

THE WALL STREET JOURNAL.

D DOW JONES | News Corp

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WSJ.com

★★★★ \$5.00

DJIA 44705.53 ▼ 76.47 0.17%

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EURO \$1.0510 YEN 149.59

What's News

Business & Finance

◆ **BlackRock agreed to buy private-credit manager HPS Investment Partners in a roughly \$12 billion all-stock deal that would add substantially to its private assets.** B12

◆ **Major U.S. stock indexes ended mixed, with the S&P 500 and Nasdaq advancing 0.05% and 0.4%, respectively, to records and the Dow industrials declining 0.2%.** B12

◆ **Cargill said it would lay off 5% of its global workforce, roughly 8,000 people, as the company deals with tepid crop prices and pressure on the beef industry.** B11

◆ **Amazon Web Services announced plans for a massive artificial-intelligence supercomputer made up of hundreds of thousands of its own Trainium chips.** B4

◆ **Microsoft faces a \$1.27 billion lawsuit in the U.K. in connection with cloud software services, the latest antitrust challenge to the company's approach to licensing.** B4

◆ **Alex Mashinsky, the founder and former CEO of defunct cryptocurrency lender Celsius Network, pleaded guilty to two counts of fraud in a case that emerged from the 2022 collapse of the crypto markets.** B12

◆ **Campbell's named as its next chief executive Mick Bekhuizen, who previously led the food company's meals and beverages division.** B3

◆ **Nearly 100,000 VW employees participated in warning strikes in a protest against the carmaker's cost-cutting plans,** IG Metall said. B2

◆ **Carlsberg agreed to sell its Russian Baltika Breweries, ending a legal dispute with Russia's government.** B3

World-Wide

◆ **Trump is considering Gov. Ron DeSantis as a possible replacement for Pete Hegseth, his pick to be defense secretary, amid Republican senators' concerns over allegations about the former Fox News host's personal life.** A1

◆ **South Korea's president said he would lift his martial-law declaration after Parliament unanimously voted against the measure, rejecting his claim that political opponents had made the nation vulnerable to North Korea.** A1

◆ **Ukraine's Zelensky is shifting his rhetoric about ending the war with Russia, suggesting that Kyiv is open to stopping the fight to regain Russian-occupied territory in exchange for membership in NATO.** A7

◆ **China retaliated against the latest U.S. trade restrictions, tightening controls on the export of key raw materials to the U.S. and cautioning Chinese companies against buying American chips.** A4

◆ **The developing world's frustration with cheap Chinese exports is complicating Beijing's plans to build alliances as it confronts escalating trade tensions with the U.S.** A6, A2

◆ **Fighting between Israel and Hezbollah resumed less than a week after a cease-fire took effect, with each side accusing the other of violating the truce.** A5

◆ **Iran freed a government critic and hip-hop artist who came to fame over his lyrics about the 2022 death of a young woman in police custody.** A7

◆ **Canadian leader Justin Trudeau said he addressed trade issues related to steel, aluminum, energy and softwood with Trump last week.** A7

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The leader of South Korea's main opposition party, Lee Jae-myung, center, exited the main conference hall of the National Assembly in Seoul early Wednesday after President Yoon Suk Yeol declared martial law. The declaration was later lifted.

South Korea President Gives In After Vote to End Martial Law

SEOUL—South Korea's president lifted his martial-law declaration after Parliament unanimously voted against the measure, rejecting his claim that

By Dasl Yoon,
Jiyoung Sohn and
Timothy W. Martin

political opponents had made the nation vulnerable to North Korean "communist forces."

President Yoon Suk Yeol's address at around 4:30 a.m. local time on Wednesday ended what

had been a tense night sparked by his earlier announcement. Lawmakers scaled fences and made their way past armed guards to enter the National Assembly in downtown Seoul, voting 190-0 against the measure early Wednesday. Martial law had been declared more than two hours earlier, taking effect at 11 p.m. local time on Tuesday.

Both the opposition Democratic Party and Yoon's own ruling People Power Party slammed Yoon's move as unconstitutional.

The stunning series of events came as Yoon's approval ratings hit lows amid a budget showdown with the opposition and infighting over political scandals inside his conservative party. On Tuesday, Yoon accused opposition parties of holding the South Korean parliamentary process hostage and posing a threat to the country's constitutional order.

Yoon's cabinet approved a motion to end martial law about six hours after the South Korean leader's initial declaration. The

country's military said that troops who had been deployed to enforce martial law had returned to their bases.

South Korea's conservatives have long accused the opposition of harboring sympathies for North Korea. But Yoon, a career prosecutor who took office in 2022 and became close to President Biden, had increasingly branded his political enemies as antistate groups. In a 2023 speech, he described the country's polarization as a

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AT&T Ditched the Media Sector And Its Shares Dialed Up Gains

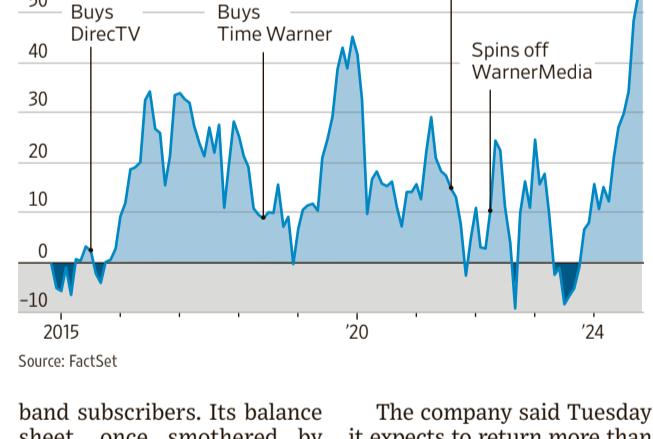
BY DREW FITZGERALD

It was an odd marriage and a costly divorce, but AT&T has found a new love after its expensive Hollywood romance.

Shares of the telecommunications giant have rebounded—including a more than 40% gain so far this year—since Chief Executive Officer John Stankey reversed course and spun off its Warner Bros. unit and unloaded satellite company DirecTV. On Tuesday, Stankey and his team outlined new long-term financial goals powered by its wireless and broadband services as it works to wind down its legacy landlines.

The Dallas-based company, though a No. 3 player in the chase for the U.S. wireless customers, holds a commanding position in the red-hot battle for fiber-optic broad-

AT&T's cumulative total shareholder return, monthly



band subscribers. Its balance sheet, once smothered by debt, is throwing off enough cash to make share buybacks and acquisitions viable options.

The company said Tuesday it expects to return more than \$40 billion to shareholders over the next three years through stock buybacks and

Please turn to page A2

Medicare Insurers Chase Veterans

Taxpayers foot the bill for their VA care and for Medicare plans many don't use

Bruce Kitt is one of the Medicare Advantage industry's most lucrative customers.

By Mark Maremont,
Christopher Weaver
and Tom McGinty

The federal government pays its private Medicare Advantage insurer thousands of dollars a year to cover the cost of doctor visits, hospitalizations and other medical care that the 74-year-old retired aircraft mechanic might need.

But Kitt, an Air Force veteran who served in Thailand during the Vietnam War, gets

almost all of his healthcare outside the Medicare system, through the Minneapolis VA Medical Center. The taxpayer-funded Department of Veterans Affairs health system provides low-cost or free care to Kitt and about nine million other qualifying veterans.

Kitt's Medicare Advantage insurer, an affiliate of CVS Health's Aetna unit, pays for almost nothing other than a \$100 monthly cash-like rebate to Kitt as an incentive to keep him on its rolls. The government paid the insurer at least \$6,000 to cover him in 2022, the year he joined

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How Free Is New Hampshire? A Doughnut Sign Will Decide

Painting over a bakery's entrance turns into a free speech battle for the ages

BY GINGER ADAMS OTIS

New Hampshire lets adults drive without a seat belt, ride without a helmet and pay no sales tax. But when Sean Young tried to hang a painting over the front door of his doughnut shop, he found out that the liberty-loving state has its limits.

The painting—a mountain range made of muffins and doughnuts—has thrust the Conway, N.H. businessman into a First Amendment battle that has divided this picturesque community and sparked debate about the state's commitment to free speech.

"Live free or die, unless you're hanging artwork," said

Young, referring to the state motto.

Young thought he was doing a good deed when he bought Leavitt's Bakery in Conway during the pandemic. One of his first acts as owner of the local institution famous for homemade doughnuts was to let art students from the local high school create a colorful painting for the entrance.

The students came up with a whimsical take on the area's famous White Mountains, which appear as muffins, doughnuts, danishes and other treats that the bakery sells. Instead of crests and crannies, Young's pastry peaks

Syrian Rebel Leader Charted Unlikely Path

BY YAROSLAV TROFIMOV
AND ISABEL COLES

dramatic moments in a Middle East that has had no shortage of drama.

Compared in its shock value—and strategic importance—to Islamic State's seizure of Iraq's second-largest city of Mosul in 2014, the fall of Aleppo has been a very different affair so far.

Far from engaging in a murderous spree against religious minorities, the hallmark of Baghdadi's self-proclaimed caliphate, Jawlani issued edicts ordering the protection of Christians and Shiites, and demanding that his men not exact retribution. "In the future Syria, we believe that diversity is our strength, not a weakness," said the latest such decree on Monday. There have been no reports of massacres in Aleppo so far, and Jawlani's HTS has allowed encircled Kurdish forces to

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INSIDE



PERSONAL JOURNAL

Luxe portions attract social-media hype and fatten check totals, one \$30 bite at a time. A9



SPORTS

The tech billionaire, his mystery wife and football's wildest recruiting saga. A12

U.S. NEWS

How U.S. Wields Tariffs Around the Globe

By HANNAH MIAO

When it comes to how the U.S. wields tariffs, there is China and then the rest of the world.

President-elect Donald Trump made tariffs on China a defining feature of his first term. President Biden mostly kept those duties in place—and directed tariff increases on products like semiconductors and electric vehicles.

Since Trump began raising tariffs on China in 2018, the average effective tariff rate on Chinese imports has jumped from around 3% to roughly 11%, according to Trade Partnership Worldwide's analysis of U.S. Census Bureau data as of September. The average effective tariff rate on imports from all countries rose from more than 1% to more than 2%, according to the firm.

Now Trump recently proposed an additional 10% tariff on all products from China and a 25% tariff on all Mexican and Canadian imports. That could upend the U.S.-Mexico-Canada Agreement he signed in 2020 that maintained largely duty-free trade between the three countries.

Under higher tariff levels, China's share of U.S. imports has already waned, while imports from the rest of the world have risen. Still, China is the U.S.'s second-largest supplier of goods.

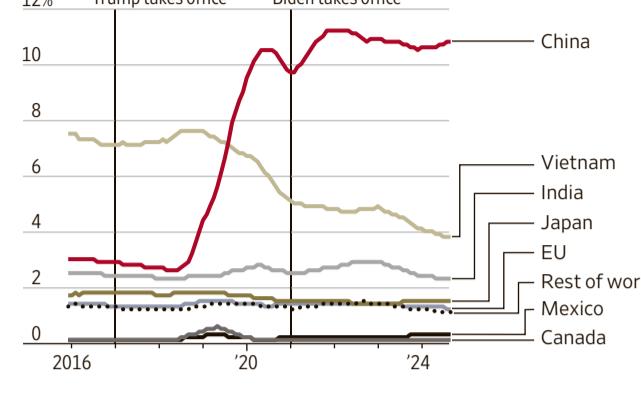
Tariffs are taxes placed on goods crossing a border. In cases where tariffs apply, U.S. importers generally pay duties on foreign goods upon arrival at ports of entry. The U.S. largely uses tariffs as tools to protect certain industries and as a response to other countries' trade barriers. Tariffs are also a source of revenue for the U.S. government.

Brian Hughes, a spokesman for Trump's transition team, said, "President Trump has promised tariff policies that protect the American manufacturers and working men and women from the unfair practices of foreign companies and foreign markets."

Biden last week urged Trump to reconsider his threats to impose tariffs on Mexico and Canada, warning that they could undermine relations with the two close allies.

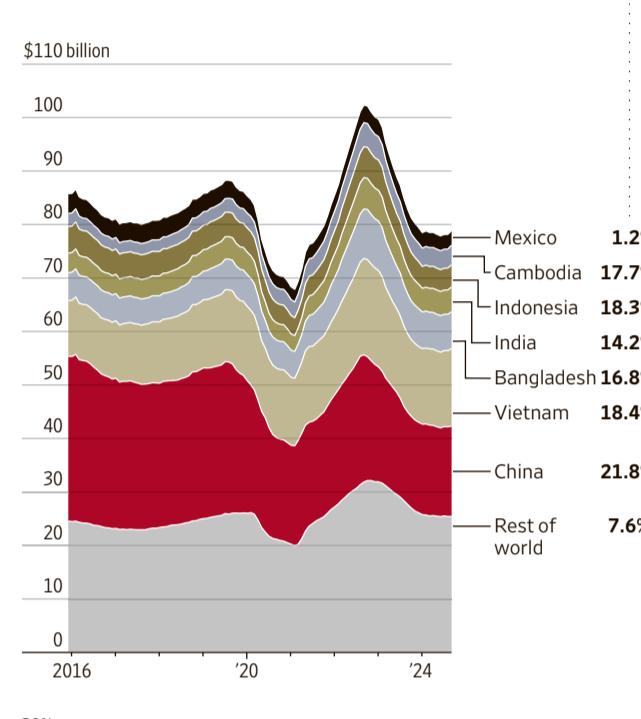
Average effective tariff rates are calculated by measuring customs duty revenue as a percentage of the value of the imported goods. For example,

U.S. average effective tariff rate by import source country, 12-month rolling average



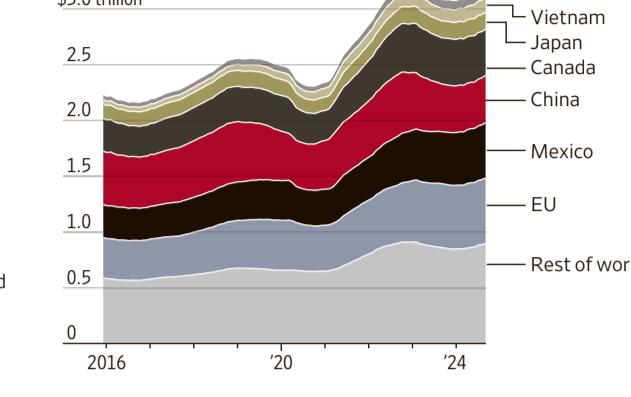
Apparel

U.S. imports by source country, 12-month rolling total

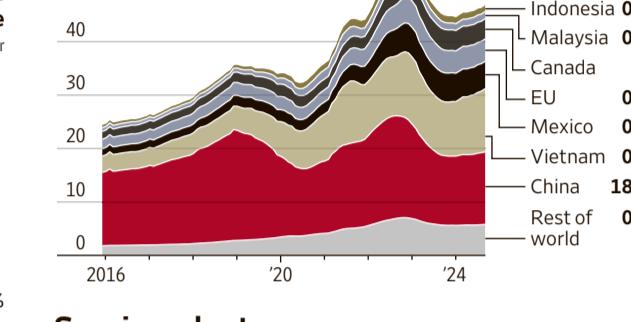


U.S. average effective tariff rate As of September

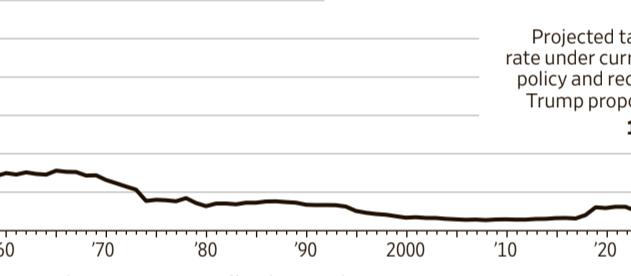
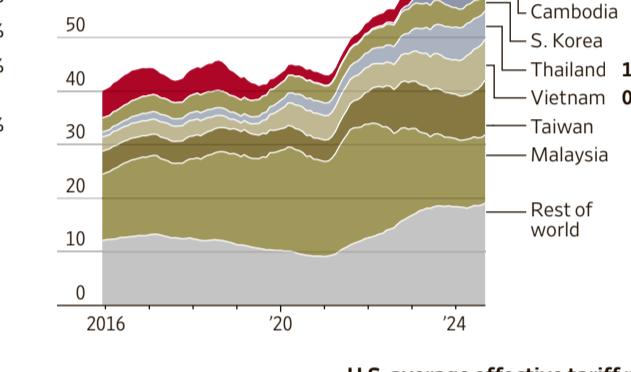
U.S. goods imports by source country, 12-month rolling total



Furniture



Semiconductors



Note: Trump proposal assumes additional 25 percentage-point tariff on Canada and Mexico goods imports and 10 percentage-point tariff on Chinese goods imports

Sources: Trade Partnership Worldwide, Census Bureau (average effective tariff rate and imports by source country); Budget Lab at Yale, Historical Statistics of the United States Ea424-434, Monthly Treasury Statement, Bureau of Economic Analysis (U.S. historical average effective tariff rate)

ple, the U.S. bought about \$84 billion worth of goods from India in 2023 and importers paid about \$2 billion in customs duties on those products, leading to an average effective tariff rate of around 2.4% for Indian imports.

Economists use the metric

to gauge how tariffs are applied across categories of goods or countries of origin, weighted by the composition of import values and tariff rates.

The rate can fluctuate as the mix of imports shifts, even if tariff policies haven't changed.

Decreasing imports of high-

tariff goods and increasing imports of low-tariff goods can bring the overall effective tariff rate down for a given category or source country.

Take Vietnam. The average effective tariff rate on Vietnamese imports dropped from about 7% before Trump took

office to around 4% recently. Peaking under the hood, Vietnam's share of U.S. imports with high tariffs—like apparel and footwear—fell while its share of imports with low tariffs—like machinery and electronics—grew, according to TPW's analysis.

Office to around 4% recently.

Peaking under the hood, Vietnam's share of U.S. imports with high tariffs—like apparel and footwear—fell while its share of imports with low tariffs—like machinery and electronics—grew, according to TPW's analysis.

investment giant BlackRock, that build lines into new neighborhoods. AT&T said Tuesday that the company and its partners will pass more than 50 million homes and businesses with fiber lines by 2029—up from about 28 million this year—a goal that could widen the gap with runner-up Verizon.

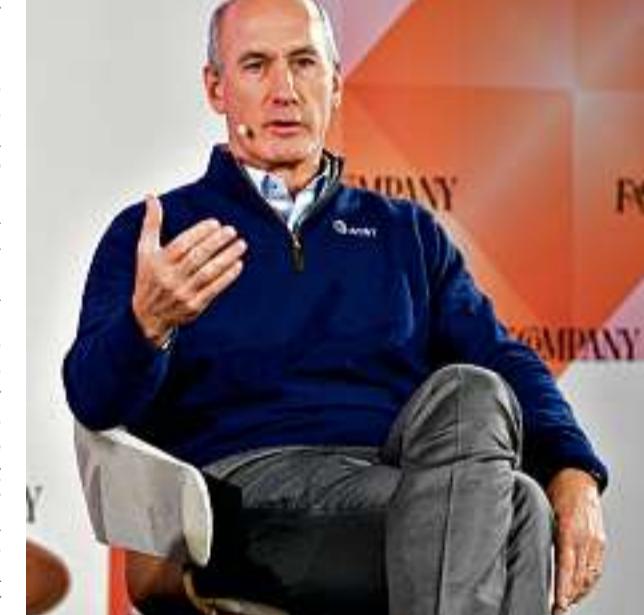
The high cost of building new fiber lines could push executives to look for cost savings in other areas, including labor. Analysts expect the company to significantly shrink the size of its 140,000-member workforce in the years ahead, though executives haven't detailed how many jobs will be eliminated.

The question remains whether such cuts will harm its network's reliability.

Recent hacks and network failures across the telecom industry have drawn attention to the vulnerability of the country's communications infrastructure.

AT&T's reputation suffered in February after network maintenance knocked out wireless service for millions of customers, prompting Stankey to apologize to customers.

The operator is instead investing in ventures such as Gigapower, a partnership with



John Stankey took over the telecommunications giant in 2020.

Bros. Discovery.

AT&T executives now highlight their leading position in the U.S. fiber-optic business as the springboard for the company's recovery. Investors are piling into high-speed fiber lines as an alternative to older

cable-internet technology, prompting rivals such as Verizon and Bell Canada to make multibillion-dollar acquisitions.

The operator is instead investing in ventures such as Gigapower, a partnership with

CORRECTIONS & AMPLIFICATIONS

A judge upholding her rejection of Elon Musk's pay package also ruled on the legal fees awarded to the plaintiff's attorneys, saying they are entitled to \$345 million in either cash or Tesla shares. In some editions Tuesday, a Business & Finance article incorrectly said the Tesla shareholder who brought the suit would be entitled to the award.

An analysis by the Federal

Reserve Bank of Philadelphia estimated that homeowners of properties built between 1970 and 1999 would need to spend 26% more on maintenance than for properties built after 2000, and the costs to maintain a pre-1970 property would be even higher. A Heard on the Street article on Tuesday incorrectly said that homeowners actually spend 26% more and even more for pre-1970 prop-

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Tariffs on apparel were relatively high even before Trump took office. Under his presidency, the average effective duty rate on Chinese apparel imports climbed from around 16% to more than 20%, while levels stayed about the same for the rest of the world.

It hasn't been easy to disentangle China from global supply chains. Some goods shipped to the U.S. from places such as Southeast Asia are made in factories owned by Chinese companies, while many products made in smaller countries require materials from Chinese suppliers.

Plus, shipments under a trade provision that allows duty-free entry have surged. The so-called de minimis provision allows packages with contents under \$800 in value to enter the country under a simplified procedure.

Furniture is one category in which the U.S. singles out China for tariffs. American importers buy furniture from the rest of the world largely duty-free, but pay an average effective tariff rate on Chinese furniture imports of around 18%.

U.S. companies' dependence on China for furniture has shifted under higher tariffs. Chinese goods in 2015 made up more than half of all furniture imports on a dollar basis. Now they are less than a third.

Semiconductors generally didn't face tariffs before 2018, but in the past several years have become a flashpoint in concerns about trade and national security. The average effective tariff rate on semiconductors from China shot up to more than 20% under Trump and continued to climb under Biden, who directed his trade representative to lift tariffs to 50% by 2025.

China's share of semiconductor imports has declined, but U.S. companies keep buying more semiconductors from the rest of the world.

Trump's most recent threats, if enacted, could add tariffs to a broader range of imports. Ernie Tedeschi, director of economics at the Budget Lab at Yale University and a former Biden administration economist, estimates that Trump's new tariff pledge would raise the average effective tariff rate to around 10%, which would be the highest level since the 1940s.

◆ Deportations and tariffs alarm builders..... B1

Job Openings Increased In October

By MATT GROSSMAN

Federal Reserve officials are scouring employment data ahead of the central bank's interest-rate decision on Dec. 18. The latest indicator brought no red flag for the economy's health.

U.S. job openings rose in October to 7.7 million, up from 7.4 million in September. This figure has fallen considerably since the job market was at maximum tightness in early 2022, but Tuesday's report showed employers' staffing needs picked up slightly in October.

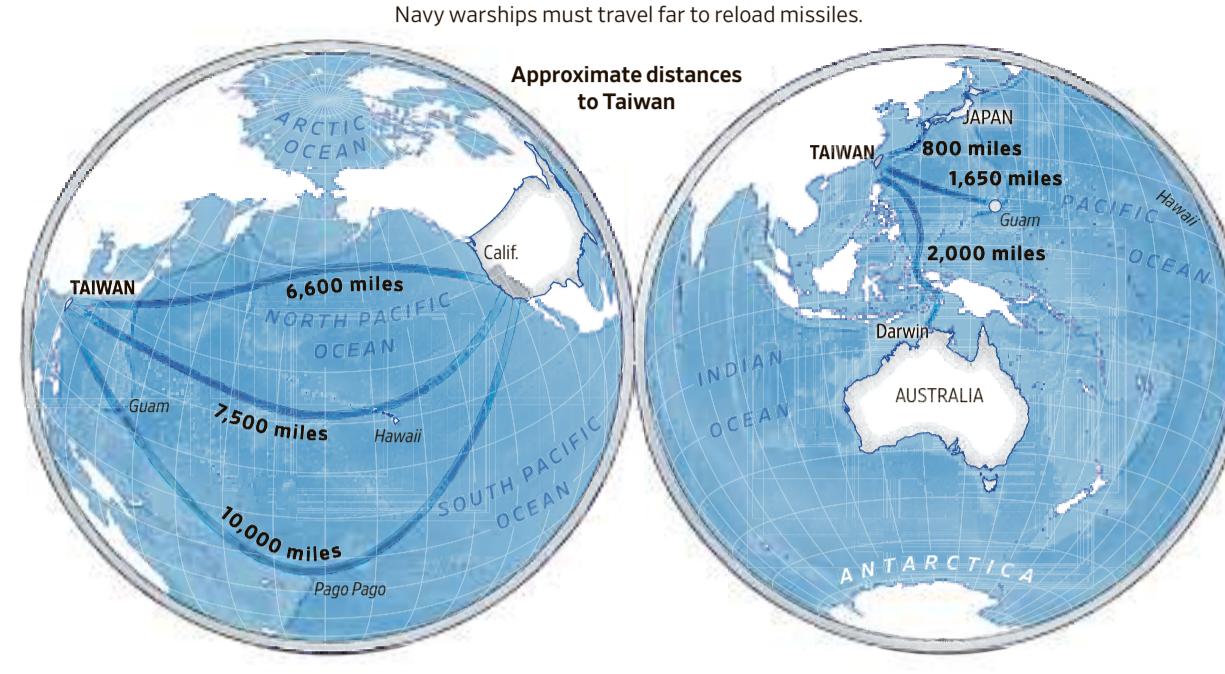
The numbers are especially reassuring because October's payroll data, released last month, showed a huge drop-off in hiring that economists blamed on hurricanes and the big strike at Boeing.

The November jobs report is due Friday morning.

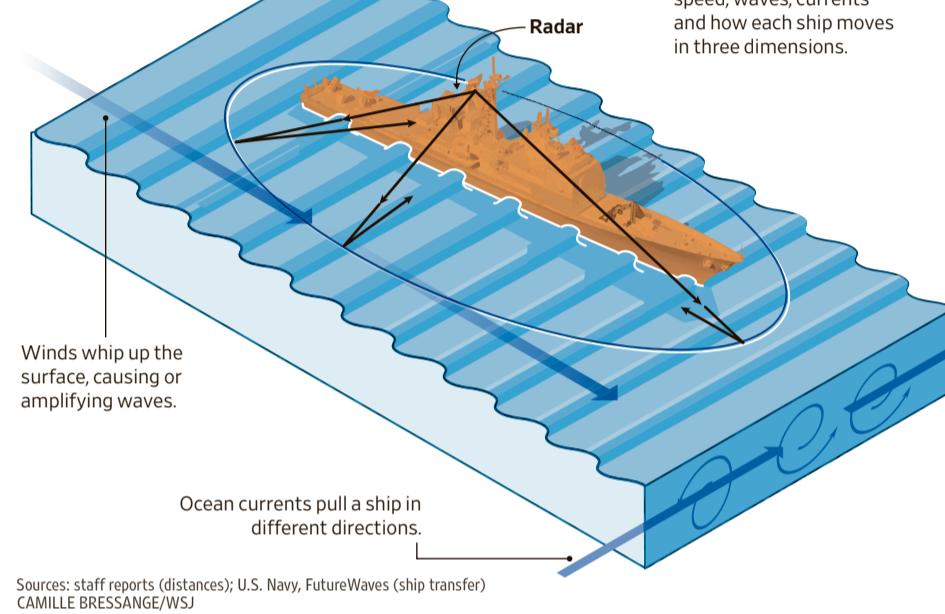
U.S. NEWS

Arming in the Pacific: Distance Equals Delays

The shortest distance from Taiwan's coast to a U.S. base in California would be at least 6,600 miles. To make up for travel time, the U.S. must reinforce its strategy of island bases and have a process to resupply at sea.



The motion of two ships on the open sea is challenging during resupply. To predict conditions, experts analyzed reflections from radar signals pointed at the ocean surface to measure wave speed in real time.

Why ship-to-ship transfers are difficult

Sources: staff reports (distances); U.S. Navy, FutureWaves (ship transfer)
CAMILLE BRESSANGE/WSJ

Motion

Crews must account for wind speed, waves, currents and how each ship moves in three dimensions.

Pitch

Up and down movement of bow and stern

Roll

Side-to-side tilting motion

Yaw

Direction of spin around center point

Heave

Vertical movement as ship moves across waves

Surge

Forward and backward movement

Sway

Sliding motion when pushed by wind or current

Navy Revamps Rearing Ships Amid New Threats

Vessels now must return to ports for missiles. A change could speed process.

A U.S. Navy destroyer can fire dozens of cruise missiles within minutes. Reloading the deadly warship back in port can take two months. In a war against China, that could be a fatal weakness.

**By Daniel Michaels
aboard the USNS Washington Chambers, Mike Cherney aboard the USS Dewey and Tonia Cowan in New York**

To overcome the delay, Navy engineers pulled a 30-year-old crane out of storage, wired it up to computers, and used it to build a new prototype reloading system called the Transferrable Reload At-sea Method. TRAM, as it is known, promises to slash the time needed for missile reloading, potentially to just days.

"The ability to rearm at sea will be critical to any future conflict in the Pacific," said Navy Secretary Carlos Del Toro after a recent test of TRAM off the California coast, to which The Wall Street Journal was granted exclusive access.

Until recently, the Navy didn't feel much need for speed in rearming its biggest missile-firing warships. They only occasionally launched large numbers of Tomahawk cruise missiles or other pricey projectiles.

Now, Pentagon strategists worry that if fighting broke out in the western Pacific—potentially 5,000 miles from a secure Navy base—destroyers, cruisers and other big warships would run out of vital ammunition within days, or maybe hours.

Seeking to plug that supply gap, Del Toro tasked commanders and engineers with finding ways to reload the fleet's launch systems at remote ports or even on the high seas.

Otherwise, U.S. ships might need to sail back to bases in Hawaii or California to do so—putting them out of action for



U.S. sailors and logisticians reload the USS Dewey with a missile at a naval base in Darwin, Australia.

journey under normal sailing conditions, compared with a roughly three-week journey to the U.S. West Coast.

Reloading at sea could slash that downtime even further, but it would be a dicey operation. Missiles in their boxes, which resemble slender shipping containers, can weigh more than 6,000 pounds. They must slide smoothly into tightfitting launch cells because jostling could damage delicate guidance systems—or worse.

"These are supersonic rockets. There is a lot of fire and gas involved with this," said Cmdr. Nicholas Maruca, the Dewey's captain. "If you drop the missile, that's not good."

For decades, the Navy has provisioned its ships on the high seas by sending basic supplies across cables strung between them. It routinely refuels ships using hoses supported in this way.

The connections require the ships to sail at nearly identical speeds, maintaining a constant distance. The equipment is designed so connections can be severed instantly if needed, such as if attacked.

Loading a warship with dozens of missiles using a crane on the supply ship would be dangerously slow. TRAM is designed to make the process faster and safer.

Creating the TRAM mechanism was still challenging. To start work, Navy experts early this year pulled the mothballed 1990s prototype out of storage, disassembled it and drafted digital plans to reverse-engineer it, with help from some archived drawings.

Putting the new plans in a computer simulation, they located the mechanism's weakest points and added about 300 pounds of steel reinforcement, said Ryan Hayleck, the project's technical leader. The Chosin's deck also needed reinforcing to handle the new load.

Technicians wired up both ships and the crane with sensors to understand how all the elements moved and what stresses they faced, all with the aim of refining designs. Navy Chief Engineer Rear Admiral Peter Small said the scads of data couldn't have been collected through land-based tests and will guide the next steps.

