

THE WALL STREET JOURNAL.

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YEN 156.53

What's News

Business & Finance

◆ Two of the companies that signed on to the Trump-backed \$500 billion Stargate artificial-intelligence project don't have enough capital to follow through on their pledges, Elon Musk said. **A1**

◆ Enthusiasm for AI turbocharged the U.S. stock rally, helping the S&P 500, Nasdaq and Dow to gains of 0.6%, 1.3% and 0.3%, respectively. **B11**

◆ South Carolina power provider Santee Cooper tapped financial advisers to look for buyers that can restart construction on two mothballed nuclear reactors. **B1**

◆ Right-leaning activists pressed Goldman Sachs and JPMorgan Chase to abandon or shrink their diversity, equity and inclusion efforts. **B1**

◆ A group of U.S. pensions and other institutions is pushing private-equity firms to share more information on their fees and investment returns. **B1**

◆ Travelers' quarterly profit surged and the insurer said it was confident in its 2025 growth prospects despite expected losses from the Los Angeles wildfires. **B1**

◆ Prince Harry reached a last-minute settlement with Rupert Murdoch's U.K. newspaper group, ending a year-long privacy-invasion case. **B3**

◆ Johnson & Johnson reported better-than-expected quarterly revenue and profit, but shares slipped 1.9% after the company lowered its sales guidance for 2025. **B3**

◆ P&G reported solid quarterly results, boosted by volume growth and higher prices in several key categories in North America. **B3**

World-Wide

◆ Trump's pledge to upend the federal workforce began rippling through Washington after the president moved to force government employees back to the office five days a week and weakened their job protections. **A1**

◆ The new administration is seeking to give immigration-enforcement authority to several agencies at the Justice Department, including the DEA and ATF. **A3**

◆ Trump's plan to unravel diversity, equity and inclusion efforts started taking shape with an order closing such programs in federal agencies and placing all staff working on them on paid leave. **A4**

◆ Israel launched what it called a major counterterrorism operation in the West Bank, expanding its campaign against militants. **A6**

◆ Trump threatened sanctions and tariffs on Russia if Putin doesn't reach a pact to end the war in Ukraine. **A7**

◆ The administration is preparing an order that would halt federal funding for a kind of research into viruses that makes the pathogens more dangerous or contagious. **A4**

◆ A new wildfire spread quickly in northern Los Angeles County, spurring new fears of death and destruction in the hard-hit metropolis. **A3**

◆ Trump named Sean Curran, the head of his security detail, as next director of the Secret Service. **A3**

◆ Police in Chile's capital carried out raids targeting a Venezuelan gang that officials said killed a Venezuelan opposition figure. **A6**

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Troops on the Move Amid Immigration Orders



NEW ERA: The Pentagon said Wednesday it was sending up to 1,500 troops to the southern border, where crossings include this one at El Paso, staffed by the Texas National Guard. The deployment is part of several Trump immigration orders. **A3**

President Begins to Dismantle And Reshape Federal Workforce

President Trump's pledge to upend the federal workforce began rippling through Washington after he moved to force government employees back to the office five days a week, a week,

leave because their offices were being shut down in accordance with an executive order halting DEI programs.

Inside a number of federal offices, a sense of anxiety and confusion permeated the atmosphere as employees parsed a flurry of executive orders and memos handed down by the new administration. Federal workers' unions rushed to shield employees from the changes, with one filing a lawsuit over an executive order aimed at peeling back civil-service protections.

"It's leaving a lot of uncer-

tainty that folks have never really had to feel," said Michael Gibbons, 43 years old, a product-support manager for the Navy, adding that the environment undermined one of the key selling points to working in the federal government—stability. "It seems like there is a level of distrust with how things are working."

Human-resources managers across the government had to call recent hires with start dates after Feb. 8 to inform them their offers had been rescinded. Managers fielded panicked inquiries from staff over

returning to the office and from transgender employees about whether gender-neutral bathrooms would be eliminated from federal offices. Employees expressed concern over whether the Department of Government Efficiency teams dispatched to agencies would have the security clearances to review sensitive information.

Members of the Cyber

Please turn to page A4

◆ U.S. agencies halt diversity efforts, put staff on leave... **A4**

◆ Anti-DEI activists target Goldman, JPMorgan..... **B1**

By Ken Thomas,
Rebecca Ballhaus
and Lindsay Ellis

weakened their job protections and froze diversity efforts across the government.

Beginning at 5 p.m. Wednesday afternoon, all federal diversity, equity and inclusion staff were to be placed on paid

INSIDE



PERSONAL JOURNAL

The best and worst airlines of 2024—and how two carriers broke from the pack. **A9**



SPORTS

Just how much are the best college football programs worth? **A12**

Ukrainian Ex-POWs Survived Torture at Hands of Russians

BY OKSANA GRYTSENKO

KYIV, Ukraine—Twenty-six Ukrainian prisoners of war sat naked on a cold stone floor, their legs crossed, heads bowed and hands clasped behind their backs.

The fresh arrivals at a jail in the Russian border city of Kursk were undergoing a routine and brutal procedure known as *priyomka*, or admission.

"You," a Russian guard singled out Ukrainian Marine Capt. Yuliyan Pylypey after spotting a large tattoo of a trident, Ukraine's national symbol, on his right leg. "Come with me."

Six Russian guards dragged Pylypey to an interrogation room, threw him to the floor and kicked him repeatedly. Then the questioning began, interspersed with beatings using rubber truncheons and wooden hammers, and shocks from stun guns, Pylypey later recalled.

After several hours of violent interrogation, the guards dragged his limp and bruised body to a cell and dropped it on the floor. Pylypey couldn't walk for several days and urinated blood.

The *priyomka* in Kursk was an early stage in an ordeal that lasted 2½ years before

Musk Criticizes AI Project Backed By Trump

President's close ally raises questions on funding, spars online with OpenAI chief

President Trump stood alongside prominent tech executives at the White House on Tuesday to unveil what he called a "tremendous" and "monumental" \$500 billion artificial-intelligence infrastructure project. Hours later, Elon Musk publicly questioned whether the joint venture would ever get off the ground.

By Brian Schwartz,
Deepa Seetharaman
and Tom Dotan

Musk wrote on X late Tuesday night and early Wednesday morning that two of the companies behind the project don't have enough capital to follow through on their pledges.

The comments on his social-media platform offered a glimpse into the sometimes awkward dynamic between the new president and Musk, the billionaire who poured money into his presidential campaign and whom Trump has tasked with slashing spending and streamlining federal bureaucracy. And they signaled that Musk won't pare back his unfiltered online commentary now that Trump has taken office.

"They don't actually have the money," Musk wrote at 11:35 p.m. EST on Tuesday, replying to a post from OpenAI, the ChatGPT maker that announced the joint venture with global tech investor SoftBank Group

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◆ Heard on the Street:
Stargate lifts Oracle..... **B12**

Popcorn Tax: 'National Tragedy'

Three rates for one snack rule India's critics

By TRIPTI LAHIRI

A seemingly routine ruling by India's top tax officials went off like metal in a microwave.

The government laid out a three-tiered system for taxing popcorn depending on if it is packaged or sold loose, carries a brand name or is generic, and is salted or sweet. Caramel popcorn, the government said in December, would be taxed at 18%—nearly akin to a luxury product.

The people weren't pleased. An explanation from India's finance minister, chair of the tax council, didn't help.

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Argentine 'Madman' Is a MAGA Hero

In his first year as president, Javier Milei cut red tape and balanced the budget

BY RYAN DUBÉ
AND SILVINA FRYDLEWSKY

BUENOS AIRES—Before Javier Milei became president, Argentina gave some government workers a guarantee that, upon death, their children got their jobs. Vegetable stands received a bonus if they sold what the government considered "normal" potatoes. And diners were strongly discouraged from putting tips on their credit cards, causing them to leave wads of inflation-hit cash for a gratuity.

Those regulations and hundreds of others are now gone. A year into his term, the self-described anarcho-capitalist who rules Argentina has taken

a chain saw to the red tape and unchecked public spending he inherited from a Peronist administration that left the economy in ruins.

Milei's accomplishments have turned him into a star among an ascendant global right—from President Trump to Italian Prime Minister Giorgia Meloni. Known here as "El Loco"—the Madman—Milei has become especially close with Elon Musk during a more than yearlong bromance as the two men laud each other's achievements and attack progressive ideals.

Argentina has so far cut more than 900 regulations, Milei said Monday after attending Trump's inauguration.

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U.S. NEWS

Davos Dissects Risks, Rewards of Trump

Bankers, government officials see benefits tilting toward U.S., away from Europe

By GREG IP

DAVOS, Switzerland—Usually, what's good for the U.S. economy is good for the world.

Not this year.

When participants at the World Economic Forum look at President Trump's plans, they become more optimistic about the U.S. and more pessimistic about the rest of the world, especially Europe.

The U.S. was outperforming much of the world before Trump was elected.

His agenda could extend that outperformance by making the U.S. the preferred destination for foreign investment via lower taxes and regulation and even cheaper energy, while his promised tariffs hurt others' exports.

The zeitgeist is embodied by the investment bankers flooding Davos who, in their own version of speed dating, rush from one client meeting to another, late into the night over expensive wine and artisanal cocktails.

Bankers are betting the Trump administration heralds a new wave of megamergers that wasn't feasible under former President Joe Biden. But a European banker said the tone outside the U.S. is "really de-

pressing," particularly in Europe, where deal activity is subdued.

Indeed, some predict that U.S. companies, sporting far higher stock valuations, will soon be snapping up European rivals.

The tariff effect

People at Davos who broke away from meetings and parties to follow the new president's flurry of executive orders were relieved that, for now, tariffs weren't included.

Still, the prospect of tariffs hangs over U.S. trading partners, especially Mexico, China and Canada, all singled out by Trump.

The breadth of his tariff threats has all countries concerned. Trump's first term benefited Malaysia because it was the recipient of investment being shifted away from China, said Tengku Zafrul Aziz, that country's minister of investment, trade and industry.

While "we do not want to jump the gun" on what Trump does, "from what we read," it would be less beneficial than the first, he said.

Klaas Knot, president of the Netherlands' central bank, predicted tariffs would subtract "a few tenths of a percentage point" from already tepid European growth.

"The only reason why a few



Klaas Knot, at left, the president of the Netherlands' central bank, predicted U.S. tariffs would subtract 'a few tenths of a percentage point' from already tepid European growth.

tenths is significant is that unfortunately the starting level [of eurozone growth] is relatively low"—projected at around 1% this year, he said.

One European official worried less about tariffs than the potential loss of investment to the U.S. as energy, already much cheaper than in Europe, becomes even more so.

"The Biden administration was very ambivalent" about U.S. oil and gas prowess, said energy expert Daniel Yergin, vice chairman of S&P Global. "This administration has no inhibitions about that."

Self-harm

Many at Davos blamed Europe's dismal outlook on the

failures of its own leaders, not on Trump.

European scientists are making progress on technologies that use genetically engineered microbes to solve any number of problems, said Kasim Kutay, the chief executive of **Novo Holdings**, which manages the assets and wealth of the foundation that controls Danish pharmaceutical company Novo Nordisk.

It takes seven to eight years, however, to get such a product approved by European regulators, compared with two to three in the U.S., he said: "A lot of that innovation is happening in Europe, but the companies ultimately seek funding in the U.S."

One particular source of

anxiety in Europe is that its top companies will move to the U.S. in search of higher stock valuations, less regulation and kinder treatment by Trump.

Rich Nuzum, global chief investment strategist for investment consultant Mercer, said Trump's deregulatory drive might jolt Europe into action.

"If the U.S. economy continues to power ahead, if every company wants to be headquartered in the U.S. and traded in the U.S. because of a lighter regulatory burden...European C-suites will say to European policymakers, 'Do something, or we're going to move overseas.'"

The U.S. accounted for 44% of Swedish telecom equipment giant **Ericsson**'s net sales in the third quarter of 2024, up from 31% a year earlier.

Chief executive Börje Ekholm has criticized excessive regulation for discouraging the upgrading of Europe's networks. Asked if Ericsson would move its head office to the U.S., Ekholm said, "We are Swedish based. But I think every company in Europe will need to think about this going forward."

Like Europe, China faces headwinds; tariffs would be just one more.

