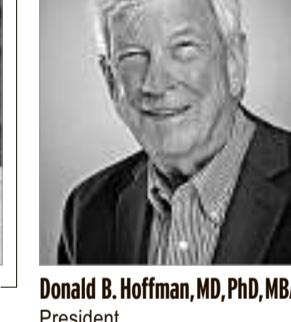
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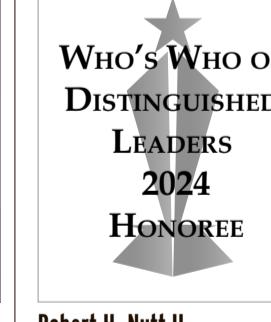
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Amazon Joins Tech Sector's Nuclear Push

Company strikes two deals to advance use of small reactors as an AI energy source

By CHRIS WACK
AND MARK R. LONG

Amazon.com signed deals to back nuclear-power projects across the U.S., investing half a billion dollars and becoming the latest big tech company to commit to fueling a renaissance of the electricity source to power the rapid development of artificial intelligence.

On Wednesday, Amazon said it agreed to work with **Dominion Energy** to explore the development of small modular nuclear reactors, or SMRs, in Virginia. That could enable faster and less-costly construction by building smaller reactors instead of behemoth, bespoke plants that can run years overdue and billions of dollars over budget.

Amazon also said it was part of a \$500 million financing deal for **X-energy Reactor**, a nuclear-reactor and fuel-technology company. The tech giant and the privately held X-energy are working together

to bring more than 5 gigawatts of new power projects online in the U.S. by 2039, in what they say would be the biggest deployment of SMRs to date. Others involved in the financing deal include Citadel founder and Chief Executive Ken Griffin, affiliates of Ares Management Corp. and the University of Michigan.

"We need smart solutions that can help us meet growing energy demands while also addressing climate change," Amazon's vice president of global data centers, Kevin Miller, said. "X-energy's technology will be integral in helping

achieve this."

As part of the agreement, Amazon and X-energy will provide initial backing for a four-unit, 320-megawatt project with regional utility Energy Northwest in Washington state.

The nuclear deals announced Wednesday follow recent forays by **Microsoft** and Google into nuclear power. Last month, Microsoft and Constellation announced a deal to restart Pennsylvania's Three Mile Island to help power the tech giant's AI ambitions. On Monday, Google parent **Alphabet** said it would back the construction of seven

small nuclear reactors by privately held Kairos Power reactors to feed its AI needs. The deal targets adding 500 megawatts of power starting at the end of the decade.

Dominion said that power demand in Virginia is growing by more than 5% a year, and is expected to double in the next 15 years, and therefore new power generation sources need to be developed. SMRs could play a key role in this, and the agreement between the utility and Amazon marks the companies' work to explore development and financing of the smaller reactors.

X-energy said it launched the Series C-1 financing round to provide cash to fund the completion of its reactor design and licensing, as well as the first phase of its TRISO-X fuel fabrication facility in Oak Ridge, Tenn.

In addition to the deals announced Wednesday, Amazon said in a post on its website that it previously signed an agreement to co-locate a data center next to a nuclear facility in Pennsylvania owned by Talen Energy. This will directly power the data center and help preserve the existing reactor, Amazon said.

Regulator Issues AI-Risk Guidance To Financial Firms

By MENGQI SUN

New York's financial regulator said firms need to address the specific cybersecurity risks arising from the use of artificial intelligence, as more regulators aim to ensure the safe use of this rapidly evolving technology.

The New York State Department of Financial Services on Wednesday issued a new guidance document that advises the entities it regulates to monitor and assess risks from AI-enabled tools, as part of the agency's existing cybersecurity regulation. The department said financial-services firms need to better understand AI-related risks, including from social engineering, cyberattacks and the theft of nonpublic information.

The state regulator said the 11-page guidance document didn't impose new requirements but was just the latest installment in the department's efforts to rein in the risks from AI tools. The department recently adopted new guidance targeting discrimination by insurers through the use of AI.

The NYDFS said it issued the guidance in response to inquiries about how AI is changing cyber risk and how it can be mitigated.

NYDFS Superintendent Adrienne Harris said the guidance reinforces the need for firms to factor AI into their risk frameworks and the requirements under the amended cybersecurity regulations.

"I think it's really about making sure there's expertise in the institution, making sure they're engaging with lots of stakeholders, so they understand the development of the technology," she said in an interview, adding that firms need to be engaged in conversations around the use of AI even if they don't have a huge team of experts in the technology.

"It's about making sure that you've got the right expertise in-house—or that you're otherwise seeking it through external parties—to make sure your institution is equipped to deal with the risk presented," she added.

The NYDFS said financial firms should have several layers of security controls with overlapping protections to ensure that if one control fails to mitigate the impact of a cyberattack, another control is in place to help, according to the guidance. These controls should include a risk assessment and risk-based programs and procedures, the ability to conduct due diligence on third parties and vendors, cybersecurity training and data management.

The AI guidance from New York's regulator came after California Gov. Gavin Newsom vetoed an AI safety bill last month that pitted some of the biggest tech companies against scientists who developed the technology. The Democrat governor said he was rejecting the measure because it would apply only to the biggest and most-expensive AI models and didn't take into account whether they are deployed in high-risk situations.

Despite the veto, many tech leaders still expect rules to regulate the technology will take shape in some form, as the bill raised bigger questions, including whether regulation should target AI model makers or AI applications and whether it should be directed more by states or federal agencies.



State regulators rejected a military request to permit SpaceX up to 50 launches a year from the Vandenberg base.

SpaceX Claims Bias After California Denies Request for More Launches

By GARETH VIPERS

Elon Musk's space company sued regulators in California after officials rejected a request to allow more **SpaceX** rocket launches, claiming the decision was politically motivated.

In a 284-page lawsuit, filed Tuesday in California's central district, SpaceX accused regulators of overreaching their authority and violating Musk's right to free speech.

The lawsuit marks the billionaire's latest volley in a long-running feud with the state.

The California Coastal Commission, a state agency that regulates development along the state's coastline, last Thursday rejected a request by the U.S. Space Force to give SpaceX permission to launch up to 50 rockets a year from Vandenberg Space Force Base near Santa Barbara, Calif.

Speaking at the meeting, commissioner Gretchen Newsom referenced Musk's social-media posts about the coming presidential election and accused him of spreading falsehoods about Hurricane Helene.

"Right now Elon Musk is hopping about the country, spewing and tweeting political falsehoods and attacking FEMA while claiming his desire to help the hurricane victims with free Starlink access to the in-

ternet," said Newsom, who has no relation to Gov. Gavin Newsom.

The commission rejected the request by a vote of 6-4.

"Rarely has a government agency made so clear that it was exceeding its authorized mandate to punish a company for the political views and statements of its largest shareholder and CEO," SpaceX said in its complaint.