Senate GOP Sets Border, Tax Agenda

BY RICHARD RUBIN

WASHINGTON—Senate Republicans are considering quick legislation early next year to strengthen border security, energy production and the military while saving a tax-policy fight for later in 2025, laying out a two-step process for passing President-elect Donald Trump's agenda without any Democratic help.

Sen. John Thune (R., S.D.), the incoming majority leader, outlined the approach to GOP lawmakers Tuesday as the party prepares to take control of the House, Senate and White House in January. Lawmakers would aim to move a targeted bill within 30 days after Trump takes office Jan. 20 and then spend more time working on taxes and other issues, according to a person familiar with Thune's remarks in a closed-door meeting.

Republicans haven't settled on dollar amounts or the exact composition of the first bill, said Sen. Lindsey Graham (R., S.C.), the incoming chairman of the Budget Committee. But, he said, border-security

money is the key priority.

"The goal is: not just finish the wall but have technology that really gives you eyes and ears on the border, hire the people necessary to start the deportations of the bad guys and crooks and gangs and more capacity to hold the people," Graham said.

Republicans have talked generally about cutting spending or repealing clean-energy tax credits that Democrats enacted in 2022 to help pay for new spending or tax cuts.

House Republicans have considered moving a bill full of party priorities within 100 days and including tax cuts, spending cuts and spending on border security. Thune's approach breaks those ideas into two parts, pushing the tax debate toward the end of the year.

Many of Trump's first-term tax cuts expire after Dec. 31, 2025, and lawmakers are trying to figure out how to extend them, make some changes and accommodate Trump's campaign-trail ideas, such as removing taxes on tips, Social Security benefits and overtime pay.



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U.S. NEWS

Biden's Worry on Trump Was Pardon Factor

Son was seen as a potential target under the next administration

Several of President Biden's close confidants for months said privately that they expected him to pardon his son Hunter, even as he publicly insisted he wouldn't. But a number of recent events clinched his decision to act despite the likely public backlash, people familiar with the matter said.

*By Annie Linskey,
C. Ryan Barber
and Ken Thomas*

Momentum for the pardon began building this summer, after a gut-wrenching trial that saw the conviction of Hunter Biden on gun charges and the president's exit from the 2024 contest after a disastrous debate against GOP rival Donald Trump.

Trump's election win, and some of the nominees the president-elect has floated for top law enforcement posts since, made Biden more concerned that his son could be a target after he left the White House, the people said. The president also was increasingly worried that two approaching court dates, when Hunter would be sentenced

for gun and tax offenses, would cause too much stress and pain on his son and family, the people said.

The president said he made the pardon decision during a gathering of family members on Nantucket in Massachusetts for Thanksgiving. Along with the president and first lady Jill Biden, the group included their daughter Ashley Biden, Hunter Biden and his wife, Melissa Cohen Biden, along with their young son Beau.

After returning to Washington from his Thanksgiving break, Biden told close advisers on a call Saturday night that he planned to issue the pardon, which he announced the next day. Since then, a chorus of lawmakers, including many Democrats, have criticized the decision.

The biggest mistake, some Biden supporters said, was the White House's insistence that the president would never issue the pardon.

"He should have never closed the door so completely," said Michael LaRosa, a former aide to Jill Biden, who agreed with the decision to pardon but believed the president mishandled it. "It was always 100% raw politics," LaRosa said of the prosecutions, but added that the timing and the abrupt about-face on the pardon "makes him look disingenuous at best



Hunter Biden, seen with his wife, Melissa Cohen Biden.

or deceitful at worst."

Hunter Biden's legal problems have been a constant cloud over his father's presidency and at times have come up in the most unusual of circumstances, including last month when Trump referenced it during an Oval Office meeting shortly after the election, according to people familiar with the exchange.

The decision fits with the president's deep support for Hunter—and his willingness to embrace him even when his lapses in judgment have made him a significant political liability. The two grew even closer as the president was under fire from his own party to withdraw his re-election bid. Hunter was among his father's

most unwavering champions during that time, people familiar with their relationship said.

Hunter Biden was set in July 2023 to plead guilty to a pair of misdemeanor tax charges and avoid prosecution related to a 2018 gun purchase. But the plea deal fell apart amid disagreement over the extent of immunity he would receive from future prosecution.

The pardon wasn't vetted via the typical clemency process run through the Justice Department, White House spokeswoman Karine Jean-Pierre confirmed Monday. It also was unusually broad. Instead of only granting Hunter mercy in the gun and tax prosecutions, the pardon immunized him from any poten-

tial federal offenses dating back to 2014.

Some former aides are frustrated with the president's timing, struggling to understand why he chose to announce the pardon at a moment that detracts from Democrats' efforts to keep the public focus on some of Trump's controversial cabinet nominees, one person familiar with their thinking said. They also questioned why the president criticized the Justice Department, which oversaw the prosecutions, rather than resting the decision solely on his role as a concerned father.

Biden's decision to act now does offer several benefits to his family. Most immediately, the pardon nullifies a pair of coming court proceedings that promised more embarrassment and emotional trauma for the Bidens.

Hunter Biden was due to be sentenced on Dec. 12 in Wilmington, Del., after a federal jury there convicted him in June of falsely claiming to be drug-free when he purchased a Colt Cobra revolver in 2018.

The trial turned into a wrenching exploration of his descent into addiction and the turmoil it caused within his family. Among the witnesses were Hunter Biden's ex-wife, Kathleen Buhle, and Hallie Biden, the widow of the president's eldest son, Beau Biden.

In testimony, Hallie Biden said she saw Hunter Biden smoking crack sometimes as often as every eight hours during the course of an on-again, off-again romantic relationship they had following Beau Biden's death from brain cancer.

After enduring that courtroom experience, Hunter Biden elected not to go through a second trial that threatened to cast a spotlight on his past overseas business dealings and drug-fueled partying. As jury selection was set to begin in Los Angeles, he pleaded guilty to a raft of tax charges alleging he failed to pay what he owed the government while spending lavishly on drugs and escorts. He was set to face sentencing in that case Dec. 16.

In Los Angeles, Judge Mark Scarsi said he would dispose of the case. But in a five-page order Tuesday, Scarsi ripped into the elder Biden's statement announcing the pardon, including his assertion that Hunter Biden had been singled out because he is the president's son.

"In short, a press release is not a pardon," Scarsi wrote. "The Constitution provides the President with broad authority to grant reprieves and pardons for offenses against the United States, but nowhere does the Constitution give the President the authority to rewrite history."

DeSantis Weighed for Pentagon

Continued from Page One
ther scrutiny, according to people close to Trump's team.

DEA pick Chad Chonister, a Florida county sheriff, said the "gravity of this very important responsibility set in" and that he concluded he should pull his name. He had come under attack from conservatives for a 2020 arrest of a pastor who defied Covid-19 restrictions and held a large church service.

DeSantis, who served as a Navy lawyer in Iraq and the Guantanamo Bay detention facility, was on an earlier list of potential defense secretary candidates that transition officials presented to the president-elect. Trump ultimately went with Hegseth. But as Hegseth's nomination has faltered, that list has been revived and DeSantis is again among the choices Trump is considering, the people said.

The discussions are in their early stages, one of the people said, adding that Trump has floated DeSantis's name in casual conversations with guests at Mar-a-Lago, his private Florida club.

Trump could decide not to choose DeSantis and select another replacement, if Hegseth's nomination falls apart, the people said. Another potential defense secretary candidate that has been discussed by Trump allies, according to people familiar with the matter, is Elbridge Colby, a former Pentagon official and ally of Vice President-elect JD Vance. Trump is also considering Sen. Joni Ernst (R., Iowa) for the job, some of the people said.

DeSantis was once seen as an acolyte of Trump but his decision to challenge the former president in the 2024 GOP pri-



Gov. Ron DeSantis has emerged as a possible replacement for Pete Hegseth as Donald Trump's choice for defense secretary.

maries began a bitter war between the two. Trump easily prevailed in the primary and friends of the two have worked to repair the relationship.

Trump and DeSantis both attended a memorial service Tuesday for fallen law-enforcement officers in Palm Beach County, Fla. The idea of the defense-secretary nomination has been presented to DeSantis in recent days, a person familiar with the discussions said.

A spokesman for DeSantis didn't respond to a request for comment.

Some in Trump's orbit strongly dislike DeSantis—and that could scuttle any chance he may have of replacing Hegseth.

DeSantis was a little-known congressman from near Jacksonville, Fla., when he entered the 2018 race for governor. But DeSantis won Trump's endorsement, in good part through Fox News appearances attacking the Russia investigation by special counsel Robert Mueller.

He rocketed past his rival and won a narrow general election. But then DeSantis began to look at higher office and a fissure began to form with Trump. Even before the governor entered the GOP primary in May 2023, Trump had branded him as "DeSanctimonious" and disloyal.

DeSantis's campaign struggled and he dropped out just before the New Hampshire primary and endorsed Trump.

Republican senators who have begun meeting with Hegseth have warned him that he would face a grilling during public confirmation hearings and they have said he would need to work to overcome sexual-assault and other allegations. A person familiar with the matter said there were six senators who were potentially opposed to his nomination.

So far, no Republican senators have publicly said they would oppose Hegseth's nomination, and Trump still publicly

backs him.

A 2017 sexual-assault allegation against Hegseth, which he later paid his accuser to keep secret, blindsided Trump transition officials. The 22-page report cites video-surveillance footage, text messages and interviews with witnesses. While it is unlikely to settle the question of exactly what happened on the evening of Oct. 7, 2017, the report offers a detailed, lurid and often conflicting portrayal of the events leading up to the alleged assault. It also reveals that the police involvement was sparked by a request from the woman for a sexual-assault examination at a clinic four days after the encounter.

At the time, the woman told the nurse she thought something had been slipped into her drink before the incident. No charges were ever filed against Hegseth, who at the time was a rising star at Fox News. In 2020, fearing that a lawsuit

would end his job at the network, Hegseth paid the woman as part of a nondisclosure agreement, Hegseth's lawyer, Timothy Parlato, told The Wall Street Journal.

Other reported allegations continued to bubble up, further raising questions about his fitness for the post.

Last week, an email to Hegseth from his mother surfaced in which she decried his treatment of women in the midst of his 2018 divorce from his then-wife Samantha. "You are an abuser of women," read the email, reported by the New York Times. The Times said his mother had immediately apologized for the email.

Trump already lost a bid to install ally Republican Rep. Matt Gaetz of Florida as attorney general after Republican senators balked.

—Alexander Ward,
Lara Seligman, Xavier
Martinez and Vivian Salama
contributed to this article.

Top Post Appears Elusive for Lighthizer

BY BRIAN SCHWARTZ

Robert Lighthizer seemed like a shoo-in for a senior role in the incoming administration.

But President-elect Donald Trump's former trade chief is expected to go home empty-handed after he expressed reluctance to engage in the behind-the-scenes jockeying that helped his competitors land crucial cabinet postings, according to people familiar with the matter.

Lighthizer, a loyal adviser to Trump who maintained close ties with him in the years since he left the White House, was angling for a plum position with sweeping oversight of Trump's trade and economic agenda. Lighthizer, who served as U.S. trade representative during Trump's first term, told allies he wanted a more influential job in Trump's second term, the people said, setting his sights on leading the Treasury Department or the Commerce Department.

Yet for weeks, Trump's advisers have been surprised by how little internal discussion there has been about Lighthizer. Though Lighthizer's name has appeared on shortlists for important jobs, Trump repeatedly passed him over, some of the people said.

Trump, his advisers said, was more interested in New York financiers for top economic jobs, and he expressed concerns that a choice without Wall Street chops could spook the markets.

Once Lighthizer discovered there was a fierce behind-the-scenes fight to lead Treasury between investors Scott Bessent and Howard Lutnick, Trump's veteran adviser opted to sit on the sidelines and watch the battle between the two businessmen unfold, the people said. Lighthizer's wait-and-see approach hurt his prospects as a parade of Trump's allies made pilgrimages to Mar-a-Lago, the president-elect's private Florida club, to sell themselves to him.

Lighthizer and a Trump transition spokeswoman didn't respond to requests for comment.

The likely absence from the administration of Lighthizer, a skilled negotiator with an almost encyclopedic knowledge of trade law, could set back Trump's ambitions.

Trump is set to rely on a group of former Wall Street executives and economists, many of whom have little experience with trade, the issue at the core of his economic agenda. Some people close to Trump have privately raised concerns to the president-elect's advisers that the team he is assembling might be reluctant to follow through on his threats to impose sweeping tariffs on U.S. imports.

U.S. TRADE China Hits Back At Chip Curbs

China retaliated against the latest U.S. trade restrictions Tuesday, tightening controls on the export of key raw materials to the U.S. and cautioning Chinese companies against buying American chips.

The sanctions came a day after the U.S. Commerce Department said it would cut China's access to advanced memory chips critical to artificial-intelligence applications.

They sent a message to Washington as Beijing prepares for further trade conflicts in the second Trump administration. China's Ministry of Commerce said it would in principle ban the export of gallium, germanium, antimony and other materials to the U.S.

—Liza Lin
and Jiahui Huang
—Associated Press

NEW ORLEANS Ex-Priest in Assault Case Pleads Guilty

A disgraced 93-year-old New Orleans priest pleaded guilty Tuesday to charges involving the sexual assault of a teenage boy in 1975.

Lawrence Hecker, who left the ministry in 2002, entered his plea to aggravated kidnapping, aggravated crime against nature, first-degree rape and theft.

A grand jury indicted Hecker last year following an investigation that revealed he had confessed to molesting multiple juveniles over his decades of service with the Archdiocese of New Orleans. But the charges brought against him stem from a single alleged incident that happened between 1975 and 1976, prosecutors have said.

—Associated Press

U.S. WATCH

U.S. WATCH



FULL SPEED: Kyle Negomir took a World Cup downhill training run Tuesday in Colorado.

WORLD NEWS

Truce Threatened as Fighting Flares

Attacks by Israel, Hezbollah highlight ambiguities within fragile agreement

BY JARED MALSIN
AND DOV LIEBER

Less than a week after a cease-fire took effect between Israel and Hezbollah in Lebanon, fighting between both sides has reigned, with each accusing the other of violating the truce—testing its durability.

Israel has launched airstrikes and other attacks since the cease-fire began on Nov. 27, in what it says was an effort to thwart threats from the militant group and enforce the agreement. Hezbollah hit back for the first time, launching two projectiles at a disputed territory on the Israel-Lebanon border Monday night.

Hezbollah said its shelling was “an initial warning and a defensive response” to Israeli attacks, violations of Lebanese airspace. The strikes, it said, killed civilians.

Soon after, the Israeli military said it launched strikes on dozens of sites in Lebanon including what it said were “launchers and terrorist infrastructure.” Israeli officials said on Monday they spotted Hezbollah operatives moving back into southern Lebanon after Hezbollah said last week it was pulling fighters and heavy weapons from the area.

The flare-ups highlight ambiguities within the deal about how the cease-fire should be enforced. Israel claims a broad mandate to strike Lebanon in response to threats, based on assurances it received from the U.S. Another challenge is that an international mechanism to monitor the actions of both sides isn’t fully in place, people familiar with the matter said.

The exchange of fire has heightened concerns about the viability of the cease-fire. The deal called for a 60-day imple-



People walked past a damaged building on Tuesday in Tyre, southern Lebanon, days after an Israel-Hezbollah cease-fire took effect.

mentation period to allow Israeli forces to withdraw, while Hezbollah fighters leave southern Lebanon and the Lebanese army sends reinforcements to the south.

“Both Israel’s and Hezbollah’s infringements of the cease-fire are instances of political posturing, with each side trying to show the other that it remains a force to be reckoned with and able to inflict harm on the other,” said Lina Khatib, director of the SOAS Middle East Institute in London and a longtime analyst on Lebanese security affairs.

The two sides are supposed to report violations to the international-monitoring mechanism, although Israel says it will strike any imminent threat if the Lebanese military doesn’t. A senior U.S. military leader, Maj. Gen. Jasper Jeffers arrived in Lebanon last week

to set up the mechanism.

The Biden administration is watching nervously as the truce teeters, though most officials expressed optimism that the deal will hold after a tense period. “It looks really fragile right now,” a senior administration official said, “but we’re seeing some encouraging signs that the deal...will strengthen with time.”

U.S. officials said the team leading the mechanism to monitor violations will be fully operational in the coming days. The officials said they have been in close contact with their counterparts in Israel and Lebanon, working through issues that both sides have raised.

John Kirby, spokesman for the White House’s National Security Council, praised the effect the deal has had. “We’ve gone from dozens of strikes down to one a day, maybe two

a day. That’s a tremendous reduction,” he said on Monday.

A senior Lebanese official said the monitoring mechanism is key to the deal’s success. He noted that the Lebanese Army hadn’t been fully deployed to southern Lebanon to enforce the pact. The Lebanese government is committed to keeping the truce in place, he said.

Israeli Defense Minister Israel Katz on Tuesday threatened that if the cease-fire collapses, Israel would renew the war, push its troops deeper into Lebanon and target not just Hezbollah, but the Lebanese state as well. “If until now we made a distinction between Lebanon and Hezbollah, this will no longer continue,” he said.

As the cease-fire hangs on, efforts to plan for the future of Gaza, where Israel is fighting Hamas, have made progress. The two main Palestinian fac-

tions, Hamas and Fatah, have reached an agreement to create a committee of Palestinian technocrats not affiliated with either group to manage and administer the enclave after the war ends, Egyptian officials said. If implemented, the committee would essentially mark the end of Hamas rule in Gaza.

The implementation of the committee’s work would be dependent on a cease-fire between Israel and Hamas. Israeli Prime Minister Benjamin Netanyahu has been under pressure to show that he would enforce the Israel-Hezbollah cease-fire. Thousands of displaced Israelis remain too afraid to return to their homes in the north, and opposition politicians have urged the military to strongly respond to Hezbollah’s rocket attacks.

—Alex Ward contributed to this article.

Unlikely Path Taken By Rebel

Continued from Page One
leave unharmed.

“The day they said they took over Aleppo, before seeing them, I felt like the Titanic was sinking,” said a Christian woman in Aleppo who didn’t want to be named because she feared retribution from the Syrian regime. But there was no looting, and shops and restaurants reopened the next day, she said. “Everyone was shocked because they were treating us nicely. They look scary. They look exactly the way you imagine when someone says a terrorist: long beards and crazy hair. But they’re nice.”

Jawlani’s Aleppo victory—which sets up a man the U.S. still designates as a terrorist as a potential contender to become Syria’s ruler should President Bashar al-Assad’s regime collapse—follows a political transformation of the kind rarely seen in the region.

Born Ahmed Hussein al-Sharaa, he adopted the nom de guerre of Jawlani, a reference to his family’s roots in the Golan Heights that Israel seized from Syria in 1967. The militant leader broke with Islamic State in 2012. He cut ties with al Qaeda in 2016, and since then he has fought both organizations in bloody campaigns.

In doing so, he steered the HTS away from the transnational jihadist movement that is more interested in waging war on America and the West—and that sees national borders in the Muslim world as an artificial construct imposed by the infidel colonialists.

“His and his group’s break with Islamic State and al Qaeda is very genuine. They haven’t been part of these entities longer than they were with them, and it’s now been essentially 8½ years that they have forsaken global jihad,” said Aaron Zelin, senior fellow at the Washington Institute for Near East Policy and author of a recent book on HTS.

Instead, Jawlani has turned HTS—which has run a statelet of its own in Syria’s northern



Jawlani ordered his men not to exact retribution in Aleppo.

Idlib province since 2015—into a well-disciplined force that focuses squarely on Syria, a blend of Islamism and nationalism that is closer to Afghanistan’s Taliban and the Palestinian Hamas. Instead of the banner of Islam, HTS troops choose to fight under the Syrian flag that dates back to the republic that existed before the 1963 Baath Party revolution that eventually brought the Assad family to power.

“HTS from its very foundation said that we don’t have transnational objectives, we are focused on Syria, we want to fight in Syria, and that has been the essence of its disagreement with other jihadist groups,” said Daren Khalifa, a senior adviser at the International Crisis Group who has met Jawlani repeatedly in Syria.

“The HTS leadership is pragmatic and utilitarian, and less ideological,” she added. “Jawlani is not a cleric, he is a politician who is ready to strike deals and is very compromising on a lot of things—except fighting against the regime. Don’t underestimate this guy’s ambition.”

Despite all the differences, HTS remains listed as a terrorist organization by the U.S., and Washington offers a \$10 million bounty on Jawlani. Yet the U.S. hasn’t targeted Jawlani or other top HTS commanders since he proclaimed nearly a decade ago that he doesn’t seek to be America’s enemy. Since the first Trump administration, which negotiated a deal with the Taliban in Afghanistan, Jawlani and HTS have sought an agreement that would lift the Syrian group’s terrorist designation.

“They’ve learned how to

play the game,” said Alberto Miguel Fernandez, vice president of the Middle East Media Research Institute and a former State Department coordinator for counterterrorism communications. “They still have what we would call extremist ideology, but they are not stupid extremists, and they are nationalist extremists. Jawlani knows that he has to moderate his tone, for example, on minorities, because this is something that people in the West will throw in his face.”

It is unclear to what extent Jawlani’s transformation is genuine, and to what extent his appeals to moderation are designed to lull other Syrians and the West into complacency as he pursues his quest to replace the Assad regime. The Taliban in Afghanistan also promised an inclusive government and greater respect for women’s rights before seizing power in 2021, but has since ousted women from the workplace and education, returning to the way it governed before the 2001 U.S. invasion.

“The transformation from a small-time Syrian jihadist in Iraq to the leader of the Syrian revolution? I am rather doubtful,” said Fabrice Balanche, a specialist on Syria at the University of Lyon 2. “Yes, Jawlani probably became more bourgeois with age, and may have renounced part of his radical ideology. But I think it’s more likely that he’s playing *taqiya*—concealing his real intentions.”

Rights groups have accused HTS of arbitrarily detaining activists, journalists and other civilians voicing critical opinions, and have alleged torture and ill-treatment of those in detention, charges that Jawlani denies.

In Turkey, Inflation Eases, Economy Pulses Back

BY JOSHUA KIRBY

Turkish inflation continued to ease in November, though a little less than expected, likely keeping the country’s central bank cautious as it weighs how long to keep interest rates at their current heights.

Consumer prices were 47.1% higher on year in November, losing a little pace from 48.6% a month earlier, the country’s statistics agency said on Tuesday. Economists had expected annual inflation to fall to 46.4%, according to a poll compiled by FactSet.

The decline marks six months of continuously lower inflation, a sign that the central bank’s tight monetary policy is bearing fruit.

Falling inflation has been accompanied by a slowing economy, with Turkey sliding into a technical recession of two straight quarters of contraction between March and September, according to figures the agency published last week.

The central bank in November held its key rate at 50%, keeping some of the highest borrowing costs of any major world economy, but noted that there are positive signals regarding the battle to tame inflation.

“The disinflation process will gain strength,” the bank said.

While that trajectory might leave the door open for the central bank to start lowering borrowing costs at coming policy meetings, cutting rates too early would damage policymakers’ hard-won credibility, said Timothy Ash, an economist specializing in Turkey.



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WORLD NEWS

China Power-Plant Debt Hobbles Pakistan

Beijing eased energy crisis, but economy reels under burden of soaring prices

By SAEED SHAH

ISLAMABAD, Pakistan—When Muhammad Imtiaz received an electricity bill of more than \$120 last summer, he panicked. The bill, for June and July, was all he earns in a month of ferrying passengers on his motorbike in the scrappy suburbs outside Pakistan's capital Islamabad.

In his two-room home, where he lives with his wife and four children, he only has a refrigerator and lights. He runs two fans in the summer months when heat can exceed 110 degrees Fahrenheit.

"Should I give my rent, pay the electricity bill, or buy food for my children?" said Imtiaz, who has racked up \$3,000 in debt. His family has one meal a day: watered-down lentils with flatbread.

A decade ago, Pakistan, cripplingly short of power, turned to Beijing to build more than a dozen coal, solar and hydroelectric power plants as part of China's huge infrastructure push in the country.

Now, a series of policy mistakes by Islamabad means Pakistan has more than enough electricity—but, because of the huge debt owed to China, few can afford it.

The crisis is overwhelming



ASAD ZADI/BLOOMBERG NEWS

The Sahiwal coal-power plant, owned by China's Huaneng Shandong Rui Group, in Punjab

Pakistan's fragile economy, throwing millions of households into misery, shredding government finances and shutting industry.

The growing emergency is straining Pakistan's relationship with China—one of its closest allies, with deep military ties and a common rival in India.

Pakistan is one of the most prominent examples of China's goal of courting the developing world to challenge the U.S., which is also a long-term ally of Islamabad. But the power crisis shows how easy money from China can overwhelm the poor countries that receive it.

Pakistan was a cornerstone of China's enormous Belt and

Road infrastructure program, which sought to bind countries closer to Beijing through trade. The power-plant agreement was part of \$25 billion in deals Pakistan signed a decade ago with China to build everything from roads to a giant port. The projects aimed to establish a trade corridor between the two countries and help the Pakistani economy to take off.

But to secure the power plants, Pakistan guaranteed Chinese state companies annual dollar returns of up to 34%. Pakistan has to pay China for the generation capacity installed, whether or not the power is used.

Pakistan's power woes

didn't begin with the Chinese involvement. A World Bank push to bring in the private sector in the 1990s first built high costs into the system by encouraging the country to switch to plants running on imported fossil fuels, which are much quicker to build, from mostly hydroelectric power.

But it was Pakistan's decision to have so many new power stations built by China, at once, that sent bills and debt payments rocketing.

Under the deal, China built and financed the plants, but Pakistan pledged to repay the cost—along with a rich premium on top—by buying the electricity produced by them

for as long as 40 years. Worse still, Pakistan promised to repay the cost over 10 years, meaning it had to charge sky-high prices for the electricity.

The deal also was financed in dollars. Soon after the Chinese plants started coming on stream in late 2017, Pakistan's currency devalued by about half, sending the dollar-denominated debt soaring.

Pakistan commissioned the Chinese power plants in 2015, yet it didn't carry out an assessment of electricity demand until 2021. There was no competitive bidding to secure the lowest price for the power stations.

"The bad planning all added up," said Awais Leghari, Pakistan's energy minister. "The financial impact has almost made us go into a tailspin situation...We're still trying to stabilize the situation."

Ahsan Iqbal, the planning minister, who served in the same position when the power stations were commissioned, said that only China was willing to invest at the time, given the risk associated with Pakistan. He said Islamabad assumed Pakistan would grow at 6%. Instead, the economy contracted last year, before growing at 2.4% this year, according to the International Monetary Fund. "There was a new regime, and the economy collapsed."

At present, demand is only around 40% of the annual generation capacity, Leghari said. But Pakistan must pay for the full capacity, whether or not it is used. That capacity is due

to increase by another third in the next decade, as yet more power plants come online.

Those deals mean that in Pakistan, some of the world's poorest people are being billed more than what households in far richer countries pay for the same amount of electricity.

Consuming 320 kilowatt-hours of electricity in a month in the eastern city of Lahore—enough to power a couple of fans, a handful of lights and a small refrigerator—costs a household \$60, even at the discounted rate for low-volume consumers. Pakistan's per capita income is \$125 a month.

The unaffordable price of power is dramatically reducing demand, as a wave of homes and businesses turn to rooftop solar panels, rein in consumption, or just steal the power, pushing prices higher still for remaining paying consumers.

Pakistan is in arrears to Chinese companies with more than \$1 billion of unpaid power bills, as well as some \$15 billion in debt for the building of the Belt and Road power plants, with a further \$9 billion for two Chinese-built nuclear plants. According to a tally by researchers at William & Mary, Pakistan has received \$70 billion in financing from China since 2000, making it the third-biggest recipient.

China's Foreign Ministry said its power infrastructure in Pakistan "adheres to the principle of extensive consultation, joint contribution and shared benefits, and follows market laws and business rules."

Cheap Chinese Goods Anger Poor Nations Wooed by Beijing

A deluge of cheap Chinese goods washing over the developing world is jacking up tensions between China and the Global South, complicating Beijing's plans to build alliances as it confronts escalating trade tensions with the U.S.

By Jason Douglas,
Jon Emont and
Samantha Pearson

With President-elect Donald Trump saying he plans to significantly increase tariffs on China, Beijing is hoping to unload more of its excess factory production to developing-world countries.

But many of those countries are pushing back, as cut-price Chinese imports put pressure on their factories, killing jobs and blocking efforts to grow manufacturing at home.

Many poorer countries have been counting on expanding manufacturing as the best way to propel their rise up the development ladder.

For China, the emerging backlash threatens to undermine its goal of being a leader of the developing world,

whose support it has courted as a means of building its own alliances to counter the U.S.

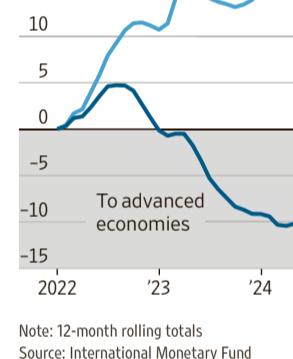
In Thailand, more than 1,700 factories closed from the start of 2023 through the first quarter of 2024 after Chinese exports to the country surged, according to KKP Research, part of Thai bank Kiatnakin Phatra Financial Group.

New factory openings are helping offset those closures, the bank said, but "the future outlook is likely to become more challenging."

To fight back, developing countries have implemented nearly 250 trade-defense measures affecting Chinese imports since the start of 2022, including tariffs, antidumping investigations and antitrust probes, according to Global Trade Alert, a nonprofit based in Switzerland that supports open trade.

Brazil, a key member of the Brics group of developing economies that includes China, accounts for more than 120 of those interventions. Despite close personal ties between Brazilian President Luiz Inácio Lula da Silva and Chi-

Chinese overall exports, change since January 2022



nese leader Xi Jinping, Brazil has raised tariffs on auto parts, telecommunications equipment and steel made in China and other countries.

In October, Indonesia banned Temu, the Chinese-origin app that shuttles cheap goods directly from Chinese factories to consumers' doors worldwide. Indonesia said the model raises risks of predatory pricing.

"If foreign products enter

with prices far lower than products from our own small businesses, consumers will choose the cheaper offerings," said Prabunindya Revta Revolusi, director general of Indonesia's Communications Ministry. "Our small businesses will struggle to compete."

China's Commerce Ministry didn't respond to requests for comment.

Some developing-world leaders have carried their frustration all the way to Beijing. In a visit to the Chinese capital in July, Bangladesh's then-Prime Minister Sheikh Hasina said she wished to create a "more equitable trade relationship" with China, which has a \$22 billion annual trade surplus with Bangladesh. She got a commitment to start importing Bangladeshi mangoes, but not much more.

In September, South African President Cyril Ramaphosa made similar pleas during a Beijing visit. Chinese exports to South Africa have doubled since 2016, even as South Africa's economy has stagnated.

On the other side of the ledger, China has extended bil-

lions of dollars in loans and investment deals to the Global South. It touts these funds as evidence that China is more reliable than the U.S., whose pledges of support have at times fallen through or come with restrictions.

In November, Xi officially opened a vast new deep-water port in Peru built with Chinese money. Many emerging markets sell massive amounts of commodities, such as soybeans and iron ore, to China, and some have free-trade agreements with Beijing.

Developing-world countries also have many geopolitical reasons to deepen ties with China, including, in some cases, distrust of the U.S.

These crosscurrents show how Beijing's relationships are growing more complex when China needs as many friends as it can get. Trump has said he would raise tariffs on Chinese imports to the U.S. to 60% or more. Even smaller increases could rock a Chinese economy that is struggling to recover from a real-estate bust and other problems.

China could respond by let-

ting its currency weaken, making its goods cheaper for alternative buyers. But that would likely accelerate China's shift toward selling more to developing-world nations, with its own economy too weak to buy much more of their exports, pushing trade tensions higher.