China's problem "is not Trump," said Keyu Jin, a British-based economist specializing in the Chinese economy. "It's the unemployment numbers. So many companies going under. So much debt the

government owes to the private sector. The problems with young people. The 'lying flat' problem."

She said Chinese authorities know the economy needs stimulus, but they face a dilemma: "How do you stimulate in the right way" without a "debt explosion?"

Warning for the U.S.

While Davos is bullish on the U.S. economy, the feeling comes with warnings that Trump's agenda contains potentially destabilizing contradictions.

For example, stronger growth and investment should elevate interest rates, drawing in foreign capital, boosting the dollar, and raising imports while hurting exports.

"Resisting the trade deficit and craving foreign capital is a logically inconsistent position," said former Treasury Secretary Larry Summers.

Kenneth Rogoff, an economist and financial historian at Harvard University, said protectionism and populism tend to push inflation and interest rates higher. But populists such as Trump, rather than change their policies, might resort to controls on prices or the international flow of capital. He called such controls "a tail risk" for the U.S.

—Marie Beaudette, Lauren Thomas and James Mackintosh contributed to this article.

Cheap Canada Oil That U.S. Craves Is Now at Risk

By DAVID UBERTI

The cheap Canadian oil America craves is becoming a key bargaining chip in President Trump's threatened trade war.

The countries' energy markets have grown increasingly intertwined in recent decades, with multibillion-dollar pipelines and sprawling refineries built for Canadians to funnel stateside the tar-like crude from booming oil fields in Alberta. Surging trade has driven down prices at the pump in the Midwest and helped transform the Gulf Coast into a global export hub.

But Trump has already jolted that relationship, promising 25% tariffs on all imports from Canada and directing federal agencies to re-evaluate trade policies with countries including America's most important foreign oil supplier.

"I think we'll do it Feb. 1," Trump said of imposing tariffs, speaking in the Oval Office Monday night.

The specter of tariffs on Canada's energy-dependent economy has left officials from Ottawa to provincial power centers scrambling. Even if crude ends up exempt, the Canadian government is considering retaliation that could en-

snare oil shipments.

Jonathan Wilkinson, Canada's minister of energy and natural resources, said in an interview that he would prefer "less confrontational" responses such as taxes on the country's oil exports. But he didn't rule out an extreme measure in the event of escalation: restricting shipments to the U.S.

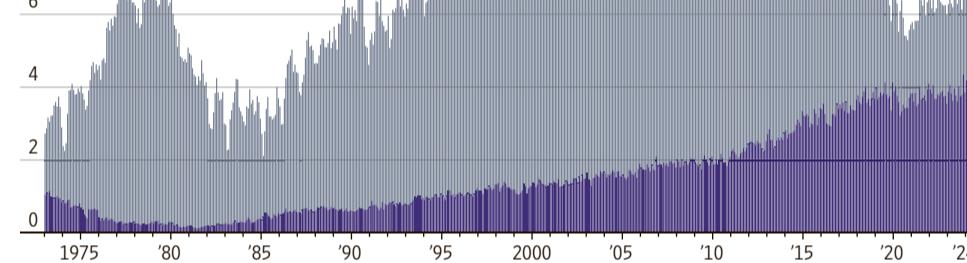
"Nothing is off the table over the longer term," Wilkinson said.

The prospect of a market shock has set off a high-stakes lobbying blitz for carve-outs stretching from Capitol Hill to Mar-a-Lago. In the days leading up to Trump's inauguration, Wilkinson pitched U.S. lawmakers on intensifying the countries' energy partnership as a shared source of geopolitical power.

Tariff critics, including key U.S. fossil-fuel groups, say a trade war that hits Canadian crude would hinder the president's push for "energy dominance" and boost costs, contrary to his campaign pledge. Gasoline prices buoyed inflation in December, and a roughly 9.2% climb in benchmark global futures during the past month suggests moderate hikes at the pump will continue in the coming weeks.

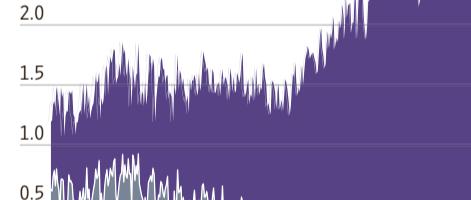
U.S. crude imports

10 million barrels a day



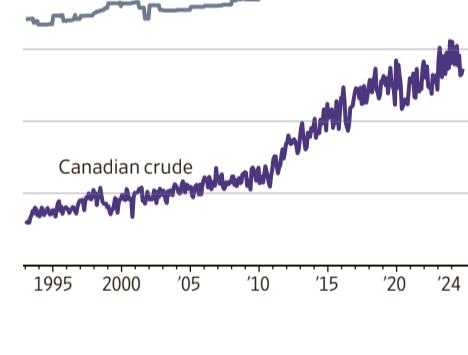
Crude imports to the Midwest

3.0 million barrels a day



Midwest refining capacity and crude imports from Canada

5 million barrels a day



Source: Energy Information Administration

across-the-board tariffs on Canadian goods as a negotiating tactic rather than a plan of action. But those assumptions were upended this month when Danielle Smith, premier of oil-rich Alberta, said she is "not expecting any exemptions" for crude after she met with Trump at his Florida club.

At a news conference Tuesday, Smith urged Canada to

ramp up border security and buy more U.S. goods in the hope of avoiding a trade war, rather than threaten retaliation that could curb Americans' energy supplies.

"We don't need their oil and gas. We don't need anything they have," Trump said earlier this month.

—Paul Vieira in Ottawa and Vipal Monga in Toronto contributed to this article.

President Defers Beijing Tariffs

By CHUN HAN WONG

Donald Trump's criticism of China on the campaign trail and after his election had raised the specter that Day 1 of his second presidency would reignite a trade war between the world's two largest economies.

As he took office this week, President Trump deferred the threat of tariffs and expressed a willingness to talk business with China's leader, postponing what appeared to be a looming clash—while repeating threats to take action against Beijing in matters of trade, technology and security.

From China's perspective, "this is a very positive start," said Wang Huiyai, president of the Center for China and Globalization, a Beijing think tank. Trump directed federal agencies to evaluate the economic relationship with China, rather than impose tariffs immediately as he had threatened. He signed off on giving TikTok more time to figure out how to keep operating in the U.S., after the Chinese-owned app briefly went dark under threat of a permanent ban. Trump also said he might visit China this year.

—Hannah Miao contributed to this article.

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U.S. WATCH



SEAN RAYFORD/GETTY IMAGES

Children play in the snow in Myrtle Beach, S.C., on Wednesday. A winter storm brought heavy bands of snow and sleet to much of the Southern U.S., causing hazardous travel conditions.

SOUTH Snow, Icy Cold Roll Region in Rare Event

A rare winter storm along the Gulf Coast and the Southeast left record snow and freezing temperatures, leading to closed highways, canceled flights and reports of deaths.

Two people who were outside died in Austin, Texas, on Monday and Tuesday. A medical examiner was still determining the causes of death. In Georgia, one person died of hypothermia.

—Joseph Pisani

NEW YORK Banker Eyes Job In Administration

Star technology banker Michael Grimes is in discussions to leave Morgan Stanley and head to work for the Trump administration, said people familiar with the matter.

Grimes is known for advising technology companies on their initial public offerings. He has long courted Trump ally Elon Musk and several of the executives who are setting up the new government agency, The Department of Government Efficiency, to cut costs across the government.

The specific role Grimes plans to take in the administration wasn't immediately clear, but he has told some people and clients he could be working with DOGE, some of the people said. Others said his role could be more general in the administration.

—Corrie Driebusch, Brian Schwartz and Lauren Thomas

MICHIGAN Secretary of State Runs for Governor

Michigan's Democratic secretary of state announced Wednesday that she is running to succeed Gretchen Whitmer as governor in 2026, as the party tries to find its footing after November's significant losses in the battleground state.

Jocelyn Benson served as the state's chief elections administrator in the 2020 and 2024 elections and is the first well-known candidate to enter the fray as a Democrat.

Whitmer is term limited and has said she doesn't plan to endorse anyone in the race.

—Associated Press

U.S. NEWS

New Wildfire Spreads Quickly In L.A. County

Hughes fire scorches thousands of acres north of Santa Clarita, forces evacuations

SANTA CLARITA, Calif.—A fast-spreading wildfire sparked in northern Los Angeles County, prompting new fears of death and destruction in a region already decimated by historic wildfires this month.

By Ben Fritz, Victoria Albert and Alexa Corse

The Hughes fire, which broke out north of Santa Clarita in the Castaic, Calif., area earlier Wednesday, has scorched more than 9,400 acres, officials said. Evacuation orders were issued for some 31,000 people and another 23,000 were told to prepare to evacuate.

Castaic is a remote, unincorporated part of northern Los Angeles County with a lake that draws many visitors in the summer. It has a popula-

tion of about 19,000, but is close to the city of Santa Clarita, home to about 224,000 people and the Six Flags Magic Mountain theme park.

At a press conference Wednesday evening, local officials speaking in front of large plumes of gray smoke said winds weren't as strong as during the infernos two weeks ago, allowing them to drop tens of thousands of gallons of retardant from the sky. In addition, firefighters from across the U.S. and overseas have surged to L.A. this month and were able to deploy quickly.

"The situation remains dynamic and the fire remains a difficult one to contain, although we are getting the upper hand," said Los Angeles County Fire Chief Anthony Marrone.

Still, officials warned that a red flag warning for dangerous fire conditions was in effect through Friday morning and drought conditions have left the area vulnerable.

"Although we're not under a particularly dangerous situ-



Police officers watched as flames from the Hughes fire raced up a hill at Lake Hughes Road in Castaic, Calif.

APU GOMEZ/AFP/Getty Images

ation in terms of the wind, our wildfire vegetation situation is critical," said Robert Garcia, Fire Chief for the Angeles National Forest, which is affected by the blaze.

Denise Okamoto, a 63-year-old retiree from Castaic, evacuated after police drove through her neighborhood

with sirens on, telling people to leave. She and her sister brought four dogs with them to a high school in Santa Clarita serving as an evacuation center. "I'm just praying that we still have a house," she said.

Los Angeles County Sheriff Robert Luna said his depart-

ment was prepared to evacuate some 4,500 inmates from a nearby jail if necessary.

Heavy winds returned to the Los Angeles area this week after firefighters made progress containing the wind-driven wildfires that killed more than two dozen people.

Before the Hughes fire

sparked Wednesday, Luna said more than 14,000 residents across the county were under evacuation orders—a significantly lower number than the tens of thousands forced to flee their homes at the peak of the Palisades and Eaton fires.

—Jennifer Calfas contributed to this article.

Not Just Homes, but Also Many Workplaces, Have Vanished

By RACHEL WOLFE

LOS ANGELES—Antonieta Lopez knew each feature and quirk of the stately, East Coast-style home on Villa View Drive. The commanding views of the Palisades from the rectangular pool. The living room floors that seemed to scratch just by looking at them. The right corner bedroom that was always colder than the other five.

For nearly a decade, Lopez cleaned every crevice of its 5,000 square feet for the owners, and followed them through two different moves in the neighborhood.

When the house burned in fires that destroyed much of the Palisades, she was distraught. The owners lost their home. Lopez lost her livelihood.

"I don't know what my purpose is anymore," said the 54-year-old Lopez, speaking in Spanish and breaking down in tears as her daughter Daysi Garcia Lopez translated. "Every morning I wake up and think I'm going to go to work and that the house is still there. And then I realize that it isn't, and I have trouble even getting out of bed."

Los Angeles is coming to grips with a housing catastrophe supercharged by unprecedented fires. A parallel crisis is only beginning: Tens of thousands of house cleaners, fix-it guys, gardeners, dog walkers, massage therapists and chefs who serviced those homes are suddenly out of work.

Nearly 73,000 service workers are employed in houses and businesses within the wildfire evacuation zones, according to an analysis of American Community Survey data by the Latino Policy and



Antonieta Lopez and her daughter Daysi Garcia Lopez in West Los Angeles.



The remains of Jonnie and Rachel Davis's home in Pacific Palisades.



Kathleen McCalpin evacuated with only a handful of supplies that she uses as a massage therapist.