Newsom claimed Musk harbored an anti-California agenda, saying the CEO had enjoyed billions of dollars in state subsidies while threatening to relocate his companies to Texas due to "bigoted beliefs against California's safeguards and protections over our transgender community."

She also questioned SpaceX's commitment to workplace safety, referencing fines the company has received and citing allegations of injuries at the company's facilities.

The commission's vote doesn't necessarily mean that SpaceX won't be able to increase its launch rate from California.

SpaceX is a major government contractor, launching payloads of the Pentagon and

selling satellite services to national-security and other federal agencies, according to military officials and commission documents.

As such, military officials believe SpaceX launches from the California base are considered a federal agency activity.

"We are assessing the outcome from Thursday, and it is too soon to comment on launch cadence beyond the current capacity constraint," Col. Mark Shoemaker, commander of the

Space Force

unit that oversees Vandenberg, said in a statement.

In a post on his social-media platform **X** Tuesday, Musk said members of the commission should resign and face legal consequences.

"The Coastal Commission has one job—take care of the California coast," he wrote.

"It is illegal for them to

make decisions based on what

they (mostly wrongly) think

are my politics."

In an earlier post, Musk accused the commission of violating the First Amendment.

SpaceX didn't respond to requests for comment.

On Sunday, the company marked an engineering milestone for its Starship vehicle,

successfully catching a towering booster rocket back at its launchpad in South Texas.

Musk has increasingly used his vast wealth and ownership of X to take on those he sees as challenging free speech, both online and in the courtroom.

The latest suit isn't Musk's first falling out with California, but part of a long, painful breakup that centers on the entrepreneur's three main passions—SpaceX, **Tesla** and **X**, which he acquired in 2022 when it was known as Twitter.

Musk's many gripes with California have covered everything from Covid-19 stay-at-home orders to transgender rights and local crime rates.

As the pandemic spread in May 2020, Musk threatened to move Tesla's headquarters out of California, calling the closure of a company factory a power grab that defied the Constitution.

This year the entrepreneur fully embraced Republican politics and backed Donald Trump's presidential campaign.

Days later, Musk announced plans to relocate the headquarters of X and SpaceX from California to Texas. The move came in response to Newsom signing a law that aims to prevent schools from requiring teachers to inform families if their children identify as gay or transgender.

—Micah Maidenberg

contributed to this article.

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Tesla Picks New Chief In West

Continued from page B1
botics and artificial intelligence, two areas that he views as critical to the company's future.

Last week, he showed off a robotaxi without a steering wheel or pedals that Tesla plans to start producing in the next two to three years and which he said could sell for under \$30,000.

Tesla's stock, meanwhile, has dropped nearly 8% since the reveal with investors disappointed in the lack of specifics around his plans for au-

tomous-driving, which he has billed as a pivotal transition for the electric-car pioneer.

Tesla's global sales and manufacturing operations were previously overseen by Zhu, who returned to China in May as part of the internal restructuring, The Wall Street Journal has reported.

Zhu had made his mark in China, overseeing the construction of the Shanghai factory and successfully expanding the business there. Some employees internally referred to him as the "fireman" for his ability to troubleshoot problems.

He moved to the U.S. in 2023 to take over as senior vice president of automotive, which made him No. 2 at Tesla, reporting directly to Musk. His appointment was part of an effort to assuage

some of Wall Street's concerns that Musk was distracted with his other companies and lacked a clear succession plan.

Before joining Tesla, Afshar, who studied biomedical engineering, had spent roughly seven years at a medical-device company, according to his LinkedIn profile.

During his time in the office of the CEO, Afshar oversaw the development of Tesla's 10 million-square-foot headquarters and factory in Austin, Texas.

While running the Tesla factory, he came under scrutiny in an internal investigation looking into a glass materials order that was identified as suspicious, Bloomberg reported in 2022.

The specialized-glass order drew the attention from Tesla lawyers and board members, probing whether company re-

sources had been misused and if Musk had a role, The Wall Street Journal reported last year.

Tesla employees had been working on a secret project that included plans for a glass-walled structure, described internally as a house for Musk, the Journal reported. The Justice Department and Securities and Exchange Commission opened an investigation into the events in 2023.

Afshar declined to comment to Bloomberg about its report and hasn't responded to the Journal's requests about the glass structure. Musk and his representatives haven't responded to questions about the project or the investigations. On X, Musk has said he isn't building a glass house but hasn't addressed prior plans or work on the idea.



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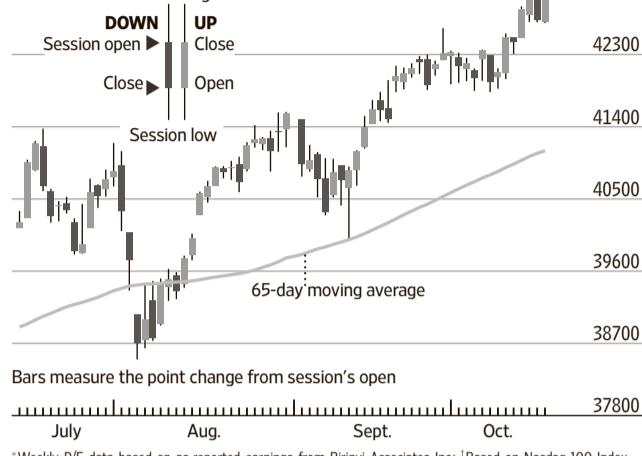
MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

43077.70 ▲ 337.28, or 0.79%
High, low, open and close for each trading day of the past three months.

Current divisor 0.15221633137872

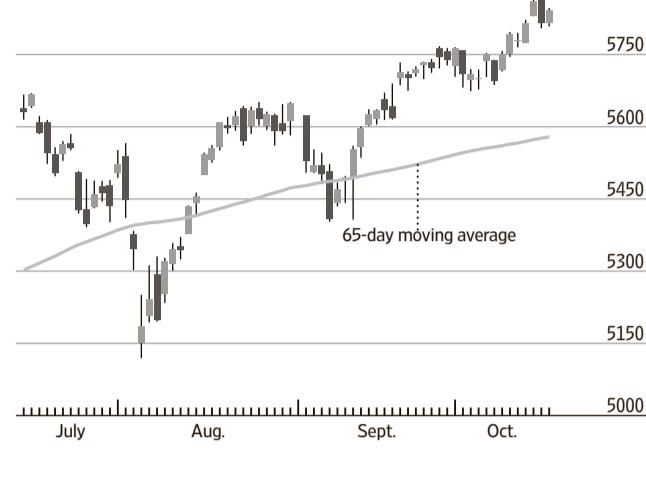


Bars measure the point change from session's open

1 week P/E ratio based on as-reported earnings from Birinyi Associates Inc.; *Based on Nasdaq-100 Index