Much of the current discord stems from China's efforts to support its factory sector to keep its economy steady. Since the real-estate bubble popped in 2021, China's leaders have been pouring money into industry, which has led to ballooning production and a surge in exports. With the U.S. and Europe raising tariffs to keep that excess production out, the developing world has become a logical outlet.

Since the start of 2022, the value of Chinese exports to emerging economies has risen 19%, according to International Monetary Fund data. Imports from emerging markets during the same period have risen 11%. In the 12 months through August, China's trade surplus with emerging economies reached \$384 billion, 56% bigger than in 2021.

South Korea President Rebuffed

Continued from Page One
“confrontation between liberal democracy and communist totalitarianism.”

In his televised speech announcing the move on Tuesday, Yoon explained his rationale in an address that ran just over five minutes: “The martial law is aimed at eradicating pro-North Korean forces and to protect the constitutional order of freedom.”

The U.S. hadn’t been notified in advance of the martial-law decision, a spokeswoman for the White House’s National Security Council said, adding that Seoul and Washington had since been in touch. South Korea is home to the U.S.’s largest overseas military base and hosts roughly 28,500 American military personnel.

A State Department spokesman said the U.S.’s diplomatic posture toward the South hadn’t changed, though he called Yoon’s declaration of martial law a “grave concern.”

Yoon’s move on Tuesday was remarkable even by the standards of South Korean politics, which have been turbulent since the country’s transition to democracy in 1987 after decades of brutal military rule. Several former presidents have been



legislation for his domestic agenda. About two-thirds of South Koreans hold negative perceptions of Yoon’s ability to run the country, recent polling shows.

Han Dong-hoon, the head of Yoon’s People Power Party, called Yoon’s move to declare martial law an illegal, unconstitutional move.

“South Korea is a democratic country. We will protect democracy alongside our citizens,” said Han, a former justice minister in Yoon’s cabinet.

The political instability led to declines in the U.S. shares of several South Korean companies. E-commerce giant Coupang fell 3.7% and steelmaker Posco Holdings dropped 2.2%. The iShares MSCI South Korea ETF fell 1.6% after sinking as much as 7%.

Meanwhile, the value of the South Korean won fell against the U.S. dollar in global currency markets. In early Wednesday trading, South Korea’s benchmark Kospi index was down around 1%. Officials vowed to inject more than \$35 billion in emergency funds into the country’s stock and bond markets in the face of major sell-offs.

—Soobin Kim and Alexander Ward contributed to this article.

Watch a Video

Scan this code for a video on upheaval in South Korea’s Parliament

sent to prison after leaving office. Park Geun-hye, the country’s first female leader and the daughter of one of South Korea’s former military dictators, was impeached, then ousted from office in 2017 over an influence-peddling scandal.

Despite the pugilistic politics, no South Korean leader has instituted martial law in more than four decades. Doing so, under the stipulations of martial law, puts local media under government control, halts all political activity and orders all medical personnel to return to work within 48 hours, among other measures.

“President Yoon has made a

big political mistake,” said Ramon Pacheco Pardo, the KF-VUB Korea chair at the Brussels School of Governance.

Yoon, whose approval ratings have recently slid below 20%, will now face tough questions about his political future. He is roughly at the midpoint of a five-year term and by law isn’t allowed to seek re-election.

One of South Korea’s largest newspapers, the center-right JoongAng Daily, said in an editorial that it would be doubtful that Yoon maintains his presidency after declaring martial law. “The discussion regarding the president’s impeachment has become inevitable,” the edi-

torial read.

On a frigid winter night well past midnight, hundreds of South Koreans gathered in front of the National Assembly building, with helicopters flying and police standing watch. The protesters chanted: “Impeach Yoon Suk Yeol!”

Yoon, 63 years old, was a career prosecutor with no political experience before he narrowly won the presidency. The country remained deeply divided after he took office. According to a 2022 survey by the Pew Research Center, the only country with higher perceived levels of partisan conflict than the U.S. was South Korea.

This year, South Korea remained on an even more dramatic political edge. In January, Lee Jae-myung, head of the left-leaning Democratic Party, was stabbed in the neck and required emergency surgery.

The alleged assailant said he wanted to prevent Lee from winning the presidency in 2027 and more immediately block the Democratic Party from racking up a victory in the next legislative election. Weeks later, a conservative lawmaker was attacked.

In April, Yoon’s ruling party suffered a blowout loss in the legislative elections. That meant Yoon would struggle to pass any

WORLD NEWS

Zelensky Eyes A Peace Deal

BY LAURENCE NORMAN
AND IAN LOVETT

KYIV, Ukraine—Ukrainian President Volodymyr Zelensky is subtly shifting his rhetoric about ending the war with Russia, suggesting that Ukraine is open to stopping the fight to regain Russian-occupied territory in exchange for membership in NATO.

In a series of interviews and public statements over the past week, Zelensky has sought to show that he is prepared to negotiate an end to the conflict—something that President-elect Donald Trump has called for repeatedly. For most of the war, Zelensky insisted that Kyiv would keep fighting until it reclaimed the roughly 20% of the country now under Moscow's control.

Now, Zelensky is suggesting that he could accept a ceasefire that effectively would leave occupied territory in Moscow's hands if the rest of Ukraine were given protection by the North Atlantic Treaty Organization. Two significant hurdles stand in the way, however: Ukraine's chances of joining the military alliance in the near term remain slim, and there is little indication that Russian President Vladimir Putin wants to negotiate.

In recent months, Russian forces have advanced more quickly in eastern Ukraine than at any point since the early days of the war. Moscow also has moved its economy onto war footing, and recently approved the largest defense budget in Russia's history, giving Putin confidence that he can continue to grab more Ukrainian territory by force.

In a news conference on Sunday, Zelensky said Ukraine would only be willing to enter such negotiations from a position of strength, which would require further steps toward

NATO and new provisions of Western weapons.

"If we'll have [a] frozen conflict without any strong position for Ukraine, so Putin will come in two, three or five years," Zelensky said. "He will come back and destroy us totally. Or try to destroy us."

Still, the Ukrainian leader's openness to ceding territory, even temporarily, is a significant concession. Speaking to Sky News on Friday, Zelensky said NATO membership must be offered to unoccupied parts of Ukraine for Kyiv to consider ending what he called the "hot phase of the war." While Ukraine would continue to claim the whole of its territory, he suggested Kyiv would seek to "get them back in a diplomatic way."

He made a similar case in an interview with Kyodo News, a Japanese outlet. "Our army lacks the strength to do that," he said of ousting the Russians. "We do have to find diplomatic solutions."

NATO Secretary-General Mark Rutte on Monday declined to discuss Ukraine's membership prospects. "The main issue with Ukraine has to be, 'How do we get more military aid into Ukraine?'" he said. "In the meantime, that bridge to NATO membership is being built" through bilateral-security deals with member countries and other efforts.

Zelensky's rhetorical shift reflects a growing weariness among Ukrainians, who want an end to the conflict. Russian strikes have left much of the country without consistent electricity, while manpower shortages mean that more men who don't want to fight are being forcibly conscripted.

A Gallup poll published in November found that 52% of Ukrainians in unoccupied parts of the country support negotiating an end to the war "as soon as possible," up from 27%



Ukrainian soldiers on the front line. Many Western officials are skeptical that Moscow will negotiate while making battlefield gains.

The Cost of Waging War in Ukraine Is High for Russia

The costs of Russia's recent advances in Ukraine have been immense: U.S. officials estimate that Moscow is sustaining more than 1,000 casualties a day. And military experts say no breakthrough is imminent.

The ruble has tumbled recently, pushing up inflation and interest rates, and further crimping the parts

of the economy not dedicated to defense.

However, Russian officials remain confident that the tide has turned in their favor. In November, Sergei Shoigu, the secretary of Russia's Security Council, told a Russian state news agency that the West

should recognize that Russia is winning the war, and

leaders invite Ukraine to join.

Even that looks uncertain, however. Without NATO membership, Ukraine and its closest allies say Kyiv will have no real security guarantees and will face capitulation in any negotiations with Russia. Officials in Washington, Berlin and elsewhere worry that moving Ukraine closer to the alliance could sharpen the West's confrontation with Moscow.

António Costa, the new European Council president, said the bloc supported Ukraine from the first day of the war and "will stand for Ukraine as long as necessary." Yet behind the scenes, European officials are trying to position themselves for Trump's plans.

Based on conversations so far, and the president-elect's foreign-policy picks, there is cautious optimism in Brussels and Kyiv that the Trump administration would push to wrestle real concessions from the Kremlin if Putin engages in talks. Still, many Western officials remain skeptical that Moscow will negotiate while it is making battlefield gains.

last year; 38% supported continuing to fight until Ukraine wins, down from 63% last year.

Western officials have been raising some kind of security-for-territory arrangement for more than 18 months, as the 2022 Russian invasion has ground into a bloody war of attrition. Trump's election has given new urgency to talks, as Western allies aren't certain whether as president he would continue sending military aid to Ukraine, or how much.

Rutte said that in a meeting with Trump in November, he told the president-elect that NATO countries must "make sure that whenever Zelensky—from a position of strength—is starting talks, we have an outcome which is a good deal."

Enabling Zelensky to negotiate a good deal with Moscow is vital for more than Ukraine, Rutte said he told Trump. "What we have to prevent is...North Korea, China, Russia and Iran to high-five each

other because we got into a bad deal," Rutte said.

Major capitals, including Washington and Berlin, remain reluctant to move Ukraine closer to NATO. Zelensky has been pushing for an invitation to join the alliance, though he acknowledges that accession to NATO could only come after the war ends. For now, Ukrainian and European officials say, Kyiv is pushing for a recommendation from NATO foreign ministers that alliance

WORLD WATCH



CROWNING ACHIEVEMENT: Thai Queen Suthida on Tuesday led a military parade in Bangkok.

IRAN Hip-Hop Artist Released From Jail

Iran released a government critic and popular hip-hop artist who came to fame because of his lyrics about the 2022 death of Mahsa Amini, local media reported Tuesday.

Toomaj Salehi spent a little more than a year in jail, and faced a death sentence issued by a Revolutionary Court. The sentencing drew international criticism and was overturned in June. Iranian newspapers reported that Salehi was freed Sunday.

The Grammy winner was detained for the first time in 2022 following mass protests that swept the Islamic Republic after Amini was arrested for wearing her hijab, the Islamic head covering, too loosely, and later died in police custody.

Salehi rapped about Amini in one video, saying: "Someone's crime was dancing with her hair in the wind." In another verse, he predicted the downfall of Iran's theocracy.

He spent time in and out of jail, and said he was tortured during detention, which led to his arrest in November 2023. United Nations investigators said Iran was responsible for Amini's death, and that it violently put down largely peaceful protests, killing more than 500 people and detaining over 22,000.

—Associated Press

CONGO Unknown Disease Has Killed Dozens

An unknown disease has killed at least 67 people during a two-week span in southwestern Congo, said local authorities.

The deaths were recorded between Nov. 10 and Nov. 25 in the Panzi health zone of Kwango province.

The symptoms included fever, headache, cough and anemia, the provincial health minister, Apollinaire Yumba, told reporters.

The deputy provincial governor, Rémy Saki, said on Tuesday that between 67 and 143 people died.

"A team of epidemiological experts is expected in the region to take samples and identify the problem," he added.

Yumba advised the population to exercise caution and refrain from touching the dead to avoid contamination.

He called on national and international partners to send medical supplies to deal with the health crisis.

Congo has been plagued by the mpox epidemic, with more than 47,000 suspected cases and over 1,000 suspected deaths from the disease in the Central African country, according to the World Health Organization.

—Associated Press

CANADA Trudeau Discussed Trade With Trump

Canadian Prime Minister Justin Trudeau said he addressed trade issues related to steel, aluminum, energy and softwood with President-elect Donald Trump last week.

In the Canadian legislature on Tuesday, Trudeau spoke for the first time, excluding social-media posts, about his surprise Friday visit to Trump's Florida home. Trudeau said he spoke to Trump about "the major challenges facing our citizens," such as the economy, border security, and stemming the flow of illegal drugs.

Canada's Public Safety Minister said the government would deploy more drones, helicopters and border agents.

Trudeau said he spoke with Trump about Canadian exports of steel and aluminum, which faced tariffs during the first Trump administration. They discussed energy trade and softwood lumber, he added.

The visit came after Trump pledged to impose a 25% tariff on imports from both Canada and Mexico because of concerns about border security. Nearly three-quarters of Canadian exports are U.S. bound. Two-way trade between the countries totaled nearly \$1 trillion in 2022, showing the latest available data from the U.S. Trade Representative.

—Paul Vieira

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FROM PAGE ONE

Insurers Chase Veterans

Continued from Page One

payers far more than traditional Medicare coverage, according to the Medicare Payment Advisory Commission, a congressional agency.

To analyze how Medicare Advantage insurers can profit from veterans, the Journal examined 93 plans where a majority of members were veterans who used VA health services.

The plans, covering about 200,000 people in 2021, were identified using VA data provided by Trivedi and his team at Brown and the Providence VA.

The Journal then used Medicare data to examine how much the insurers were paid by the government for each plan, compared with how many medical services their members used.

Under Medicare rules, the government payments are supposed to be based on the amount insurers expect to spend on members' health expenses, plus an allowance for overhead and a modest profit. Each year, insurers propose pricing for their plans, which Medicare must approve.

The Journal's analysis suggests that the government is overpaying insurers for veterans' coverage.

The insurers charged the government a total of about \$1.7 billion in 2021 for the veteran-majority plans. On a per-member basis, that came to 77% as much as other plans in the same geographic areas. The lower price, insurers say, reflects the lower cost of caring for veterans who are getting a portion of their care from the VA.

But members of the veteran-majority plans used far fewer medical services than members of the other plans: They had 53% as many surgeries, 50% as many doctor visits and 55% as many radiology scans. They also spent fewer days in the hospital—about 72% as many as members of other plans.

A Medicare spokeswoman said insurers' prices "are expected to reflect the lower revenue need, given that veterans may access the VA for some services."

A spokesman for Humana, the leader in veteran-focused Medicare Advantage plans, said veterans "have earned the right to choose their healthcare coverage" and that they benefit from the additional options. The spokesman, Kevin Smith, said Humana's analysis of its own plans, which used a different methodology, "yields higher veteran utilization of Medicare Advantage benefits" than the Journal's analysis. He also said the Journal's analysis doesn't account for veterans' use of certain additional benefits offered by its plans, such as dental and vision coverage.

Some Medicare Advantage companies are openly chasing veterans, rebranding their insurance offerings with names like the Humana Honor plan, the Aetna Eagle plan and UnitedHealth Group's Patriot plan. Almost all the veteran-branded plans offer cash rebates to induce veterans to sign up, a perk that is rare in other Medicare plans.

"These private Medicare Advantage companies are taking large payments from the federal government but avoid paying for healthcare because the VA provides the services," said Amal Trivedi, a physician at the Providence VA Medical Center and Brown University professor who has studied the VA-Medicare Advantage payment issue.

Insurers said their plans offer veterans more choices for their healthcare, comply with Medicare rules and are priced to account for lower spending on veterans who also use the VA. They said veterans are heavy users of the extra benefits the plans offer, such as dental care, which isn't reflected in the Journal analysis.

A spokesman for Aetna, which insured Air Force veteran Kitt through its affiliate, said the company is proud to offer Medicare Advantage to veterans and complies with Medicare rules.

The VA encourages veterans to sign up for some form of Medicare, even if they have access to VA health, in part because Medicare gives them the choice of going to a non-VA doctor or hospital.

Medicare Advantage plans are attractive to many veterans because they offer perks that go beyond what Medicare requires, ranging from the dental benefits to gym memberships.

Medicare Advantage, the privatized form of the federal health program for seniors and disabled people, was expanded about two decades ago in an effort to deliver care more efficiently. The insurers get paid a lump sum every month to cover members' healthcare, with higher payments for patients diagnosed with more serious health conditions. The private plans now cover more than half of Medicare recipients.

The program has proved popular, but also has cost tax-



Air Force veteran Bruce Kitt gets almost all of his healthcare outside the Medicare system.

As of this year, 88% of plans marketed to veterans paid such rebates, compared with 11.7% of other plans. On average, members of veteran-branded plans were eligible for about \$1,000 a year in such rebates, a Journal analysis of benefit and enrollment data shows.

The Humana spokesman said many veteran-focused plans offer more extra benefits than other Medicare Advantage plans because they don't usually cover pharmacy benefits. Plans that cover drugs typically spend some of their revenue available for extra benefits to subsidize pharmacy costs, he said.

Humana, based in Louisville, Ky., covered 79% of all Medicare members who were in veteran-majority plans in 2021, the Journal analysis shows.

The company rebranded some of its veteran-heavy plans as Honor plans in 2020, and told investors its Honor plans' membership grew by 80% the next year.

UnitedHealth Group, which launched its Patriot-branded plans aimed at veterans in 2021, markets some through senior advocacy group AARP.

Under Medicare Advantage rules, insurers are entitled to extra payments from the government for patients with certain diagnoses. When customers go straight to the VA for care, though, their insurers might not be aware of such payment-boosting diagnoses.

Another way for insurers to collect diagnoses that make them eligible for extra payments, including for conditions being treated only by the VA, is by sending nurses to visit members at their homes to gather health information.

UnitedHealth dispatched nurses to conduct home visits with members of its veteran-majority plans about 20% more frequently than other UnitedHealth Medicare recipients in the same regions, the Journal analysis found.

UnitedHealth said in a written statement that the company's plans "ensure veterans have access to important additional benefits such as vision, dental, and hearing that complement their VA benefits." Spokesman Matt Wiggan said veterans are heavy users of such benefits and that the Journal's analysis was inaccurate because it didn't account for use of such perks.

Medicare data about plans' projected spending on optional extra benefits isn't available for 2021, the year the Journal studied, and Wiggan didn't provide any for UnitedHealth's plans. The company didn't respond to a question about its home visits to veterans.

Navy veteran John Burks, 72, of Wichita, Kan., said he signed up for a Humana Honor plan years ago, but for years never used it, preferring to get his healthcare from the nearby Robert J. Dole VA Medical Center.

"I get basically all of my care at the VA," Burks said. "I've had excellent care there," he said, despite what he described as sometimes long waits.

That didn't stop Humana from contacting him frequently, he said, asking to send a nurse for a home visit. "I told them, I just had my annual physical. Why do I need this?" But he allowed them to come three or four times over the years, he recalled.

Over the years, he said, he has been treated at the VA for a chronic lung disease, issues related to asbestos exposure from his Navy service and prostate cancer. He got hearing aids and eyeglasses from the VA, he said, which also paid for him to go to an outside provider for an operation on his nose, which he broke multiple times when he was younger.

He never used Humana's medical insurance to pay for any of it, he said, until last year, when he fell off a ladder. He stayed in a local hospital and a rehab facility for about six weeks and had multiple surgeries.

The sizable bill was covered by Humana, he said, adding that "Humana has done me excellent, too."

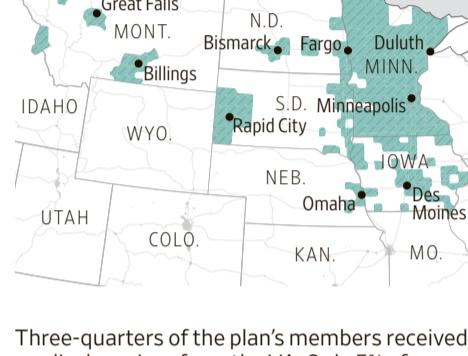
The Humana spokesman said Burks's experience shows how Medicare gives veterans the option to get care they need from non-VA doctors and hospitals.

Shortly after being released in a wheelchair, Burks went to the VA emergency room with what he said was a hospital-acquired infection. Then he required six months of physical therapy—paid for by the VA.

—Anna Wilde Mathews contributed to this article.

Low-Cost Customers

The biggest veteran-majority plan in 2021 was a Humana Honor plan that covered about 13,000 members in the upper Midwest.



Three-quarters of the plan's members received medical services from the VA. Only 5% of members of other Medicare Advantage plans in that area used VA services.

Humana Honor members 75% veterans

Members of other plans in the area 5% veterans

Medicare paid Humana an average of \$7,702 per member of the Honor plan that year. That's 78% as much as the federal government paid other Medicare Advantage insurers to cover members in the same area.

Medicare payment to insurers, per member

Humana Honor Payment ratio, 78%

\$7,702

Other plans

\$9,906

But Honor plan members spent far fewer days in the hospital than members of other plans and had about one-third as many doctor visits, meaning lower costs for the insurer.

Use of common Medicare services by Humana Honor members, as a percentage of use by members of other plans

Days in hospital Payment ratio, 78%

62%

ER Visits

61

Radiology scans

42

Doctor visits

37

Surgeries

37

Insurers can profit when members use fewer services

Many members of veteran-majority plans didn't use any Medicare services at all. Plans run by Humana, the leader in covering veterans, had the highest rates of non-use.

Percentage of non-users by plan

Number of members

Each dot is a plan

10,000

1,000

100

10

0

30 Humana plans

Plans from other insurers

20

10

0

10

0

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PERSONAL JOURNAL.

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THE WALL STREET JOURNAL.

Wednesday, December 4, 2024 | A9

By ALINA DIZIK

How much would you pay for just one bite? Tiny portions of intricately assembled ingredients are gracing menus. Many incorporate caviar, seafood or Wagyu beef. The bites are meant to start the meal, and many cost \$20 to \$30 each, often more than heartier appetizers.

For restaurants, it's a way to fatten check totals, since customers remain just as likely to pay for larger plates. And customers order their own because they are too small to share. Diners are drawn to the novelty—and the social media hype.

"It's a bougie and flexy way of starting a meal," says Simon Kim, chief executive of Gracious Hospitality Management who in 2024 opened Coqodaaq, a New York-based Korean-style fried chicken and Champagne restaurant.

While Coqodaaq's menu offers a \$38 bucket of fried chicken with some sides included, tables are also offered one of the restaurant's three Golden Nuggets. A single chicken nugget topped with truffle costs \$30, another topped with caviar costs \$28 and one with ocean trout roe is \$16.

Ozempic and other weight-loss drugs are starting to play a role in this shift, chefs say. In the past two years, diners are ordering less-filling food, even when they aren't concerned with price, says Andrew Quinn, co-owner of the Noortwyck, a New American restaurant in New York.

The restaurant offers a \$20 hash brown with caviar, a popular add-on. Single-bite items with premium ingredients such as lobster and oysters that the restaurant offered this summer during happy hour will soon be sold seasonally. It's become easier to sell diners on one-bite items, he says.

"I can't tell when people come into the restaurant if they are supplementing their diet with vitamin O," Quinn says of Ozempic. "But there's been a trend to ordering less food."

At Rootstalk in Breckenridge, Colo., chef Matt Vawter started offering a rotating, seasonal selection of bites on the a la carte portion of the restaurant's menu this year. The four current bites include a \$24 piece of potato gratin topped with caviar, \$19 blue crab, \$13 truffle-topped egg custard and a \$9 fried-chicken piece topped with cucamelon; diners can order all four for \$49.

"It's kind of four complete dishes, but in bite form," he says. Vawter says many of the bites have ingredients too pricey and too rich to sell as larger dishes. They also can take hours to compose.

But it's paying off. He's seeing



New Restaurant Trend: One Bite for Up to \$30

Luxe portions attract social media hype and help fatten check totals



more customers taking on bites throughout the meal. The restaurant originally only offered them on its tasting menu, but found that selling them individually generated higher check averages.

Lauren Lubarski, who works in solar sales in Pittsburgh, says she enjoys smaller bites because feeling too full makes her less likely to stay out after dinner. When she eats with her girlfriends, they

▲ New York restaurant Coqodaaq offers Golden Nugget bites ranging from \$16 to \$30.

don't always clean their plates.

"I don't want to leave with leftovers, and I don't want to pay for the stuff I have left over," she says.

Young adult diners are especially interested in small bites, says Shannon O'Shields, vice president of marketing for Rubix Foods, a flavor and ingredient company that develops menu items. Younger consumers are more adventurous and eager to try a variety of dishes, including high-end ingredients, O'Shields says.



▲ Rootstalk offers a selection of luxurious single bites, like the buttermilk fried chicken bite.

ident of marketing for Rubix Foods, a flavor and ingredient company that develops menu items. Younger consumers are more adventurous and eager to try a variety of dishes, including high-end ingredients, O'Shields says.

◀ Rootstalk chef Matt Vawter started offering bites on the a la carte menu earlier this year.

"It's all about the story—to be able to say you've tried it," she says.

Some of the interest is also driven by the rise in snacking culture, O'Shields says. Her company finds that younger adults are eating snacks in place of two to five traditional meals each week. Smaller restaurant portions make it easier to dine out without feeling stuffed, especially for those looking to lose weight.

McKenzie Ryan, a New York-based real-estate broker, says she's been ordering smaller, individually portioned pieces during business dinners. The ingredients impress her luxury clients.

"We're able to start eating without a fork and knife, and talk between bites," she says. "The food isn't the centerpiece."

There's a sweet spot to offering just the right amount of small bites. Adding more than a couple of tiny portions to the menu would cut into check totals, says Noortwyck's Quinn. At that point, he worries that diners won't want to order some of the restaurant's larger, pricier plates—like the \$48 barbecue duck breast or the \$80 roast chicken for two.

"You want people to combine food," he adds. "It shouldn't replace anything."

Christine Medina, a New York-based branding agency owner, says the bites she's tried often don't work, but are trendy enough that she's still tempted to splurge. Medina finds out about them on social media when looking up the restaurant and tries to watch the reaction of diners eating them to see if they're worth it.

"Sometimes you feel this was so expensive for no reason, and you get upset about it," she says.

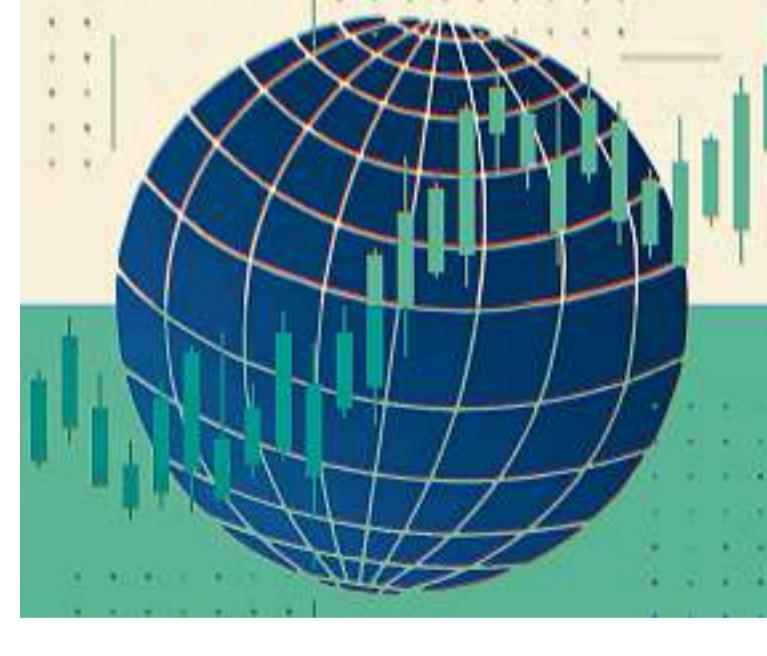
The \$14 honeymoon oyster at Water Grill helps draw people into the restaurant even though it's not one of the biggest sellers "and a little bit of a stretch for some people," says Brian Okada, vice president of culinary and brand development at King's Seafood Company.

The oyster is freshly shucked and surrounded by fish eggs, sea urchin and a raw quail egg. Customers constantly photograph its bright reds, oranges, greens and yellows.

"When it pops up on social, people will come in for it," Okada says.

Matt Gerlach, a Los Angeles-based executive coach, has different considerations for why he says yes to the pricey one-bite portions: Everyone else at the table is doing it. If the group is splitting the check evenly, he's more likely to splurge on a single bite. Otherwise, he'll probably skip.

"I'm not going to have half the table get caviar and end up paying for it," he says.



Foreign stocks make up nearly a quarter of target-date retirement funds.

now, it's so interconnected," he said. "I look at them as international companies on their own."

Since the end of 2021, U.S. investors have pulled some \$3.3 billion from international stock exchange-traded and mutual funds while putting nearly \$73 billion into U.S. funds, according to Morningstar Direct.

Gordon decided he doesn't need international stocks because he gets exposure to those economies through the largest U.S. companies, such as McDonald's and Microsoft, which have significant foreign sales.

"The way the world economy is

and 30% international stocks would have performed about the same as a portfolio of all U.S. stocks, but with less volatility, according to Fidelity Investments.

Some brokerages recommend keeping anywhere from 20% to 40% of stocks in international companies as part of a diversified portfolio. People who tap financial advisers are more likely to hold international stocks than those who build their own portfolios, according to Vanguard Group.

"It's like their mantra: You need to get international stocks in your portfolio," said Eric Figueroa, who is among the financial advisers telling clients the opposite.

The Folsom, Calif.-based adviser says, "the pain-to-benefit ratio isn't worth it" for a buy-and-hold portfolio, given their performance.

Changing winds

Lately, international stocks have performed so poorly that Bank of America analysts think the time is right to buy Chinese and European stocks. They reason that bad sentiment is bound to reverse after getting so extreme.

The price performance of U.S. stocks relative to international stocks hit a 75-year high, the bank found.

So far there hasn't been much of a reversal.

President-elect Donald Trump is likely to change the dynamics between the U.S. and the world.

From Election Day through Monday, the S&P has risen 4.6%. The MSCI index tracking the rest of the world has fallen 0.7%.

Foreign Stock Investors Are Caught In a Bind

By BEN EISEN

US. stocks have been euphoric lately—and they've left international stocks in the dust.

The longtime performance gap between the two is widening. Since the end of 2009, an MSCI index tracking equities outside the U.S. has only topped the S&P 500 in two years, according to Dow Jones Market Data. During the S&P 500's banner 27% rise this year through Monday, the index has risen 5%. If that holds through the rest of the year, it would be the biggest performance gap in nearly three decades.

Investors are now in a bind: Hold on to something that keeps falling behind, or sell it when it's potentially at a low point? Investing history suggests that stock-market dogs bounce back eventually.

Millions of American investors are likely facing that dilemma, particularly as a new Trump administration gets set to change the U.S.'s relationship with the world. If you have a target-date retirement fund, foreign stocks make up nearly a

ELENA SCOTT/WJSI STOCK

quarter of it on average, according to Morningstar Direct. The share has held pretty constant over the past few years.

The \$19 billion Fidelity Freedom 2050 Fund, for example, has about 45% of its stocks outside the U.S. It is higher than the benchmark MSCI index that tracks the entire world's stock market, where only about a third of its weight is outside of the U.S.

Investors in similar funds might not be aware of their exposure to these stocks.

"That's a pretty significant bet," said Jason Kephart, director of multiasset ratings for Morningstar. "When you have big bets like that, you're either really right or really wrong."

A representative for Fidelity said its "investment team believes diversification is the best way to manage uncertainty in capital markets over extended investment horizons."

Interconnected world

Some investors are throwing in the towel on international stocks.

Rex Gordon, a 41-year-old pharmacist in the Philadelphia area, sold his target-date fund a few years ago and put his investments all in U.S. stocks. He splits his holdings between large-capitalization companies, midcaps and small-caps, a mix he has been pleased with.

Gordon decided he doesn't need international stocks because he gets exposure to those economies through the largest U.S. companies, such as McDonald's and Microsoft, which have significant foreign sales.

"The way the world economy is

do well when the U.S. is doing poorly, and vice versa.

In the 1980s, when the Japanese market was roaring, international stocks blew past the U.S. The Nikkei peaked around the end of that decade, then slumped for so long

it only recently surpassed that record high. If the U.S. market fell into a similar rut, international stocks could power investor portfolios higher.

Between 1950 and 2022, a hypothetical portfolio of 70% U.S. stocks

PERSONAL JOURNAL.