ZAYDEE SANCHEZ FOR WSJ

Politics Institute at the University of California, Los Angeles. Thousands more are paid under the table and don't show up in official counts. Some are in the U.S. illegally and ineligible for unemployment benefits or disaster relief.

Their jobs won't be easy to replace. Workers like Lopez developed long-term relationships with their employers, and earned trust over years or even decades.

Lopez cleaned the family's home with her daughter. Her husband earned money as their handyman. The Lopez family would stay at the home for weeks at a time to watch the three dogs while the owners traveled. Lopez's grandsons swam in the pool, and Lopez hosted her family's 13-person Thanksgiving dinners in the home's grand dining room each fall while the owners were out of town.

"I would trust her with

anything," said Rachel Davis, 53, the homeowner who employed Lopez and lost her house in the fire.

Matthew E. Kahn, an economics professor at the University of Southern California who has researched the financial impact of natural disasters, approximates that those employed in what he calls "the

profit day-laborer support group Instituto de Educación Popular del Sur de California. "It's going to be dire for a really long time."

The Lopezes chose to live in West L.A. in large part because they could get to the Palisades in around 15 minutes. Daysi Garcia Lopez, Antonieta Lopez's daughter, had been helping

her mom with the Davises' house and cleaning others on her own. With three of the homes destroyed in the fire, and the other two uninhabitable because of smoke, her income has plummeted from about \$750 a week to zero.

Garcia Lopez is worried about paying rent and provid-

ing for her three sons. Her husband, Miguel Martinez, lost his two restaurant server jobs in the fire, which provided most of the family's income.

Martinez hasn't had any bites after spending the past week and a half driving all over L.A. to hand out a résumé.

"I loved my job," Martinez said. His regulars always tipped him generously, he said, and asked about his family. "It felt like my second home," he said.

Jonnie and Rachel Davis, who had employed the Lopezes for 15 years, donated to a GoFundMe that Garcia Lopez set up for Martinez, but said they can't afford to keep paying the family for work on a house that no longer exists. The couple have fire insurance but are facing their own financial strain. On top of losing their home, Rachel lost her job when the local church where she taught Mommy and Me classes was damaged. Jonnie's plans to

start his own production studio are delayed indefinitely.

"I feel terrible that I am not able to do more," Rachel Davis said. "I'm trying to refer them to other people, but the problem is that all of my friends have scattered." The Davises have temporarily relocated to Florida.

In Topanga, a massage therapist, Kathleen McCalpin, lost her home—and her workplace. She estimates that when her home burned, she lost thousands of dollars of supplies including massage tables, oils and linens. She isn't sure what she will be eligible for in terms of disaster assistance.

"I live a fairly hand-to-mouth existence," said McCalpin, 62. "I don't have a lot of retirement or savings."

Every one of her clients is affected by the fire.

"I question which of my clients are going to move away," McCalpin said.

Trump Gives More Agents Deportation Power

By MICHELLE HACKMAN AND SADIE GURMAN

WASHINGTON—The Trump administration is attempting to amass a larger force of law-enforcement officials to help carry out deportations by granting agents across the federal government the same powers as an immigration officer, according to an internal memo seen by The Wall Street Journal.

The memo, sent by acting Homeland Security Secretary Benjamin Huffman, says the department is granting immigration-enforcement authority to several agencies at the Justice Department, including the Drug Enforcement Administration, the Bureau of Alcohol, Tobacco, Firearms and Explosives and the U.S. Marshals Service.

The directive is the latest in a flurry of moves the Trump administration has taken this week to marshal the vast resources of the federal government to carry out the president's signature cam-

paign promise on immigration. Despite those steps, no large-scale immigration operations have yet materialized.

Earlier Wednesday, the Pentagon announced it would be sending 1,500 active-duty troops to the southern border to help "seal" it, in accordance with an executive order Trump issued earlier this week, and would also be lending several military planes to the effort.

The Homeland Security memo emphasizes that Federal Bureau of Investigation agents already possess immigration-arresting powers, known as Title 8 authority. Still, FBI agents traditionally steer clear of such work except where it intersects with their main mission of national security and other investigations.

Though the memo doesn't directly deputize those agents to assist with President Trump's promised deportation campaign, administration officials are planning for the Justice Department to

operate by lending some agents, a person familiar with the matter said.

Traditionally, the Marshals Service may become involved in immigration-related cases if they overlap with federal fugitives or detention responsibilities. The ATF and DEA have historically not been involved in immigration enforcement, either, except where there are other gun or drug-trafficking violations.

Officials in these agencies have long complained that they are already strapped for resources they need for their core missions of fighting violent crime and drug enforcement, and policing immigration violations would add more to their plates.

On Tuesday at the Justice Department, Acting Deputy Attorney General Emil Bove told federal prosecutors to investigate and potentially charge state and local officials in so-called sanctuary cities who hamper the administration's stepped up enforcement of immigration

laws, and signaled that the FBI's terrorism task forces would be involved in carrying out Trump's immigration-related initiatives.

While the deployment of troops to the border is new, it follows a similar authorization for active-duty troops on the border that existed under the Biden administration and has been in effect for some time.

Defense officials said there have been requests from Trump officials for potentially as many as 10,000 troops but they have yet to receive an order from them to send more.

The Pentagon is also sending helicopters and crews, intelligence analysts to support detection and monitoring efforts. The deployments would be complete by the end of this week, officials said.

New Secret Service Head Appointed by President

By C. RYAN BARBER

WASHINGTON—President Trump on Wednesday named Sean Curran, the head of his security detail, as the next director of the Secret Service, elevating him to lead the agency as it seeks to move past two assassination attempts on Trump last year.

In a social-media post, Trump said Curran "protected my family over the past few years, and that is why I trust him to lead the Brave Men and Women of the United States Secret Service."

Curran's selection came more than six months after Trump was shot in the right ear during a July campaign rally in Butler, Pa., where a 20-year-old gunman was able to climb to a nearby rooftop and open fire on the then-candidate. The near-assassination brought a torrent of investigations onto the Secret Service and led to the resignation of

the agency's director at the time, Kimberly Cheatle, following a blistering hearing before House lawmakers.

Trump said Curran "proved his fearless courage when he risked his own life to help save mine from an assassin's bullet in Butler."

The pressure on the agency only grew when, in September, a Secret Service agent encountered a 58-year-old man pointing a semi-automatic rifle through a golf-course fence in Florida while Trump was nearby. The gunman, Ryan Routh, fled the scene after the agent fired at him and was later arrested and charged with attempting to assassinate Trump.

Cheatle's resignation came after he was "ashamed" over the shooting and vowed to make reforms.

U.S. NEWS

Trump Targets Research on Risky Viruses

Order is in works to halt funds for studies that increase danger of pathogens

BY LIZ ESSLEY WHYTE
AND NIDHI SUBBARAMAN

The Trump administration is preparing an executive order that would halt federal funding, at least temporarily, for a risky and controversial

kind of research into viruses that makes the pathogens more dangerous or contagious.

The goal of the order would be to stop scientists with U.S. funding from conducting "gain-of-function" research on viruses that could endanger human health, people familiar with the plans said.

Some viruses, such as the H5N1 bird-flu pathogen, might be exempt from the order, one of the people said.

The order hasn't been final-

ized, and its specifics are a work in progress, the person said.

Some Republicans have blamed the Covid-19 pandemic on gain-of-function research. Defenders say it helps scientists assess the potential of pathogens to infect humans and find ways to combat them.

President Trump's nominee to lead the National Institutes of Health, Dr. Jay Bhattacharya, has expressed support for a pause on the research.

The gain-of-function studies had been a staple of research into viruses but became an object of controversy and criticism during the pandemic crisis.

The Biden administration had begun taking steps to rein in the research.

In the experiments, scientists modify, in a secure lab, a virus to learn how it could spread rapidly or evade medicines. Many virologists have argued that studying viruses in con-

trolled settings, with appropriate regulation, is necessary to prepare for future pandemics.

Other countries, defenders also say, will continue the studies and outpace the U.S. scientifically should the scientific work be limited in the U.S.

"It would be a terrible idea to halt research that is necessary to protect us," said Gigi Gronvall, an immunologist and biosafety expert at Johns Hopkins Bloomberg School of Public Health. "There are lots

of viral threats out there, and you're not going to be able to solve that threat without understanding viruses."

Some Republicans have blamed gain-of-function work for the Covid-19 pandemic, asserting the virus leaked from a laboratory in Wuhan, China.

Many scientists and public-health officials have said there isn't any public evidence that an experiment at the Wuhan lab could have created the virus that caused the pandemic.

Federal Workforce Reshaped

Continued from Page One

Safety Review Board, which had been probing the Chinese hacking of U.S. telecommunications networks that ensnared Trump's own phone calls, were informed they had been dismissed pursuant to a Department of Homeland Security order disbanding all advisory committees, according to people familiar with the matter. Their review is now in limbo and might be terminated. DHS, which oversees the board, declined to comment.

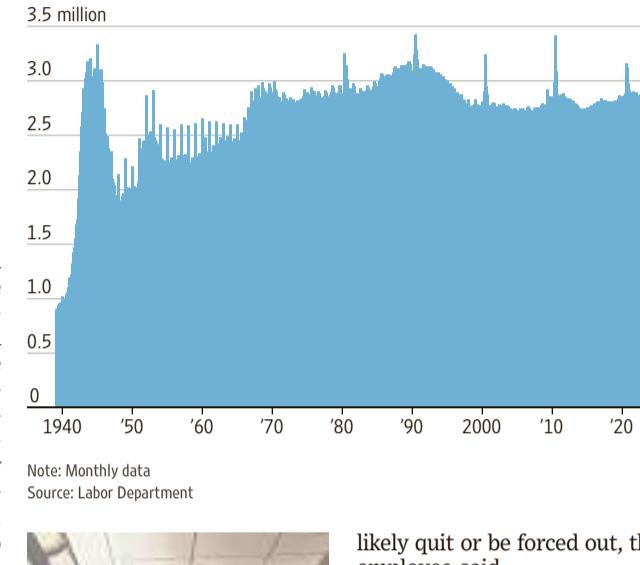
DEI rescinded

Meetings on diversity, equity and inclusion issues were canceled, some quietly and some with large pronouncements.

At the Federal Communications Commission, Chairman Brendan Carr said he was shutting down the agency's diversity, equity and inclusion advisory group, rescinding an action plan promoting DEI, and eliminating the topic from the agency's strategic plan and budget, among other steps.

At the Food and Drug Administration, employees wondered who was actually in charge of the agency, people familiar with the matter said. Biden's FDA commissioner, Dr. Robert Califf, was gone, but there had been no official word from the White House or the transition team on who was supposed to run the show until Trump's pick, Dr. Marty Makary, could be confirmed.

Employees there felt nervous about the details of a return to the office five days a week because the agency was already short on desk and parking space at its White Oak, Md., headquarters even before the pandemic. "I guess we will all be sitting cross-legged on the floor," said a federal employee at another agency.



'It's leaving a lot of uncertainty,' said Michael Gibbons, a product-support manager for the Navy.

At DHS, acting Secretary Benjamin Huffman issued a memo ordering employees to work in person, calling remote work an "important tool" but one that is "subject to significant abuse." Last year, he said, nearly a quarter of total hours worked by Coast Guard personnel was done remotely.

DHS employees were waiting on additional directions on when they would be required to return and whether there would be exceptions—for employees who have moved out of the Washington area, for example.

An employee at the Energy Department's Loan Programs Office, which disburses funds to clean-energy projects, estimated that about half of the office's staff work remotely. Many of those people will

likely quit or be forced out, the employee said.

In a late-night post on Truth Social, Trump said the presidential personnel office was "actively in the process of identifying and removing over a thousand Presidential Appointees" and singled out four in particular. Among them was the celebrity chef José Andrés, whom then-President Joe Biden had appointed to serve on the President's Council on Sports, Fitness and Nutrition. Andrés shot back that his two-year term had already expired and that he had resigned.

At the Justice Department, several top career officials in the criminal and national-security divisions were removed or reassigned, people familiar with the matter said, the first part of a larger planned shake-up at the agency with which Trump, a Republican, has long sparred.

Employees there have been increasingly on edge as Trump and his nominees have attacked the department, with many leaving on their own for law firms and other private-sector jobs.