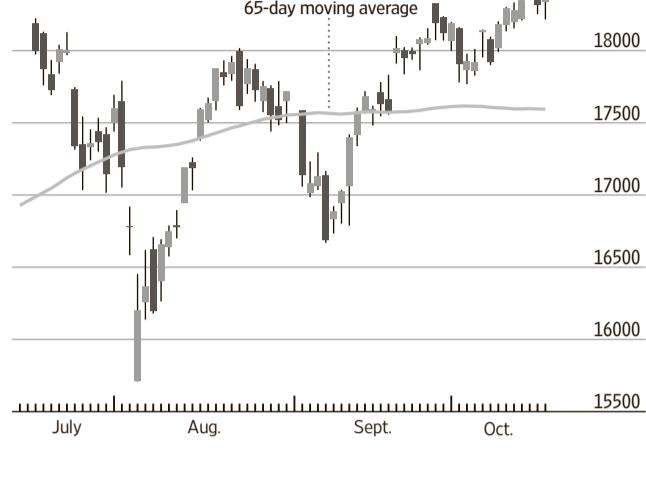
S&P 500 Index

5842.47 ▲ 27.21, or 0.47%
High, low, open and close for each trading day of the past three months.



Nasdaq Composite Index

18367.08 ▲ 51.49, or 0.28%
High, low, open and close for each trading day of the past three months.



Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD % chg	3-yr.ann.
Dow Jones										
Industrial Average	43100.84	42692.37	43077.70	337.28	0.79	43077.70	32417.59	28.0	14.3	6.9
Transportation Avg	16671.23	16329.28	16562.66	314.47	1.94	16562.66	13556.07	13.6	4.2	2.9
Utility Average	1070.05	1051.91	1068.28	17.43	1.66	1068.28	801.98	29.6	21.2	5.9
Total Stock Market	57999.47	57624.66	57958.39	315.10	0.55	58040.42	40847.04	35.2	21.3	7.7
Baron's 400	1263.88	1254.58	1261.90	12.65	1.01	1261.90	907.97	32.3	17.7	6.6
Nasdaq Stock Market										
Nasdaq Composite	18383.11	18214.96	18367.08	51.49	0.28	18647.45	12595.61	37.9	22.4	7.2
Nasdaq-100	20200.59	20036.73	20174.05	14.22	0.07	20675.38	14109.57	35.3	19.9	10.0
S&P										
500 Index	5846.52	5808.34	5842.47	27.21	0.47	5859.85	4117.37	35.4	22.5	9.3
MidCap 400	3202.30	3175.59	3193.12	29.00	0.92	3193.12	2326.82	30.0	14.8	5.1
SmallCap 600	1445.99	1430.99	1442.34	19.80	1.39	1442.34	1068.80	28.3	9.4	1.9
Other Indexes										
Russell 2000	2289.49	2260.14	2286.68	36.86	1.64	2286.68	1636.94	32.3	12.8	0.3
NYSE Composite	19838.29	19678.71	19825.49	146.77	0.75	19825.49	14675.78	29.4	17.6	5.5
Value Line	630.58	623.98	629.52	5.54	0.89	629.52	498.09	19.7	6.0	-2.0
NYSE Arca Biotech	5959.79	5910.04	5946.44	-2.47	-0.04	5949.95	4544.40	22.6	9.7	1.8
NYSE Arca Pharma	1082.81	1071.71	1081.13	1.33	0.12	1140.17	845.32	19.9	18.8	13.3
KBW Bank	123.62	121.16	122.78	2.07	1.72	122.78	71.71	60.1	27.9	-3.6
PHLX® Gold/Silver	164.56	161.53	162.10	1.47	0.92	167.37	102.94	39.0	29.0	7.1
PHLX® Oil Service	78.29	77.67	78.17	1.02	1.32	96.64	72.67	-19.1	-6.8	6.4
PHLX® Semiconductor	5206.74	5125.95	5155.86	10.65	0.21	5904.54	3185.18	51.0	23.5	15.9
Cboe Volatility	21.01	19.45	19.58	-1.06	-5.14	38.57	11.86	1.9	57.3	6.3

\$ Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	% chg	After Hours High	Low
Lucid Group	LCID	10,048.2	2.89	-0.39	-11.89	3.35	2.79
Ford Motor	F	8,313.8	11.04	0.01	0.09	11.05	11.02
ZoomInfo Technologies	ZI	7,916.5	10.11	-0.02	-0.20	10.28	10.10
Vale ADR	VALE	6,455.3	11.00	0.02	0.18	11.02	10.98
Pfizer	PFE	4,932.3	29.72	0.05	0.17	29.74	29.66
NVIDIA	NVDA	4,805.5	135.54	-0.18	-0.13	137.75	128.78
Exelon	EXC	3,143.1	40.97	...	unch.	41.33	40.97
Peloton Interactive	PTON	3,107.2	5.24	-0.02	-0.38	5.26	5.21

Percentage gainers...

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
1847 Holdings	EFSH	667.2	2.48	0.80	47.62	4.94	1.66
Calumet	CLMT	251.2	26.02	4.09	18.65	26.28	21.71
SelectQuote	SLQT	172.9	2.51	0.26	11.56	2.60	2.20
Alcoa	AA	954.9	45.65	3.58	8.51	46.44	41.78
Lithium Americas	LAC	2,285.2	3.55	0.26	7.90	3.79	3.27

...And losers

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Lucid Group	LCID	10,048.2	2.89	-0.39	-11.89	3.35	2.79
Liberty Energy	LBRT	368.2	18.75	-1.34	-6.67	21.27	17.78
First Indl Realty Trust	FR	854.9	53.12	-2.78	-4.97	56.29	53.11
Equinix Gold	EQX	59.1	5.59	-0.29	-4.93	5.89	5.57
CSX	CSX	1,448.4	33.99	-1.48	-4.18	35.69	33.77

Trading Diary

Volume, Advancers, Decliners

NYSE NYSE Amer.