Women Bosses Made Gains This Year

Survey finds that how we view women in charge, especially at work, is shifting as more are coming into power

BY VANESSA FUHRMANS

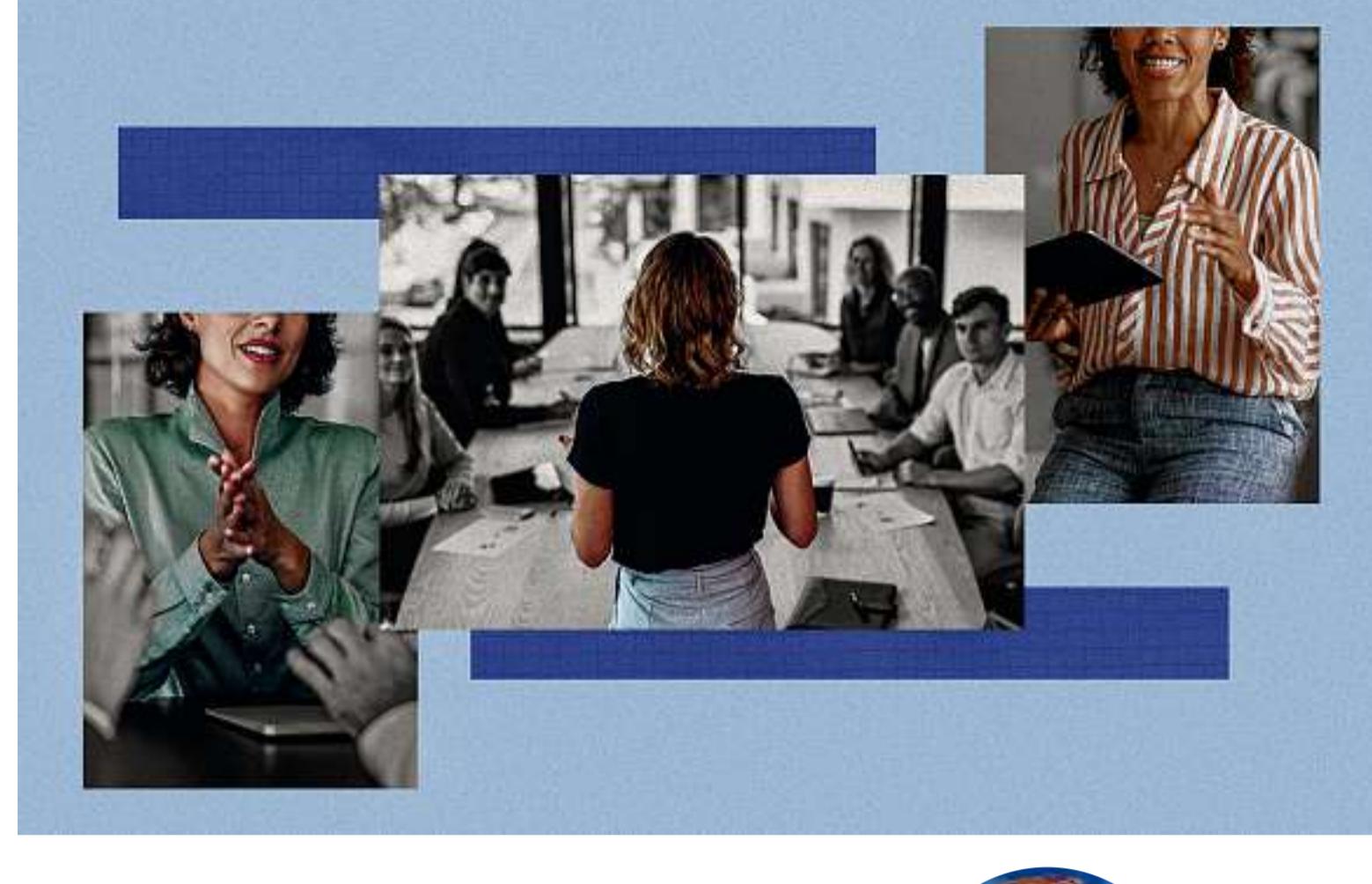
So far, 2024 has been an unexpectedly winning year for female bosses. On the surface, this year has lacked headline-grabbing milestones for women in leadership. The share of women in Congress and running Fortune 500 companies mostly stalled after years of steady gains. CVS Health, the largest company to be led by a female CEO, Karen Lynch, ousted and replaced her with a man. And we all know who didn't win the presidential election.

Just beyond the highest levels of power, women have made inroads that could pave the way for more advances. Women leading private companies valued at over \$1 billion more than doubled from last year, while the number of female entrepreneurs jumped 41%, according to the Women Business Collaborative, an alliance of professional women's groups. Appointments such as JetBlue Airways' Joanna Geraghty, Expedia's Ariane Gorin and S&P Global's Martina Cheung drove the share of female CEOs in the Russell 3000, which encompasses nearly all U.S. public companies, to 9% from 6.8% in mid-2023.

The most powerful shift may be that after years of favoring male leadership by sizable margins, workers indicate a growing preference for female bosses in their daily work life. Given the choice, more women under 50 said they would opt to work for a woman than a man, while 20-something men were nearly evenly split on their preference, according to a survey of nearly 6,000 U.S. adults by the Survey Center on American Life in August.

That's a change from a decade ago, when far greater numbers of workers said in Gallup surveys that they preferred working for a man vs. a woman and fewer than half were neutral on the matter.

Younger workers especially



have witnessed a steady rise of women in middle and senior management—and more examples of how women lead. A body of research from the likes of Harvard Business Review, Pew Research Center and McKinsey shows women tend to get higher marks for being more engaged and nurturing bosses, though studies suggest they are also held to higher performance standards.

"The more examples we have of women who can do these things successfully, those biases will get knocked down. It's just going to still take a while," says Jennifer

Dulski, a former Google and Facebook executive who founded and is now chief executive of Rising Team, a maker of employee-engagement software.

"We know we'll be done with this when there are no more women-in-tech conferences or panels—when it's just not a big deal" for women to be in charge, says Dulski, who says she wishes she weren't sometimes referred to as the first woman to teach the in-demand Managing Growing Enterprises course at the Stanford Graduate School of Business.

'Token CEO'

Erika Ayers Badan ran Barstool Sports, the male-oriented media outlet known for its College Football Show and other sports-themed podcasts for eight years until early 2024. There, she made a point to flout gender stereotypes—cussing "like a truck driver," yet also wearing dresses in a workplace where guys in sweatpants were the norm. Early on, bloggers suggested she was hired to clean up Barstool's raunchy, bro-centric image.

"So I trademarked 'Token CEO' and made a show around it," she says of the Barstool podcast she hosted until last year.

Now CEO of Food52, a food and lifestyle brand, Badan says in the early years of her career as a marketing executive she studied female leaders, noticing the pressure they faced to create a facade of perfection.

When it comes to running a business, she

says gender doesn't really factor: "I'm just really about the work and I want the results."

Because they've seen more female managers in action, younger professionals may prefer them more than older workers do, says Lareina Yee, a senior partner at McKinsey who advises companies on new technologies and leads McKinsey's research on women in the workplace with LeanIn.org.

"When there's only one woman executive, you can only imagine one way of female leadership. When you get closer to 30%, or 40%, you can see a diversity of success models for women," she says. "It's not like all the men do it one way."

Fund-raising woes

In January, a woman will serve for the first time as White House chief of staff, when Trump co-campaign manager Susie Wiles steps into the role. Women also hold more top leadership roles than ever at major U.S. companies, including nearly 30% of the seats in the C-suite.

In the corporate world, senior female leaders are more likely to be chief HR or legal offi-

cers than in CEO-track positions. Those are critical, but not revenue-impa-

cating, assignments, and don't often lead to the top job. Women also lag behind men on crucial early promotions into management, according to a 10-year study of promotion rates of millions of women and men at large North American companies conducted by McKinsey and Lean In.

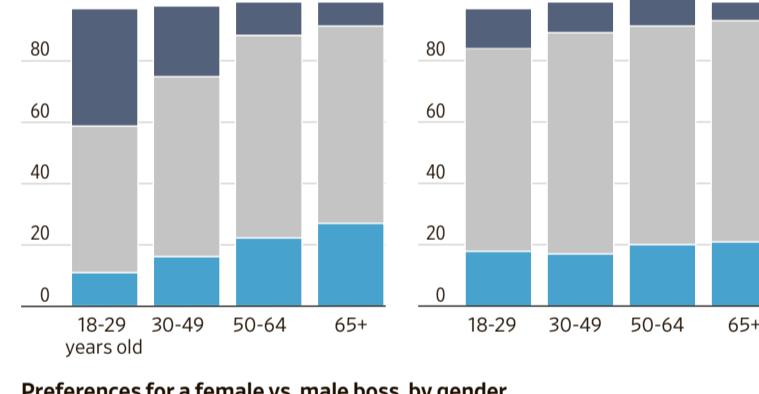
They also continue to raise far less capital to start up businesses. Startups with female founders have received 2% of all venture-capital funding in the U.S. so far this year, though founder teams with both women and men got 23%, according to PitchBook Data Inc.

"I still find it difficult to raise money," Dulski says, despite having successfully built and sold another company. "If I were a male founder, even if I had totally failed at my last company, I would find it easier."

That could change as more women pursue careers in entrepreneurship and management, says Elissa Sangster, chief executive of Forté Foundation.

The share of women enrolled in full-time M.B.A. programs this fall reached 42% at the 61 business schools that Forté tracks. That's up from 34% in 2014. This year, eight top-ranked business schools have classes that are at least 50% women.

Preferences for a female vs. male boss, by age group



Note: Doesn't include 'Refused to answer' category.
Source: Survey Center on American Life survey of 5,837 U.S. adults conducted Aug. 16-24, 2024

Free Speech Fight Over Bakery Sign

Continued from Page One

have sprinkles and swirls.

But after he hung the painting, Young found out he was in violation of Conway's local zoning law. He was told to take it down or adjust the size. At 91 square feet, it was nearly four times larger than allowed, the town said.

Rather than acquiesce, Young fought back. He believes the law is being incorrectly applied to his muffin mountains. The painting is a mural, not a commercial sign, and the town doesn't have the right to regulate his content, he says.

"What they've said is that if it were actual mountains, or flowers or something that we don't sell in the bakery, it would be OK. Or if it were on the farm stand across the street, it would be OK," he said.

Young filed a First Amendment lawsuit against the town. He's suing to keep his mural, and seeking \$1 in damages. New Hampshire federal court judge has ordered a bench trial for February so both sides can present evidence and witnesses. Lawyers representing Conway didn't reply to requests for comment.

The spat has stoked tensions in the community that have been on display

at town meetings.

Some say rules like this are actually core to New Hampshire. Yes, there's the old New England attitude of "you take care of you, I take care of me," said historian Jeff Bolster. But on the flip side, there's an equally strong tradition of self-government through community service, with all residents expected to do their part, he said.

Many locals have shown up at town meetings to offer public support for Young as he appealed the zoning board's decision.

"I'm very familiar

with your sign policies, which are all over the place," fourth-generation Conway resident Lisa Parent told the zoning board during one of Young's appearances. She pointed to signs at the Settlers Green shopping plaza, down the road from Leavitt's.

"If we want to go by the definition that [Young's sign] does not have any writing on it, but it's got a doughnut on it, then Settlers Green should have to paint all its murals out," she said. "They've all got shoes or clothes or something on them related to the businesses in that plaza."

Support for Young didn't stop Conway residents from approving a



new ordinance this spring that requires town approval for public art displays. It also sets parameters on what types of artworks will get a thumbs-up.

Public art is "representative of the community and the natural beauty of the Mount Washington Valley," but doesn't display "prices, products or services for any commercial use," says the ordinance, which is not part of Young's laws.

Conway voters passed it 1,277 to 423 in April.

Bolster said it goes against the greater good to mar the area's Old New England charm. "New Hamp-

shire has to stay inviting in certain ways, and promote ecotourism, green tourism, hiking, skiing, covered bridges, and so on," he said.

Leavitt's has operated from a roughly 1,300-square-foot red cabin since the 1970s.

"Probably a year after we bought it, a friend of mine who knows the local high school art teacher said, 'Hey, they're looking for a place to

do an art project,'" said Young, who also owns a furniture store.

He gave the students a choice: Paint his bakery or his furniture store. "They decided the bakery would be more fun," he said. Young said he told them to make it bakery-themed, but otherwise gave them no direction.

Robert Frommer, a senior attorney with the Institute for Justice, a nonprofit public interest law firm based in Virginia, heard about Young's battle when it made local news. He offered to help Young reach out to the town in the hope of avoiding a lawsuit. "You don't lose your right to free speech because you open a doughnut shop. Whether you put up pastry mountains or paint real mountains, that's the artistic choice of the shop owner, not the government," said Frommer.

When Conway didn't change its position, Frommer and Young went ahead with the lawsuit. Frommer said he's handled similar cases in other states. "Across America, local officials often try to anoint themselves the speech police. But the First Amendment says it is individuals, not the government, that gets to decide what to say," said Frommer.

A bright spot in the muffin kerfuffle for Young is that while he doesn't see his mural as a commercial display, it has been good for sales. He now uses a scaled-down version of the muffin mural on his Leavitt's Bakery boxes.

"We are still winning best doughnuts in N.H.," said Young. "We're a hot commodity."

FROM TOP: WSJ/ISTOCK; PATRICK T. FALLON/BLOOMBERG NEWS; JENNIFER DULSKI

ARTS IN REVIEW

MUSIC REVIEW | MARK RICHARDSON

A Singer's Spotty Solo Debut

Lauren Mayberry, of the Scottish band Chvrches, turns toward the pop mainstream

There are many reasons a band's singer goes solo—tensions within the group, the desire to make records that are more personal, the need to make the important decisions yourself. Sometimes, as when Gwen Stefani went off on her own from No Doubt, the frontperson in question simply has too much star power to subsume his or her charisma into a collective. And sometimes, as when Hayley Williams made two albums away from her group Paramore, the style of music is so different from what the band does that a solo record is only logical.

Since 2011, Lauren Mayberry has been the lead singer of the Scottish synth-pop outfit Chvrches. Its 2013 debut album was an influential early example of a group with an indie sensibility making pop that the mainstream could appreciate. Chvrches made big records filled with big feelings—its arrangements touched on the festival-ready pulse of EDM, yet its songs were intimate and emotional, heavy with the drama of youth. Robert Smith of the Cure appeared on a track on the band's fourth full-length collection, 2021's "Screen Violence," solidifying Chvrches' connection to the darkly romantic angst of the past. But Ms. Mayberry had musical ambitions that didn't make sense for the group. Her debut solo LP, "Vicious Creature" (Island), out Friday, mostly veers toward the pop mainstream, with decidedly mixed results.

Ms. Mayberry's voice is perfect for Chvrches, where she often projects from the center of a thick electronic arrangement and, with the help of reverb, sometimes seems like another instrument. But her singing doesn't hold as much attention in more stripped-down settings. The opening "Something in the Air" is one of this set's best songs, as it grows from talky verses over tumbling drums to a massive chorus. The lyrics, about a paranoid guy only

too willing to share his opinions, have some political edges, but the music is pure pleasure.

But much of the record's first half can't match that early peak. Ms. Mayberry's natural terrain is production in which the sweep of the music includes the vocals but doesn't necessarily put them in the foreground. Much contemporary pop builds a thin sonic frame around vocalists in order to make their personality and brand the center—there's more space in the music, more emphasis on electronic percussion. In this setting, which is found on the weakest tracks here, Ms. Mayberry sounds anonymous.

"Crocodile Tears" has a bouncy '80s dance-pop synth, but the melody is as uninspired as its title. Lyrics on this tune and throughout are often clichéd or awkward—in addition to the titular expression, the guy she's singing about is also "always crying wolf"—and the minimal production makes the clangers even more noticeable. The pogoing "Punch Drunk" is the record's nadir, with a grating sing-song tune, a flat two-note chorus, and a lyrical motif that makes no sense.

A couple of ballads in the first half of the LP are decent. The guitar-driven "Anywhere but Dancing" is a midtempo number that draws inspiration from moody alt-rock ballads of the '90s, while the piano-led "Oh, Mother" is a touching look at growing up and the long road to appreciating unconditional love. But the record's second half is better, if still spotty. "Sorry, Etc." seems to be about Ms. Mayberry's life in music and the difficulty of



Ms. Mayberry, above; her new album, 'Vicious Creature,' is out Friday.

being a woman in the entertainment industry—"I killed myself to be one of the boys," goes the chorus. It has a nice chord progression, loud fuzz bass, and an organ that sounds like it's from the soundtrack to a B-movie. "Change

Shapes" is an appealing electro-pop jam with a pleasant rhythmic bounce, and "A Work of Fiction" is a solid indie-pop tune with a agreeable electronic shimmer.

Late highlight "Sunday Best"

opens with piano that traces the sort of chord progression often used as a motif in house music.

An explosion of drums partway

through the song connects it to the late-'90s big-beat dance music,

and it's a flattering setting for her.

The dodgy lyrics are still present—"The kind of sex that re-

quires sadness / Is not a way to

spend your time" looks especially bad on paper, and isn't masked by

the elaborate production—but the

track is easy to enjoy.

Ms. Mayberry closes the album with another piano ballad, "Are You Awake?" It has a lovely melody, as she sings of loneliness and fear of the future. In the song's concluding section, strings enter and the music begins to grow and expand as her voice retreats into the din. It's a last reminder of how much more effective her music can be when she is part of a bigger whole, rather than trying to command the spotlight on her own. In one way or another, the best tracks here bring to mind her work with Chvrches. Perhaps her next solo album will help clarify what she wants to explore outside of the band.

Mr. Richardson is the Journal's rock and pop music critic. Follow him on X @MarkRichardson.

CHARLOTTE PATTNER

TELEVISION REVIEW | JOHN ANDERSON

A Superhero Suffers a Human Tragedy

If you happen to need a good cry, you can't go wrong with "Super/Man: The Christopher Reeve Story," a documentary about decent people, bewildering misfortune and how bad luck can have a ripple effect—especially if you are lucky enough to have people who love you. If you don't want to cry, you probably will.

The actor, who died in 2004, was linked so strongly to Superman—whom he portrayed in four feature films beginning in the late '70s—that only something extraordinary would have intruded on that association. That something occurred in May 1995, when Reeve was thrown from a horse, rendered quadriplegic and left unable to breathe on his own; as a family member says, a half inch one way or the other and the impact would have meant instant death or just an embarrassing spill. As it happened, Reeve would spend the rest of his life on a respirator, though he never stopped campaigning for disability rights and the funding of medical research into spinal-cord injuries.

Headline writers would make much of the Superman angle in reporting Reeve's paralysis, and directors Ian Bonhôte and Peter Ettedgui do a fine job—aided by family videos, interviews and archival footage—telling the story of those films and what they meant, both to a young New York stage actor and an industry that had never before produced such a believable superhero movie.

What they don't really delve into is the cause and extent of the public horror over Reeve's accident, which was certainly awful, even karmically



Christopher Reeve after the 1995 accident, above, and in 'Superman' (1978), right.

cruel. But what made it resonate was not the faux-ironic downfall of Superman, but the capriciousness of the universe: Reeve was extraordinarily handsome, gifted and certainly not going to ride the Superman train forever (he didn't even want to do "Superman III," we are



told). He took roles that were deliberately distancing from his heroic image. "Deathtrap," for instance, or "Monsignor," or "The Bostonians." Jeff Daniels, who was acting off-

der Reeve died, his obituaries mentioned his son in the first paragraph.

The calamitous jumping accident that claimed the actor's mobility didn't just affect him, naturally, but

his friends and family—

children Alexandra

Reeve Givens, Mat-

thew Reeve and Will

Reeve all appear and

talk at length, as do

friends John Kerry,

Whoopi Goldberg, Mr.

Daniels and Susan Sa-

randon. Much of the Christopher Reeve story has

passed away, including wife Dana Reeve, who

seems to have been one of nature's noble-

women and cared for her incapacitated hus-

band for a decade. A

year after his death,

when grief might have

mixed with relief, she

was diagnosed with

stage 4 lung cancer

and died early in 2006.

Reeve's close friend

Robin Williams—they

met at Juilliard in the '70s—is por-

trayed as a pillar of support, con-

tributing money and time to his pal

and his causes and delivering a eul-

ogy at Reeve's funeral. "I've always

believed that if Chris was still

around, Robin might still be alive,"

Glenn Close says of Williams, who

died by suicide in 2014.

"Super/Man" doesn't venture to

guess why or how people get swal-

lowed up in the wake of their loved

ones' misfortune—it would be pre-

sumptuous, and there's enough

story to tell. And enough tears to go

around. "The Christopher Reeve

Story" seems by definition to be a

tale of sadness, but Reeve would

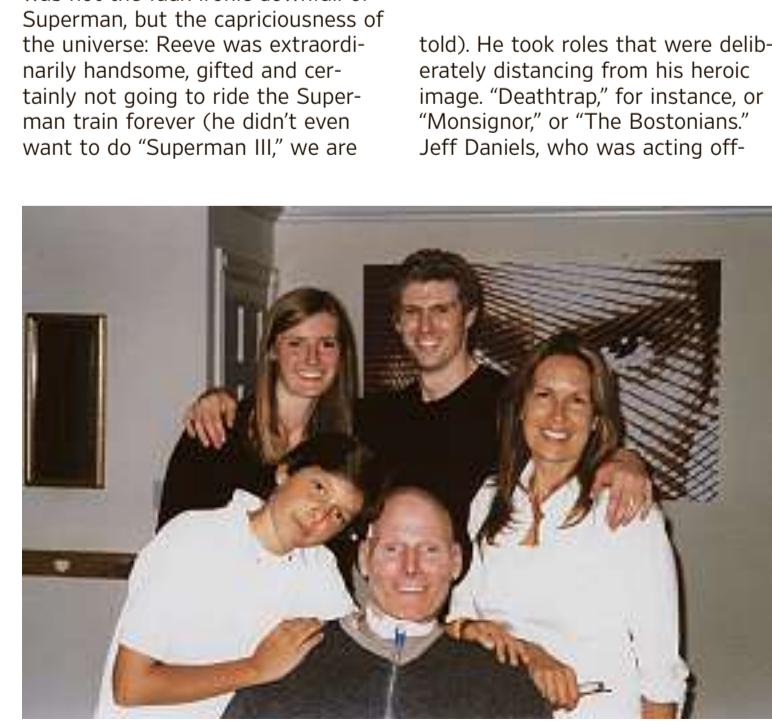
probably argue otherwise. Which is

another reason the eyes well up.

Super/Man: The Christopher Reeve Story

Saturday, 8 p.m., HBO

Mr. Anderson is the Journal's TV critic.



Broadway with Reeve in the 1970s, remembers one of their colleagues—William Hurt—excoriating Reeve over the "Superman" role. ("You're selling out!") But Reeve would return to the stage and take on characters that tested his range, even if they made few forget Clark Kent. Judging from the interviews we see, the actor never took his super-success for granted, or exploited it.

As blessed as the young Reeve seemed to be, his upbringing was a trial. His father, the poet and translator F.D. Reeve, was not emotionally generous, as several interviewees say; when his son announced at dinner that he'd gotten the part in "Superman," dad ordered champagne, thinking it was Shaw's "Man and Superman." He didn't hide his disappointment; a mere movie wasn't good enough. When the el-

Reeve with his sons, Will and

Matthew; daughter, Alexandra; and

wife, Dana.

OPINION

His Pardon Lies Were Pure Biden

**BUSINESS WORLD**
By Holman W. Jenkins, Jr.

Out goes one of the most cynical and shallow presidencies in history, that of Joe Biden. I refer to the “presidency” rather than the “president” because Mr. Biden isn’t the sole author of his political strategy. On MSNBC the Trump-hostile former GOP Rep. Joe Walsh might as well have been summarizing the entire Biden record and not merely this week’s Hunter Biden pardon when he said it “politically only strengthens Trump.”

Mr. Biden, with his follies, weaknesses and genius for self-rationalizations that were laughable to anybody but himself (remember how corporations became greedy for the first time in 40 years and caused inflation?) will be remembered for one thing only, for better or worse: returning Donald Trump to the White House.

But he didn’t do it alone. The press covered up for him every step of the way.

This column isn’t a search for Rosebuds but news accounts tell us there never came a moment when Mr. Biden, with legal pad in hand, listed the pros and cons of running again as he did before previous election bids.

The reason is obvious: The cons would have won overwhelmingly.

In his new book, Bob Woodward goes on at length that Hunter was Mr. Biden’s preoccupation in the White House. It was his “real war,” Mr. Woodward says.

This should be taken seriously. In 2019, when Mr. Biden’s campaign was struggling to launch, the Trump Ukraine impeachment was a twofer for his progressive opponents because, thanks to Hunter, Biden dirty laundry would be aired too. Then, when the pandemic arrived and party leaders realized the election was being handed to them if they could stop Bernie Sanders, Hunter almost blew things up again when his laptop surfaced.

Who knows whether Mr. Biden is capable of thinking clearly enough, or self-challengingly enough, to ask how his son interacted with his other rationalizations for a second term. We hear about guilt feelings. We don’t hear if he sought re-election to stop future historians from searching for the reasons for his “failed” one-term presidency and putting Hunter near the top of the list.

Mr. Biden was given one job by voters, ending not only the Trump chaos but the chaos of Democratic opposition to Mr. Trump. He failed. He wasn’t elected to enact a woke agenda, nor to go all supine when somebody compared him to FDR.

But Mr. Biden did bring to the presidency one inestimable virtue: 50 years of Washington experience. This was

borne on the shoulders, however, of a character who relied on a family tragedy and a Delaware rotten borough to maintain a career that once had a fellow senator (Barack Obama) saying, when Mr. Biden started talking, just shoot me.

I will perhaps be the only one to mention now the irony of Mr. Biden pardoning his son and then running off to Angola, whose richest person is the daughter of its long-serving former president.

Whoever came up with ‘greedflation’ also wrote Joe’s Hunter statement.

It tells you something that not one person in America is willing to say now that he actually believed Joe’s promise not to pardon Hunter, and few would begrudge the act were it not for the ridiculous lies and rationalizations that came with it. Even the New York Times on Sunday night felt the need to roll out a short article to dispute Mr. Biden’s claim that “political opponents” somehow scuttled a “fair” plea deal to end the Hunter charges.

The truth is, Hunter scuttled his own deal when he couldn’t get the implausible blanket immunity he would later receive from his father, after a judge discovered the

provision improperly secreted in a side deal the Biden Justice Department struck to spare Hunter gun charges altogether.

Indeed, anybody else would have jumped at the deal Hunter effectively rejected—anybody, that is, who wasn’t a president’s son and couldn’t count on a pardon after spending an enjoyable few weeks playing the courtroom martyr, victim and center of attention in the middle of his father’s re-election campaign.

Both Bidens, though, were acting in an absurdly permissive and uncritical media environment. Mr. Biden had already gotten away with saying his son did nothing wrong even as his administration was weighing charges. He said his family received no money from China. He said Hunter’s laptop wasn’t his son’s but a Russian plant. America would have benefited if Mr. Biden had told the truth for once: He wanted to spare his son a future prosecutor trying, say, to turn a single, legal nondisclosure payment into 34 imaginative felonies as his own allies did with Mr. Trump.

How might a Biden presidency have gone if it had been forced to grapple with dilemmas rather than invent lazy rationalizations knowing the press would embrace them? Historians may charitably write off Mr. Biden’s many bad choices to dotage or manipulative aides. What excuses will they make for the media?

The Contradictions of Donald Trump

**POLITICS & IDEAS**
By William A. Galston

Many voters supported Donald Trump not as a disrupter of norms and institutions, but for policy reasons. They hired him to accomplish specific tasks, such as reducing prices, cutting taxes and halting illegal immigration. The incoming administration’s success will depend on Mr. Trump’s ability to accomplish these tasks. It won’t be easy—in part because some of his policies contradict each other and could undercut these goals.

Take Social Security as an example. Mr. Trump posted on Truth Social this July: “SENIORS SHOULD NOT PAY TAX ON SOCIAL SECURITY!” This statement, which he repeated on the campaign trail, was popular because it seemed intuitive. Workers are taxed on their earnings throughout their working lives to pay for future Social Security benefits. Why should they be taxed again when they receive these benefits?

But it isn’t that simple. By law, tax revenue from Social Security benefits gets plowed back into the Social Security Trust Fund. Taxes from higher-income earners also go into the Medicare Health Insurance Trust Fund. Ending taxation on Social Security benefits would reduce revenue

to these programs over the next decade by between \$1.6 trillion and \$1.8 trillion, according to the Committee for a Responsible Federal Budget. Social Security would become insolvent in 2032, a year earlier than if the tax remained, while Medicare would become insolvent in 2030, six years earlier than if the tax remained. Mr. Trump’s promises to end taxes on tips and overtime pay would dig the fiscal hole even deeper.

Another bold promise—to cut electricity and other energy costs in half within 18 months of taking office—is at the core of Mr. Trump’s strategy for lowering prices across the board. This pledge helped move millions of working-class voters into his column. But many fossil-fuel industry leaders don’t favor his strategy of significantly boosting domestic production, and many energy experts doubt it will work.

The Trump administration may urge the oil industry to “drill, baby, drill,” but that doesn’t guarantee it will do so. The industry seeks to be profitable and won’t want to drill if it has to sell its product below the cost of production. Frackers are also under pressure to return value to investors by cutting spending on new production.

Rather than increasing supply, the oil industry would prefer a strategy of boosting demand—for starters, by eliminating the Biden administra-

tion’s regulations and subsidies designed to accelerate a transition to electric vehicles. But this prospect horrifies the auto industry, which has already spent some \$146 billion preparing for an EV-dominated future. Automakers will suffer a financial blow if they don’t get a return on this investment. Thus they’re urging regulatory stability, but Mr. Trump may be in no mood to provide it.

The president-elect says he’ll lower prices, but his other promises would raise them.

If Mr. Trump gave priority to reducing consumers’ costs for big-ticket items, he would eliminate restrictions on the import of electric vehicles. China sells many such vehicles at substantially less than the average price of Tesla’s U.S.-produced vehicles. But lowering import barriers would sound a death knell for the domestic auto industry.

This example illustrates a larger truth: Reducing prices often contradicts the goal of stabilizing and increasing domestic production. Protecting American industry can come at a substantial cost to the consumer. While Mr. Trump has said that “tariff” is the most beautiful word in the dictionary, many Americans

consider “inflation” to be among the ugliest, and they voted for him believing he would rein it in. It’ll be interesting to see how the new administration responds when the tension between two of its core promises—protecting American industries and lowering prices—becomes too great to ignore.

Many other tensions exist within Mr. Trump’s agenda. During his campaign, he promised the largest deportation of illegal immigrants in U.S. history. Doing so, he argued, would result in lower housing prices due to fewer immigrants competing with Americans for scarce housing.

But the result would likely be the opposite: a labor shortage resulting in fewer homes built and thus higher home prices. The U.S. construction industry employs an estimated 1.5 million illegal immigrants. Industry leaders believe that if these workers are deported, there won’t be enough legal ones willing and able to take their places. Farmers have similar concerns about a labor shortage in agriculture. Some of the president-elect’s advisers may insist on mass deportation, but that would have unintended consequences.

Mr. Trump is a mold-breaking leader, but voters will judge him on a traditional measure—his ability to deliver on the promises that propelled him to a second term. Tensions among these promises will complicate his task.

Google Is Being Sold for Parts

By Thomas Lenard
And Scott Wallsten

The Justice Department wants to turn America’s most successful search engine into a public utility. As part of its proposed remedies in its antitrust case against Google, the department would force the company to share its technology, data and models with competitors at marginal cost. This is the same strategy it used against the incumbent telephone companies in the 1990s. It discouraged investment and competition. The strategy would have similarly deleterious effects today, undermining consumer welfare, innovation and U.S. leadership in artificial intelligence at the worst possible moment.

The scope of the requirements is staggering: Google would be required to share its search index, its user data, and the fruits of its research and development with rivals, all without making a real profit. Any company could resell Google’s search results rather than develop its own technology. This regulatory market

manipulation is a sharp departure from the consumer-welfare standard that is meant to guide antitrust policy.