More than 15 people have so far moved, one person said. In addition to national security, some of the employees worked in areas such as international affairs.

The changes are meant to align the department with the

Trump administration's priority of increased immigration enforcement, one person said.

The Justice Department declined to comment.

Some employees saw wiggle room in the wording of some executive actions. The one on returning to the office includes the words "consistent with applicable law"—which some employees took to mean in accordance with the collective-bargaining agreements some agencies have signed, outlining their return-to-office policies. The order says the change must be implemented "as soon as practicable."

Unions representing federal workers vowed to protect them, arguing there isn't a legitimate reason to slash the workforce, which has remained relatively stable in size in recent decades.

The unions take issue with several orders pertaining to the federal workforce, including Monday's reinstatement of a plan Trump issued in October 2020 to eliminate job protections for federal workers, known as Schedule F. It was blocked at the start of the Biden administration in 2021.

The National Treasury Employees Union, which represents 150,000 workers at 37 federal agencies and departments, sued the Trump administration late Monday in federal district court for the District of Columbia, saying the order undermined merit-based civil service and took away due-process rights from career civil servants.

Doreen Greenwald, the union's national president, said the executive order was a "dangerous step backward to a political spoils system that Congress expressly rejected 142 years ago."

Another executive order signed by Trump imposes a hiring freeze and requires the Office of Management and Budget to submit a plan by mid-April "to reduce the size of the Federal Government's workforce through efficiency improvements and attrition."

—Scott Patterson, Liz Essley Whyte, Dustin Volz and Sadie Gurman contributed to this article.

U.S. Agencies Halt Diversity Efforts, Put Staff on Leave

BY LINDSAY ELLIS
AND KEN THOMAS

murder of George Floyd.

Trump's executive order on Monday required agencies to eliminate all chief diversity officer positions. The OPM memo asked agencies for their plans to do so by Friday.

In an email sent by agency heads to federal employees, the DEI programs were described as dividing "Americans by race," and having led to "wasted taxpayer dollars, and resulted in shameful discrimination."

The email said federal agencies were "aware of efforts by some in government to disguise these programs by using coded or imprecise language."

President Trump has ordered federal DEI programs to be shut down.

days. DEIA is an expanded term that includes "accessibility."

"There will be no adverse consequences for timely reporting this information. However, failure to report this information within 10 days may result in adverse consequences," the email said.

A separate executive action required agencies to investigate diversity programs at publicly traded corporations, nonprofits, colleges and foundations in an attempt to discourage this work outside the government.

The action asked agencies to find up to nine potential "civil compliance investigations" into those entities within 120 days.

—Liz Essley Whyte, Nidhi Subbaraman and Lauren Weber contributed to this article

Musk Pours Cold Water On AI Plan

Continued from Page One and database company Oracle. At 12:57 a.m. on Wednesday, Musk added, "SoftBank has well under \$10B secured. I have that on good authority."

Asked about Musk's comments on Fox News, Trump spokeswoman Karoline Leavitt said the president is excited about Tuesday's announcement. "So the American people should take President Trump and those CEOs' words for it," she said.

The companies didn't respond to requests for comment about Musk's social-media posts.

The joint venture, known as Stargate, will build data centers for OpenAI, with the involved companies committing \$100 billion and planning to invest as much as \$500 billion over the next four years. The plans, key elements of which remain vague, were announced Tuesday at the White House ceremony with Trump.

"This will include the construction of colossal data centers, massive structures," Trump, a Republican, said.

Musk's comments come amid longstanding tensions between the Tesla chief executive and Sam Altman, the CEO of OpenAI.

Though they co-founded OpenAI, Musk later left, and people close to Musk have said he now despises Altman. The



Elon Musk's comments undercutting President Trump's tech initiative came days after they stood together at a Washington rally.

Wall Street Journal has previously reported. Musk more recently started his own artificial-intelligence company, xAI, which competes with OpenAI.

Musk set off a war of words on X. Altman initially sounded a conciliatory note, saying: "I genuinely respect your accomplishments and think you are the most inspiring entrepreneur of our time."

But he later posted that Musk's comments about SoftBank's funding were wrong, adding that the first site is already under way. "I realize what is great for the country isn't always what's optimal for your companies, but in your new role I hope you'll mostly

put [America] first."

Musk fired back with a string of posts Wednesday reiterating criticisms of Altman and OpenAI, replying "It's fake" to one user's tweet citing the Stargate announcement, and saying in another "Sam is a swindler." Musk also retweeted a post showing a photo of what appeared to be a drug pipe and a baggie of powder under the caption "Leaked image of the research tool OpenAI used to come up

with their \$500 billion number for Stargate."

Musk's comments marked the first time he has raised questions about a Trump-led initiative since the president put him in charge of the Department of Government Efficiency. But it isn't the only time Musk has publicly weighed in on one of Trump's decisions.

After the election, Musk threw his support behind transition co-Chair Howard Lutnick to be Treasury secretary over

longtime investor Scott Bessent. Trump eventually picked Bessent to run the Treasury, and Lutnick got the nod for commerce secretary.

Musk has had some tensions with other figures in Trump's orbit, drawing criticism from former White House adviser Steve Bannon and feuding with right-wing conspiracy theorist Laura Loomer over immigration policy. His free-ranging access to Trump also miffed some of the president's aides and allies, who said Musk was getting involved in matters he had little understanding of and speaking too much in meetings, the Journal reported.

Microsoft, OpenAI's largest investor, had said weeks ago that it plans to spend \$80 billion this fiscal year on AI data centers. Asked on CNBC about Musk's doubts about Stargate funding, Microsoft CEO Satya Nadella said: "Look, all I know is, I'm good for my \$80 billion."

The companies behind Stargate didn't disclose how much cash each partner would contribute, or precisely where all the funds would come from. Stargate plans to bring on additional equity investors, the Journal reported Tuesday.

The main partners have constraints on their cash. OpenAI has raised large sums—including nearly \$7 billion in a funding round last October—but loses money. Oracle has about \$11 billion in cash and marketable securities but more in debt. SoftBank has roughly \$30 billion of cash on hand.

SoftBank, which is leading the financing for Stargate, is planning to raise debt from third parties to pay for the projects. A person familiar with Stargate said Wednesday that "we are prepared to deploy \$100 billion immediately," and that the funding comes from a combination of equity from founding partners and additional co-investors "as well as third party debt and other sources."

In December, SoftBank CEO Masayoshi Son committed to invest at least \$100 billion in U.S. projects over the next four years at an event in Mar-a-Lago, Trump's private Florida club. Despite the pledge, Softbank doesn't have that kind of cash, The Journal reported.

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—Berber Jin contributed to this article.

Main partners OpenAI and SoftBank have constraints on their cash.

**“We used open source
to build an AI tool that
helps match patients to
clinical trials in a day.”**

—Dr. Wael Salloum | Mendel



**Llama. Open Source AI:
Available to all, not just the few.**

 **Meta**

ai.meta.com/open

WORLD NEWS

Israeli Forces Strike West Bank, Killing 10

As truces take hold, government aims to defeat militancy in occupied territory

BY DOV LIEBER

TEL AVIV—Israel launched what it called a major counter-terrorism operation in the West Bank, expanding its campaign against militancy in the Palestinian territory after more than 15 months of war in Gaza.

Israeli forces from the military, police and internal-security service began the operation in the West Bank city of Jenin's crowded refugee camp Tuesday with drone strikes and raided it with light armored vehicles, statements and footage released by Israel's military show.

The Palestinian Health Ministry said 10 people were killed by Israeli forces in Jenin, all of whom were between the ages of 16 and 57 years old. Israel said Wednesday it had killed 10 militants.

While Israeli forces often operated in the West Bank during the Gaza war, it had remained a secondary theater with Israeli military manpower stretched thin between the primary fronts of Hamas in Gaza and Hezbollah in Lebanon.

With cease-fire deals on those fronts, the Israeli government on Saturday added the defeat of surging militancy in the West Bank as an aim of the war that began with Hamas's attack on Israel on Oct. 7, 2023, which killed about 1,200 people.



Israeli soldiers transfer Palestinian men arrested during a military raid on the Jenin refugee camp in the West Bank.

nized borders, and 46 Israeli and foreign nationals were killed in those attacks in 2024, according to Israel's military spokesman Nadav Shoshani.

On Saturday, a 19-year-old Palestinian from the northern West Bank, severely injured an Israeli in a stabbing attack in Tel Aviv. Earlier this month, Palestinian gunmen from Jenin opened fire on Israeli civilian vehicles driving in the West Bank, killing three.

There also is pressure from far-right officials in Israel's governing coalition, who are frustrated with the cease-fire in Gaza, to crack down on militants in the West Bank.

Shoshani, Israel's military spokesman, declined to comment on the duration of the Jenin operation and on whether it was expected to expand, but said it would be "relatively similar" to the operation in August, which lasted about a month and included other cities in the northern West Bank.

The Palestinian Authority, which governs most Palestinians in the West Bank, criticized the Israeli operation, saying it displaced families and destroyed civilian properties.

What makes Israel's current operation in Jenin unusual is that it dovetails with a similar weeklong operation by the PA to uproot militants from the same area. The PA's operation, which analysts said was the most severe fighting between the body's security forces and militants in nearly two decades, ended in a truce just days before Israel's began.

Drug Violence Surges in Colombia

BY KEJAL VYAS

BOGOTÁ, Colombia—The war over cocaine between armed groups in northeastern Colombia has killed about 80 people in recent days and forced tens of thousands to flee their homes, signaling a likely end to President Gustavo Petro's plans to sign peace accords with drug-trafficking groups.

The violence, in which two groups have gone door to door to kill rivals, led President Nicolás Maduro in neighboring Venezuela to send soldiers and armored vehicles to combat crime groups on the porous border his country shares with Colombia. The main group responsible for the violence is the National Liberation Army, or ELN, a far-left militia that for years has found safe haven from Colombia's military in Venezuela, where the regime shares the same ideological affinities.

The surge in violence in Colombia's Catatumbo region, the worst in years, comes as authorities in Bogotá brace for cutbacks in defense and development aid from the U.S. after President Trump signed an executive order to halt and review foreign funding to ensure it aligns with U.S. policies.

Colombian lawmakers say that the violence all but dooms the so-called "Total Peace" strategy that Petro pursued since taking office in 2022 in the hope of negotiating with drug-trafficking organizations to disarm.

Since 2022, the ELN has expanded its presence from 189 of



Displaced people take shelter at the General Santander Stadium in Cúcuta, Colombia.

the 1,100 municipalities in Colombia to 232 in 2024, said the state's human-rights ombudsman in a report. Other gangs made more gains, raising concerns among security experts that more deadly confrontations could sprout up elsewhere.

The latest wave of violence centers in the rugged region of Catatumbo, which straddles the border with Venezuela and produces about 15% of Colombia's coca, the crop used to make cocaine. Two criminal organizations are vying for territorial control: the ELN, a Cuba-inspired group formed in 1964, and the 33rd Front, fighters who broke off from peace talks in 2016 to form their own organization.

Fighting between the groups intensified this past

week, forcing residents in remote farming communities to lock themselves in their homes or evacuate. ELN members went house by house in several towns looking for people they believed were working for their rivals, according to witnesses and authorities.

After the ELN's attacks, Petro said he would declare a state of emergency, and warned of offensive maneuvers by the army in a turnaround after more than two years of floundering talks and ceasefire deals with the group.

At least seven of the people killed had signed the 2016 peace pact between President Juan Manuel Santos's government and the Revolutionary Armed Forces of Colombia, or FARC, said William Villamizar,

governor of the North Santander province where Catatumbo is located. Hundreds of former FARC fighters who signed the deal have been slain, Colombian investigators and human rights groups say, many of them by their former comrades.

Villamizar said the death toll in Catatumbo is likely to rise as the military struggles to access the combat zones. Bodies were left on roadsides as residents remained too afraid to go outside. "This is the most complex humanitarian crisis," he said.

Colombian authorities say a key problem in stopping the bloodshed is that armed groups freely move between the 1,400-mile border with Venezuela, whose government has granted haven and logistical support to leftist rebels.