Total volume* 809,187,273 13,114,081

Adv. volume* 605,418,300 10,623,300

Decl. volume* 189,621,378 2,106,939

Issues traded 2,867 299

Advances 2,129 195

Declines 665 88

Unchanged 73 16

New highs 262 15

New lows 14 2

Closing Arms* 1.05 0.84

Block trades* 4,156 153

Nasdaq NYSE Arca

Total volume* 5,257,575,862 248,305,674

Adv. volume* 3,760,711,830 173,879,737

Decl. volume* 1,453,254,610 64,869,673

Issues traded 4,425 2,002

Advances 3,163 1,691

Declines 1,121 279

Unchanged 141 32

New highs 300 280

New lows 55 21

Closing Arms*

COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures

	Contract						Open	High	Low	Settle	Chg	Interest	Open interest
	Open	High	hilo	Low	Settle	Chg							
Copper-High (CMX)-25,000 lbs:\$ per lb.													
Oct 4,3190 4,3355 4,3140 4,3315 0.0310 924	2655.00 2655.30 2655.00 2674.00 12.60 105												
Dec 4,3415 4,3950 4,3295 4,3675 0.0300 130,664	2666.80 2689.80 2666.00 2691.30 12.30 1,542												
Gold (CMX)-100 troy oz:\$ per troy oz.													
Oct 2655.00 2655.30 2655.00 2674.00 12.60 105	2675.90 2702.90 2674.90 2714.90 12.50 53,125												
Dec 2675.90 2726.00 2698.80 2718.00 12.50 26,636	2718.80 2745.10 2718.00 2734.90 12.90 14,497												
June 2744.00 2764.70 2739.60 2755.00 13.00 13,497													
Palladium (NYM)-50 troy oz:\$ per troy oz.													
Oct 1040.00 1049.50 1040.00 1019.00 14.80 15	1041.00 1049.50 1040.00 1026.00 14.10 16,918												
Platinum (NYM)-50 troy oz:\$ per troy oz.													
Oct 948.00 952.00 948.00 993.80 6.10 10	995.20 1012.50 994.80 1002.60 6.00 65,809												
Silver (CMX)-5,000 troy oz:\$ per troy oz.													
Oct 31,650 31,735 31,645 31,760 0.233 .4	31,685 32,385 31,600 31,974 0.218 117,647												
Crude Oil, Light Sweet (NYM)-1,000 bbls:\$ per bbl.													
Nov 70.99 71.31 69.64 70.39 -.019 137,889	70.39 70.69 69.12 69.82 -.019 288,989												
Dec 69.98 70.27 68.77 69.43 -.021 150,142	69.50 69.65 68.20 68.81 -.024 111,324												
March 68.75 68.96 67.64 68.16 -.029 151,388	67.73 67.86 66.66 67.08 -.039 152,972												
NY Harbor ULSD (NYM)-42,000 gal:\$ per gal.													
Nov 2,1940 2,2027 2,1598 2,1747 -.0130 83,501	2,2082 2,2145 2,1682 2,1874 -.0125 100,647												
Gasoline-NY RBOB (NYM)-42,000 gal:\$ per gal.													
Nov 2,0396 2,0536 2,0158 2,0403 .0026 74,985	2,0210 2,0215 1,9857 2,0064 -.0010 108,756												
Natural Gas (NYM)-10,000 MMBtu:\$ per MMBtu.													
Nov 2,488 2,497 ▼ 2,358 2,367 -.131 131,870	2,394 2,402 2,380 2,413 -.103 203,537												
Dec 2,937 2,942 ▼ 2,830 2,841 -.103 203,537	3,196 3,204 ▼ 3,107 3,116 -.089 246,751												
Feb 3,101 3,106 ▼ 3,019 3,027 -.079 119,596	2,872 2,874 ▼ 2,793 2,801 -.073 199,735												
March 2,783 2,783 2,720 2,725 -.054 89,306													

Agriculture Futures

Corn (CBT)-5,000 bu:\$ per bu.	Index	YTD total return (%)	Latest	Low	High
Dec 401.25 406.75 401.00 404.75 3.50 754,065					

Bonds | wsj.com/market-data/bonds/benchmarks

Tracking Bond Benchmarks

Return on investment and spreads over Treasurys and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Total return close	YTD total return (%)	Index	— Yield (%) —	Latest	Low	High
Broad Market Bloomberg Fixed Income Indices						
2135.75	3.4	U.S. Aggregate	4,450	4,100	5,740	
U.S. Corporate Indexes Bloomberg Fixed Income Indices						
3269.87	4.6	U.S. Corporate	4,870	4,640	6,430	
3154.31	5.2	Intermediate	4,660	4,400	6,350	
4365.82	3.4	Long term	5,290	5,070	6,600	
624.18	3.3	Double-A-rated	4,530	4,260	5,760	
888.32	5.1	Triple-B-rated	5,070	4,850	6,700	
High Yield Bonds ICE BofA						
567.33	7.9	High Yield Constrained	7,063	6,975	9,560	
580.17	14.4	Triple-C-rated	11,419	11,419	15,455	
3792.69	7.1	High Yield 100	6,384	6,208	9,101	
494.68	8.4	Global High Yield Constrained	6,876	6,812	9,440	
370.57	7.1	Europe High Yield Constrained	5,723	5,723	8,022	
U.S. Agency Bloomberg Fixed Income Indices						
1849.93	3.7	U.S. Agency	4,270	3,960	5,390	
1636.07	3.7	10-20 years	4,240	3,920	5,370	
3564.00	3.1	20-plus years	4,640	4,240	5,740	
2852.30	4.5	Yankee	4,660	4,380	6,110	

*Constrained indexes limit individual issuer concentrations to 2%; the High Yield 100 are the 100 largest bonds

†In local currency \$ Euro-zone bonds

**EMBI Global Index

Sources: ICE Data Services; Bloomberg Fixed Income Indices; J.P. Morgan

Total return close

YTD total return (%)

Index

— Yield (%) —

Latest

Low

High

Total return close

YTD total return (%)

Index

— Yield (%) —

Latest

Low

High

Total return close

YTD total return (%)

Index

— Yield (%) —

Latest

Low

High

Total return close

YTD total return (%)

Index

— Yield (%) —

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Total return close

YTD total return (%)

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— Yield (%) —

Latest

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High

Total return close

YTD total return (%)

Index

— Yield (%) —

Latest

Low

High

Total return close

YTD total return (%)

Index

— Yield (%) —

Latest

Low

High

Total return close

YTD total return (%)

Index

— Yield (%) —

BIGGEST 1,000 STOCKS

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are consolidated from trades reported by various market centers, including securities exchanges, Finra, electronic communications networks and other broker-dealers. The list comprises the 1,000 largest companies based on market capitalization.

Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.

Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher.

Footnotes: i-New 52-week high; 1-New 52-week low; dd—Indicates loss in the most recent four quarters.

Stock tables reflect composite regular trading as of 4 p.m. ET and changes in the official closing prices from 4 p.m. ET the previous day.