History demonstrates how difficult it is to implement sharing requirements in industries with high fixed costs and low marginal costs. When the government tried to do the same thing to the phone companies in the ’90s, dis-

putes over cost allocation proved endless. Like a single phone call, the cost of a single search query may be close to zero, but the equipment, research-and-development and network costs that allow for it are substantial. The Federal Communications Commission spent years adjudicating disputes over cost allocation, producing complex methodologies that were immediately challenged in court. The Justice Department would face

similar problems with its proposed Google breakup.

The company may also have to divest from Chrome and Android, as well as abandon the contract that makes Google the default search engine on Apple devices. But most concerning is that the remedies could reduce competition in the emerging artificial-intelligence market. Google could be prohibited from holding interests in AI companies such as Anthropic, while its competitors would gain access to its search and AI technology through sharing requirements.

These provisions would destroy investment incentives. Competitors would have less reason to invest in their own technologies when they could take advantage of Google’s at marginal cost. If Google is forced to share the fruits of investment, its incentives to innovate will diminish. The telecommunications breakup experience confirms these concerns. Mandatory network sharing significantly reduced investment by incumbents and competitors, and European countries with more stringent

sharing rules saw slower broadband deployment.

The Justice Department misunderstands competition policy. Creating space for competitors by degrading Google’s position might allow rivals to gain market share, but it isn’t a recipe for innovation or consumer benefit. Making a market leader worse doesn’t make the market better. True competition comes from innovation and investment, not from regulatory handicapping that forces successful companies to subsidize their rivals.

As the judge considers these remedies, he would do well to remember what similar efforts did to the telecommunications industry. The Justice Department accuses Google of snuffing out competition, but its own remedies may snuff out innovation and consumer benefits.

Mr. Lenard is a senior fellow and president emeritus and Mr. Wallsten is president of the Technology Policy Institute, which has accepted donations from Google and its competitors.

BOOKSHELF | By Michael Lucchese

How Tories Fought Tyrants

Blue Jerusalem

By Kit Kowol

Oxford, 352 pages, \$38.99

The Nazi conquest of Europe was, in no small measure, a result of the British Conservative Party’s failures. After the September 1939 invasion of Poland, the public turned on Prime Minister Neville Chamberlain; voters understood that his appeasement policies had encouraged the conditions Adolf Hitler needed to spark the war. The elite version of conservatism Chamberlain represented was largely discredited, and into the breach stepped Winston Churchill’s new coalition government. This new leader’s distinctive wartime style, argues Oxford-trained historian Kit Kowol, allowed other kinds of conservatism to jockey for power. In “Blue Jerusalem: British Conservatism, Winston Churchill, and the Second World War,” he claims that the struggle to defend civilization from totalitarian threats encouraged thinkers on the right, as well as those on the left, to consider bold new futures. Though often overlooked by academic accounts of the war, wartime conservatism shaped the modern world.

Many popular histories present the conflict with the Axis as a “people’s war,” a step along the progressive path toward egalitarianism, liberalism, even socialism. Mr. Kowol contrasts wartime calls from Labour and the British left for the “socialization of the military” with a conservative push for “militarization” of society. Some on the left hoped the war effort could be used to advance an agenda of social change, but conservative forces within British society pushed back. Institutions such as the Home Guard and various cadet groups were formed not only to help with the war effort, but to advance values including a sense of duty and patriotism.

During the war, many conservative political and intellectual figures also began advocating a return to religion. Mr. Kowol writes that they came to believe “Christianity was the antidote to totalitarianism not only because of its emphasis on the dignity of the individual soul and the brotherhood of man but because of the higher loyalty it demanded.” Writers such as T.S. Eliot, C.S. Lewis and Dorothy Sayers defended British institutions in explicitly Christian terms and portrayed Nazism as a new pagan force in the world.

Mr. Kowol believes this wartime conservatism was more than propaganda—it was a political force that shaped both the war’s strategy and its aims. The intellectual class that defended British society also imagined creative solutions to practical problems, ranging from new forms of international organization to more humane economic arrangements, “a pan-European federation, a new corporatist economic order, or the creation of a Christian elite.” (Mr. Kowol is skeptical of some of these policies, suggesting that such proposals “were about maintaining the British Empire, a capitalist economic system, and an inegalitarian social order.”)

The author discusses the explicitly utopian thinker R.A. Butler, a Conservative who served in the Foreign Office and then as a cabinet minister for education during World War II. Butler worked closely with Christian intellectuals to articulate what Britain was fighting for, sometimes moving beyond reform and into something more radical. Butler eventually became a great defender of Labour’s postwar welfare state and a supporter of greater European integration.

Other Conservatives, such as Max Aitken, known as Lord Beaverbrook, remained committed to the ideals of the prewar party; he called himself an “Imperial isolationist.” Rather than seek victory through strategic bombing campaigns or a crusade to liberate the continent from the Nazis, the Beaverbrook contingent wanted to conduct a limited war and wait for a peace offer from Germany. They worried that global

conflict would empower the Soviet Union and the United States. Despite Beaverbrook’s personal views, his service as minister of aircraft production and supply was vital to the massive effort to produce warplanes and build up the British airpower that allowed the nation to survive the Blitz.

Mr. Kowol treats the Royal Air Force in particular as symbolic of the Conservative war strategy that won out over isolationist views. The planes were built with resources from every corner of the Empire by private manufacturers and piloted by elite airmen often recruited from upper-class schools—a perfect image of how Conservatives envisioned the imperial enterprise. The author writes that the RAF’s bombers came to represent “ideas of a post-war world policed from the skies by Britain and America.”

No one understood the symbolism of air power better than Churchill. In his wartime speeches, Churchill often returned to magnificently expressed themes of existential struggle. “Upon this battle,” Churchill said in his famous “Finest Hour” speech, “depends the survival of Christian civilization. Upon it depends our own British life, and the long continuity of our institutions and our Empire.” For him, the pilots of the Royal Air Force became chivalrous knights fighting to protect future generations. Churchill presented an image of Great Britain and even of conservatism that was broad enough to appeal to both free market individualists and back-to-the-land ruralists in the government coalition and the population, binding conservative impulses firmly to anti-totalitarianism.

All the same, “Blue Jerusalem” demonstrates how much of the postwar global order was shaped by fundamentally conservative assumptions about society. From the “special relationship” between the U.S. and the U.K., to the West’s efforts against totalitarianism in the postwar years, British conservatives worked to address the problems of international relations from their own philosophical perspective. Though the war discredited a certain style of aristocratic conservatism, it enabled other conservatives to break out of ideological stagnation and seek out more imaginative horizons.

The Anglo-American right today is afflicted by a lack of confidence that can make it seem incapable of addressing a growing global security crisis. Autocratic forces seek to overturn the world order built by the West after 1945. English-speaking countries sorely lack leaders with the imagination of figures like those Mr. Kowol profiles. It took a war and the leadership of a great man to inspire 20th-century British Tories to think afresh about their place in the world. One hopes today’s conservatives can rediscover that hopeful and productive spirit before a similar crisis.

Mr. Lucchese is the founder of Pipe Creek Consulting and an associate editor of *Law & Liberty*.

OPINION

REVIEW & OUTLOOK

Transgender Minors at the Supreme Court

Believe it or not, the U.S. government will argue to the Supreme Court on Wednesday that the 14th Amendment means a state cannot ban transgender hormone regimens for adolescents. Perhaps that sentence sounds like *Jabberwocky*, but the feds are serious, and so are the potential implications of *U.S. v. Skrmetti*.

The law being challenged is from Tennessee, and it prohibits administering medical treatments to minors if the purpose is to enable a gender transition or to address “purported discomfort or distress from a discordance between the minor’s sex and asserted identity.” That prevents doctors from doing surgeries and supplying puberty blockers or cross-sex hormones. Almost half of states have similar rules, according to the government’s filing.

The evidence for such treatments is disputed in the briefs, but the real question for the Justices is legal. The U.S. solicitor general’s thesis is that the Tennessee law discriminates by sex and transgender status, violating the 14th Amendment’s guarantee of “equal protection of the laws.”

Whether a treatment is allowed under the state law, the feds argue, impermissibly depends on the patient: “A teenager whose sex assigned at birth is male can be prescribed testosterone to conform to a male gender identity, but a teenager assigned female at birth cannot.”

The problem with this argument is that it’s sophistry. The Tennessee law is focused on diagnoses, and it permits treatments for “a minor’s congenital defect, precocious puberty, disease, or physical injury.” A biological male can obtain male hormones to correct some medical problem. A biological female can’t get male hormones for a gender transition. This isn’t sex discrimination, unless the starting ideological premise is that preference is the only difference between boys and girls.

The High Court encouraged this kind of legal dispute with its 6-3 ruling in *Bostock* (2020), which updated the Civil Rights Act’s ban on em-

ployment discrimination by “sex” to also cover sexual orientation and gender identity. If an employer “penalizes a person identified as male at birth for traits or actions that it tolerates in an employee identified as female at birth,” Justice Neil Gorsuch wrote, “sex plays an unmistakable and impermissible role.”

The federal government is now quoting that line back to the Justice while demanding transgender treatments for minors as a constitutional right, almost exactly as the *Bostock* dissenters warned. Tennessee’s brief cautions against exporting that case’s logic to the 14th Amendment, saying it could threaten women’s bathrooms, locker rooms, and sports.

“It is not unconstitutional discrimination to say that drugs can be prescribed for one reason but not another,” the state says. “It defies biological reality to suggest, as the government does, that males and females are medically the same for purposes of receiving testosterone and estrogen.”

More than a few judges, however, now see it that way. This year the Fourth Circuit Court of Appeals held 8-6 that West Virginia’s Medicaid program violates the 14th Amendment. The state’s refusal to pay for “gender affirming” mastectomies, according to the majority, is based on nothing more than an outdated stereotype, specifically, “the assumption that people who have been assigned female at birth are supposed to have breasts, and that people assigned male at birth are not.”

One of the dissenters, Judge J. Harvie Wilkinson, compared that decision to a transgender version of *Roe v. Wade*. “What plaintiffs propose,” he wrote, “is nothing less than to use the Constitution to establish a nationwide mandate that States pay for emerging gender dysphoria treatments.” That case is now on appeal to the Supreme Court, and perhaps the Justices will answer the question in their ruling on the Tennessee law. But those are the legal, cultural and political stakes.

Musk Loses, Trial Lawyers Win

CEO Elon Musk won’t be a pauper because a Delaware chancery court on Monday overturned his Tesla pay package—worth some \$100 billion at the company’s current stock price. But the decision still sets a bad legal precedent that will damage American corporate law.

Delaware Court of Chancery Judge Kathleen McCormick in January blocked Mr. Musk’s 2018 compensation plan on grounds that some board members who negotiated it were supposedly conflicted. One had business relationships with Mr. Musk going back more than 20 years, and another was a close friend of the CEO’s brother.

The compensation plan provided 12 tranches of stock options, each of which would vest only if Tesla’s market valuation increased by \$50 billion and the company hit earnings or revenue targets. Tesla at the time was worth about \$50 billion, so Mr. Musk’s stock options would fully vest only if the company achieved a \$650 billion market valuation. Its stock is now valued at about \$1.13 trillion.

That would have seemed like a tall feat for a company that hadn’t turned an annual profit. Yet Judge McCormick held that Mr. Musk’s pay package was excessive relative to those of other CEOs and that the board too easily submitted to Mr. Musk’s demands. How much Mr. Musk deserves to be paid isn’t for us or the judge to decide.

Tesla shareholders ultimately weighed in, and some 73% approved the package despite opposition from the proxy advisory duopoly, Institutional Shareholder Services and Glass

Plaintiffs firms get \$345 million for causing a decline in Tesla stock.

Lewis. The judge nonetheless held, remarkably, that the vote didn’t matter because shareholders weren’t “fully informed” of the board’s conflicts.

Tesla put the judge’s view to the test by holding another shareholder vote on Mr. Musk’s plan at its shareholder meeting in June, even attaching the judge’s opinion to ensure shareholders were fully informed. Some 72% approved the package. But the judge on Monday reaffirmed her January ruling, essentially dismissing the second shareholder vote.

Judge McCormick based her ruling on a vague “fairness standard” that would effectively let one investor challenge a corporate transaction approved by a majority of shareholders on the basis that it was somehow tainted. As Tesla tweeted, “this ruling, if not overturned, means that judges and plaintiffs’ lawyers run Delaware companies rather than their rightful owners—the shareholders.”

About two-thirds of Fortune 500 companies are incorporated in Delaware owing to the state’s well-established corporate law principles, which the ruling upends. It will encourage more dubious lawsuits that enrich plaintiff attorneys, whom the judge awarded \$345 million—payable in Tesla stock or cash.

But shareholders won’t benefit from Mr. Musk losing those stock options. Judging by the 1.6% decline in Tesla’s stock price after the ruling, some think Tesla could be worse off as a result. At \$100 billion, Mr. Musk was a relative bargain.

A Brief Martial Law in South Korea

South Korea’s democracy passed its biggest test in decades on Tuesday, as it quickly rebuffed a dubious declaration of martial law by President Yoon Suk Yeol. Lawmakers immediately voted 190-0 to terminate the order, and Mr. Yoon acquiesced, with his cabinet approving a motion to end martial law at about 4:30 a.m. Wednesday.

Mr. Yoon surprised the country with an unscheduled late-night speech in which he said he was declaring martial law to protect the country and “free constitutional order” from the “threats of North Korean communist forces” and eradicate “pro-North Korean anti-state forces.” He offered no details on those threats or to whom he was referring, and the order had the earmarks of a reckless gamble to rescue his sinking presidency.

Mr. Yoon won the office by less than 1% of the vote in 2022, and South Korea’s politics can sometimes seem as polarized as America’s. The opposition expanded its majority in the National Assembly in April’s legislative elections, and Mr. Yoon’s approval ratings are below 20%.

On Tuesday Mr. Yoon railed against the opposition’s budget cuts and lawmakers’ efforts to impeach government officials. He claimed the National Assembly had become a “den of criminals” and “a monster that collapses the liberal democracy system.”

But a budget fight doesn’t justify martial law that would put government in control of the

President Yoon Suk Yeol failed to justify his exceptional decree.

media, restrict the National Assembly, and put the military in the streets. South Korea’s Martial Law Act allows such an resort only in extremis, such as a war or national emergency, or to protect security or maintain public order. Nothing like those threats are apparent.

It’s notable and encouraging that the head of Mr. Yoon’s own People Power Party denounced the “illegal, unconstitutional declaration of martial law that does not meet the requirements.” Mr. Yoon is a lame duck who can’t run again when his five-year term expires in 2027.

The border between South and North Korea is one of the most heavily militarized in the world, and some 28,500 American troops are based in the peninsula. Signs of disarray in the South, such as Mr. Yoon’s declaration, could invite a reckless military act by North Korean dictator Kim Jong Un. With that U.S. presence in mind, the Biden Administration may have offered Mr. Yoon some pointed advice about the dangers of his declaration.

Even if the immediate crisis in Seoul has passed, the political fallout will play out for some time. Lawmakers may seek to impeach Mr. Yoon, with uncertain consequences. South Koreans sacrificed to preserve their freedom against the North and in the 1980s to end strongman rule. Tuesday’s events suggest the culture of democracy has taken root, which is reassuring in one of America’s vital allies in the Asia-Pacific.

OPINION

LETTERS TO THE EDITOR

Congress Can Make the Fed Focus on Inflation

Judy Shelton is right: “Trump Should Challenge the Fed’s Policies” (op-ed, Nov. 29). As President-elect Trump prepares for his second term, recalibrating the Federal Reserve’s focus to its core mission—price stability—should be at the top of Trump’s priority list.

We are the authors of the Price Stability Act, the only bill in Congress that calls for price stability to be the Fed’s sole mandate. The Fed needs to end its dual mandate, steer clear of policy fads like climate mandates and give the whole of its attention to taming inflation.

With Mr. Trump in command, we have an opportunity to return the Fed to making data-driven decisions on monetary policy. It can take a rules-based approach to setting interest rates that achieve its core, essential mission of price stability—no matter if rates go up or down.

It is time we let our financial institutions focus on their core mis-

sion of fueling economic growth with accessible credit. The Fed must focus on its core mission of taming inflation.

REP. FRENCH HILL (R., Ark.)
REP. BYRON DONALDS (R., Fla.)
Washington

Ms. Shelton writes, “Almost 62% of the gain in U.S. household wealth over the past four years went to those in the top 10% wealth percentile group. These outsize gains for the wealthiest Americans are a result of monetary policy that sent stock prices soaring, which primarily benefited people already flush with assets.”

This is the Bidenomics wealth effect that Democrats crowed about, deriding the hoī polloī who didn’t understand that when the rich spent their gains, it would make its way to the lower classes. That sounds like the real “trickle-down economics.”

FRED VAN BENNEKOM
Bolton, Mass.

'Sesame Street' and the Future of NPR and PBS

Howard Husock’s op-ed “The Conservative Case for Public Broadcasting” (Nov. 30) can be boiled down to this: We need to continue to fund National Public Radio so that Congress can continue to hold hearings on how awful it is.

MATTHEW HARRINGTON
Kingston, R.I.

Though Mr. Husock notes that Big Bird left for HBO years ago, “Sesame Street” is still shown on PBS, the Public Broadcasting Service, and it is but one of countless exceptional children’s programs that have been a welcome alternative to the mindless content offered to kids at every turn. On free, over-the-air TV and free streaming, our three kids have benefited from ad-free shows about space, math, history, animals and more.

These shows are not “leftist” or “liberal,” in my estimation, but beneficial for all. We would do well to continue to make it possible for children to watch shows like these rather than the many poor and sometimes harmful alternatives. Amid so many battles about indoctrination of children,

shows like “Daniel Tiger’s Neighborhood,” inspired by the message and spirit of Mister Rogers, inspire good citizenship for all Americans.

ERIC HOLMER
Madison, Wis.

Mr. Husock fails to make a case for reforming NPR and PBS. The opportunity cost of attempting to reform a biased “news” organization with hearings, congressional grandstanding and oversight boards would be substantial. Better to repurpose the Corporation for Public Broadcasting’s \$535 million annual budget.

NPR and PBS have a right to exist and pander to their base like any of the other biased “mainstream media” outlets. They already advertise for revenue and will continue to be funded by adoring fans and wealthy backers if the Corporation for Public Broadcasting remains a nonprofit.

Any bad optics as a result of defunding a progressive favorite will fade from memory. There is no point throwing more good money after bad.

ELLISON BERNES
Avon, Conn.

Employers Are Right to Protect Themselves

Having practiced employment law for more than 40 years, I have long believed that the performance improvement plan (PIP) is a most useful tool for employers (“Corporate America Has a New Favorite Way to Fire People. It’s the PIP,” Exchange, Nov. 30). Done properly, a PIP advises the employee where work performance isn’t meeting expectations and gives the employee time to step up the performance.

A PIP must be fair, specific in identifying shortcomings and provide a reasonable chance to improve. The

Have You Ever Noticed That Students No Longer Read?

In my capacity as a part-time academic coach to incoming NCAA athletes at a southern military college, I ask each student in our initial interview if they read. Not if they *can* read, but if they *do*. The result of my casual survey, over three years, is that the proportion of cadets who self-report as reading anything more than what they must has consistently been around 6%—two students out of 30.

When did public schools forget that a student who is successful in reading and writing can accomplish almost anything? According to Gloria Romero (“Department of Education: A Bad Idea Whose Time Has Gone,” op-ed, Nov. 23), we have former President Jimmy Carter and our powerful Education Department, the lapdog of the National Education Association (NEA), to thank for this debacle.

Somebody ought to get fired.

KATHLEEN F. GOODWIN
Lexington, Va.

Who Speaks to the Pollsters?

“When the Trump Whale Swallowed the Pollsters” (Review, Nov. 16) says that the first problem with polling is “representation.” A subset of this problem is that an overwhelming majority of mature and informed voters don’t answer phone calls from unknown numbers, don’t respond to email or mail polls and consider their voting choice a private matter. I don’t know a single person who has responded to a political poll in the past 30 years.

STEVE BROWN
Wrightsville Beach, N.C.

Your Vote Has Consequences

Several letter writers (“Keep Your Friends Close and Liberals Closer,” Nov. 29) complain that their liberal friends recoil after hearing that they support Donald Trump. The president-elect’s pick to lead the FBI shows why their friends are worried.

What were you thinking when you voted for Mr. Trump? If you support an autocratic government that threatens liberals as “enemies of the people,” your friends are correct to recoil. If, however, you were thinking that a second Trump term won’t be so bad, you should urge Congress to contain Mr. Trump within the limits of the law, so that his administration won’t threaten half the country.

ROBERT M. BUCHANAN JR.
Weston, Mass.

Pepper ... And Salt

THE WALL STREET JOURNAL



“The ball is in your court.”

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

OPINION

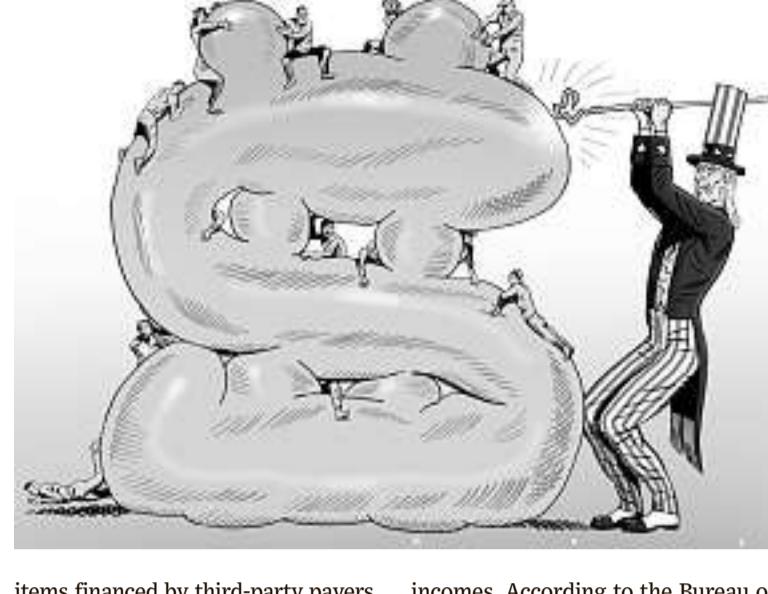
The Economy Is Still Inflated

By Mickey D. Levy
And Michael D. Bordo

The Federal Reserve has slowed inflation, but many Americans continue to pay a high price for the cumulative inflationary consequences of excessive monetary and fiscal stimulus.

We wrote in these pages in February 2021 that, based on history, high deficits combined with expansive monetary policy would trigger accelerating inflation. Joe Biden's \$1.9 trillion American Rescue Plan was close to being enacted, but we never imagined that the Fed would maintain zero interest rates and continue its massive purchases of assets until March 2022, almost a year after inflation first began to surge. Today's economy is still suffering from these policy excesses.

There's a big difference between the rate of inflation, which measures the percentage change in the prices of all goods and services, and the actual price level consumers currently pay, which is the accumulation of



MARTIN KOZLOWSKI

items financed by third-party payers, such as Medicare, Medicaid and employer-provided health insurance.

Research by Fed staffers and other economists attributes the high inflation primarily to transitory supply shocks during the pandemic. But supply bottlenecks have now disappeared, and price levels remain well above the level that would be consistent with their pre-pandemic trajectory. It's clear that excess demand generated by pandemic-era stimulus checks and extended monetary easing contributed significantly to the high inflation. Continued strong demand has led to healthy economic growth that exceeds the Fed's estimates and sticky inflation that remains above the Fed's target. Ironically, while the Fed characterizes its monetary policy as restrictive, the Federal Reserve Bank of Chicago's Financial Conditions Index shows "looser-than-average" financial conditions.

Even as economic growth creates new jobs and workers' wage gains begin to exceed inflation modestly, many middle- and lower-income earners have fallen behind as higher prices eat up larger shares of their

incomes. According to the Bureau of Labor Statistics, the costs of shelter, food and energy are up about 25%, 27% and 25%, respectively, since the onset of the pandemic. The 34% of Americans who rent their homes take little solace in new alternative measures of "core inflation" that omit the cost of housing.

The Case-Shiller National Home Price Index reports that house prices have risen more than 50% since year-end 2019, making homeowners wealthier. Besides driving up rental costs, this increase, along with the normalization of bond yields and mortgage rates, has set back a generation of prospective home buyers. Even as economic growth creates new jobs, higher prices lower Americans' living standards.

Would different policies have made a difference? Definitely. Imagine if a trimmed-down American Rescue Plan had efficiently targeted financial support to the unemployed and those who really needed it, rather than issuing up-to-\$1,400 checks to 165 million eligible Americans, most of whom were employed. After all, by April 2021, robust economic recovery had lowered the un-

employment rate to 6.1% from a high of 14.8% the previous year.

Also imagine that the Fed had ended its massive purchases of U.S. Treasurys and mortgage-backed securities and started raising rates in mid-2021, when inflation and inflationary expectations first started rising well above 2% and the housing market was booming. Mortgage and consumer interest rates would have adjusted up accordingly. Growth in demand would have moderated, limiting inflation, halting the surge in home prices and rental costs, and slowing the rapid rise in consumer prices. Even with relatively slower economic growth, America would have been far better off.

Chalk the surge in deficit spending up to the exuberance of the newly elected Mr. Biden, who interpreted his victory as a mandate to transform America. Even as the American Rescue Plan checks were being distributed, Mr. Biden proposed further dramatic increases in spending, taxes and federal debt as part of his Build Back Better agenda. These expansions would have likely gone through had Sen. Joe Manchin not vigorously opposed them.

We hope these lessons aren't lost on President-elect Trump, who, like most new presidents, reads his electoral victory as a mandate for radical change. We urge him to take a cautious approach on tariffs, spending, taxes, regulations and immigration. Misguided policies with unintended outcomes can quickly lose public support.

We understand that revisionist history is speculative. But such an exercise is nevertheless instructive for future economic and monetary policies.

Mr. Levy is a visiting fellow at the Hoover Institution. Mr. Bordo is an economics professor at Rutgers University and distinguished senior visiting fellow at the Hoover Institution. Both are members of the Shadow Open Market Committee.

Hunter's Pardon: Your Tax Dollars At Work

By Joseph Ziegler
And Gary Shapley

The White House's story on Hunter Biden keeps changing. The president supposedly had no knowledge of his son's business, then no involvement in it, then no financial benefit from it. The goal posts moved as more facts came to light. Before the election, Joe Biden promised he would respect the legal process and issue no pardon or commutation to his son. This week he went much further than pre-emptively commuting any sentence to keep his son from prison. He issued a broad pardon for any and all crimes over a nearly 11-year period.

He gave his son the sweeping immunity to which career prosecutors refused to agree as part of an aborted plea deal. When that deal collapsed in July 2023, Attorney General Merrick Garland appointed a special counsel. Despite his testimony to Congress in March 2023 that Delaware U.S. Attorney David Weiss had full authority over the matter, Mr. Garland granted special charging authority to Mr. Weiss.

Ordinary Americans are held accountable when they defraud the IRS. Not the president's son.

These dizzying narrative shifts happened because the two of us blew the whistle and exposed the preferential treatment the Biden Justice Department gave to a powerful political family. Our story never changed—because we told the truth.

President Biden's pardon is an insult to every honest taxpaying American. He claimed that his own Justice Department unfairly targeted his son. On the contrary, we produced mountains of evidence and testified under oath about the machinations his Justice Department, including Mr. Weiss, used to shield the Biden family from a thorough investigation of alleged corruption in Ukraine, Romania and China.

This year, a jury found Hunter Biden guilty of federal gun charges in Delaware and he pleaded guilty to willful tax felonies in California. The president's letter falsely suggests that his son was merely late in filing and paying his taxes because of serious addictions. He wrote that in such cases, when back taxes are paid with penalties and interest, they are often resolved without criminal penalties, but his son was treated differently. That's malarkey.

The American people need to know, and the president's letter omits, that Hunter Biden admitted to intentional felony tax evasion—criminal charges for which ordinary Americans are held accountable every day. Hunter Biden admitted that he filed false tax returns with the Internal Revenue Service—knowingly and willfully, while sober. False deductions taken on his tax return contradicted statements he made in his memoir, which he wrote while sober. These false deductions included things like a sex-club membership, luxury vehicle rentals, and house rentals for his then-girlfriend.

Ordinary Americans are routinely held accountable for that kind of tax fraud, but Hunter Biden will escape accountability because his father is president.

Joe Biden's letter doesn't mention that his broad pardon also absolves his son of any other crime in the past decade that the Justice Department didn't fully investigate. In a public filing in August, special counsel Weiss's office alleged that Hunter Biden "agreed to attempt to influence U.S. public policy" on behalf of a Romanian businessman but didn't charge Mr. Biden with a violation of the Foreign Agents Registration Act.

The dishonesty that has infected the Washington political class must stop, and the bureaucrats in the Justice Department and IRS who have abused their power and acted unethically ought to be held accountable.

The constant retaliation against us as whistleblowers should cease, and those responsible should be held to account. Nonprofit efforts such as DefendWhistleblowers.com are helping. Without serious reform and major changes in personnel and policy, something like this will happen again. We will keep our oaths as sworn federal law-enforcement officers, stand up for fair and equal treatment of every taxpayer, and speak out against improper politicization of the Justice Department.

Messrs. Ziegler and Shapley are IRS special agents.

Biden-era high prices persist even as the Fed slows the rate of increase. Trump should take note.

past inflation. The Fed focuses its attention on achieving its dual mandate of 2% inflation and maximum employment. Meanwhile, it has no strategy to address the fact that the compounding of past inflation has raised consumer prices dramatically: The consumer-price index is about 22% higher than its pre-pandemic level. This is higher than the 19% rise in the Fed's favored personal-consumption-expenditure price index, but the latter measure understates the increases in consumers' out-of-pocket expenses by including

Will We Ever Hear the End of Slavery Reparations?

UPWARD MOBILITY
By Jason L. Riley

President Biden ventured to Angola shortly after the unpopular pardon of his son Hunter over the weekend.

Many black Americans trace their ancestry to Angola, a former Portuguese colony, and Mr. Biden spoke of the country's "shared history, an evil of human bondage," during his remarks Tuesday at a slavery museum in the capital city of Luanda. "We remember the stolen men and women and children who were brought to our shores in chains and subjected to unimaginable cruelty."

More than 90% of enslaved Africans were sent to the Caribbean and South America between the 16th and 19th centuries, while only about 6 percent of African captives were sent directly to British North America," according to historian Steven Mintz. Although the trans-Atlantic slave trade receives far more attention today, the trans-Saharan slave trade—which involved Arabs transporting captives from black Africa across the Sahara Desert and the Persian Gulf to the Islamic world of North Africa and the Middle East—involved a larger number of African slaves and lasted for a much longer period.

"It is striking," Harvard scholar Orlando Patterson wrote, "that the total volume of African slaves acquired by Muslim masters is greater than the total acquired by Europeans in the Americas." Nor, Mr. Patterson stressed, was slavery unique to Africa, Europe and the Islamic world or to a particular stretch of time. "There is nothing notably peculiar about the institution of slavery," he wrote. "It has existed from before the dawn of human history right down to the twentieth century,

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By EVERNORTH

BUSINESS & FINANCE

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Deportations, Tariffs Alarm Builders

Trump's trade, immigration views put industry in vulnerable position

By ELIZABETH FINDELL AND GINA HEEB

MCKINNEY, Texas—Two decades ago, this booming suburb on the northeastern edge of Dallas was a small town accessed by only a two-lane highway. Now, 200,000 people fill its sprawling subdivisions, with new construction everywhere.

McKinney, like the country's other fastest-growing cities, is a town built by imported labor and home to an industry hooked on imported steel and lumber.