Police in Chilean Capital Raid Venezuelan Gang

BY RYAN DUBÉ AND PATRICIA GARIP

Chilean police carried out raids in the capital of Santiago on Wednesday, targeting a notorious Venezuelan gang that officials said had killed a Venezuelan opposition figure in an assassination orchestrated by Venezuelan strongman Nicolás Maduro's regime.

The raids come as President Trump said this week he would designate the gang, the Tren de Aragua, or Aragua Train, as a foreign terrorist organization to better fight the group in the American cities where its offshoots recently have begun to operate.

In Chile, heavily armed police in balaclavas raided a Santiago shantytown and other poor neighborhoods where they arrested two alleged members of the Tren, which was founded in a Venezuelan prison before expanding across Latin America and into the U.S. Authorities also carried out raids at three prisons.

The alleged Tren members,

one Colombian and one Venezuelan, belong to a branch of the gang called "the Pirates of Aragua," said prosecutors and police.

Latin American law-enforcement officials say the gang is

responsible for drug trafficking, extortion, kidnappings and

hired killings across the region.

In Chile, gang members are

accused in last year's killing of

Ronald Ojeda, a former Vene-

zuelan soldier who had conspired against Maduro's regime and got political asylum with his family. One of the people detained on Wednesday allegedly dug a hole to bury Ojeda's body, authorities said.

"What we can assert based on the investigation is that behind the crime of Ronald Ojeda is the Venezuelan government," Hector Barros, the prosecutor in charge of the Ojeda case, told ADN Radio on Monday. "It's a political crime."

Previously, Chilean officials had asserted that the Tren was involved in the killing and that it had been planned in Venezuela, while holding off from directly accusing the Venezuelan regime.

Venezuela's Communication Ministry didn't respond to requests for comment. Senior Venezuelan officials have in the past ridiculed assertions that the regime was involved in Ojeda's murder, even accusing the media of making up the Tren de Aragua.

On Monday, though, Venezuelan Attorney General Tarek Saab said the government had dismantled the Tren de Aragua. Without offering evidence, he blamed its expansion on the Venezuelan opposition and right-wing Colombian politicians.

Some analysts said the new assertions appear to reflect concern in the regime after the U.S. announced plans to label the Tren a terrorist organization.

WORLD WATCH



OVER THE HUMP: Camels guided by robot jockeys raced during a Wednesday event organized by the Qatar Camel Racing Organizing Committee in Al-Shahaniya, about 25 miles west of Doha.

GERMANY

Afghan Detained In Fatal Stabbing

Police detained an Afghan man suspected of stabbing and killing two people, including a 2-year-old, putting immigration back at the center of the campaign for February's election.

The 28-year-old was suspected of attacking a group of kindergarten children who were on an excursion in the Schönfeld park of Aschaffenburg on Wednesday morning, said Bavarian Interior Minister Joachim Herrmann.

A Moroccan child and a 41-year-old German man who tried to intervene died on the spot, he said.

Herrmann said the suspect was known to authorities, and had been ordered by a court to undergo treatment after acts of violence. The man arrived in Germany in 2022 and requested asylum, but was required to leave the country in December after he withdrew his application.

—Bertrand Benoit

GREECE

Ancient Statue Found in Trash Bag

A marble statue of a woman believed to be more than 2,000 years old was found abandoned in a garbage bag near the Greek city of Thessaloniki, police said Wednesday.

A resident discovered the 31-inch headless statue beside a trash bin in Neoi Epivates, outside Greece's second-largest city. The man turned it over to local authorities, who contacted archaeologists to assess its significance.

Police said experts determined the piece dates to the Hellenistic era, a period roughly between 320 and 30 B.C. that was marked by a flourishing of art and culture following the conquests of Alexander the Great.

The statue was sent for further examination by archaeologists. It ultimately will be handed over to the local antiquities authority.

—Associated Press

WORLD NEWS



Ex-POWs Survived Torture

Continued from Page One

lence and use of dogs to attack prisoners, took place. Torture, the report concluded, is "widespread and systematic." Kyiv authorities said up to 200 Ukrainian prisoners have died in captivity. Hundreds who have been exchanged returned emaciated and with physical and mental wounds.

The Kremlin and Russia's Federal Penitentiary Service didn't respond to requests for comment.

Russia's brutal treatment of Ukrainian prisoners is the latest chapter in centuries of violence against Ukrainians who refuse to accept Russian rule.

Spoils of war

From the start of his ordeal, Pylypey steeled himself for survival during repeated torture sessions.

"You close your eyes," the 29-year-old said. "Your body stays there, but your mind goes to the person you love, and you're flying."

Pylypey was captured in mid-April 2022 as Russian forces seized Mariupol, the eastern city he was defending. He and seven of his men were seeking to escape when they were ambushed by the Russian Federal Security Service, or FSB. During the capture, a Russian officer stripped off Pylypey's smartwatch, calling it the spoils of war.

Pylypey and his men were sent to Olenivka prison in occupied eastern Ukraine, where guards soon stole his wedding ring.

Then came a morale boost from a familiar voice: "Hey buddy, I can't believe it. I was sure you were dead." It was his fellow Marine Capt. Serhiy Taraniuk, who had also been captured near Mariupol.

Russia was seeking to prove that Ukrainian soldiers in Mariupol, like Russians around Kyiv, had slaughtered civilians. Pylypey said he received special attention because he had spent 14 months training in the U.S., enough for FSB interrogators to falsely accuse him of being hired by the Central Intelligence Agency and trained to kill Russians.

Taraniuk said he was also accused, without basis, of ordering the murder of civilians

and interrogated with a torture method known as "a call to Putin" using a Soviet-era field telephone. Investigators attached the wires of the battery-powered communications device, which is about the size of a handbag, to his feet, hands and genitals and delivered electric shocks by turning the phone's dial.

"When they are doing this, you don't even understand what they want you to say," Taraniuk, 30, said.

Ukrainian prisoners are shuttled between facilities in occupied Ukraine and Russia, keeping them off balance and making their location hard to track for relatives and Ukrainian authorities.

Pylypey went from Olenivka to Taganrog, a Russian city near the border with Ukraine, then another Russian jail before being taken to Kursk, where he spent nearly two years. That was followed by another stint elsewhere in Russia before his release in September. Taraniuk was moved to Taganrog then back and forth between Russia and occupied Ukrainian cities.

Scent of home

In Olenivka, Taraniuk managed a quick call to his girlfriend on another inmate's contraband phone. Pylypey worried his family would think he was dead.

In April 2023, one year after he was captured, Pylypey unexpectedly received a letter from home and caught the scent of his wife's perfume when he opened it. He wept silently on his bunk for a half-hour. Later, he wrote back with a saying invoking the strength of Ukrainian warriors: "The Cossack spirit lives forever."

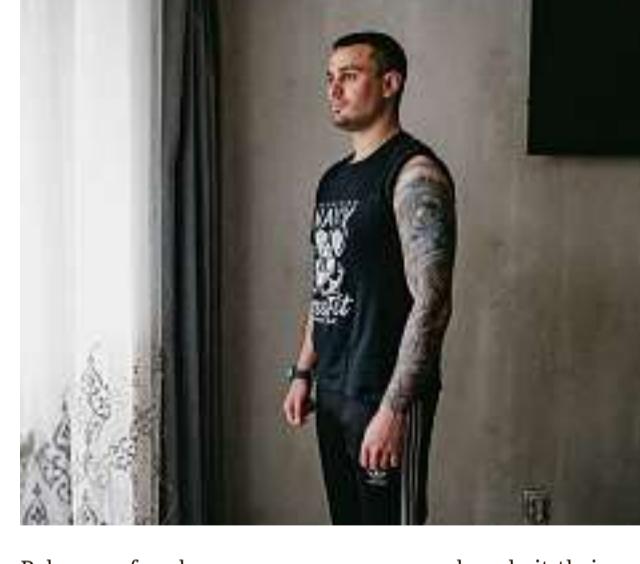
Pylypey lost 44 pounds during captivity. He often combined all his three daily food portions into one to have a full stomach at least sometimes.

Some guards, particularly military veterans, showed some humanity, giving the prisoners soap and candies and urging them to hang on for a prisoner exchange. Pylypey said some Russian inmates took pity on Ukrainians, leaving books on a windowsill near their cells. "We are sorry for you, guys," one of them told Pylypey.

During a random check early last year, a guard forced Pylypey to spread his legs and kicked his inner thigh. The following day, a detective pressed him to confess to ordering civilian killings while beating him on the injured leg.



Yuli Pylypey, above, and Serhiy Taraniuk, below, shared a fast-food meal with fellow former prisoners of war at a rehabilitation center, left, days after their release following years in Russian captivity during which they endured extreme hardship.



Pylypey refused.

In the following weeks, Pylypey's knee swelled, and his leg developed a large lump. Each step caused searing pain. Guards also tried unsuccessfully to burn off Pylypey's Ukrainian trident tattoo with a stun gun.

Taraniuk recalls that the Russians hung him by his legs and beat his chest and back.

They placed a plastic bag over his head to suffocate him. They also tortured soldiers from his unit, trying to force them to sign accusations that Taraniuk had ordered them to kill civilians. Sleep deprivation was common.

Forced to confess

Taraniuk resisted for more than two years until, exhausted by torture and told he could be exchanged after conviction, he decided to sign whatever the Russians wanted. They sentenced him to 29 years in prison for allegedly killing civilians in Mariupol.

Pylypey noticed how some prisoners lost their grip on reality. One sat silently for days, hugging his knees and staring in one direction. Another washed the cell day and night.

Pylypey tried to cheer them up, but struggled to maintain his own spirits.

"I called it the period of my reprogramming," he said.

Prisoners bonded. Pylypey and his cellmates caught a

mouse and made it their pet, sharing their meager food with it and hiding it from guards under the floor.

Pylypey taught the other prisoners English and hand-to-hand combat. He constantly daydreamed about traveling with his wife. "I traveled the entire world with her in my mind," he said.

The beginning of last year was one of the toughest times

for Pylypey, as the Russians piled on the pressure for a false confession. By late February, he considered giving up and telling the Russians what they wanted.

Then he received a second letter from home. "The only thing I'm asking you is just to hold on," his wife wrote.

He did, but one day in September, he was brought to an interrogation room with a court verdict on a table sentencing him to 20 years in prison for killing civilians and other war crimes. The trial had taken place without him.

Homeward bound

The next day, guards told Pylypey to gather his belongings. They placed a sack over his head and transported him, first by car and then by train, to an unknown destination. Expecting to arrive at a new prison, he was surprised to find himself on a civilian bus in Belarus. He felt a hand on his shoulder and turned to see Taraniuk.

"Hey buddy, this is the prisoner exchange," Taraniuk said. They embraced.

As they crossed into

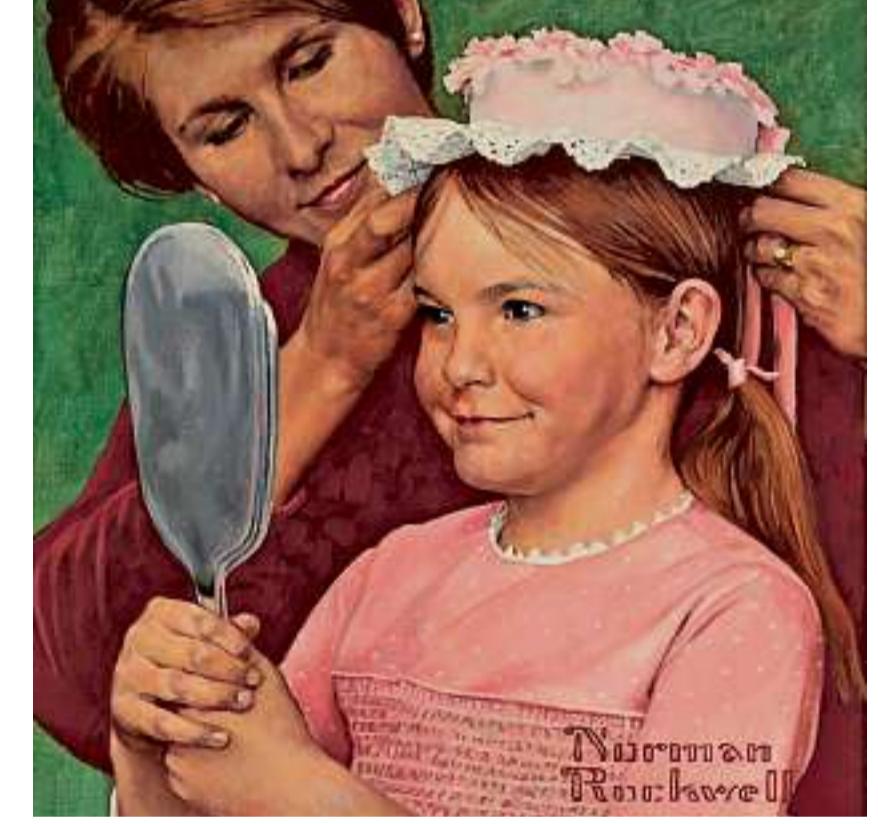
Ukraine on foot, a group of Russian prisoners walking in the opposite direction asked whether they had been tortured. The Ukrainians passed by in silence.