Wednesday, October 16, 2024		Net		Net	
Stock	Sym Close Chg	Stock	Sym Close Chg	Stock	Sym Close Chg
A B C		Aiz	116.86 -0.20	Cms	71.17 -0.87
Aaron	Aeon 110.86 -0.13	AstraZeneca	78.31 0.46	CrownCastle	Ck 115.68 1.38
Aecom	AcM 107.26 1.05	Aftrian	Atm 189.35 -1.54	FedEx	Fdx 271.80 5.88
Aes	Aes 17.89 0.48	AuroraHealth	Aur 6.02 0.29	FergusonUs	Fers 202.81 2.72
Afcaf	AfCaf 114.38 0.39	Autodesk	Adsk 289.19 2.71	GlobeInn	Globe 471.99 1.22
Agnc Inv	Agnc 10.49 0.04	ADP	Adp 270.70 0.66	Ingroep	Ing 17.24 -0.07
Ansys	Anss 323.77 -4.83	AutoZone	Azo 312.84 28.64	Irvine	Irv 40.28 0.42
Appa	Appa 24.80 -0.05	AvalonBay	Avb 225.69 2.03	Kroger	Kro 62.76 0.98
ASE Tech	ASX 10.37 0.17	Avangrid	agr 35.77 0.03	Leverage	Lever 89.79 0.94
ASML	ASML 683.52 -46.91	Avantor	avr 24.79 -0.09	Mitnati	Mitnati 145.00 0.01
At&t	T 21.71 0.20	BanK	BanK 214.93 -0.97	NatlFinl	NatlFinl 49.48 0.33
AbbottLabs	Abb 117.82 1.77	AxaltaCoatings	AxtA 36.89 0.08	Net	Net 124.87 1.08
AbbVie	AbbV 100.46 -1.40	AxonEnterprise	Axon 433.83 -0.29	Dte	Dtm 86.53 0.95
AbercrombieFitch	Afc 16.78 3.54	AutoZone	Azo 312.84 28.64	OfficeDepot	Offic 271.63 0.90
Accenture	Acn 37.22 2.36	BHP Group	Bhp 56.73 -1.43	OfficeMax	Offic 271.63 0.90
AcuityBrands	Avi 305.00 0.48	Bj'sWholesale	Bj 86.16 -0.81	OfficeMax	Offic 271.63 0.90
Adobe	Adbe 502.54 -5.49	Bp	Bp 30.39 0.19	OfficeMax	Offic 271.63 0.90
AdvDrainageSys	Wms 156.32 1.49	BW Tech	Bwt 124.70 5.78	OfficeMax	Offic 271.63 0.90
AdvMicroDevices	AMD 156.13 -0.51	CadenceDesign	Cdns 265.95 -6.52	OfficeMax	Offic 271.63 0.90
Aegon	Aeg 6.35 0.11	CaesarSales	Czs 44.64 -0.21	OfficeMax	Offic 271.63 0.90
AerCap	Aer 98.66 1.52	CamdenProperty	Cpt 180.85 1.18	OfficeMax	Offic 271.63 0.90
AffirmA	Afrm 47.97 0.11	Carlisle	Car 115.19 0.21	OfficeMax	Offic 271.63 0.90
AirProducts	Apd 326.70 3.47	Camco	Camco 44.64 -0.21	OfficeMax	Offic 271.63 0.90
AbbotLabs	Abb 117.82 1.77	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
AbbVie	AbbV 100.46 -1.40	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
Abercrombie	Afc 16.78 3.54	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
Accenture	Acn 37.22 2.36	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
AcuityBrands	Avi 305.00 0.48	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
Adobe	Adbe 502.54 -5.49	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
AdvDrainageSys	Wms 156.32 1.49	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
AdvMicroDevices	AMD 156.13 -0.51	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
Aegon	Aeg 6.35 0.11	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
AerCap	Aer 98.66 1.52	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
AffirmA	Afrm 47.97 0.11	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
AirProducts	Apd 326.70 3.47	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
AbbotLabs	Abb 117.82 1.77	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
AbbVie	AbbV 100.46 -1.40	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
Abercrombie	Afc 16.78 3.54	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
Accenture	Acn 37.22 2.36	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
AcuityBrands	Avi 305.00 0.48	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
Adobe	Adbe 502.54 -5.49	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
AdvDrainageSys	Wms 156.32 1.49	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
AdvMicroDevices	AMD 156.13 -0.51	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
Aegon	Aeg 6.35 0.11	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
AerCap	Aer 98.66 1.52	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
AffirmA	Afrm 47.97 0.11	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
AirProducts	Apd 326.70 3.47	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
AbbotLabs	Abb 117.82 1.77	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
AbbVie	AbbV 100.46 -1.40	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
Abercrombie	Afc 16.78 3.54	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
Accenture	Acn 37.22 2.36	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
AcuityBrands	Avi 305.00 0.48	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
Adobe	Adbe 502.54 -5.49	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
AdvDrainageSys	Wms 156.32 1.49	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
AdvMicroDevices	AMD 156.13 -0.51	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
Aegon	Aeg 6.35 0.11	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
AerCap	Aer 98.66 1.52	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
AffirmA	Afrm 47.97 0.11	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
AirProducts	Apd 326.70 3.47	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
AbbotLabs	Abb 117.82 1.77	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
AbbVie	AbbV 100.46 -1.40	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
Abercrombie	Afc 16.78 3.54	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
Accenture	Acn 37.22 2.36	Cambridge	Cam 115.88 0.22	OfficeMax	Offic 271.63 0.90
AcuityBrands	Avi 305.00 0.48				

MARKETS

Dow Edges Up to Record Amid Strong Profits

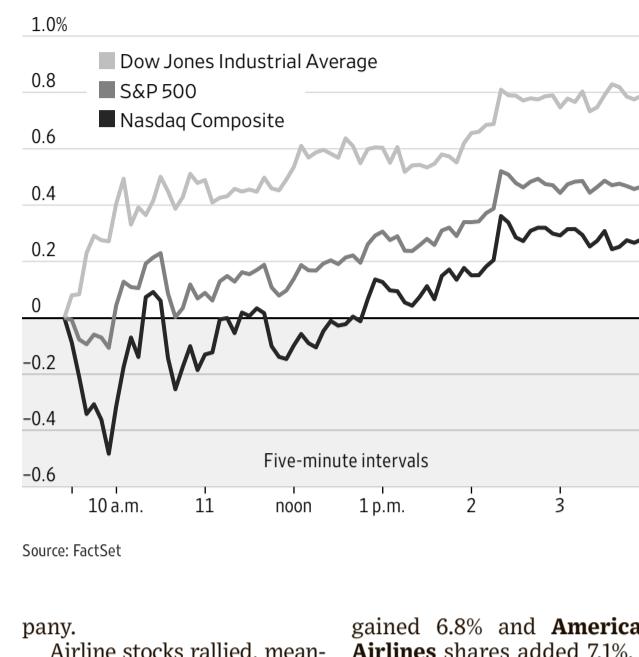
S&P 500, Nasdaq climb as rally by banks and airlines offset tech declines

Gains by banks and airlines helped the S&P 500 advance on Wednesday despite a pull-back in many of the big tech stocks.

Evidence that dealmaking and trading are picking up speed on Wall Street fueled a rally in bank stocks.

Morgan Stanley shares jumped 6.5% after it reported that its investment-banking revenue had soared 56%, while **Citigroup** shares rose 2.6% and **Bank of America** shares gained 1.6%. Earlier in the week, executives at big investment banks said clients were eager to trade and strike deals.

"M&A is back, and this is really helping fuel those fee-based businesses for U.S. financials," said Matt Stucky, chief portfolio manager for equities at Northwestern Mutual Wealth Management Com-



Source: FactSet

pany.