That leaves the construction industry particularly vulnerable to President-elect

Donald Trump's vow to deport millions of undocumented immigrants, and his threats to introduce new tariffs on Mexico and Canada.

"We will absolutely have a labor shortage," said George Fuller, a longtime Texas developer who is also mayor of McKinney. "Whether you want to acknowledge it or not, these industries depend on immigrant labor."

The McKinney mayor, who describes himself as a Reagan Republican, said he would prefer all workers to be documented and would like to see more materials produced in the U.S. But he said he thought a heavy-handed approach of deportations and tariffs would be a painful way to advance those goals.

"The short-term impact, I don't want to say devastating, but it would be a significant impact," he said.



Builders say they would pass some of the costs on to buyers.

In Texas, California, New Jersey and the District of Columbia, immigrants make up more than half of construction trade workers, according to Riordan Frost, a senior research analyst at the Harvard Joint Center for Housing Studies. Undocumented workers make up an estimated 13% of the construction industry—more than twice that of the overall workforce, according to a recent estimate from Pew Research Center.

Trump, a former real-estate

developer himself, has said he would support the construction industry by easing regulations and allowing more building on federal land. But many economists and builders say the loss of the immigrant workforce would drive up the cost of wages for some positions and leave others unfilled.

On top of that, the president-elect's proposed tariffs of 25% on Canada and Mexico could increase the cost of construction materials.

Overall, about 7.3% of home-building materials are imported, according to the National Association of Home Builders. Softwood lumber, used to frame buildings, often comes from Canada, which now has a tariff of 14.54%. The U.S. is also the world's top importer of the crucial housing materials iron and steel.

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BlackRock Boosts New Niche With \$12 Billion Acquisition

By JACK PITCHER

BlackRock has agreed to buy private-credit manager **HPS Investment Partners** in a roughly \$12 billion all-stock deal that would substantially add to its coveted private-as-set pile.

The acquisition would give Chief Executive Larry Fink a significant foothold in what is now one of the hottest markets on Wall Street.

Fink has given priority to expanding BlackRock's private-market business through acquisitions in an effort to keep more of its clients' business in-house and generate higher fees.

New York-based HPS was founded in 2007 by three former **Goldman Sachs** employees, including investment-banking head Scott Kapnick. Its once-obscure business of lending directly to companies has boomed in recent years while banks have pulled back from making risky loans. Kapnick is among the HPS leaders who will join BlackRock's global executive committee once the deal closes.

HPS manages nearly \$150 billion, making it one of the few private-credit managers with enough scale to move the needle for the world's largest asset manager.

For most of its 36-year history, BlackRock focused on public stock and bond management.

Its timely embrace of passive, index-tracking investment products made it into a behemoth. But as alternative investments such as private equity, private credit and infrastructure became institutional investor favorites in recent years, BlackRock lagged behind.

"Combining public and private credit is the future of fixed income," BlackRock Chief Financial Officer Martin Small said in an interview.

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CEO Larry Fink wants to beef up private-market assets.

Once King, Europe's Car Industry Is in Crisis

By STEPHEN WILMOT

Europe's carmakers used to rule the world. Now they are fighting battles on every front.

At home, tougher emissions rules are forcing them to sell more electric vehicles, which are less profitable. In China, the rise of local competition is bringing the curtain down on a golden era for German brands. The latest threat is in the U.S., where President-elect Donald Trump champions tariffs.

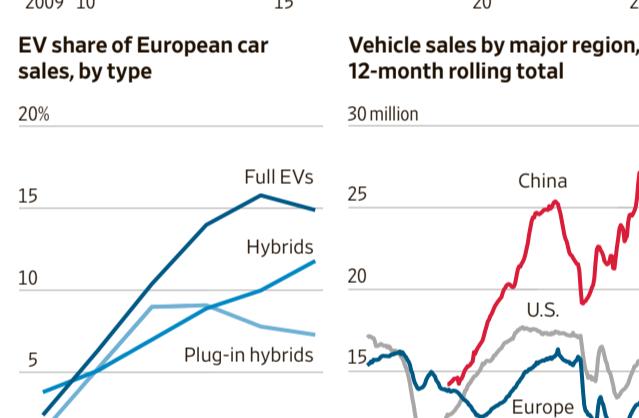
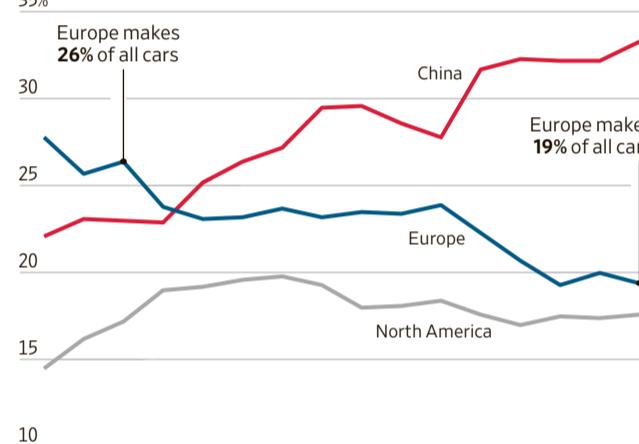
"We really are in a time of great disruption," said Andrew Bergbaum, co-leader of the automotive practice at consulting firm AlixPartners.

The turmoil is already leading to thousands of job losses and risks inflicting further damage on Europe's economy, which has struggled to grow as fast as the U.S. in recent years. The automotive industry accounts for roughly 7% of gross domestic product in the European Union—far higher than stateside.

Volkswagen, the region's bellwether automaker, reported record profit last year, but its stock now trades close to 14-year lows. It is even holding talks with its powerful union about closing a factory in Germany for the first time.

VW isn't alone. Europe's second-largest carmaker, **Stellantis**, said last week it would shut a U.K. van factory that employs more than 1,100 workers. The week before, Ford's European operation announced 4,000 job cuts. Big industry suppliers such as **Bosch** and **ZF Friedrichshafen** are also laying off thousands of workers each.

European carmakers



*Estimated. **Non-voting preferred shares; €1=\$1.05. †Through October. **Forecasts.

Sources: S&P Global (production share, vehicle shipments); FactSet (stock price); JATO Dynamics (EV share); ACEA (Europe's vehicle sales), CAAM (China's vehicle sales), St. Louis Fed (U.S. vehicle sales)

planned for a rapid adoption of electric vehicles, spurred by regulators. But after an early burst of enthusiasm, consumers haven't cooperated, wary of high prices and patchy charging infrastructure. Subsidies were withdrawn last December in Germany, hitting Europe's largest EV market

hard. Starting next year, carmakers will have to sell many more EVs or hybrids in the EU to comply with new limits on carbon-dioxide emissions or else pay fines. In the U.K., manufacturers face hefty penalties if EVs account for less than 22% of sales this year.

VW has privately warned

that it might have to pay EU fines of as much as 1.5 billion euros, equivalent to roughly \$1.6 billion, according to a person familiar with the matter.

The U.K. government last week hinted it could relax its rules, and some analysts expect the EU to follow suit. The

EU could get even worse:

China has floated extra taxes

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BUSINESS & FINANCE

The Battle Over Musk's Pay Deal

By SEAN McLAIN AND ERIN MULVANEY

Elon Musk's record-breaking Tesla compensation package has hit another roadblock, after a Delaware judge on Monday again rejected the pay deal, now valued at nearly \$100 billion.

The ruling presents a dilemma for Tesla's board of directors, who had warned that Musk's pay package as CEO is vital to keep the entrepreneur's attention on the carmaker at a time when electric-vehicle sales are under pressure.

Musk responded to the ruling, saying shareholders and not judges should control company votes.

The value of the pay package, which fluctuates based on Tesla's stock price, has more than doubled from early this summer, with shares in the electric-car maker rallying in recent weeks.

The company's board has limited options in how to respond to the ruling, with little hope of a quick payday for Musk, whose 2018 compensation package has been tied up in litigation for years.

What can Tesla do now?

Tesla said Monday it plans to appeal. It has 30 days to file such an action with the Delaware Supreme Court, but legal experts say the company faces a protracted legal battle with a small possibility of success.

The EV maker's legal arguments will also be narrower than at the initial trial. The appellate court only in rare cases will re-examine the key facts of the case, including whether shareholders were misled by the board of directors when they first approved the package in 2018, legal experts say.

Tesla's lawyers can argue that Chancellor Kathleen McCormick's ruling misinterpreted the law, didn't properly handle ratification or that the \$345 million in legal fees awarded to the plaintiff's attorneys was too high. The plaintiff's lawyers originally asked for a sum worth \$5.6 billion in Tesla stock, which prompted thousands of shareholders to send letters to the court objecting to the fee and ruling.

Chinese EV maker BYD sold a record 504,003 vehicles in November, marking its second consecutive month of over 500,000 vehicles sold.

To achieve their annual sales targets amid stiff competition, both Tesla and BYD have recently offered discounts. The U.S. EV giant has said it would lower the price on its Model Y car in China and offer five-year interest-free loans.

Chinese automakers have benefited significantly from the

MATTHEW BUSH FOR WSJ

Elon Musk says shareholders should control company votes.

the absence of a pay structure for Musk "could affect his incentive to continue devoting time and energy to Tesla."

Tesla's board has said the court's rejection of the 2018 compensation deal would mean the company may have to negotiate a new plan of a similar size, but at a higher cost to shareholders.

Earlier this year, Tesla's accounting team estimated it could cost the company more than \$25 billion to reissue an equally-sized pay package, depending on the timing of such a deal. Tesla board chair Robyn Denholm has said the company has "alternatives" it could consider but those would affect shareholders negatively.

If an appeal fails, board directors could craft a fresh compensation package for Musk subject to laws in Texas, Tesla's new legal home.

Shareholders voted to move its incorporation from Delaware to Texas in June, at the same time they ratified Musk's pay package for the second time. Future legal disputes over his compensation would then go through Texas's new business court, which started hearing cases for the first time in September.

Why did Tesla create an unorthodox compensation deal for Musk?

Tesla said the pay plan was structured to reward Musk with lucrative stock options if the company hit growth targets over a decade. When the deal was approved by shareholders, many observers said the targets were ambitious.

They included developing a prototype for the Model X SUV and growing the company's market capitalization to \$650 billion—more than 10 times what the company was

worth at the time.

Ahead of the 2018 vote, Tesla's board said the growth milestones were designed to be difficult to achieve, and that the rewards were lucrative to reflect the challenge.

Musk hit the last of the targets in 2022, which would have granted him options to purchase over 300 million shares in the carmaker.

The options' exercise price is tied to the value of Tesla's shares on Jan. 19, 2018, which was around \$23 after stock splits. Tesla's share price has surged to over \$300 a share since then, meaning Musk's award has gained billions of dollars in value—at least on paper. He has yet to exercise the options.

At trial, Tesla board members said they had been concerned that Musk's attention was being drawn away from the carmaker. One former board member likened the structure of the deal, where Musk would receive stock options in tranches in return for hitting each target, to "dopamine hits."

Musk's attention has been divided among the carmaker and his other ventures in space exploration, artificial intelligence and social media. In recent weeks, Musk added to his list of responsibilities, agreeing to help President-elect Donald Trump cut government regulations and spending through a proposed Department of Government Efficiency.

Why did the judge rule against Tesla?

In her initial ruling in January, McCormick threw out the compensation package, calling the process surrounding its creation "deeply flawed." Board members failed to act independently in negotiating the pay deal, McCormick wrote. "In fact, there is



Source: FactSet

barely any evidence of negotiations at all," she wrote.

McCormick also called the size of the award "an unfathomable sum" and said the record-setting amount was an unfair price for Musk's services.

After the initial ruling, Tesla decided to hold a second shareholder vote in June on Musk's pay. In proxy filings ahead of that vote, Tesla attached the judge's 200-page opinion striking down the package in an attempt to address her criticism that shareholders didn't have all the information ahead of the first vote.

Lawyers representing Tesla's side in the suit said 72% of voting shareholders supported Musk's pay package.

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Ultimately, Tesla was asking for a do-over in lieu of penalties, the experts said. "Think of it this way, if you rob a convenience store and get arrested for it, you can't say, 'Well I shouldn't go to jail because I'm going to give everything back,'" said Renee Zaytsev, a partner at Boies Schiller Flexner who isn't involved in the case.

—Becky Peterson contributed to this article.

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Competition Curbs Tesla's China Sales

By JIAHUI HUANG

Tesla's sales in China fell in November amid intensifying competition from Chinese rivals.

The U.S. electric-vehicle maker sold 78,856 China-made cars in November, down 4.3% from a year earlier but 15% higher than the previous month, data from the China Passenger Car Association showed Tuesday.

Car sales have been robust thanks to the government's trade-in subsidies, automakers' promotional events in November and an auto show in the city of Guangzhou, the CPCPA said.

The CPCPA estimated sales of electric passenger cars in China last month rose 51% from a year earlier to about 1.46 million units.

Chinese automakers have benefited significantly from the

government's trade-in subsidies over the last two months.

As of Nov. 18, more than four million applications have been submitted for these subsidies, the CPCPA said.

Most of those applications were for new-energy vehicles, a widely used term in China referring to hybrids and EVs, because of bigger subsidies for the category compared with those for conventional gasoline-powered cars, the CPCPA added.

Chinese EV maker BYD sold a record 504,003 vehicles in November, marking its second consecutive month of over 500,000 vehicles sold.

To achieve their annual sales targets amid stiff competition, both Tesla and BYD have recently offered discounts.

The U.S. EV giant has said it would lower the price on its Model Y car in China and offer five-year interest-free loans.

Europe's Carmakers Downshift

Continued from page B1
on imported gasoline vehicles as a potential response to the EU tariffs.

Trump, too, has said he would introduce tariffs. This isn't just about shipments from Europe: VW, Audi, Mercedes-Benz and BMW also manufacture products in Mexico for the U.S. Last week, Trump said he would impose a 25% tariff on goods imported from its southern neighbor.

Today's plight is a dramatic turnaround for an industry that was an outsize winner from the falling trade barriers of the 1990s and 2000s. Europe emerged from the 2008 financial crisis with a global

lead in automotive production and technology.

Even after China took the production crown, Europe's car industry remained robust, accounting for almost a quarter of global light-vehicle output in the years before the pandemic. This year, its share is expected to fall to 19%, far

behind China at 33% and not much above North America, according to S&P Global's forecasts.

Meanwhile, EVs have handed the technological lead to the U.S. and, increasingly, China. Chinese companies used to pay VW for its engine know-how; now it is paying startups Xpeng in China and Rivian in the U.S. for EV expertise.

"We had a very favorable situation in the past 30 years," said Fabian Brandt, the Germany-based global head of automotive consulting for Oliver Wyman. "A supercycle is coming to an end."

lead in automotive production and technology.

Even after China

BUSINESS NEWS

Carlsberg Sells Russia Unit

Moscow had seized brewing outfit after Ukraine invasion led companies to exit

By DOMINIC CHOPPING

Carlsberg agreed to sell its Russian Baltika Breweries business, ending a long-running legal dispute sparked after the Russian government seized control of the business.

A Russian presidential decree last summer transferred Baltika Breweries to the temporary management of Russian authorities. The move was one of several similar decrees made by Russia in retaliation to the flight of Western companies from the country in the wake of the Ukraine invasion.

Companies including yogurt maker Danone and energy producers Uniper and Fortum also had their Russian

businesses seized at around the same time.

In a statement on Tuesday, Carlsberg said Baltika Breweries will be sold to two long-standing Baltika employees currently holding management positions. As part of the deal, Baltika will transfer its shareholdings in Carlsberg Azerbaijan and Carlsberg Kazakhstan to the Carlsberg Group.

"Considering the circumstances, we believe it is the

best achievable outcome for our employees, shareholders and the continued business," Carlsberg Chief Executive Jacob Aarup-Andersen said. "With today's announcement, we will settle numerous lawsuits and IP rights issues."

The sale has been approved by both Danish and Russian authorities.

Financial terms weren't disclosed but more details will be released in the 2024 annual report, it said.

Campbell's Beekhuizen Is Promoted to Top Job

BY JESSE NEWMAN
AND SABELA OJEA

inflation to uncertainties tied to the "Make America Healthy Again" agenda of Robert F. Kennedy Jr., President-elect Donald Trump's pick to lead the Health and Human Services Department.

"Running the business operations of a football team with an 8-5 record sounds like an easier task," said Robert Moskow, a TD Cowen analyst.

Last month the company dropped Soup from its name after shareholders approved a change from Campbell Soup Co., which it had used since 1922. The change highlighted the evolution of the company's portfolio: Nearly half of its annual sales now stem from snacks like Goldfish crackers and Kettle chips.

Campbell's began to turn around its sales after Campbell's acquisition of Rao's Homemade parent Sovos Brands, a deal in which Beekhuizen is credited with playing a significant role.

The company posted a net profit for the three months ended Oct. 27 of 72 cents a share, compared with 78 cents a year earlier. Sales rose 10%.

Stoli's U.S. Arm Files for Chapter 11

BY JAMES RUNDLE
AND CATHERINE STUPE

The U.S. arm of spirits maker Stoli Group filed for bankruptcy late last week, citing an August cyberattack as a contributing factor.

Luxembourg-based Stoli, which produces the eponymous vodka brand formerly known as Stolichnaya, sought chapter 11 protection in Texas on Nov. 27 for Stoli Group USA as well as its Kentucky Owl whiskey brand.

The filing lists between \$50 million and \$100 million in liabilities.

Worldwide litigation by Russia, which claimed itself owner of the Stolichnaya brand in 2000, and a dispute with primary lender Fifth Third Bank also prompted the move, Chris Caldwell, Stoli Group's global chief executive, said in a court filing.

Caldwell said he expects a restructuring to be completed in the first half of 2025.

A ransomware attack in August disabled the company's primary system for tracking resources and operations and forced essential functions such as accounting into manual entry mode.

The cyberattack caused "severe operational disruption" and Stoli had "issues with



Luxembourg-based Stoli sought chapter 11 protection on Nov. 27 for Stoli Group USA.

compliance" with Fifth Third Bank's reporting requirements, the filing said.

A spokesman for the bank didn't respond to a request to comment.

"These systems will be fully restored no earlier than in the first quarter of 2025," Caldwell said.

After Moscow's 2022 invasion of Ukraine, some stores in the U.S. pulled Stoli vodka from shelves, and the company made significant efforts such as accounting into manual entry mode.

The cyberattack caused "severe operational disruption" and Stoli had "issues with

vious association with Russia. That included rebranding its vodka to "Stoli" and a public relations push to emphasize it is bottled in Latvia, not Russia. The company posted several pro-Ukraine messages on social media.

Cyberattack costs have figured into recent bankruptcy filings by other companies.

Petersen Health Care, one of the largest U.S. nursing home operators, filed for bankruptcy in March, in part due to a cyberattack in 2023

and the February hack on UnitedHealth Group's Change Healthcare unit, which slowed payments to Petersen.

In October, Jerico Pictures, the parent company of data broker National Public Data, filed for chapter 11 protection, citing regulatory investigations and the cost of notifying victims and providing credit monitoring after a 2023 hack. Hackers claimed they stole around 2.9 billion records from NPD, including Social Security numbers.

Watch a Video: In Fukushima's Shadow, Japan Grapples With Nuclear Power's Return



FUTA NAGAO

Surging demand for AI has sparked a race to secure supplies of nuclear power. Scan this code for a video on the Fukushima exclusion zone in Japan and the challenges facing atomic energy's comeback.

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Microsoft Sued for \$1.27 Billion Over U.K. Cloud Services

Businesses and organizations allege the tech giant restricts competition

BY EDITH HANCOCK

Microsoft faces a 1-billion-pound (\$1.27 billion) dispute in the U.K. over how it charges customers who buy cloud software services that rival its own Azure, the latest antitrust challenge to the U.S. tech giant's approach to licensing.

The lawsuit brought on behalf of multiple parties by litigation specialist firm Scott+Scott alleges that Microsoft is leveraging its dominance in must-have computer operating systems and unfairly charging business customers more if they purchase its Windows Server and use it with the tech giants' main rivals' cloud platforms.

The suit was filed on Tuesday with the U.K.'s Competition Appeal Tribunal by

Scott+Scott, headquartered in New York. According to the firm, Microsoft is "punishing U.K. businesses and organizations for using Google, **Amazon** and **Alibaba** for cloud computing by forcing them to pay more money for Windows Server."

Maria Luisa Stasi, the lead claimant representing U.K. businesses and organizations that have allegedly been overcharged, said Microsoft's approach restricts competition in the sector by steering customers towards Azure, the company's own cloud computing service.

The claim is backed by alternative asset manager and third-party litigation funder LCM Funding UK.

Microsoft declined to comment.

Microsoft has come under pressure from competing cloud companies in recent years over how it offers its own software to business users. The U.K.'s Competition and Markets Authority is currently investigating public cloud infrastructure services to check for issues in the sector. Both **Alphabet**'s Google and Amazon's AWS have submitted comments to the regulator that take aim at Microsoft's licensing practices.

The CMA found in its research that AWS is the market leader in U.K. cloud and that AWS and Microsoft account for the vast majority of cloud software revenues.

Microsoft told the CMA in a hearing last July that although Google's Cloud Platform hasn't had the same success as AWS and Azure to date, it has important advantages and that the CMA's competition concerns ignore fierce competition between cloud-service providers that drives down prices.



Rami Sinno, director of engineering at Annapurna, Amazon's in-house chip-making lab in Austin, Texas, last month.

JORDAN VONDERHAAR FOR WSJ

Amazon Plans Supercomputer Powered by Homegrown AI Chips

BY BELLE LIN

Amazon's cloud-computing arm Amazon Web Services on Tuesday announced plans for an "Ultralcluster," a massive AI supercomputer made up of hundreds of thousands of its homegrown Trainium chips, as well as a new server, the latest efforts by its AI chip design lab based in Austin, Texas.

The chip cluster will be used by AI startup Anthropic, in which the retail and cloud-computing giant recently invested an additional \$4 billion. The cluster, called Project Rainier, will be located in the U.S. When ready in 2025, it will be one of the largest in the world for training AI models, according to Dave Brown, Amazon Web Services' vice president of compute and networking services.

Amazon Web Services announced a new server called Ultraserver, made up of 64 of its own interconnected chips, at its annual re:Invent conference in Las Vegas on Tuesday. AWS also

unveiled **Apple** as one of its newest chip customers.

Combined, Tuesday's announcements underscore AWS's commitment to Trainium, the in-house-designed silicon the company is positioning as a viable alternative to the graphics processing units, or GPUs, sold by chip giant **Nvidia**.

The market for AI semiconductors was an estimated \$17.5 billion in 2024, and will reach an expected \$193.3 billion by the end of 2027, according to research firm International Data Corp. Nvidia commands about 95% of the market for AI chips, according to IDC's December research. "Today, there's really only one choice on the GPU side, and it's just Nvidia," said Matt Garman, chief executive of Amazon Web Services. "We think that customers would appreciate having multiple choices."

A key part of Amazon's AI strategy is to update its custom silicon so that it can not only bring down the costs of AI for its business customers, but also give the company more control over its supply chain. That could make AWS less reliant on Nvidia, one of its closest partners, whose GPUs the company makes available for customers to rent on its cloud platform.

But there is no shortage of companies angling for their share of Nvidia's chip revenues, including AI chip startups such as **Groq**, **Cerebras Systems** and **SambaNova Systems**. Amazon's cloud peers, **Microsoft** and **Alphabet**'s Google, also are building their own chips for AI and aiming to reduce their reliance on Nvidia.

Amazon has been working on its own hardware for customers since well before 2018, when it released a central processing unit called Graviton based on processor architecture from British chip-designer **Arm**. Amazon executives say the company aims to run the same playbook that made Graviton a success—proving to customers that it is a lower-cost but no less capable option than the market leader.

Bigger is better

As AI models and data sets have gotten larger, so, too, have the chips and chip clusters that power them. Tech giants aren't just buying up more chips from Nvidia, or designing their own; they're now trying to pack as many as they can in one place.

That's one goal of Amazon's chip cluster, which was built as a collaboration between Amazon's Annapurna Labs and **Anthropic**: for the AI startup to use the cluster to train and run its future AI models. It is five times larger, by exaflops, than Anthropic's current training cluster, AWS said. By comparison, Elon Musk's xAI recently built a supercomputer it calls Colossus with 100,000 Nvidia Hopper chips.

Amazon's Ultraserver links 64 chips into a single package, combining four servers, each containing 16 Trainium chips. Certain Nvidia GPU servers, by comparison, contain eight chips, Brown said. To link them together to work as one server, which can reach 83.2 petaflops of compute, Amazon's other secret sauce is its networking: creating a technology it calls NeuronLink that can get all four servers to communicate.

That's as much as Amazon could pack into the Ultraserver without overheating it, the company said. But the message isn't strictly, "Choose us or Nvidia,"

Lab Team Has 'Scrappy Mindset'

who can also write code. "We design the chip, and the core, and the full server and the rack at the same time. We don't wait for the chip to be ready so we can design the board around it," Sinno said. "It allows the team to go super, super fast."

The chip lab has been there since Annapurna's startup days, when it was seeking to land in a location where chip giants already had offices, said Gadi Hutt, a director of product and customer engineering who joined the company before the Amazon acquisition.

Inside, engineers might be on the assembly floor one day, while soldering the next, said Rami Sinno, the lab's director of engineering. They do anything that needs to be done, right away—the sort of scrappy mindset more commonly found among startups than trillion-dollar companies like Amazon.

That's by design, Sinno said, because Annapurna doesn't look for specialists like the rest of the sector. It looks for a board designer, for instance, who is also fluent in signal integrity and power delivery, and

Amazon executives say, Amazon says it is telling customers they can stick with whatever combination of hardware they prefer on its cloud platform.

Else Kant, co-founder and chief technology officer of AI coding startup Poolside, said it is getting roughly 40% price savings compared with running its AI models on Nvidia's GPUs. But a downside is that the startup needs to spend more of its engineers' time to get Amazon's associated chip software to work.

However, Amazon fabricates its silicon directly through **Taiwan Semiconductor Manufacturing** and puts it into its own data centers, making it a "safe bet" for the AI startup, Kant said. Where it places its bets is key, because even a six-month hardware delay could mean the end of its business, he said.

Benoit Dupin, a senior director of machine learning and AI at Apple, said that the smartphone giant is testing Trainium2 chips, and expects to see savings of about 50%.

For most businesses, the choice of Nvidia versus Amazon isn't a pressing question, analysts say. That's because large companies are mostly concerned with how they can get value out of running AI models, rather than getting into the

nitty-gritty of actually training them.

An invisible layer

The trend is a good thing for Amazon, because it doesn't really need customers to peek under the hood. It can work with firms like cloud-data company Databricks to put Trainium beneath the covers, and most businesses won't notice a difference because computing should just work—ideally at a lower cost.

Amazon, Google and Microsoft are building their own AI chips because they know their custom designs save time and cost while improving performance, said Chirag Dekate, an analyst at market research and IT consulting firm Gartner. They customize the hardware to offer very specific parallelization functions, he said, which could beat the performance of more general-purpose GPUs.

Company leaders, though, are realistic about how far AWS's chip ambitions can go.

"I actually think most will probably be Nvidia for a long time, because they're 99% of the workloads today, and so that's probably not going to change," AWS CEO Garman said. "But, hopefully, Trainium can carve out a good niche where I actually think it's going to be a great option for many workloads."



Annapurna's new Trainium2 chip.

JORDAN VONDERHAAR FOR WSJ



Plaintiffs claim they have been overcharged for the services.

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THE WALL STREET JOURNAL.

THE PROPERTY REPORT

Building Industry Unsettled

Continued from page B1

About a quarter of the U.S.'s \$43 billion in imported iron and steel came from Canada as of 2022, according to the Observatory of Economic Complexity.

Another key home-builder import from Mexico and Canada is cement. The U.S. imported \$512 million of cement from Canada and \$254 million from Mexico in 2022. Gypsum, which is used to make drywall, is also imported from both countries and has already jumped nearly 50% in price since 2020, NAHB said.

Asked about the consequences of tariffs and deportations for the construction industry, a spokeswoman for Trump's transition team said the incoming president "will work quickly to fix and restore" the economy by "reshoring American jobs, lowering inflation, raising real wages, lowering taxes, cutting regulations and unshackling American energy."

Many industry players are upbeat about some parts of Trump's policy package.

Michael Bellaman, president and chief executive of Associated Builders and Contractors, which endorsed Trump, said "enthusiasm is very high" because of the prospect of deregulation un-

der the president-elect. Federal and local government regulations add more than \$90,000 to the cost of a new home, according to NAHB.

"The incoming administration is obviously pro-worker, pro-growth and pro-business," Bellaman said.

Still, home builders are already starting to brace for deportation and trade policies. Industry lobbyists have warned the Trump transition team that the policies could have a chilling effect on builders and the overall market, a person familiar with the matter said.

Builders said they would pass at least some of the increased costs on to home buyers, when prices are already near record highs and mortgage rates are on the rise again.

"It would just add to the price pressure of housing at a time when affordability is already very stretched," said Eric Finnigan, vice president of demographics research at John Burns Research & Consulting.

After more than 300,000 undocumented immigrants were deported between 2008 and 2013, Americans didn't replace all the construction positions they previously held, according to a study by the universities of Utah and Wisconsin this year. It found the deportations caused a resulting loss of about a year's worth of construction for the average county and raised new-home prices roughly 20%.

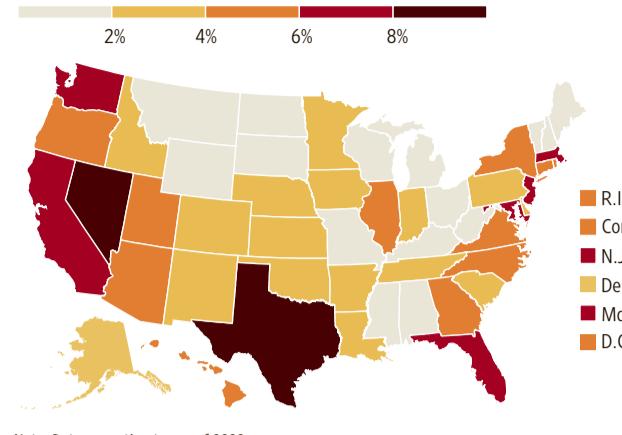
Construction companies have struggled with major worker shortages since the

2008-09 financial crisis, which left the industry reeling with steep job losses. Many U.S.-born workers pivoted to opportunities that were higher paying, less physically demanding or both.

Builders said that even during times of high unemployment, most native-born Americans are unwilling to take the industry's most physically grueling jobs, especially in Texas, where framing or laying pipe often occurs in temperatures over 100 degrees Fahrenheit.

Since 2022, some 130,000 newly arrived immigrants have joined the construction industry, pushing the number of foreign-born construction workers to a record, according

Share of unauthorized immigrants in the labor force



Note: Data are estimates as of 2022.

Source: Pew Research Center

to the NAHB.

José Ortega has been an undocumented construction worker in north Texas for 12 years. A grandfather from Guatemala, he moved north to find work to support his family. Now, he and his son work side by side, framing houses. Ortega also

serves as a pastor of a nearby church. Ortega said he would keep working and hopes not to be affected by deportations. He said he doesn't know why anyone would want to deport him,

since he works hard and stays out of trouble.

Even with the surge in migration, roughly half of builders reported shortages earlier this year for directly employed workers and for subcontractors

7.3%
Percentage of building materials that are imported to U.S. market.

tors, according to the association's survey of electricians, roofers, plumbers, painters and businesses in several other trades.

Builders and subcontractors in Texas said they suspect most people working on their sites are undocumented. Most home builders make sure their direct employees have legal status and otherwise rely on subcontractors, who often hire individuals as independent contractors.

One north Texas remodeling subcontractor, who declined to be named to avoid his business being targeted, estimated that of the 40 to 60 men he frequently hires for jobs, some 90% are undocumented—including likely everyone doing framing, roofing and concrete, he said. He has had to turn down roofing jobs on military bases because he knows no roofers with the necessary paperwork that military jobs require.