A few days after his release, Pylypey stood under a summer downpour for the first time in years, soaking in smells and sounds he had almost forgotten. "Now I know that freedom has its smell," he said.

Pylypey learned he had received an award for courage. Taraniuk married his girlfriend. But the men don't celebrate birthdays or weddings while more than half of their units remain in captivity.

Taraniuk suffers from headaches and partial hearing loss. Pylypey limps because of the injury to his right leg. He is planning to fulfill a promise he made to himself while in captivity: to extend the Ukrainian trident tattoo with a portrait of Kyivan Prince Sviatoslav the Brave.

His sister has prepared a sketch incorporating a phrase attributed to the medieval leader: "We shall not disgrace our native land. For the dead seek no shame."



STYLISH STORYTELLING NORMAN ROCKWELL

Beloved artist. Heartfelt composition. Esteemed legacy.



Norman Rockwell's *The New Hat*, created for the cover of Top Value's 1969 Family Gift Catalog, showcases his iconic storytelling through a tender moment of childhood joy. The original oil on canvas reflects Rockwell's celebration of everyday life and the American spirit, cementing his legacy as one of the country's most cherished artists. Signed "Norman Rockwell" (lower right). Canvas: 16 1/2" h x 14" w. Frame: 32 1/2" h x 30" w. #32-0383



Learn more about this painting

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President Trump threatened sanctions and tariffs on Russia if its leader, President Vladimir Putin, doesn't reach a pact to end the war in Ukraine.

By Gavin Bade, Alan Collison and Georgi Kantchev

Trump on Wednesday wrote on Truth Social that if Moscow can't "make a deal," and soon, I have no other choice but to put high levels of Taxes, Tariffs, and Sanctions on anything being sold by Russia to the United States, and various other participating countries."

The statement marks Trump's most forceful and public effort to end the war in Ukraine. But he stressed that he doesn't want to hurt Russia. "I love the Russian people, and always had a very good relationship with President Putin." The Kremlin didn't respond to a request for comment.

During the presidential campaign, Trump said he would end the war, which Putin began in 2022, within 24

hours of returning to the White House. Trump now concedes it could take longer.

With trade ties between the U.S. and Russia withering, the efficacy of Trump's direct threat of tariffs is questionable. Russia exported about \$2.9 billion worth of goods to the U.S. in 2024, according to Census Bureau data, down from \$29.6 billion in 2021.

The U.S. has starved Russia's economy with broad sanctions, many of which were replicated by other countries.

"Trump's post is pretty significant because there's just been this big question in the diplomatic community and in the markets about whether Trump would keep his foot on the gas on Russia sanctions," said Edward Fishman, a former State Department sanctions official.

"It's clear that Russia's economy is reeling, and I think Putin's hope was that Trump would give him a reprieve."

While Russia avoided an economic meltdown by circumventing some of the sanctions and transforming itself

FROM PAGE ONE

A Nation Takes Heat For Popcorn

Continued from Page One

"I want to explain the whole background of the popcorn taxes to you: Salted popcorn, caramelized popcorn, plain popcorn," said Nirmala Sitharaman at a news conference in late December. "When it comes to popcorn's tax treatment, as long as it is salty, whether it is with salt, spiced, tangy, chilli powder, that's all 5%. But when it has added caramelized sugar, it is no longer salty."

But the 5% will apply only if the popcorn is sold loose. Put it in a sealed plastic packet and slap a label on it

and the rate jumps to 12%. An accompanying press note explained further that caramel popcorn had transformed into a confectionery, and merited a correspondingly higher tax rate. The finance minister's office didn't respond to a request for comment.

The popcorn tax structure unleashed a flood of mocking memes, heated television debates and frustrated comments from prominent economists, including former advisers to the government. One called the ruling a "national tragedy." A cartoon showed Mahatma Gandhi, famous for his march against the British colonial monopoly on the sale of salt, which was heavily taxed, marching against popcorn taxes instead.

For critics, the multiplicity of rates on the humble snack was emblematic of why India, despite ongoing efforts to cut red tape, remains a difficult

place to do business.

"Popcorn is popcorn," said Mohandas Pai, chairman of investment firm Aarin Capital Partners and former CFO of Infosys, one of India's biggest technology services firms. "This shows the attitude that prevails among officials who try to nitpick and to create complications despite the need for simplicity."

Pai said tax officials were making a mockery of a 2017 landmark tax reform—the Goods and Services Tax—aimed at simplifying a system in which sales and other taxes varied by state. Its backers had hoped for just two rates.

But the system was introduced with about half a dozen rates, as well as a compensation tax to make up for shortfalls. At regular meetings, the tax council deliberates on how to slot goods and services into these brackets.

Moviegoers, for example, face three different rates on popcorn. If they buy salted popcorn at the concession stand—individually of their ticket—they'll pay 5%, said Nitin Datar, who heads an association for independent cinema operators. But theaters sometimes sell movie tickets and popcorn as a bundle, in which case the tax rate will depend on the type of ticket.

Popcorn is far from the only product that India has carved up into tax brackets. In December, India's Supreme Court laid to rest a 15-year-tax dispute over whether small packages of coconut oil—widely used in Indian cooking—should be taxed at the low tax rate of 5% as a food product or at a double-digit rate as a beauty product, given many Indian women also apply it to their hair.

Defenders of the govern-

ment say the differing rates are an effort to keep the indirect tax progressive, by taxing products likely to be purchased by the poor (like loose popcorn) differently than those likely to be purchased by more affluent individuals.

Some popcorn manufacturers said they were relieved at the clarification.

"There was always confusion in this popcorn matter," said Sanjay Vasoya, who co-founded his Oceyan Funfoods business in 2016 to make and sell packaged popcorn. Vasoya said when he was a child popcorn was only available at movies or fairs, and he wanted to make it more accessible.

After the rough patch of the pandemic, the business is flourishing, he said. He offers 19 varieties of popcorn, including Peri Peri, sour cream and onion and strawberry.

However, he had mistakenly

thought all his popcorn products fell under the 18% rate. Tax officials in his state had never told him that a lower rate applied to most of his products, which were largely salted.

The minister's announcement has cleared things up, he said. "Whatever madam has said is good in my opinion," said Vasoya, referring to the finance minister.

The government has noted it hasn't imposed new taxes, and was merely laying out the status quo in response to a request for clarity from an Indian state.

Pai, the investor, said he wished the government had used the opportunity to replace the various rates with one rate. "Putting it like that in the first place itself was wrong," he said. "Now when you got a chance to clarify, you reiterate that—that's even worse."

poverty overtaking inflation as the top concern.

"Argentines have shown remarkable patience, but eventually that will run out if they don't see employment improve," said Benjamin Gedan, director of the Latin America program at the Wilson Center, a Washington-based think tank. "There's a lot that could still go wrong."

Fabiana Díaz, a 39-year-old single mother of two, hopes there will soon be more work. Having lost her job as a seamstress at a private factory, she now does odd jobs in her poor Buenos Aires barrio, fixing shoes and old pairs of pants for neighbors who can't afford new clothes. For the first time, Díaz says she couldn't afford a birthday party for her 14-year-old son.

"Impossible, I have nothing," she said. "Every day when I wake up, I pray for a change."

Export taxes

To boost the economy, businesses are advocating an end to export taxes, which would make Argentine firms more competitive abroad.

Milei has agreed to reduce the taxes. He has also pledged to end currency and capital controls, which economists say stifle investments.

Lifting the controls is delicate given the nation's depleted central bank reserves and the population's lack of confidence in Argentina's currency. Getting rid of the controls could spark a run on the peso and drive inflation back up, undercutting Milei's strong popular support, which some polls have around 55%.

But economists say keeping the controls in place creates another problem: an overvalued peso that hurts growth.

The peso was one of the world's strongest-performing currencies against the dollar last year. That makes it harder for the central bank to build up reserves as exports become less competitive and as the bank sells dollars to defend the peso. The dearth of foreign reserves, meanwhile, has so far defeated one of Milei's main campaign promises, to get rid of the peso altogether and dollarize the economy.

The strong peso has also hurt economic growth, economists say.

"There is only so long you can cut public spending. At some point you want the economy to grow again," said Kimberley Sperrle, an economist who closely tracks Argentina at consulting firm Capital Economics. "And in order for Argentina to grow on a more sustainable basis, you need a weaker exchange rate."

IMF loan

Milei contends that the peso is not overvalued, attributing its strength to greater confidence in Argentina under his rule. To lift the controls, he said, his government needs a new IMF loan, which he said he hopes the Trump administration will make possible.

IMF managing director Kristalina Georgieva said Sunday that the fund is working toward a new loan to support Argentina's economy, lauding what she called a "remarkable transformation" under Milei.

Sturzenegger says all of these moves are crucial to rebuild the foundations for Argentina's growth.

"We're in the beginning of the process of reforming the state," he said. "The final objective is for Argentina to be one of the freest economies in the world."

'Madman' Is a Hero To MAGA

Continued from Page One

At a black-tie gala, rapturous crowds chanted his name and conservatives took selfies with the wild-haired leader with Wolverine-like sideburns. He said his government stands ready to provide advice to Trump and Musk on cutting red tape in the U.S.

In Argentina, Milei slashed real public spending by 30% and fired 36,000 public workers. He shut down the Ministry of Women, Genders and Diversity, halted most public works, sharply curbed pensions and sliced subsidies that, among other things, provided Argentines with nearly free electricity.

"This is a fight against the status quo," said Federico Sturzenegger, a 58-year-old former Harvard University economist Milei tapped as his deregulation czar.

Inflation progress

The cost-cutting resulted in a rare fiscal surplus and brought down inflation from 26% a month in December 2023 when Milei took office to 2.7% a month a year later. The economy is expected to grow 5% this year after contracting 2.8% in 2024, according to the International Monetary Fund.

With millions of Argentines reeling under his cutbacks and austerity, Milei is now under pressure to get people back to work. His aides believe the solution lies in making it easier for companies to invest in a nation the Heritage Foundation think tank last year ranked 145th in terms of economic freedom, just ahead of Pakistan.

"Argentina is full of restrictions and red tape, so removing those things is critical to getting the economy going," said Martin Castellano, chief Latin America economist at the Institute of International Finance, a banking-industry research group. "It's as critical as stabilizing the macroeconomic conditions."

Vast welfare state

Few countries have built up such a vast welfare and regulatory state in the past century as Argentina, where a succession of populist leaders expanded taxes and bureaucracy while intervening heavily in the economy.

The expansion of economic controls took off as Argentina grappled with the Great Depression and a 1930 military coup. The country's leaders sought to create self-sufficient industries in response to a collapse in farm exports, ramping up the state's control over the economy and implementing a slew of regulations to protect Argentine industries from foreign competition, said historian Daniel Mamedeza.

Milei's immediate predecessors, Alberto Fernández, and before him, Cristina Kirchner, ramped up money printing to fund state companies while deploying inspectors so supermarkets complied with price controls.

A once-rich economy became persistently volatile, marked by inefficient companies, high inflation, and corruption.