Airline stocks rallied, meanwhile, after **United Airlines** reported a better-than-expected quarterly profit and said a glut of cheap flights had subsided. United shares soared 12% to \$72.02, their highest close since February 2020. **Delta Air Lines** shares

gained 6.8% and **American Airlines** shares added 7.1%.

The S&P 500 rose 0.5%, or 27.21 points, to 5842.47, while the Dow Jones Industrial Average gained 0.8%, or about 337 points, to 43077.70, a record close.

The technology-heavy Nasdaq Composite added 0.3%, or

51.49 points to 18367.08. Declines by a number of big technology stocks weighed on the market.

Mata Platforms shares lost 1.6%, while **Apple** shares fell 0.9% and **Microsoft** shares slipped 0.6%.

Nvidia gained 3.1%, meanwhile, clawing back some of its losses from Tuesday's sell-off in chip stocks.

Elsewhere:

◆ **Louis Vuitton** owner **LVMH**, the world's largest luxury-goods company, missed sales expectations and said demand from China had deteriorated. Shares fell 3.7%. Other European luxury stocks also fell.

◆ **Gold** gained 0.5% to \$2674.00 per troy ounce, a new record. The metal's price has risen 30% this year.

◆ The yield on the benchmark 10-year U.S. Treasury note slipped to 4.015% from 4.037% on Tuesday, falling for a third consecutive session.

◆ **Overseas, Japan's Nikkei**

fell 1.8%. Hong Kong's **Hang Seng** and the **Stoxex Europe 600** both slipped 0.2%.

—Karen Langley

and Joe Wallace

THURSDAY'S EVENTS:

The ECB is expected to cut its key rate to 3.25%. The bank's decision is due at 8:15 a.m. ET.

September retail sales, due at 8:30 a.m., are expected to come in 0.3% higher than the prior month, slightly higher than the August growth rate.

Weekly jobless claims are also due at 8:30 a.m., followed by industrial-production data at 9:15 a.m.

EXPECTED EARNINGS:

Before the bell: **Blackstone**
Marsh & McLennan
Truit Financial

After the close: **Intuitive Surgical**
Netflix

United's Robust Earnings Lift Stock

By KAREN LANGLEY AND ALISON SIDER

United Airlines' stock price moved 12% higher to \$72.02, its highest close since the pandemic-induced selloff of February 2020.

The daily gain, which made United the top performer in the S&P 500, came after the airline reported a better-than-expected quarterly profit and said a glut of cheap flights had subsided.

United also said it would buy back \$1.5 billion in shares. It suspended repurchases in 2020 when demand for travel suffered because of the pandemic.

Delta Air Lines, which issued its quarterly report last week, and **American Airlines**, due to report next week, joined the rally, climbing 6.8% and 7.1% respectively. The **U.S. Global Jets** exchange-traded fund rose 4.1%, its highest close since April 2022, according to Dow Jones Market Data.

Travelers may be less excited to hear that next year is shaping up to be more expensive for fliers. This summer, air service on many popular U.S. routes exceeded even record numbers of U.S. air passengers. But United said it regained domestic pricing power in August and September as budget airlines pared back flights on money-losing routes.

The combination of tighter supply and still-elevated demand is likely to boost prices, airline executives say.

"Much of the revenue challenges we have seen in [the third quarter] were in weak yields for domestic leisure customers who booked travel far out," United Chief Commercial Officer Andrew Nocella said during the airline's quarterly conference call.

STOCK SPOTLIGHT

LVMH

Louis Vuitton owner LVMH reported disappointing earnings results on Tuesday and said it faced challenges in most markets. On Wednesday, shares of the French company declined 3.7% in Europe and other European luxury stocks also sold off.

Intel

A Chinese cybersecurity association said Intel products sold in the country should be subject to a security review. Separately, Bloomberg News reported that Qualcomm was likely to wait until after the election before deciding whether to pursue a takeover. Intel stock slipped 1.5%.

ASML

The semiconductor-equipment maker's slide continued after it declined more than 15% in Amsterdam on Tuesday, when the company warned the recovery for some areas of the industry would be slower than expected. ASML's shares traded down 5.1% on Wednesday. Global chip stocks sold off, including Tokyo Electron, which dropped 9.2%.

Morgan Stanley

The investment bank reported better-than-expected quarterly earnings, plus a surge in investment-banking revenue. The company's shares jumped 6.5% in U.S. trading.

Abbott Laboratories

Quarterly results from the healthcare-products company were a little stronger than expected, and the company raised the midpoint of its annual outlook. Shares advanced 1.5%.

First Horizon

The bank's shares rallied 4% after it posted quarterly results.

Novocure

The company's shares gained 0.5% after the Food and Drug Administration approved its Optune Lura wearable lung-cancer treatment.

Wave Life Sciences

The biotechnology firm's shares climbed 74%

after the company said it had successfully edited the RNA of patients with a genetic disorder that can lead to lung or liver disease.

Novavax

Shares tumbled 19% after the U.S. Food and Drug Administration put a clinical hold on the company's testing applications for a combined Covid-flu vaccine and stand-alone flu inoculation due to safety concerns.

J.B. Hunt

The trucking and logistics company's quarterly revenue declined by less than Wall Street analysts had anticipated. Its shares gained 3.2%.

Oklo and NuScale Power

Shares of nuclear power companies surged after Amazon said it would work with utilities to explore deploying futuristic small modular reactors in Virginia and Washington state. Shares of SMR companies Oklo and NuScale Power added more than 40%.

AUCTION RESULTS

Here are the results of Wednesday's Treasury auction. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

17-WEEK BILLS

Applications	\$195,181,370,600
Accepted bids	\$64,197,635,400
*noncompetitively	\$518,133,700
*foreign noncompetitively	\$0
Auction price (rate)	9.8538944
Coupon equivalent	5.458%
Bids at clearing yield accepted	64.69%
Cusip number	912797HMH
The bills, dated Oct. 22, 2024, mature on Feb. 18, 2025.	