Even when employers are diligent in checking their workers through the government's E-Verify site, many of them may pass through a fake identification number.

Stan Marek, CEO of his family's Houston-based interior contracting company, recalled his first federal immigration audit some two decades ago, when auditors found dozens of his workers whose names didn't match their identification. He was forced to fire highly valued employees, he said. But they weren't deported. Instead, they went to work for his competitors. A few now run their own Texas construction

businesses, he said.

The experience led Marek to become an activist to change immigration laws, co-founding the advocacy group Texans for Sensible Immigration Policy. The group supports finding a way for 11 million undocumented immigrants to earn legal status if, among other things, they can pass criminal background checks and learn English.

Construction-industry leaders, he said, are "putting their heads down and hoping like hell it doesn't happen. But they're starting to think they need to speak out, like me."

Other builders are focused on figuring out how tariffs might affect them. Mike Forsum, president of Dallas-based home builder **Landsea Homes**, surveyed dozens of homes in various stages of construction at a subdivision site 25 miles east of Dallas. He pointed out features he said Texans like: stone exteriors, formal dining rooms and central staircases. The stone is local, but Forsum's company imports nearly all fixtures and electrical components from other countries.

Forsum is keeping a close eye on how proposed tariffs could roil supply chain that just recently normalized after the turmoil of the pandemic.

Landsea has started an internal assessment of how much the tariffs could increase its home prices.

"It's not lost on us, the rhetoric around tariffs," Forsum said. "We're doing our best to stay in front of it."

—Will Parker contributed to this article.

BUSINESS & FINANCE

Wrangler, Lee Jeans Maker Hopes to Attract Women

By KRISTIN BROUGHTON

Kontoor Brands, maker of Wrangler and Lee jeans, is selling more women's clothing in an effort to boost sales and expand its appeal to new customers.

Kontoor's denim brands are best known for their masculine appeal, and for selling classic, low-cost denim through retailers such as **Wal-Mart** and Western clothing stores. But the company, which was spun off from VF Corp. in 2019, is leaning into other categories to increase sales, including by focusing more on fashionable women and teens drawn to its flared jeans, tops and jackets.

Wrangler in August introduced a line of jeans for women that features stretchy denim and angled pockets. The following month, the brand unveiled a fashion collaboration with country music star Lainey Wilson. Meanwhile, Lee has sold clothing



Wrangler has a fashion collaboration with country music star Lainey Wilson.

through collaborations with **Forever 21**, the teen-focused retailer, as well as Stutterheim, the raincoat company.

The company has seen an increase in demand from female customers. Women's clothing accounts for 20% of Kontoor's sales, up from 10% in 2019, at the time of the spinout, according to Stifel Financial.

"The opportunity there is massive," said Joe Alkire, chief financial officer at Greensboro, N.C.-based Kontoor. The company is also expanding in outdoor clothing, including pants made from moisture-wicking fabric.

Kontoor's first five years as a stand-alone public company have been volatile.

After its spinoff from VF, the coronavirus pandemic wreaked havoc on the global economy, snarled supply chains and fueled inflation. The company, which is primarily a wholesaler, has also confronted a wide-scale de-

stocking among retailers that were stuck with too much inventory when the pandemic abated and consumer preferences quickly changed.

"Really the journey since then has been about creating this as a stand-alone entity that can explore other opportunities for growth," he added.

Investors are optimistic about Kontoor's ability to generate stronger sales, analysts said, pointing to the company's record in improving its profit margin by reducing product

and supply-chain costs.

The company's gross margin was 44.7% during the latest quarter, up from 41.5% a year earlier. Its stock price has increased more than 70% over the past year, closing at \$94.05 on Tuesday.

"Investors are definitely going to be looking for more progress on the top line," said Jim Duffy, managing director at Stifel, referring to revenue.

As part of its expansion into new categories, Kontoor is spending more in areas such as advertising and product development.

The company in September released its largest national television campaign for Wrangler since the separation from VF. The ad ran during football games, as well as during the final season of the hit series "Yellowstone."

Kontoor plans to pay for its brand investments by eliminating \$100 million in costs in its production and supply chains through efforts such as negotiating lower prices with

vendors and consolidating manufacturing sites. Investors should begin to see the impact of the plan in next quarter's results, and continuing through 2026, according to the company.

"We thought we could create our own investment capacity and not ask our shareholders to pay for it," Alkire said, discussing Kontoor's plan, which the company calls Project Jeanius.

Investors in the year ahead will be closely monitoring whether revenue increases at a faster clip than advertising spending, analysts said. That would show that the company is seeing a return on its brand investment.

Kontoor doesn't break out ad spending in its quarterly financial statements. During the quarter ended Sept. 30, selling, general and administrative expenses, which includes advertising costs, increased 8%, to \$201.2 million. Profit rose 19%, to \$70.5 million.

Marketer Takes On a New Shoe

Continued from page B1 while sales of the flagship Crocs brand increased 8%.

Reilly is directing his team to do a better job at showing how to style HeyDude with the latest trends, but the brand still has to contend with the fact that many simply deem its shoe designs too ugly. And retailers that couldn't sell enough HeyDude during the past few seasons of oversupply are hesitant to stock as many pairs, according to Sam Poser, analyst at Williams Trading.

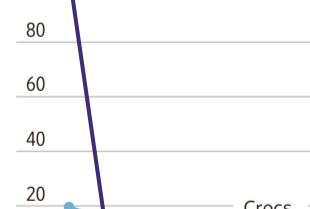
Its shoes are priced about \$50 to \$80, a middling range that doesn't tend to make or break shoe sellers' businesses, he said.

The "Jelly Roll shoe" in October was one of Reilly's biggest moves at HeyDude—a skull-embossed, limited-edition, now-sold-out \$80 design from the hip-hop-country singer that marked the beginning of a partnership. But it is just one of many tie-ups: In 2024, HeyDude was cross-branded with the likes of Paramount's "Mean Girls," SpongeBob SquarePants and Coca-Cola.

Reilly persuaded actress Sydney Sweeney to reveal the casual, girl-in-the-lakehouse side to her personality in a whimsical summer campaign because Reilly's biggest priority at HeyDude is capturing the attention of young women, he said. "More than ever before, female youth culture drives culture," he said.

Sweeney will continue to work with the company as a brand ambassador and introduce new styles throughout next year, the company said.

Crocs brands quarterly revenue, change from a year earlier



Note: Crocs completed HeyDude acquisition in January 2022

printed with photorealistic fried chicken and adorned with detachable, chicken-scented charms. Justin Bieber Crocs, Simone Rocha Crocs and Hidden Valley Ranch Crocs followed.

After years of declines, the brand's revenue grew by 36% to \$1.39 billion in 2020 from \$1.02 billion in 2017.

Reilly in person is open, informal and self-effacing to the point of pondering out loud why anybody would want to hear what he has to say. But if he has one secret to success, it is the ability to think in opposites, he said.

"Crocs went from what most perceived as an older person's gardening shoe to a guy with ink on his face," Reilly said. "With HeyDude, our first move was Sydney Sweeney—for a brand called

HEY DUDE. And at Stanley we went from male, green and hot to female, colorful and cold."

The origins of Stanley's turnaround are marketing lore. Lauren Solomon, a sales director at the company, told Reilly during an April 2020 meeting about a group of women in Utah buying and reselling its 40-ounce Quencher cups, and Reilly, who joined the company just days earlier, saw an opportunity.

He greenlighted the creation of colorful cups in different finishes. His marketing department began zealously working with female social-media influencers who spread the religion of the Stanley cup throughout Utah and beyond.

Reilly joined Crocs as senior director of Americas marketing in 2013 and was promoted to chief marketing officer in 2015. Part of Reilly's appeal is the velocity at which he can devise and execute ideas, said Crocs Chief Executive Andrew Rees. "He obsesses and is constantly prowling social media," Rees said. "He'll send me stuff all weekend long."

Some green shoots are appearing for HeyDude. A slipper the brand introduced in October, a faux-shearing slip-on for men and women, sold out within a week. HeyDude restarted selling shoes through TikTok Shop and, on some days, it is the biggest-selling global account on the social-media commerce platform.

"Our investment community and some of our wholesale partners are, right now, a little skeptical," Rees said. "That skepticism is not shared by those of us that work here."

Wells Fargo Set to Sell San Francisco Headquarters

By GINA HEEB AND CRAIG KARMIN

Wells Fargo is set to sell its San Francisco headquarters, part of a broader shift in the bank's power base to the East Coast.

The office at 420 Montgomery St. in San Francisco's Financial District could be put on the market as soon as this month, people familiar with the matter said.

Wells Fargo already has started to engage in informal conversations with potential buyers, one of the people said.

The Montgomery Street building is about 409,000 square feet, according to the real-estate data firm **CoStar Group**.

The new headquarters will be at another San Francisco office where Wells recently renewed its lease: 333 Market St. The sale would cement a yearslong shift by Wells Fargo away from San Francisco, with its senior leadership now largely based in New York or Charlotte, N.C. Wells Fargo has increased its presence in New York under Chief Executive Charlie Scharf.



JOCS INC.

Terence Reilly, right, left Stanley for HeyDude in April.

Source: the company

HEY DUDE

COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures

	Contract						Open
	Open	High	Low	Settle	Chg	Interest	interest
Copper-High (CMX)-25,000 lbs.; \$ per lb.							
Dec 4.0950 4.2050	4.0650	4.1460	0.0705	3,860			
March'25 4.1390 4.2610	4.1120	4.2020	0.0715	132,882			
Gold (CMX)-100 troy oz.; \$ per troy oz.							
Dec 2639.00 2654.70	2636.00	2644.70	9.80	2,272			
Jan'25 2652.00 2665.00	2645.90	2659.90	9.40	2,182			
Feb 2662.00 2678.40	2656.60	2667.90	9.40	356,671			
April 2682.30 2699.00	2677.70	2688.70	9.40	47,511			
June 2709.00 2719.20	2699.70	2710.40	9.40	31,374			
Aug 2721.20 2739.20	2721.20	2730.70	9.40	8,923			
Palladium (NYM)-50 troy oz.; \$ per troy oz.							
Dec 1003.00 1003.00	978.00	983.70	-8.20	14			
March'25 993.50 1007.00	980.00	987.70	-7.50	15,197			
Platinum (NYM)-50 troy oz.; \$ per troy oz.							
Dec 924.80 938.00	924.80	958.00	9.90	4			
Jan'25 951.20 964.80	945.30	960.20	9.80	75,410			
Silver (CMX)-5,000 troy oz.; \$ per troy oz.							
Dec 30,935 31,110	30,870	31,077	0.628	1,079			
March'25 30,990 31,570	30,920	31,492	0.628	111,525			
Crude Oil, Light Sweet (NYM)-1,000 bbls.; \$ per bbl.							
Dec 351.00 351.00	351.00	351.00	356.75	8.25	80		
March'25 369.75 383.00	369.75	380.75	11.50	3,023			

Agriculture Futures

	Contract						Open
	Open	High	Low	Settle	Chg	Interest	interest
Corn (CBT)-5,000 bu.; cents per bu.							
Dec 425.00 428.00	422.75	423.25	-1.25	9,402			
March'25 433.00 436.00	431.00	432.25	-2.25	785,925			
Oats (CBT)-5,000 bu.; cents per bu.							
Dec 351.00 351.00	351.00	356.75	8.25	80			
March'25 369.75 383.00	369.75	380.75	11.50	3,023			

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	Total return close	YTD total return (%)	Index	Yield (%)	Latest	Low	High
Broad Market Bloomberg Fixed Income Indices													
2122.26	2.8	U.S. Aggregate	4.670	4.100	5.310								
U.S. Corporate Indexes Bloomberg Fixed Income Indices													
3252.21	4.1	U.S. Corporate	5.060	4.640	5.750								
3147.14	5.0	Intermediate	4.870	4.400	5.670								
4316.14	2.3	Long term	5.430	5.070	5.930								
617.50	2.4	Double-A-rated	4.740	4.260	5.330								
885.42	4.8	Triple-B-rated	5.240	4.850	5.950								
High Yield Bonds ICE BofA													
572.35	8.9	High Yield Constrained	7.094	6.975	8.394								
587.58	15.9	Triple-C-rated	11,299	11,247	14,199								
3818.97	7.8	High Yield 100	6.362	6.208	7.871								
498.71	9.3	Global High Yield Constrained	6,901	6,812	8,333								
374.39	8.2	Europe High Yield Constrained	5,501	5,501	6,899								
U.S. Agency Bloomberg Fixed Income Indices													
1848.73	3.6	U.S. Agency	4,470	3,960	5,190								
1636.17	3.7	10-20 years	4,440	3,920	5,190								
3534.28	2.3	20-plus years	4,780	4,240	5,270								
2836.08	3.9	Yankee	4,900	4,380	5,580								

Constrained indexes limit individual issuer concentrations to 2%; the High Yield 100 are the 100 largest bonds

* In local currency. \$ Euro-zone bonds

Sources: ICE Data Services; Bloomberg Fixed Income Indices; J.P. Morgan

** EMBI Global Index

*** Constrained indexes limit individual issuer concentrations to 2%; the High Yield 100 are the 100 largest bonds

**** In local currency. \$ Euro-zone bonds

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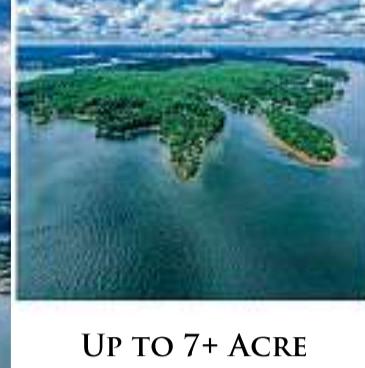
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A two(2) lot purchase per appointment applies.

PUBLIC NOTICES

At Part 3 of the Supreme Court of the State of New York, County of New York,
located at 60 Centre Street, New York, New York, on the 26 day of September, 2024.

PRESENT: Hon Joel M. Cohen, Justice

SUPREME COURT OF THE STATE OF NEW YORK COUNTY OF NEW YORK

In the Matter of the Application of

BARTON MARK PERLBINDER, Individually and MUFFY FLOURET, Individually, and as Trustee of the BARTON MARK PERLBINDER 2023 IRREVOCABLE TRUST, and as Trustees of the BARTON MARK PERLBINDER FAMILY TRUST, on behalf of 125 West 12th Street Garage Corp., 210 East 8th Street Corp., 245 East 36th Street Corp., 245 East 54th Street Garage Corp., 400 CONCRETE CORP., EAST 53RD GARAGE CORP., 400 EAST 54TH STREET GARAGE CORP., PERLBINDER REALTY CORP., RIVERCOURT GARAGE CORP., 330 W. 56 STREET CORPORATION, BAR-MAR ASSOCIATES LLC, PERLBINDER HOLDINGS, LLC, S&M 52ND FEE LLC, STEPHEN & MARIA 53 ASSOCIATES LLC, THE 400 EAST 54TH STREET COMPANY LLC, THREE AT 53RD COMPANY LLC, TWO AT 54TH COMPANY LLC, THE MS PARTNERSHIP AND SAN-DAR ASSOCIATES,

Partnership, and SAN-DAR ASSOCIATES,

Partnership,

For an Omnibus Judicial Disposition of (i) 125 West 12th Street Garage Corp., 210 East 8th Street Corp., 245 East 36th Street Garage Corp., 400 CONCRETE CORP., EAST 53RD GARAGE CORP., 400 EAST 54TH STREET GARAGE CORP., PERLBINDER REALTY CORP., RIVERCOURT GARAGE CORP., 330 W. 56 STREET CORPORATION, BAR-MAR ASSOCIATES LLC, THE 400 EAST 54TH STREET COMPANY LLC, THREE AT 53RD COMPANY LLC, TWO AT 54TH COMPANY LLC, pursuant to Limited Liability Company Law § 702, and (ii) the MS Partnership and San-Dar Associates, pursuant to Partnership Law §§ 62, 63 and other relief?

-against-

STEPHEN PERLBINDER, Individually, ASTRID SAGELLAROSA, Individually and as Trustee of the ARTICLE 4 TRUST UNDER AJS 2020 FAMILY TRUST, and as Trustee of the STEPHEN PERLBINDER 2016 FAMILY TRUST F/B/O ASTRID SAGELLAROSA and as Trustee of the JULIUS PERLBINDER FAMILY TRUST; ANDREA JO STEIN, Individually and as Trustee of the ARTICLE 4 TRUST UNDER AJS 2020 FAMILY TRUST and Trustee of the STEPHEN PERLBINDER 2016 FAMILY TRUST F/B/O ANDREA STEIN; and BRIAN E. RAFTERY, as Trustee of the ARTICLE 4 TRUST UNDER AJS 2020 FAMILY TRUST and the ARTICLE 4 TRUST UNDER AJS 2020 FAMILY TRUST,

Respondents.

Upon the reading and filing of the annexed Verified Petition, duly verified by petitioner, Muffy Flouret, on June 18, 2024 (the "Petition"), and the exhibits attached thereto, and the Affirmation of Christopher A. Gorman, dated June 26, 2024, and upon the Court's prior Order to Show Cause, dated June 28, 2024 (NYSCF Doc. No. 33; the "Prior Order" or the "June 28 Order"):

LET respondents show cause at an IAS Part 3 of this Court to be held in and for the County of New York, in the Courthouse located at 60 Centre Street, New York, New York, on the 18th day of December, 2024, at 10:00 a.m., or as soon thereafter as counsel can be heard, why an Order should not be made and entered granting the following relief:

Pursuant to Business Corporation Law ("BCL") §§ 1104 and 1104-a, granting an omnibus judicial dissolution of 125 West 12th Street Garage Corp., 245 East 36th Street Corp., 400 CONCRETE CORP., EAST 53RD GARAGE CORP., 400 EAST 54TH STREET GARAGE CORP., PERLBINDER REALTY CORP., RIVERCOURT GARAGE CORP., 330 W. 56 STREET CORPORATION, BAR-MAR ASSOCIATES LLC, THE 400 EAST 54TH STREET COMPANY LLC, THREE AT 53RD COMPANY LLC, TWO AT 54TH COMPANY LLC, pursuant to Limited Liability Company Law § 702, and (ii) the MS Partnership and San-Dar Associates, pursuant to Partnership Law §§ 62, 63 and other relief?

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MARKETS DIGEST

EQUITIES

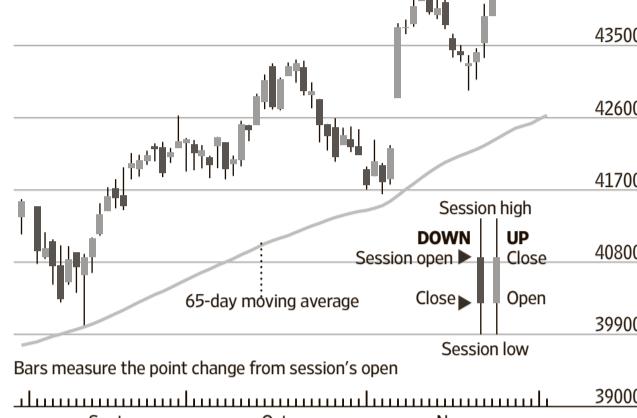
Dow Jones Industrial Average

44705.53 ▼76.47, or 0.17%

High, low, open and close for each trading day of the past three months.

Trailing P/E ratio 28.11 26.15
P/E estimate * 22.92 19.77
Dividend yield 1.78 2.03
All-time high 44910.65, 11/29/24

Current divisor 0.16268413125742



Bars measure the point change from session's open

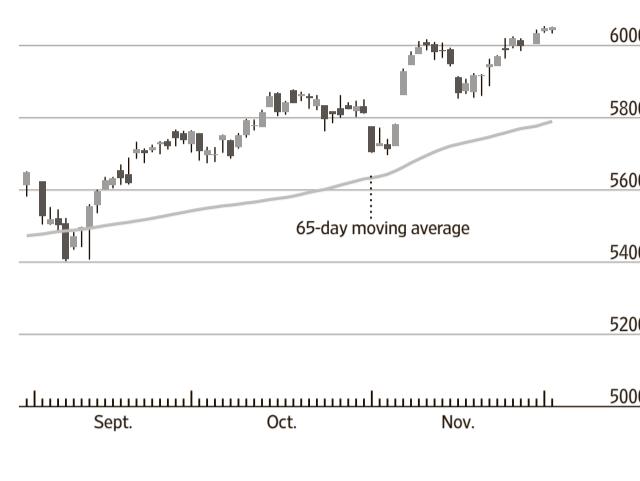
Sept. Oct. Nov.

*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; Based on Nasdaq-100 Index

S&P 500 Index

6049.88 ▲2.73, or 0.05%

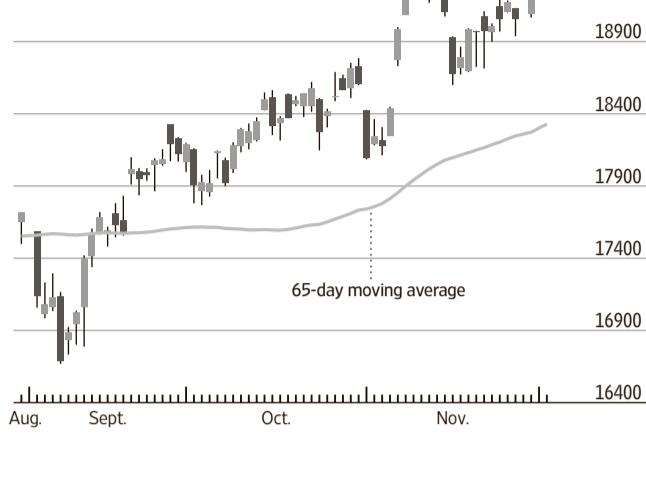
High, low, open and close for each trading day of the past three months.

Trailing P/E ratio * 25.15 21.74
P/E estimate * 23.01 20.47
Dividend yield * 1.23 1.57
All-time high 6049.88, 12/03/24

Nasdaq Composite Index

19480.91 ▲76.96, or 0.40%

High, low, open and close for each trading day of the past three months.

Trailing P/E ratio * 32.26 28.75
P/E estimate * 28.74 27.55
Dividend yield * 0.77 0.82
All-time high 19480.91, 12/03/24

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	44914.68	44574.78	44705.53	-76.47	-0.17	44910.65	36054.43	23.8	18.6	8.9
Transportation Avg	17512.82	17172.64	17189.55	-355.35	-2.03	17754.38	14781.56	12.4	8.1	2.5
Utility Average	1066.64	1046.64	1046.80	-10.25	-0.97	1079.88	829.38	20.7	18.7	4.6
Total Stock Market	60446.78	60264.53	60423.47	10.37	0.02	60423.47	45361.95	32.7	26.4	9.2
Baron's 400	1352.35	1343.94	1347.84	-3.04	-0.23	1356.99	999.02	34.6	25.7	8.4
Nasdaq Stock Market										
Nasdaq Composite	19486.15	19340.41	19480.91	76.96	0.40	19480.91	14146.71	36.9	29.8	8.9
Nasdaq-100	21235.79	21081.81	21229.32	64.72	0.31	21229.32	15788.05	33.7	26.2	10.6
S&P										
500 Index	6052.07	6033.39	6049.88	2.73	0.05	6049.88	4549.34	32.5	26.8	10.1
MidCap 400	3361.90	3336.10	3347.44	-9.86	-0.29	3390.26	2606.37	28.2	20.3	7.4
SmallCap 600	1538.49	1522.40	1525.99	-11.45	-0.74	1544.66	1199.20	27.0	15.8	4.4
Other Indexes										
Russell 2000	2435.31	2412.85	2416.35	-17.79	-0.73	2442.03	1852.05	30.2	19.2	3.8
NYSE Composite	20270.40	20158.07	20185.81	-27.41	-0.14	20272.04	16092.37	25.2	19.8	7.3
Value Line	655.28	650.82	652.06	-2.99	-0.46	656.04	553.87	17.7	9.8	0.6
NYSE Arca Biotech	6006.22	5931.65	5935.58	-70.64	-1.18	6154.34	4861.76	20.3	9.5	4.3
NYSE Arca Pharma	995.08	985.20	989.04	3.84	0.39	1140.17	880.78	11.4	8.7	9.0
KBW Bank	137.40	135.44	135.57	-0.91	-0.67	138.78	86.39	56.4	41.2	1.3
PHLX® Gold/Silver	153.70	149.98	152.46	4.58	3.10	175.74	102.94	27.0	21.3	6.7
PHLX® Oil Service	81.30	79.59	80.59	0.22	0.27	95.25	72.67	0.1	-3.9	17.0
PHLX® Semiconductor	5059.84	5014.82	5035.86	-19.46	-0.38	5904.54	3645.82	37.1	20.6	9.8
Cboe Volatility	13.77	13.19	13.30	-0.04	-0.30	38.57	11.86	3.5	6.8	-24.3

\$ 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)	After Hours				
			Last	Net chg	% chg	High	Low
Intel	INTC	13,801.8	22.55	0.08	0.36	22.57	22.46
ProShares UltraPro QQQ	TQQQ	13,671.6	83.70	0.49	0.59	83.78	83.15
NVIDIA	NVDA	11,527.0	140.52	0.26	0.18	140.78	137.81
NIO ADR	NIO	9,981.5	4.63	-0.01	-0.22	4.67	4.61
Pfizer	PFE	9,887.2	25.55	-0.01	-0.04	25.84	25.54
iShares China LC ETF	FXI	9,765.3	30.57	0.07	0.23	30.64	30.48
Flagstar Financial	FLG	8,644.8	11.66	-0.16	-1.35	11.82	11.60
PSQ Holdings Cl A	PSQH	8,353.0	7.15	-0.48	-6.29	8.70	6.75

Percentage gainers...

Company	Symbol	Volume (000)	After Hours				
			Last	Net chg	% chg	High	Low
Ambow Education ADR	AMBO	2,071.6	2.66	0.74	38.54	3.45	1.92
Pure Storage Cl A	PSTG	1,386.3	65.50	11.96	22.34	69.29	53.06
Okta Cl A	OKTA	3,235.9	93.94	12.23	14.97	99.01	81.69
Altimmune	ALT	320.5	10.00	1.21	13.77	10.17	8.78
Marvell Technology	MRVL	3,823.9	104.85	8.94	9.32	107.50	95.11

...And losers

Company	Symbol	Volume (000)	After Hours			
			Last	Net chg	% chg	High
Trevi Therapeutics	TRVI					

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; b-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.

Tuesday, December 3, 2024

	Stock	Symbol	Net Close	Chg	Stock	Symbol	Net Close	Chg	Stock	Symbol	Net Close	Chg	Stock	Symbol	Net Close	Chg	Stock	Symbol	Net Close	Chg			
A	AAON	AAN	133.16	0.87	AxaltaCoating	AKTX	40.33	-0.27	B	BCE	BCE	27.31	0.27	C	CenterPointEner	AXON	669.87	33.48	D	DukeEnergy	DUK	113.64	-1.54
AECOM	ACM	ACM	114.66	-1.28	BHP Group	BHP	53.12	0.27	E	DuoLingo	DUOL	360.98	1.44	F	Globant	GLOB	221.95	-3.98	G	GlobeLife	GL	109.49	-0.55
AES	AES	AES	13.05	0.04	BJS'sWholesale	BJ	96.17	-0.06	H	DuPont	DD	82.94	-0.78	I	ISignature	ISIGN	54.39	-0.11	J	GoDaddy	GDY	198.36	0.74
Aflac	AFL	AFL	106.76	-4.64	BP	BP	29.49	0.46	K	Dynatrace	DT	57.28	0.92	L	GoldFields	GFI	14.50	0.37	M	GoldmanSachs	GDS	60.08	-1.02
AGNC Inv	AGNC	AGNC	9.48	-0.12	BW Tech	BWT	129.20	-0.07	N	EMC	EMC	509.59	-4.50	O	LaBorcorp	LH	240.57	-0.06	P	LasVegasSands	LVS	53.90	-1.10
Ansys	ANSS	ANSS	351.05	0.54	BXP	BXP	80.15	-0.73	Q	EGO Rcs	EOG	131.80	0.56	R	Leidos	LDOS	164.13	...	S	LeonardoDRS	DRS	34.90	0.44
APA	APA	APA	22.42	0.08	Baidu	BIDU	85.98	-0.54	T	EOT	EOT	44.81	0.28	U	LennoxIntl	LII	66.36	-3.50	V	LibertyBroadband	LBRD	85.81	1.20
ASE Tech	ASX	ASX	9.91	-0.10	BakerHughes	BKR	43.67	-0.02	W	EastWest Banc	EWBC	107.01	-0.99	X	LibertyInnogenier	GGAL	58.11	-1.12	Y	LibertyOne	GPO	20.35	-0.23
ASML	ASML	ASML	718.06	5.69	BALL	BALL	62.15	-0.68	Z	EastGroup	EGP	169.78	-0.91	A	CharlesRiverLabs	CRL	199.30	-1.95	B	CharlesComms	CHTR	397.61	-1.38
AT&T	T	T	23.74	1.04	BBAVA	BBAVA	9.59	0.16	C	CheckPoint	CHK	187.09	4.91	D	CherryHealth	CHRY	101.39	-0.27	E	Chewy	CHWY	33.62	-0.01
ATTI	ATTI	ATTI	59.74	0.04	BBD	BBD	1.85	-0.04	F	Checkmate	CMK	60.94	0.40	G	Chipotle	CMG	60.94	0.40	H	Cloudflare	NET	164.01	-0.16
Abbott Labs	ABBV	ABBV	116.29	-0.52	BBCN	BBCN	23.18	0.24	I	Cloudflare	CDPK	108.07	-2.23	J	CommerceOne	CCHR	156.49	-0.70	K	CommerceOne	CMCH	156.49	-0.70
AbbVie	ABBV	ABBV	181.50	-0.27	BBI	BBI	4.19	-0.09	L	CommerceOne	CCHR	187.09	-4.91	M	CommerceOne	CMCH	187.09	-4.91	N	CommerceOne	CMCH	187.09	-4.91
Accenture	ACN	ACN	352.54	-8.84	BBL	BBL	19.22	0.11	O	CommerceOne	CCHR	197.60	-1.06	P	CommerceOne	CMCH	197.60	-1.06	R	CommerceOne	CMCH	197.60	-1.06
AcuityBrands	AYI	AYI	32.49	1.24	BBL	BBL	6.59	-0.51	S	CommerceOne	CCHR	201.65	-0.68	T	CommerceOne	CMCH	201.65	-0.68	U	CommerceOne	CMCH	201.65	-0.68
Adobe	ADBE	ADBE	516.26	0.06	BBL	BBL	6.59	-0.51	V	CommerceOne	CCHR	205.92	-0.59	W	CommerceOne	CMCH	205.92	-0.59	X	CommerceOne	CMCH	205.92	-0.59
AdvDrainageSys	WMS	WMS	135.26	1.28	BBL	BBL	80.85	-0.26	Y	CommerceOne	CCHR	209.65	-0.01	Z	CommerceOne	CMCH	209.65	-0.01	A	CommerceOne	CMCH	209.65	-0.01
AdvMicroDevices	AMD	AMD	141.98	-0.08	BBL	BBL	80.85	-0.26	B	CommerceOne	CCHR	213.22	-0.01	C	CommerceOne	CMCH	213.22	-0.01	D	CommerceOne	CMCH	213.22	-0.01
AirProducts	APD	APD	330.64	-4.98	BBL	BBL	80.85	-0.26	E	CommerceOne	CCHR	216.62	-0.01	F	CommerceOne	CMCH	216.62	-0.01	G	CommerceOne	CMCH	216.62	-0.01
Airbus	ABBN	ABBN	137.46	-0.03	BBL	BBL	80.85	-0.26	H	CommerceOne	CCHR	219.01	-0.01	I	CommerceOne	CMCH	219.01	-0.01	J	CommerceOne	CMCH	219.01	-0.01
AkamaiTech	AKAM	AKAM	97.53	-0.40	BBL	BBL	80.85	-0.26	K	CommerceOne	CCHR	221.40	-0.25	L	CommerceOne	CMCH	221.40	-0.25	M	CommerceOne	CMCH	221.40	-0.25
Albermarle	ALBR	ALBR	107.07	-2.23	BBL	BBL	80.85	-0.26	N	CommerceOne	CCHR	223.11	-0.54	O	CommerceOne	CMCH	223.11	-0.54	P	CommerceOne	CMCH	223.11	-0.54
Albertsons	ACI	ACI	19.34	-0.11	BBL	BBL	80.85	-0.26	Q	CommerceOne	CCHR	225.11	-0.54	R	CommerceOne	CMCH	225.11	-0.54	S	CommerceOne	CMCH	225.11	-0.54
Alcoa	AA	AA	56.99	-0.28	BBL	BBL	80.85	-0.26	T	CommerceOne	CCHR	227.11	-0.54	U	CommerceOne	CMCH	227.11	-0.54	V	CommerceOne	CMCH	227.11	-0.54
Alcon	ALCN	ALCN	87.34	-0.89	BBL	BBL	80.85	-0.26	W	CommerceOne	CCHR	229.11	-0.54	X	CommerceOne	CMCH	229.11	-0.54	Y	CommerceOne	CMCH	229.11	-0.54
AlexandriaREst	ARE	ARE	108.02	-1.68	BBL	BBL	80.85	-0.26	Z	CommerceOne	CCHR	231.11	-0.54	A	CommerceOne	CMCH	231.11	-0.54	B	CommerceOne	CMCH	231.11	-0.54
Allstate	ALL	ALL	137.46	-0.03	BBL	BBL	80.85	-0.26	C	CommerceOne	CCHR	233.11	-0.54	D	CommerceOne	CMCH	233.11	-0.54	E	CommerceOne	CMCH	233.11	-0.54
AllyFinancial	ALLY	ALLY	39.11	-0.09	BBL	BBL	80.85	-0.26	F	CommerceOne	CCHR	235.11	-0.54	G	CommerceOne	CMCH	235.11	-0.54	H	CommerceOne	CMCH	235.11	-0.54
AlnylamPharm	ALNY	ALNY	251.84	-1.7	BBL	BBL	80.85	-0.26	I	CommerceOne	CCHR	237.11	-0.54	J	CommerceOne	CMCH	237.11	-0.54	K	CommerceOne	CMCH	237.11	-0.54
Alphabet	GOOGL	GOOGL	171.34	-0.15	BBL	BBL	80.85	-0.26	L	CommerceOne	CCHR	239.11	-0.54	M	CommerceOne	CMCH	239.11	-0.54	N	CommerceOne	CMCH	239.11	-0.54
Alphatec	AFRM	AFRM	70.76	2.37	BBL	BBL	80.85	-0.26	O	CommerceOne	CCHR	241.11	-0.54	P	CommerceOne	CMCH	241.11	-0.54	Q	CommerceOne	CMCH	241.11	-0.54
Algentech	AGTC	AGTC	139.28	-0.30	BBL	BBL	80.85	-0.26	R	CommerceOne	CCHR	243.11	-0.54	S	CommerceOne	CMCH	243.11	-0.54	T	CommerceOne	CMCH	243.11	-0.54
Alkermes	ALKM	ALKM	140.47	-1.04	BBL	BBL	80.85	-0.26	U	CommerceOne	CCHR	245.11	-0.54	W	CommerceOne	CMCH	245.11	-0.54	X	CommerceOne	CMCH	245.11	-0.54
Almaco	ALCO	ALCO	142.90	-0.09	BBL	BBL	80.85	-0.26	Y	CommerceOne	CCHR	247.11	-0.54	Z	CommerceOne	CMCH	247.11	-0.54	A	CommerceOne	CMCH	247.11	-0.54
Almatis	ALMS	ALMS	142.00	-0.09	BBL	BBL	80.85	-0.26	B	CommerceOne	CCHR	249.11	-0.54	C	CommerceOne	CMCH	249						