Milei, a 54-year-old libertarian economist, assailed that system for creating what he

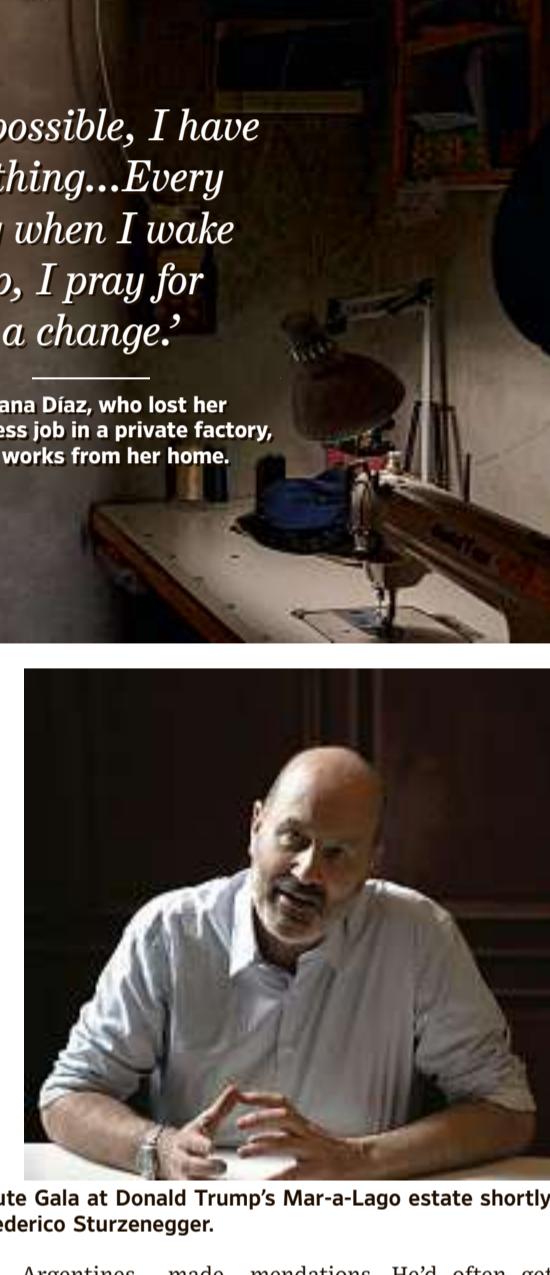


'Impossible, I have nothing... Every day when I wake up, I pray for a change.'

Fabiana Díaz, who lost her seamstress job in a private factory, now works from her home.



Argentine President Javier Milei attends the America First Policy Institute Gala at Donald Trump's Mar-a-Lago estate shortly after the November elections, left. On right, Milei's deregulation czar, Federico Sturzenegger.



CLOCKWISE FROM TOP: ANITA POCHARD SERRA FOR WSJ; PABLO E. PIQUERO/BLOOMBERG; JOE RAEDLE/GETTY IMAGES

called a "political caste" that hurt ordinary Argentines. Milei, who has named his cloned dogs after free-market economists, waved around a chain saw at campaign rallies to symbolize his plans to cut back the state and restore prosperity to a nation whose Parisian-like architecture is a reminder of better times.

"There's nothing on earth that can put a brake on the strength of the heaven of the chain saw," Milei told The Wall Street Journal in an interview last month at the presidential palace. "We need to continue with the deregulation agenda."

The man in charge of reviving up the chain saw is Sturzenegger, a strapping former central bank chief who Milei refers to as "colossal."

Sturzenegger asked different industry experts to suggest changes in the statute book. He highlighted problematic regulations by pointing to products that were significantly more expensive here than abroad, blaming the price gap on red tape.

"If you see medication that costs eight times more here than in the rest of the world, you know there's a problem," he said. "The devil is in the details."

The red tape included rules

instead of moving abroad. "I want to grow old with my children here," he said.

Sturzenegger asked different industry experts to suggest changes in the statute book. He highlighted problematic regulations by pointing to products that were significantly more expensive here than abroad, blaming the price gap on red tape.

He carried out his research initially for the presidential campaign of Patricia Bullrich, a conservative who is now Milei's security minister. When she lost the election, Sturzenegger took his findings to Milei, then the president-elect. "He was surprised and said, 'We have to do all of this,'" Sturzenegger said.

The president put Sturzenegger in charge of a newly created Ministry of Deregulation and State Transformation. Sturzenegger gave out his personal email so Argentines could send him recom-

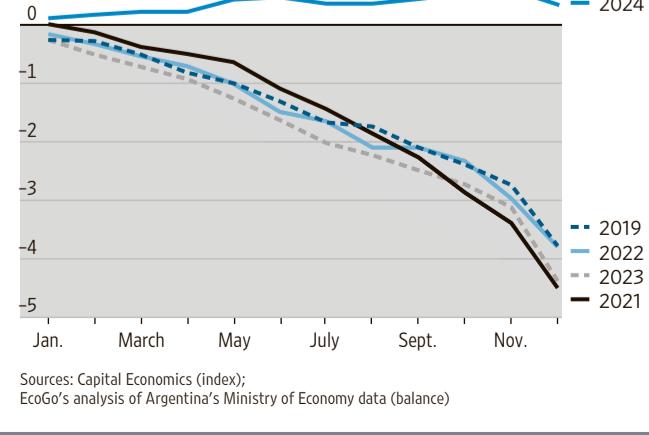
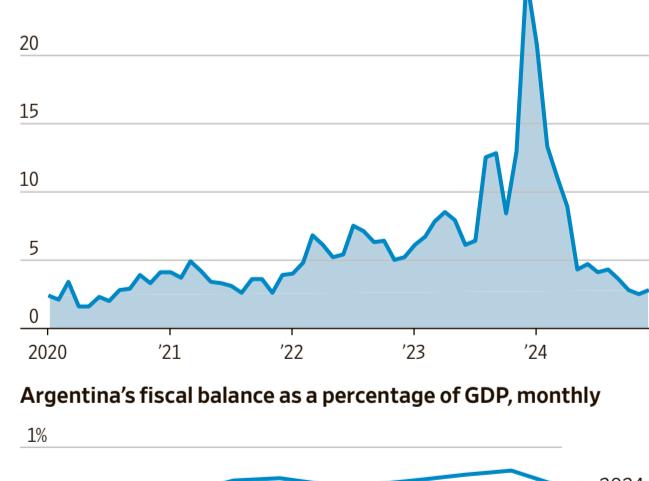
mendations. He'd often get about 200 messages a day, Sturzenegger said.

The government has so far done everything from making it easier to get a divorce to opening up competition in the airline industry. It has abolished price controls on food, rent controls on apartments and strict packaging requirements for watermelons.

Sturzenegger estimates that real costs have declined about 30% on average in sectors where regulations have been cut back.

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Argentina's consumer-price index, change from a month earlier



Sources: Capital Economics (index); EcoGo's analysis of Argentina's Ministry of Economy data (balance)

chases Argentines made abroad. One obscure regulation required representatives of local industries to supervise imports of products similar to what they produce domestically, said Sturzenegger.

He'd often get about 200 messages a day, Sturzenegger said.

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Museum of suits

The government also reduced the number of ministries from 18 to nine. It shuttered a museum dedicated to the history of men's suits, a government regulator overseeing travel agencies and a state agency that supervised water projects, which Sturzenegger said was rife with nepotism.

"We are going to have a much more efficient and much less costly state," said Sturzenegger.

Milei is betting on a V-like economic rebound, writing in a recent column in newspaper La Nacion that "2025 will be the beginning of the reconstruction of Argentina."

And there are signs the economy is bouncing back as real wages recover and poverty eases after a sharp rise when Milei devalued the peso after taking office and cut subsidies. Companies have committed to investing billions of dollars in Argentina, which is rich in lithium and natural gas, under a new investment-promotion regime that provides tax and currency benefits over 30 years.

Serious challenges remain. Nearly half the population remains poor, with an income of less than \$260 a month in greater Buenos Aires, up from around 44% when Milei took office, according to Argentina's Catholic University. Polls show unemployment and

the peso is not overvalued, attributing its strength to greater confidence in Argentina under his rule. To lift the controls, he said, his government needs a new IMF loan, which he said he hopes the Trump administration will make possible.

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"We're in the beginning of the process of reforming the state," he said. "The final objective is for Argentina to be one of the freest economies in the world."

PERSONAL JOURNAL.

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THE WALL STREET JOURNAL.

Thursday, January 23, 2025 | A9

The Best and Worst Airlines of 2024

How Delta and Southwest separated themselves from the pack in a near photo finish

BY DAWN GILBERTSON
AND ALLISON POHLE

There's been enough drama in the past year to knock U.S. airlines off their game.

An Alaska Airlines blowout grounded dozens of planes. There was a failed JetBlue-Spirit merger and Spirit's bankruptcy. A summer tech outage crippled Delta. Southwest Airlines faced investor pressure and said it's switching to assigned seating. All while planes remained packed and air traffic congested.

The good news for fliers: Carriers held it together relatively well. They lost fewer bags. More than three of four flights arrived on time (by the government's admittedly generous definition), on par with 2023. Cancellations were flat. Hold the thunderous applause, though. Bumping and tarmac delays were weak spots.

And the best airline is...

Delta took the crown again in The Wall Street Journal's 17th airline scorecard, standing out in nearly every category.

This is Delta's fourth consecutive win and seventh in eight years. It prides itself on reliability and customer service—it displays this and other accolades on stickers near its cabin doors—and commands a premium for it. There's a reason those Delta tickets often cost more.

But this contest was a squeaker. Southwest finished a mere point behind Delta, with Alaska in third.

In our ratings cellar? Frontier. Spirit placed eighth and American Airlines finished seventh.

We rank nine major U.S. airlines on seven equally weighted operations metrics: on-time arrivals, flight cancellations, delays of 45 minutes or more, baggage handling, tarmac delays, involuntary bumping and what the Transportation Department calls passenger submissions (which are mostly complaints). We excluded Hawaiian Airlines, given its regional focus.

Delta's first-place finish might surprise you if you witnessed the five-day meltdown after the CrowdStrike outage in July.

But it won't get dinged for any passenger comments about the mess until next year's rankings—DOT data only went through May. Delta had the third-lowest rate of submissions in our scorecard. Southwest had the lowest.

Delta finished first in on-time arrivals and was the only airline in the ranking to exceed 80%, though it was down from 83% in 2023. It canceled far fewer flights than in 2023, giving it the lowest cancellation rate besides Southwest. (This past year it ranked fifth in that category.) Delta's weak spot: bag handling. The airline's mishandled bag rate trailed those of Allegiant, JetBlue, Frontier and Southwest.



"For the fourth year in a row, this showing by Delta people reflects a safety-first, reliable and premium experience for our customers," Delta said.

Southwest has plenty to celebrate. It had three first-place finishes; the lowest it ranked in any category was fourth. It was a strong showing for anyone who remembers its 2022 holiday-season meltdown.

"It's a testament to our people, along with the resiliency, reliability and efficiency we've purposely built into our operation, that we canceled fewer than 1% of our scheduled flights and improved or

▼ Delta, which narrowly beat Southwest in the WSJ rankings, commands a premium for its reliability and customer service.

held steady in nearly every category," Chief Operating Officer Andrew Watterson said.

Frontier, the airline that draws you in with \$19 tickets and piles on fees galore, finished at or near the bottom in all but two categories, dropping a spot in on-time arrivals and extreme delays from 2023. It did best in baggage handling, where it ranked third.

Frontier Chief Executive Barry Biffle said: "We've recently made major operational improvements, with our completion factor in second place in December, and have cut complaints by over 40% year over year. We are fully committed to continued improvement in 2025."

Carriers lost fewer bags, and more than three of four flights arrived on time.

Spirit fared slightly better than one-time merger partner Frontier, but that is little consolation for passengers.

The airline had the highest cancellation rate among the airlines in our survey at 1.88%, worse than in 2023, when it ranked sixth in that category.

A Spirit spokesman attributed more than 80% of its cancellations to uncontrollable factors like weather and air-traffic control constraints given its concentration in the Southeast.

Inside the rankings

Here are six gobsmacking findings from our 2024 scorecard:

► **Vouchers for you and you:** Delta involuntarily bumped exactly one passenger in 2024, down from three in 2023. That compares with more than 13,200 passengers at American. Delta lures passengers to volunteer by offering cash or vouchers.

► **Cellar dweller no more:** JetBlue frequently finishes last in our rankings but placed sixth this year. It posted the second-best baggage-handling rate and third-lowest cancellation rate. Last year it had the worst cancellation rate. The airline says it prioritizes completing flights over on-time performance and considers itself the "most improved" in this year's ranking.