Exchange-Traded Portfolios | wsj.com/market-data/mutualfunds-etfs

Largest 100 exchange-traded funds. Preliminary close data as of 4:30 p.m. ET

Wednesday, October 16, 2024									
ETF	Symbol	Closing Price	Chg	% Ret	ETF	Symbol	Closing Price	Chg	% Ret
IshmDiscSel	XLY	198.91	0.53	11.2	IshCoreMSCI	IXUS	71.18	0.47	9.6
DimenUSCoreEq2	DFQ	34.96	0.19	22.5	IshCoreS&P500	IVV	585.08	0.44	22.5
EnSelSectorSPDR	XLE	90.21	0.48	7.6	IshCoreS&P MC	IJH	63.81	0.30	15.1
FinSelSectorSPDR	SPDR	47.48	1.24	26.4	IshCoreS&P SC	IJR	118.72	1.35	9.7
HealthCnclSel	XLV	153.28	0.28	12.4	IshCoreS&P TotlBd	ITOT	127.71	0.51	21.4
IndSelSectorSPDR	XLI	139.25	0.77	22.2	IshCoreS&P USGw	IUSG	133.49	0.14	28.2
InvsSelNas100	QQQE	202.02	0.00	19.9	IshCoreTotUSD	IUSB	46.54	0.13	1.0
InvsQQQI	QQQ	490.91	0.01	19.9	IshCoreUSAvgBd	AGG	99.94	0.33	0.7
InvcS&P500EW	RSP	181.62	0.68	15.1	IshEdgeMSCI MinUSA	USMV	92.70	0.50	18.8
ISBtCoint	SPY	38.85	1.07	1.0	IshEdgeMSCI USA Qual	SSCI	181.91	0.54	23.4
ISBrdUSDHYCpBd	USHY	37.39	0.19	2.9	IshGoldTr	IAU	50.53	0.50	29.5
IshCoreDivGrowth	DGRQ	63.80	0.60	18.5	IshBoxx\$G CpbD	LQD	111.71	0.31	0.9
IshCoreMSCIEafe	IEFA	75.92	0.25	7.5	IshMSB	MBB	94.54	0.07	0.5
IshCoreMSCIM	IEMG	56.99	0.94	12.7	IshMSCIACWI	ACWI	120.00	0.40	17.9

ETF	Symbol	Closing Price	Chg	% Ret	ETF	Symbol	Closing Price	Chg	% Ret
IshMSCIEAFE	EFA	81.38	0.26	8.0	IshUSTreasuryBd	GVT	23.12	0.11	0.3
IshMSCEM	EEM	45.54	0.77	13.3	Ish-3MTreasuryBd	MDY	100.52	0.02	0.2
IshMSCEFAValue	EFV	56.38	0.47	8.2	IshMktUlnBnd	JEP	59.77	0.34	8.7
IshNatMuniBnd	MUB	108.04	0.01	-0.3	IpmUlnShlncm	JPST	50.54	0.04	0.7
Ish-5YyGpbP	IGSB	52.32	0.10	2.0	IshRussMC	SHY	25.59	0.06	0.7
Ish1-3YrTreBd	IWB	89.85	0.71	15.6	IshRuss1000	IWB	319.44	0.43	2

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Nvidia to Dominate Big Tech Earnings

Capital spending by Microsoft, Google, Amazon and Meta is expected to keep surging, while Apple's AI debut gets clouded

It is never a great sign when what is going out the door gets more attention than what is coming in.

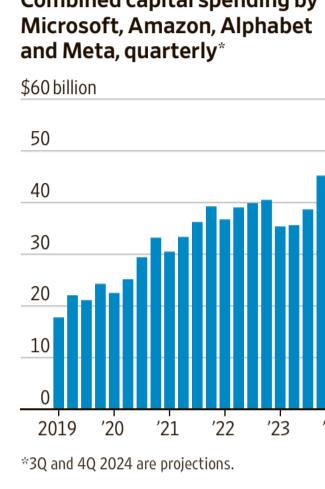
The world's largest tech companies should at least be getting used to that by now. More than a year into the so-called AI revolution, the most eye-popping changes have come to their cash-flow statements.

Microsoft, Amazon.com, Google parent Alphabet and Meta Platforms, which owns Facebook and Instagram, parted with a combined \$106.2 billion in capital spending during the first half of this year. That is up 49% from the same period a year earlier, with most of the increase going for chips from **Nvidia** and other infrastructure to power generative artificial-intelligence services.

All of the aforementioned companies signaled plans three months ago to keep their foot on the gas. Thus, Wall Street expects their combined capital bill to top \$60 billion in the quarter ended September, up 56% year over year, according to consensus estimates from **Visible Alpha**.

Another sizable double-digit jump is expected for the December quarter, which would bring the year's total outlay to about \$231 billion, some 49% higher than in 2023.

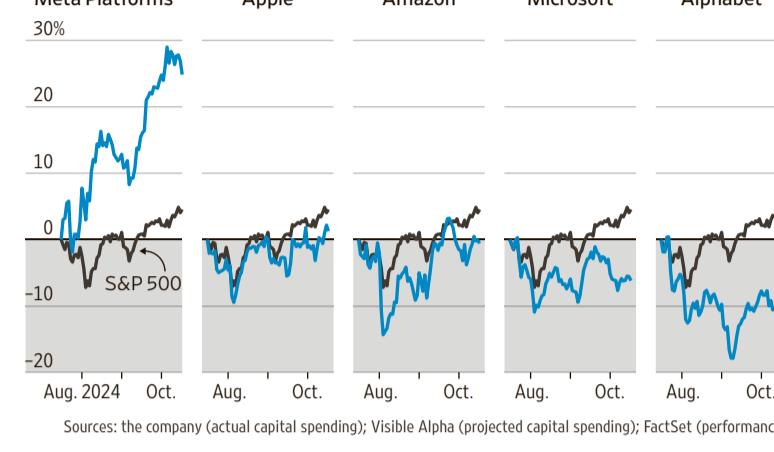
Expectations for next year aren't exactly down to earth, either. "In 2025, Cloud Capex spend will equate to the entire Apollo



Space program in real terms," Morgan Stanley analysts predicted in a report this month.

This particular moonshot is great news for Nvidia. The company's data-center revenue is projected to surge 97% year over year to \$28.6 billion for its fiscal quarter ending this month. But a major return on that investment for Nvidia's largest customers still seems in a galaxy far, far away. Only Microsoft has made limited disclosures about how generative AI services have contributed to revenue growth. But even those may not mean much this time around given changes to its financial reporting that were announced in August and take effect in the company's fiscal first-quarter report on Oct. 30.

Share-price and index performance, past three months



"Investors' models are not likely to be consistent, but that may be the plan in a difficult period when opaque results may be beneficial to Microsoft," wrote John DiFucci of Guggenheim in a report last week. He added that he believes demand for the company's M365 Copilot, which uses generative AI to help users do things like analyze spreadsheets and create PowerPoint presentations, has been "lackluster."

The other companies have their own issues going on. A growing number of analysts think Amazon's spending on an ambitious satellite program could bring the company's operating income below Wall Street's stated targets for this year and next, thus curbing the operating margin expansion

the company has been delivering of late.

Google and Meta are believed to be enjoying a strong online advertising market, but Google is now under the cloud of the U.S. government's efforts to break up the company, while Meta could be more exposed to a slowdown in ad spending by Chinese e-commerce companies like Temu and Shein.

Colin Sebastian of Robert W. Baird also believes investors aren't fully accounting for how blowout capital spending will raise depreciation charges against future earnings; he expects Alphabet, Amazon and Meta's operating income for the fourth quarter to come in 1% to 4% below Wall Street's consensus forecasts.