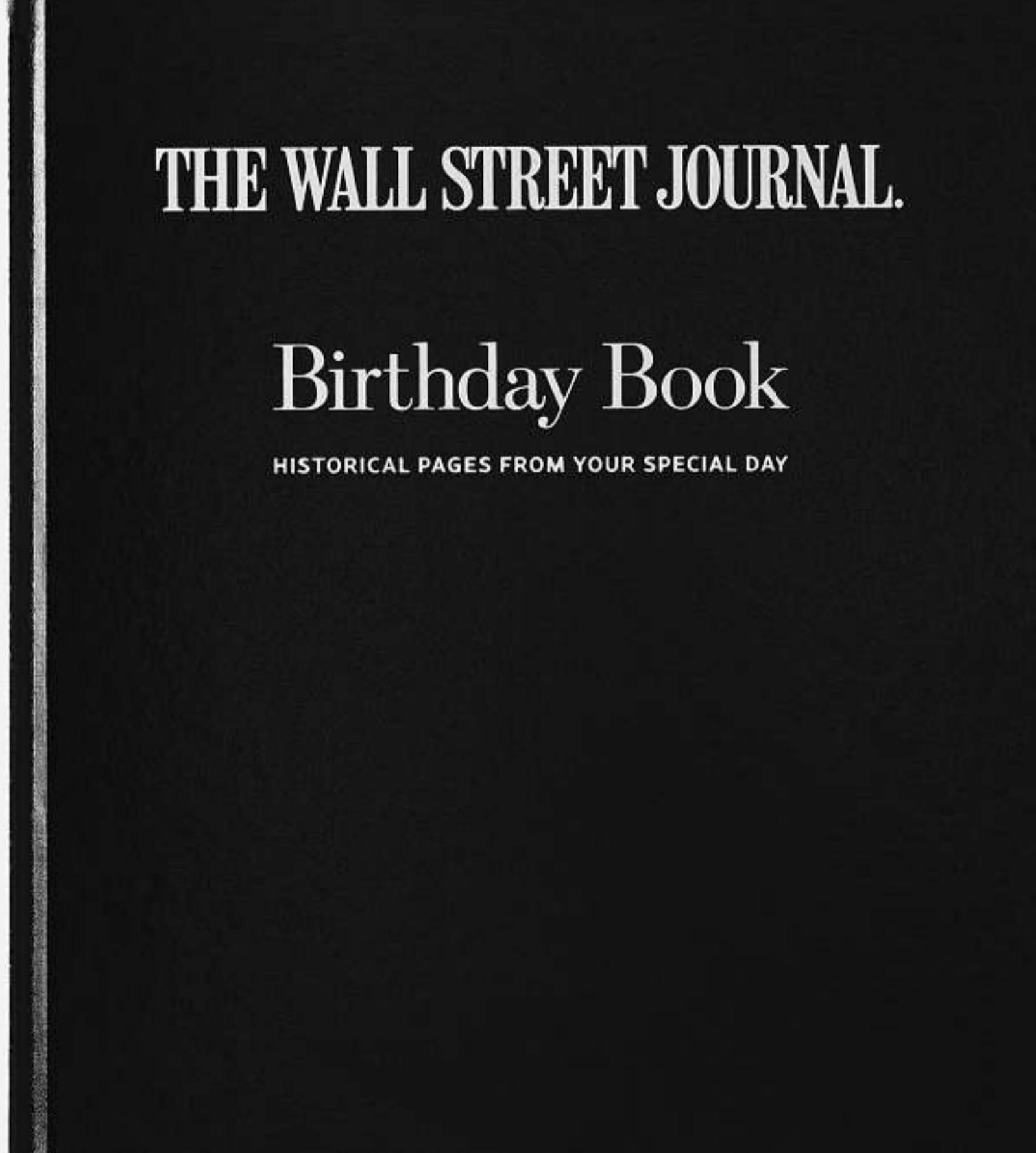
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MARKETS & FINANCE

Investors Raise Bets on Rate Cut, While South Korean Won Tumbles

The S&P 500 and Nasdaq Composite hit records on Tuesday, with investors growing more confident that the Federal Reserve is heading toward an interest-rate cut in two weeks.

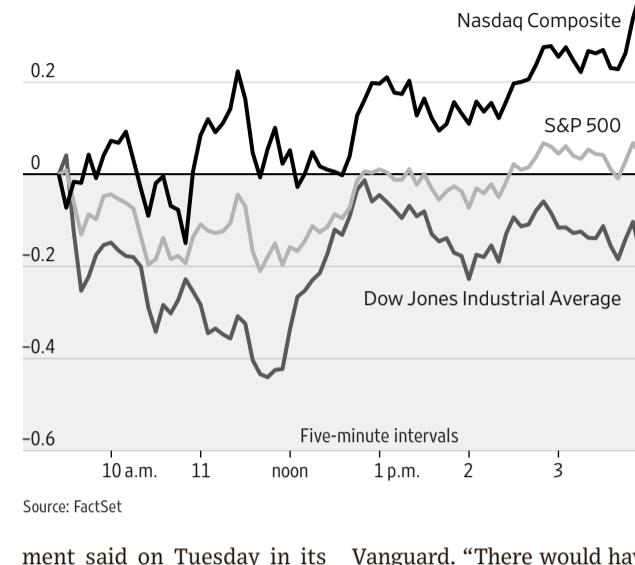
Fed-funds futures indicate traders now see a 72% chance of another 0.25 percentage point interest-rate cut in December, up from 59% a week ago. That would mark a third consecutive decrease, and would take rates down by a total of one percentage point for the year.

The S&P 500 and Nasdaq Composite climbed to records, with the S&P up less than 0.1%, or 2.73 points, to 6049.88, and the technology-heavy Nasdaq up 0.4%, or 76.96 points, to 19480.91. On Monday, December's first trading day, both indexes closed at records.

The Dow Jones Industrial Average ticked down by 0.2%, or 76.47 points, to 44705.53.

Newly released economic data pointed to a solid labor market. Job openings in the U.S. increased in October, bucking a trend of falling vacancies for most of the past two years, the Labor Depart-

Index performance on Tuesday



Source: FactSet

ment said on Tuesday in its latest job openings and labor turnover survey.

Signs the economy remains strong could reduce traders' bets on a Fed interest-rate cut in December, but some investors believe that the central bank is likely to continue easing monetary policy barring any significant data surprises.

"I don't think there's one number that's going to make or break it," said Joseph Davis, global chief economist at

Vanguard. "There would have to be a material change in the jobs number and I didn't see that today."

Meanwhile, money managers looked at political turmoil overseas. New York-listed South Korean securities fell and the won tumbled after South Korean President Yoon Suk Yeol declared martial law, a move that was later rejected by its Parliament.

In Europe, France's far-right leader Marine Le Pen

has said she is prepared to back a no-confidence vote against Prime Minister Michel Barnier.

The spread between benchmark French and German bond yields held near a 12-year high, signaling investor unease.

Elsewhere:

◆ The 10-year Treasury yield inched higher, settling at 4.221%. Yields fell in early trading, with traders seeking safe assets after the declaration of martial law in South Korea. But they turned upward after the job-openings data.

◆ Asian stocks broadly rose in sessions that ended before the South Korean martial-law declaration, while the Stoxx Europe 600 posted a gain of 0.4%.

◆ Bitcoin prices hovered around \$96,000, little changed from Monday and off about 3.6% from their recent record.

◆ Brent crude futures, the global oil benchmark, rose 2.5% to \$73.62 a barrel ahead of this week's OPEC+ meeting.

—Vicky Ge Huang and Caitlin McCabe

STOCK SPOTLIGHT

U.S. Steel

President-elect Donald Trump said he would block the steelmaker's planned sale to Japan's Nippon Steel, repeating a vow he made on the campaign trail. U.S. Steel shares decreased 8%.

Intel

The chip maker's stock shed 6.1%, as investors weigh Intel's continuing challenges in the wake of the departure of CEO Pat Gelsinger.

Tesla

Elon Musk's multibillion-dollar pay package was struck down again in court, creating more uncertainty for the electric-vehicle maker over how to compensate its chief executive. Shares dropped 1.6%.

Super Micro Computer

Shares in the artificial-intelligence-server maker fell 4.3%, after surging Monday, when the company said a review found no evidence of fraud or misconduct by its management or board relating to accounting issues.

AT&T

Shares in the No. 3 wireless carrier in the U.S. increased 4.6% after the company said it planned to return more than \$40 billion to shareholders over the next three years through buybacks and dividends.

Bank of Nova Scotia

The Canadian bank's quarterly revenue and adjusted earnings missed analysts' expectations. Scotiabank's chief executive said he expects trade uncertainty in North America to be resolved. U.S.-listed shares declined 3.5%.

Honeywell

The conglomerate ended a legal battle with Bombardier, agreeing to supply advanced technology to the aircraft maker. Honeywell said outlays linked to the deal would weigh on revenue and profit. Honeywell stock shed 1.3%. Canada-listed Bombardier shares rose 3.7%.

WEDNESDAY'S EVENTS:

The ADP employment report is due at 8:15 a.m., followed by two services PMI gauges, at 9:45 a.m. and 10 a.m.

Fed Chair Jerome Powell is set to speak in a discussion in New York at 1:45 p.m.

European Central Bank President Christine Lagarde will appear before the European Parliament's Committee on Economic and Monetary Affairs.

EARNINGS EXPECTED:

Dollar Tree

Trump Currency Threat Risks Backfiring

By GEORGI KANTCHEV
AND CELSEY DULANEY

President Vladimir Putin generated buzz recently over Russia's efforts to dethrone the U.S. dollar when he was pictured holding what appeared to be a banknote for Brics nations.

The Kremlin said the note displaying the flags of the group of countries led by Russia and China was intended only as a symbol of their partnership. Indeed, many economists say such a common currency is, at best, nascent and, more likely, unfeasible.

Nonetheless, President-elect Donald Trump appears to be taking the threat to the U.S. dollar seriously. In a post on social media over the weekend, he said he would impose 100% tariffs on members of the Brics group—whose members include Brazil, Russia, India, China and South Africa—if they create their own currency or seek to replace the U.S. dollar as the main global trade currency.

The post highlighted efforts by America's rivals to seek alternatives to the dollar and reduce their dependence on the U.S.-led global financial system. While economists say the dollar is unlikely to be



Vladimir Putin recently was pictured holding what appeared to be a banknote for Brics nations.

eclipsed as the primary international trade and reserve currency soon, the use of economic warfare under Trump threatens to accelerate the race to find replacements for the U.S. dollar.

"When countries see Trump treating a common Brics currency as a real threat when there's no real prospect that such a currency is going to happen, some will conclude that Trump's erratic behavior

is itself a reason to look for alternatives," said Brad Setser, a former U.S. Treasury official who is a senior fellow at the Council on Foreign Relations.

The dollar's worldwide importance gives America considerable leverage to freeze assets, restrict transactions and impose penalties on entities and individuals that violate its sanctions. The notion of alternative currencies, including by the Brics club, is

causing anxiety in Washington in part because it threatens to undercut the effectiveness of such sanctions.

While the dollar is far from losing its perch, its use in trade finance has diminished slightly over the past few years, as the Chinese yuan gained ground. Some central banks shifted part of their reserves out of dollars and into gold and other currencies.

The pursuit of alternative currencies and methods of settling trade without the dollar risks undermining the U.S.-led international financial plumbing, analysts say, because it promotes blocs with their own monetary architecture.

The Brics group expanded this year to include Egypt, Ethiopia, Iran and the United Arab Emirates. Together, the members represent around 26% of the world's gross domestic product in nominal terms and over 40% of the global population, according to ING.

Russia and China want to extend the group's reach as part of their effort to overturn the U.S.-led world order. But the block's heft masks internal divisions. Members such as Brazil and India are wary of a confrontation and eager to maintain links to the West.

Celsius Founder Pleads Guilty to Fraud Charges

By ALEXANDER OSIPOVICH

2022 was a turning point in that year's crypto crash, hurting hundreds of thousands of customers, including small investors who had entrusted their savings to Mashinsky's platform. Weeks later, Celsius filed for bankruptcy protection. It was one of a number of crypto firms that collapsed like dominoes that year, weakened by a market downturn and their own excessive risk-taking.

Mashinsky convinced customers to deposit billions of dollars at Celsius with promises of lofty interest rates and claims that it was safer than a bank. In a Manhattan federal court on Tuesday, he pleaded guilty to commodities fraud and a fraudulent scheme to manipulate the value of CEL, Celsius's proprietary token.

The move averted a trial that had been set to begin in January.

Mashinsky, who is 59 years old, faces a maximum prison sentence of 30 years for the two counts. His sentencing is scheduled for April.

"Sometimes accepting responsibility where and when it's appropriate is the best way to help everyone move forward," said Marc Mukasey, a lawyer for Mashinsky.

Celsius's decision to halt customer withdrawals in June

was a turning point in that year's crypto crash, hurting hundreds of thousands of customers, including small investors who had entrusted their savings to Mashinsky's platform. Weeks later, Celsius filed for bankruptcy protection. It was one of a number of crypto firms that collapsed like dominoes that year, weakened by a market downturn and their own excessive risk-taking.

Founded by Mashinsky in 2017, Celsius told customers that it could deliver returns of as high as 17% by lending out their tokens. At one point it held more than \$13 billion in customers' crypto balances.

U.S. authorities arrested Mashinsky in July 2023 and charged him with seven criminal counts, saying he had misrepresented Celsius's financial health and artificially inflated the price of CEL. He initially pleaded not guilty to all charges and was released on a \$40 million bond.

Another Celsius executive who was charged alongside Mashinsky, Roni Cohen-Pavon, pleaded guilty to fraud charges last year and agreed to cooperate with the government's investigation.

BlackRock Bolsters Its New Niche

Continued from page B1

The HPS deal would boost BlackRock's alternative asset tally by more than 25% to nearly \$600 billion if completed, putting BlackRock's alternative business on par with private-market giants

KKR and Apollo Global Management.

Those companies command market values in the same ballpark as BlackRock's despite managing just a fraction of the assets, thanks to the high fees private investments generate.

HPS would mark BlackRock's third major private-markets acquisition in recent months. It agreed this year to pay \$3.2 billion for Prequin, which provides data on private assets, and \$12.5 billion for Global Infrastructure Partners, an alternative asset

manager focused on infrastructure.

Unlike private equity, which has been around for decades and has grown more slowly in recent years, infrastructure and private credit are believed to still have significant growth potential.

The market for private credit is expected to double to \$3 trillion in the next three years, according to estimates from Moody's Ratings.

Helping to drive the expansion is a push by firms, including HPS, beyond corporate loans and into the vast world

of asset-backed financing, which involves everything from credit-card loans to equipment financing to mortgages.

In addition to such loans, HPS lends to midsize companies, real estate and energy and power companies and provides specialized financing to companies in need of more tailored services.

As the lines between public bonds and private credit increasingly blur—more companies with blue-chip credit ratings are beginning to turn to direct lending—BlackRock is

hoping the HPS deal will give it a comprehensive offering for clients such as insurance companies that invest in both assets.

"I think the biggest growth vector in private credit over the next decade is the expansion of our focus from the non-investment-grade world into the investment-grade world," HPS co-founder Michael Patterson said in an interview. "The industry is changing really rapidly."

Originally known as Highbridge Principal Strategies, HPS was part of Highbridge

Capital Management, a unit of the asset-management business of JPMorgan Chase. The bank struck a deal in 2015 to sell most of HPS to its management team as part of a wave of deals by banks aimed at simplifying their operations and limiting riskier assets in the wake of the 2008-09 financial crisis.

In addition to Kapnick and Patterson, HPS is led by principals Scott French, Purnima Puri, Faith Rosenfeld, Paul Knollmeyer and Kathy Choi.

—Miriam Gottfried contributed to this article.

Mutual Funds

Data provided by LSEG

Top 250 mutual-funds listings for Nasdaq-published share classes by net assets.

Ex-distribution. **F** Previous day's quotation. **G** Footnotes x and s apply. **J** Footnotes e and s apply. **K** Recalculated by LSEG, using updated data. **P** Distribution costs apply, 12b-1. **R** Redemption charge may apply. **S** Stock split or dividend. **T** Footnotes p and r apply. **V** Footnotes x and e apply. **X** Dividend. **Z** Footnote x, e and s apply. **NA** Not available due to incomplete price, performance or cost data. **NE** Not released by LSEG; data under review. **NN** Fund not tracked. **NS** Fund didn't start at period of.

Tuesday, December 3, 2024

Net NAV Chg % Ret Net NAV Chg % Ret Net NAV Chg % Ret Fund Fund Fund

AB Funds 11.42 +0.01 6.8 MuniInchShares 49.18 +0.17 10.7 Baird Funds 9.85 -0.02 3.4 American Century Inv 10.20 -0.02 4.0 Ultra 97.81 +0.49 31.3 BlackRock Funds 7.21 ... 9.4 HPIBk 40.22 +0.02 28.4 Dodge & Cox Balanced 11.04 -0.34 12.8 BlackRock Funds III 8.85 +0.01 7.1 GblStock 16.49 ... 10.5 Income 12.74 -0.02 4.1 BlackRock Funds Inst 5.55 ... 5.8 Int'l Stk 53.06 +0.27 7.9 Dimensional Fds 9.95 -0.02 NA Stock 285.44 -1.43 21.0 TotalRetBld 1.07 -0.51 15.8 TotalMarketIndex 21.28 ... 28.0 TotalRtnBld 14.29 +0.09 8.7 TotalRtnBldInst 10.40 -0.02 2.8 TotalRtnBldInst 21.27 +0.01 12.7 TotalRtnBldInst 25.95 +0.03 28.4 TotalRtnBldInst 27.34 +0.04 18.3 TotalRtnBldInst 27.38 +0.03 18.3 TotalRtnBldInst 30.78 +0.05 4.6 TotalRtnBldInst 32.26 -0.09 17.9 TotalRtnBldInst 33.13 +0.03 34.9 TotalRtnBldInst 37.64 +0.12 16.7 TotalRtnBldInst 40.20 -0.02 4.4 TotalRtnBldInst 42.38 +0.15 34.1 TotalRtnBldInst 45.38 -0.04 17.9 TotalRtnBldInst 48.36 +0.13 7.8 TotalRtnBldInst 51.31 +0.02 28.4 TotalRtnBldInst 55.94 +0.26 28.4 TotalRtnBldInst 58.00 +0.02 28.4 TotalRtnBldInst 61.00 +0.02 28.4 TotalRtnBldInst 64.00 +0.02 28.4 TotalRtnBldInst 67.00 +0.02 28.4 TotalRtnBldInst 70.00 +0.02 28.4 TotalRtnBldInst 73.00 +0.02 28.4 TotalRtnBldInst 76.00 +0.02 28.4 TotalRtnBldInst 79.00 +0.02 28.4 TotalRtnBldInst 82.00 +0.02 28.4 TotalRtnBldInst 85.00 +0.02 28.4 TotalRtnBldInst 88.00 +0.02 28.4 TotalRtnBldInst 91.00 +0.02 28.4 TotalRtnBldInst 94.00 +0.02 28.4 TotalRtnBldInst 97.00 +0.02 28.4 TotalRtnBldInst 100.00 +0.02 28.4 TotalRtnBldInst 103.00 +0.02 28.4 TotalRtnBldInst 106.00 +0.02 28.4 TotalRtnBldInst 109.00 +0.02 28.4 TotalRtnBldInst 112.00 +0.02 28.4 TotalRtnBldInst 115.00 +0.02 28.4 TotalRtnBldInst 118.00 +0.02 28.4 TotalRtnBldInst 121.00 +0.02 28.4 TotalRtnBldInst 124.00 +0.02 28.4 TotalRtnBldInst 127.00 +0.02 28.4 TotalRtnBldInst 130.00 +0.02 28.4 TotalRtnBldInst 133.00 +0.02 28.4 TotalRtnBldInst 136.00 +0.02 28.4 TotalRtnBldInst 139.00 +0.02 28.4 TotalRtnBldInst

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Buy Now, Pay Later Has Cause to Celebrate

The digital-installment payments are growing fast, but investors can get ahead of things

Christmas came early for investors in buy now, pay later companies.

Cyber Monday spending via buy now, pay later was at a record high in the U.S., according to Adobe Analytics tracking data, just shy of a billion dollars, at \$991 million. Overall, Adobe Analytics projects consumers will do about \$18.5 billion of their 2024 holiday online retail spending via "BNPL" payments, up from \$16.6 billion last year.

That may further fuel investor hype for these digital point-of-sale installment payments and small loans. Shares of **Affirm** are up over 60% over the past month. **Block**—parent of Afterpay—is up nearly 30%. And Klarna, the Sweden-based player, recently filed for a U.S. initial public offering. Affirm's shares recently climbed back above their 2021 \$49 initial public offering price and have been trading at their highest levels since early 2022.

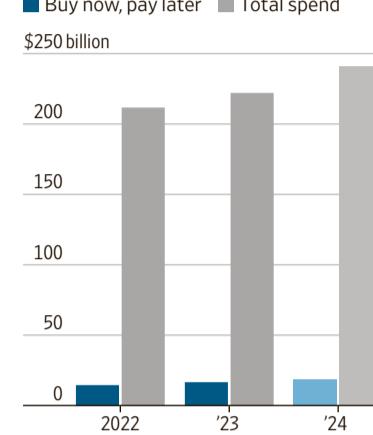
The enthusiasm is multifaceted. Affirm recently completed another



securitization deal of its loans, with tighter pricing to benchmarks than previous similar deals. And many investors likely believe

that scrutiny of buy now, pay later under the Consumer Financial Protection Bureau will lessen after Donald Trump takes office. Elon

Holiday season online retail shopping



Note: 2024 is a projection for the full season.

Source: Adobe Analytics

For the holiday season, BNPL's online retail spending share is expected to be 7.7% of retail spend.

Musk has even called to "delete" the whole bureau.

But investors should sip this holiday beverage, not gulp it.

These early numbers don't show buy now, pay later growing much faster than spending overall. For the whole holiday season, Adobe Analytics forecasts BNPL's online retail spending share to be 7.7% of retail spend, up modestly from 7.5% last year. Still, that is a leap from 6.8% in 2022.

That is the buying now part. Any setbacks in the latter part of the equation—the paying later—might again spook the market, as it has in the past. Companies such as Affirm have managed to allay that concern, in part by showing that the short-term nature of this form of credit means that providers can quickly pivot their pricing, or by serving a narrower, more creditworthy customer set.

But the more that big volume growth across BNPL is priced into stocks, the more jarring it might be if providers have to make a defensive adjustment to protect their books. Holiday seasons can be fun. If you overdo it, the hangovers can be rough, too.

—Telis Demos

Are Intel's Problems Too Big to Fix?

Pat Gelsinger's quest to save **Intel** has come to an abrupt end. Whoever runs the storied chip maker next is still going to have to pull off a heroic feat.

Intel announced Monday that Gelsinger is retiring as chief executive and stepping down from the board. The move had the tone of a peaceful transition, but the reality was still clear, with Gelsinger calling the day "bittersweet" and board chair Frank Yearley noting the goal of "restoring investor confidence" in the press release. Intel's stock lost 61% of its value between Gelsinger's first day on the job in early 2021 and Friday's close, making it the worst performer on the PHLX Semiconductor Index over that time, according to data from S&P Global Market Intelligence. The S&P 500 gained 53% over the same period.

A CEO exit after such an uninspiring run naturally sparks some hope; Intel's shares jumped more than 5% Monday morning before ending the day with a slight loss. On Tuesday, the stock lost 6.1%. But the move raises even more questions about the company's path, in

the short and the long run. Financial chief David Zinsner and Michelle Johnston Holthaus, who has been running Intel's PC chip business, will act as co-CEOs while the board seeks a permanent successor. That keeps the top job in limbo as Intel supposedly is nearing the end of its ambitious race to catch up its manufacturing processes with chip-making giant **Taiwan Semiconductor Manufacturing**.

The culmination of that race is a production process called Intel 18A. Intel said on its last earnings call on Oct. 31 that the first chips manufactured on that process are expected to start shipping in the middle of next year. Much rides on their success as 18A is the final phase of Gelsinger's plan to have Intel race though five so-called nodes in four years (Intel used to spend at least two years on a single node).

A CEO switch so late in that cycle naturally raises some eyebrows. "As the standard-bearer for the company's five nodes in four years' guiding mantra, Mr. Gelsinger's sudden departure leaves us unsure of the strategic path ahead for Intel," wrote Joshua Bu-



Intel said on Monday that Gelsinger is retiring as chief executive and stepping down from the board.

chalter of TD Cowen in a note to clients on Monday. In his own report, Stacy Rasgon of Bernstein said, "We might have expected Pat to at least make it until 18A is out the door (at which point we would see how it stacks up), and as he hasn't, one has to wonder whether his departure foreshadows any negative implications for the health of the process roadmap."

Intel's other major problems involve selling the chips that it makes and finding companies willing to use its factories to make their own. Neither effort is going great at the moment.

Intel's foundry business, which handles manufacturing for external clients, lost more than \$11 billion in the first nine months of 2024—nearly double what it lost in the same period last year. And while the company's stock jumped after its third-quarter report showed data-center revenue beating Wall Street's expectations after four straight quarters of misses, the unit is generating half the annual revenue it made in

2020, just before Gelsinger took over.

That is due to Intel losing share to **Advanced Micro Devices** in server CPU chips and booming demand for **Nvidia's** GPU chips used in artificial-intelligence computing. Intel's own attempt at a data center GPU has been a bust; the company admitted on its last call that its recently launched Gaudi GPU chip will fall short of its target of \$500 million in revenue this year. Nvidia's current data center GPU family, known as Hopper, is projected to hit nearly \$83 billion in revenue for the fiscal year ending in January, according to consensus estimates from Visible Alpha.

Some think Gelsinger's exit raises the possibility of some sort of deal—perhaps one that separates Intel's product and chip design business from its money-losing foundry arm. But that would be extremely difficult since the \$7.86 billion Intel is receiving from the U.S. government through the Chips Act requires the company to

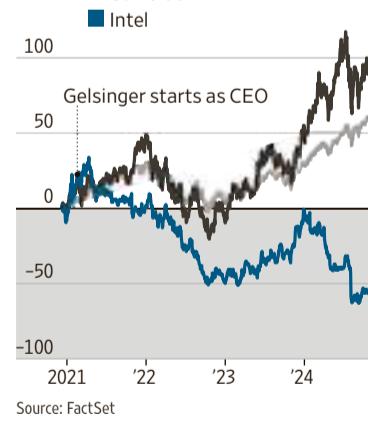
retain at least 50% ownership of its fabs. And any foreign buyer is unlikely to pass muster with regulators given Intel's position as the largest U.S.-based chip manufacturer.

Intel, in short, has no easy options, and even few very difficult ones. Chip manufacturing is a complicated process that requires years of research and development on each process and product. Much of the company's current predicament stems from strategic missteps made well before Gelsinger returned to the company. "We think the potential for a new strategy raises some optimism—but Intel is in a difficult position and the path forward will be difficult no matter the leadership," wrote Chris Caso of Wolfe Research on Monday in a note to clients.

Even with nearly two-thirds of its market value gone under the last CEO, Intel's new boss will have a surprisingly tough act to follow.

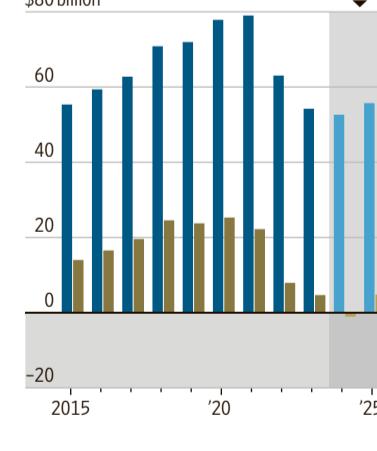
—Dan Gallagher

Share-price and index performance, past four years



Source: FactSet

Intel's operating results



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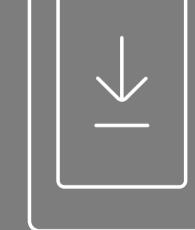
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