Apple, meanwhile, is grappling

with what looks like a disappointing launch of its first AI smartphone, with several analysts estimating weak initial demand for the iPhone 16 family that went on sale last month. And while Apple isn't engaged in the same capital-expenditure race as the others because of its hardware-centric business model, it too sees generative AI as a massive opportunity and is spending accordingly. Apple's research-and-development expenses are expected to hit a record \$31.5 billion for the year ended September, up nearly 6% from the previous year despite an estimated revenue gain of less than 2% in that time, according to FactSet estimates.

Wall Street is still largely positive on the potential for AI to boost big tech's fortunes; Microsoft, Amazon, Alphabet and Meta average buy ratings from 91% of analysts covering those stocks, according to FactSet.

And a survey of more than 400 companies by Morgan Stanley found about 40% of the respondents who have adopted generative AI solutions say the returns on their investments are exceeding expectations.

"Nonetheless, few GenAI adoption projects have yet moved from proof of concept to production," the Morgan Stanley report read.

It remains to be seen if Big Tech's AI investments will be a gold mine or money pit.

—Dan Gallagher



The owner of brands including Christian Dior and Louis Vuitton posted third-quarter results below estimates.

Luxury's Last Growth Engine Stalls as China Sales Cool

Louis Vuitton's owner seems surprised at how quickly Chinese consumers have closed their wallets and abandoned its brands. It has no obvious place to turn to next for growth.

Shares of **LVMH** fell nearly 4% in Paris on Wednesday after the world's biggest luxury company released third-quarter results that were worse than expected. LVMH's most-important profit driver, its fashion and leather division, which includes handbags, registered a 5% drop in sales compared with last year. Demand at its Christian Dior brand has slowed more than Louis Vuitton, a sign that the brand may have been damaged by a recent investigation into its Italian supply chain.

But the main reason for the slowdown is that Chinese shoppers have pulled back. China has been a huge growth story for luxury brands over the past two decades. Back in 2000, Chinese customers generated just 1% of global luxury sales, according to UBS estimates. Today, they account for one-third.

LVMH doesn't think the Chinese have lost their appetite for European luxury goods. But after watching the value of their homes fall, middle-class consumers aren't in the mood to spend thousands of

dollars on designer handbags and watches. Barclays estimates that the country's real-estate crisis has wiped the equivalent of \$60,000 off the net worth of Chinese households on average.

To add to LVMH's pain, Beijing will slap tariffs on European cognac in response to the EU's levies on Chinese electric vehicles. The company's cognac brand Hennessy, which makes around one-fifth of its sales in China, will be "collateral damage" in the trade war, according to LVMH management.

Shares of Europe's luxury-goods companies did get a lift when the Chinese government announced plans to boost the economy late last month. But doubts are setting in. Details about the size of any stimulus remain scant and new measures to encourage consumption are more likely to benefit producers of staple consumer goods than luxury brands.

Other nationalities aren't likely to pick up the slack. Credit-card spending data from Bank of America showed that U.S. luxury spending fell 6% in August compared with the same time last year. European luxury spending peaked in early 2023 and has weakened ever since. Together with the Chinese, consumers in the three regions

generate around 70% of global luxury spending.

Middle-income shoppers have been hobbled by inflation and higher interest rates, which is out of the luxury industry's control. But brands have become too reliant on raising prices to drive growth: The average luxury product is 60% more expensive today than it was in 2019, HSBC estimates. To get aspirational shoppers back in stores and spending again, brands need to launch new products at realistic price points.

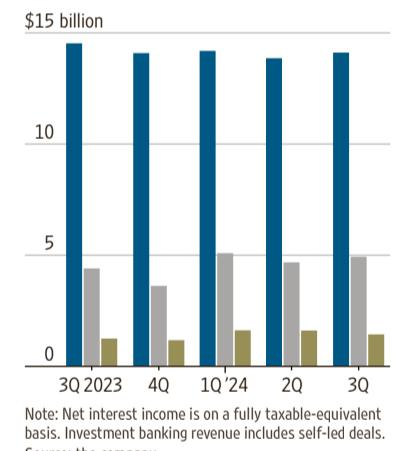
The slowdown will make it difficult for luxury companies to protect their margins. Big brands have high fixed costs, including some of the priciest retail rents, as well as high advertising budgets that can't be cut quickly without damaging a brand's image. So even a small slowdown in sales will quickly eat into profitability.

LVMH has long been considered one of the safest bets in luxury, so its slowdown is a bad sign for weaker rivals like Kering-owned Gucci, and **Burberry**. Both brands are in the middle of makeovers, which will be harder to pull off now that demand is drying up. If LVMH's results are anything to go by, its competitors will be very weak this results season.

—Carol Ryan

Bank of America's Wall Street Bet Pays Off

Bank of America, highlighted sources of revenue, quarterly



Bank of America may not quite be the country's biggest bank on Main Street, or on Wall Street. But it is plenty giant enough on both proverbial roadways to see benefits when traffic picks up.

On Main Street, the bank delivered on what it had previously said was likely to be an inflection point for net interest income. The bank's total net interest income rose to \$14.1 billion in the third quarter, from \$13.9 billion in the second quarter, including tax adjustments.

The lender also guided that it would likely generate \$14.3 billion or more in net interest income on that basis in the fourth quarter, and sees the potential to grow it further into 2025—assuming the Federal Reserve doesn't cut much more aggressively than currently envisioned by the market.

Like at many other banks, this key measure had come under pressure in recent quarters when the Fed stopped raising rates. Banks stopped getting the benefit of ever-rising yields on assets such as cash and credit-card loans, but their deposit costs kept inching higher, squeezing net interest income.

Bank of America's vast bond portfolio, including hundreds of billions of dollars in fixed-rate government-backed debt bought when yields were much lower, also meant it wasn't able to benefit to the same extent as more cash-heavy peers from higher interest rates.

But now as rates are falling, Bank of America will see less of a drag. It helps that older, lower-yielding bonds on its books are maturing and paying off, to be reinvested at what are still much higher rates than they were before.

About \$20 billion of fixed-rate loans and assets will reprice each quarter, the bank estimates. This will "provide a benefit to [net interest income] for many periods ahead," CFO Alastair Borthwick told analysts on Tuesday.

In trading on Wall Street, Bank of America is also bucking the trend right now. So far this earnings season, it is the only reporting bank among its peers to grow third-quarter revenue year over year in both fixed-income and equities trading.

The bank has been shifting resources into sales and trading, aiming to fill coverage gaps with some of its largest clients. So if trading activity overall were to jump, perhaps driven by lower rates, or the resolution of the U.S. presidential election, Bank of America might register a relatively big revenue bump because of its investment in that business.

Bank of America's shares have lagged behind its big-bank peers this year, with its 27% gain slightly trailing that of the KBW Nasdaq Bank index. But the bank's middle-of-the-street positioning between Main Street and Wall Street might become the best place to be if 2025 turns out as a solid year across consumers, big corporations and investors.

—Telis Demos



Bank of America has been shifting resources into sales and trading.