► **Newark hub? No problem:** United had the second highest on-time arrival rate for the year. This from the airline with a major hub in chronically congested Newark, N.J. The airline says it focused on

aircraft turnaround times and reducing controllable cancellations, and notes that its United Express operation had 88 days with zero cancellations, up from 75 in 2023.

► **American's baggage snag:** American hasn't gotten baggage handling under control, coming in last, as it has for several years. It mishandled bags at a slightly lower rate than in 2023, but admits "there is work to be done."

► **Allegiant's baggage brag:** Budget carrier Allegiant, specializing in flights from smaller cities to vacation hubs, has had the industry's best baggage-handling rate every year since 2019.

► **Mind the gap:** The scores fall off fairly dramatically after Delta and Southwest. Third-place finisher Alaska finished nine points below Delta, Allegiant 11.

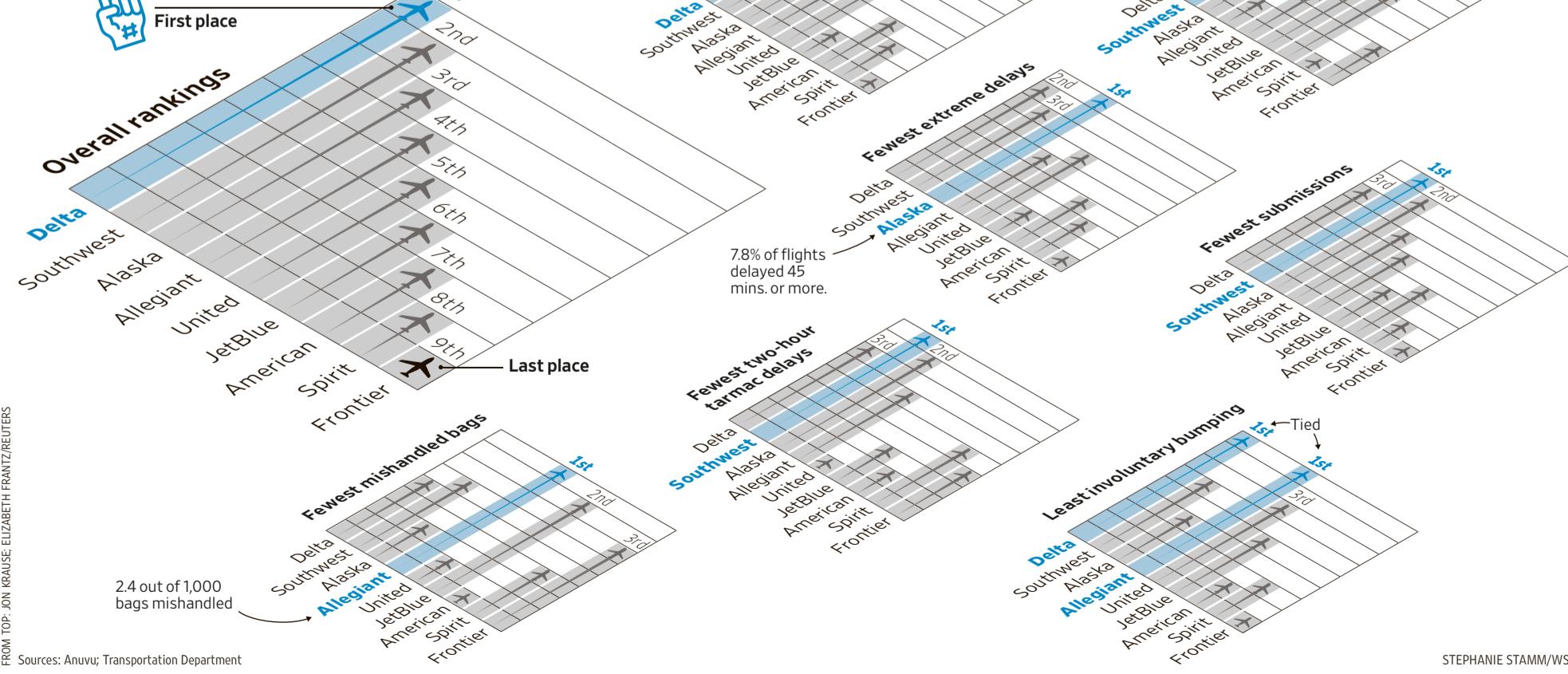
How we did it

On-time arrivals, flight cancellations and extreme delays cover the calendar year. They are provided by Pulse, a data platform from the aviation company Anuvu. Most of the rest, from the DOT, cover the most recent 12-month period available and begin in October or November 2023.

This year instead of complaints, our customer-satisfaction metric is complaints, inquiries and opinions fliers filed with the DOT, or submissions. The agency stopped reporting complaints, citing a backlog. The submissions data is for the 12-month period ended in May. It's a good proxy: 91% of submissions are complaints. (And the winners and losers wouldn't have changed had we eliminated this category this year.)

Airline Scorecard

Rankings of major U.S. carriers in key operational areas



PERSONAL JOURNAL.

BY OYIN ADEDYOIN
AND KATHERINE HAMILTON

Women are reshaping the biggest wealth transfer in modern history. A record number of Americans turn 65 this year, and more women are set to outlive their husbands as female lifespans lengthen relative to men's. As a result, women aren't only stockpiling wealth from their own careers but also getting the final word on how the family nest egg is parceled out.

And they are handling the money differently than their husbands by switching financial advisers and investing more with an eye toward longevity. They are redirecting money to charity and allocating more to long-term healthcare.

Women of the baby-boom generation are also having to decide how the money transfers to the children, making them linchpins in what can turn into uncomfortable family drama. Fifty years ago, many among this group were barred from even taking out credit cards and loans.

"What was an unequal partnership in one direction may well become an unequal partnership in the other direction," said Paul Donovan, an economist at the bank UBS.

American women over 60 last year controlled some \$8 trillion of liquid wealth assets, according to McKinsey & Co.'s affluent consumer survey. Women's wealth as a whole has grown by about 80% since 2018, outpacing the 62% growth in total wealth during that span.

This is the first step in the vast generational wealth transfer that is taking shape. Baby boomers, America's wealthiest generation, are passing along the \$82 trillion they amassed during a post-World War II economic boom that featured rising financial markets and falling tax rates.

Financial cacophony

Mary Schinke's husband managed 100% of their investments during their 32-year marriage. When he died in 2019, she started managing that money for the first time.

"As an intelligent, educated woman, of course I could do it," said Schinke, 61. "It was just, in



Baby-Boomer Women Power Wealth Transfer

They now have the final say on how family nest eggs get parceled out

our division of labor, that was more something he was interested in and I wasn't."

Schinke, an estate attorney, was familiar with how overwhelming it could be because she had seen it with her clients. "You're grieving, you're mourning, and on top of it, you've got this cacophony of important financial issues to deal with," she said.

After her husband died, Schinke immediately switched financial advisers. She wanted someone who could help her plan for the travel and home renova-

tions she hoped to do. She bounces ideas off her new adviser now that she is managing her wealth alone, she said.

Men are the primary financial decision makers in about 60% of affluent U.S. households, McKinsey reports. Older women in particular are less likely than men to have relationships with their financial advisers, according to Bank of America.

That often turns the death of the spouse into a moment to reassess who is managing the money. Some 70% of women change advisers after the spouse dies, according to insurance company Transamerica.

When it gets messy
Being thrust into the position of financial manager can fray family ties, especially when it involves directing how the family wealth is transferred to the next generation.

For Michelle Taylor, it ended her relationship with her late husband's three children. Taylor received all his wealth after he died in the early 2000s, but the kids wanted the money from his estate immediately.

When she sided with the will, which mandated she wait to pass down his wealth, the children attempted to contest it. Eventually,



▲ Mary Schinke's husband managed 100% of their investments during their 32-year marriage.

they cut ties with Taylor, who had been close with them throughout her 27-year marriage, she said.

"It just floored me," said Taylor, now 77. "Now, I tell everybody, 'Don't think this can't happen to you.'"

These kinds of disputes are likely to get more common. Nearly \$40 trillion of wealth will transfer to widowed women who are baby boomers or older in the coming decades, according to Cerulli Associates, a market research company.

To avoid some of the pitfalls, many women are taking a more active role in managing finances before their husbands die.

"I don't think it necessarily re-



work and selling concert tickets or other things online. When online platforms complained about the extra record-keeping this required and the confusion it caused, the rules were delayed. Instead, the IRS chose to phase in the change, setting the \$5,000 threshold for the 2024 tax year, \$2,500 for 2025 and \$600 for 2026.

Questions from the IRS

Those who never report their online income may face steep penalties.

The IRS has launched an investigation into taxpayers who earned

money as experts on the online

platform JustAnswer, and allegedly

failed to accurately report income

from 2017 through 2020. At that

time JustAnswer experts such as

veterinarians and mechanics were

generally paid between \$15 and \$25

for each question they responded to.

Anyone who earned more than \$5,000 in 2024 selling tickets, musical instruments or other goods and services online should expect to get a 1099-K tax form this month. Online platforms such as StubHub, Etsy and eBay previously only had to send these forms to users who earned more than \$20,000 in most cases.

A judge in December authorized

the IRS to issue a summons requiring JustAnswer to provide the names of anyone who earned \$5,000 or more on the platform in any one year in that time period, when the company apparently wasn't sending out 1099 forms. The company didn't respond to requests for comment.

One taxpayer audited in 2020 had more than \$400,000 of unreported income for four years of answering questions, according to an IRS agent's declaration.

As part of the investigation, the agent identified four JustAnswer users who appear to have failed to report their JustAnswer compensation on their tax returns.

Once JustAnswer hands over the names to the IRS, these taxpayers

will likely get IRS "soft letters" nudging them to pay up, and for those who don't respond, the risk of audit is high, Skarlatos said.

When it is a business

Whether you get a 1099-K or not, if you're in business, you need to report the income on your tax return.

LuSundra Everett, an enrolled agent in Chester, Va., has been selling novelty tax gifts such as a

\$19.95 mug that says "I can't IT'S TAX SEASON!" on eBay for nearly

decade. Virginia is one of a handful of states that already imposes the

\$600 threshold, so Everett's sales

of nearly \$1,000 in 2024 means

she'll get a 1099-K.

She reports the sales on Schedule C that is used to report income

from a solo business. When you're selling stuff for a profit, you can also deduct the relevant expenses, such as selling fees on eBay, reducing the tax bite.

Solo entrepreneurs also are subject to self-employment taxes. Depending on how much they're making and other tax withholding, they might need to pay in quarterly tax estimates to avoid underpayment penalties, she said.

Selling basement items

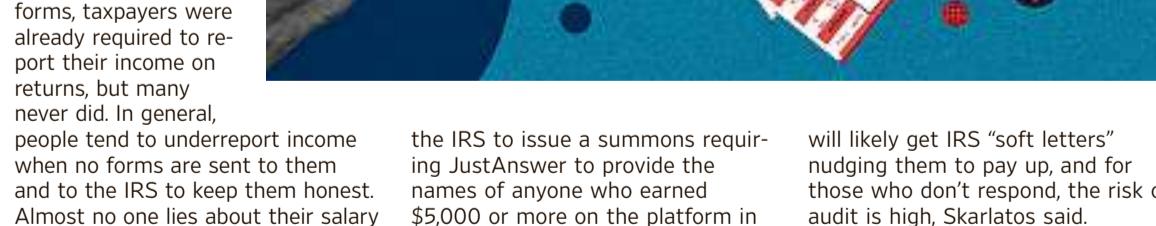
The tax rules for selling personal stuff online are different. If you get a 1099-K for something you sold for less than you originally paid, you wouldn't owe tax, but you would need to disclose it to the IRS.

Ebay doesn't know if the stuff you're selling is your personal property, if you're selling at a loss or reselling items at a profit. The IRS gives examples of how to account for these sales in the instructions to Schedule 1.

Richard Shorin, a certified public accountant in Ambler, Pa., has been selling off dozens of items a year from a basement of stuff his family accumulated over decades.

"It never ends to amaze me what people will buy," he said. He sold 165 items last year, including a 30-year-old functioning calculator for \$15 that he shipped to Saudi Arabia.

Some are items from his deceased parents and parents-in-law. Those values reset to the date-of-death value when he and his wife inherited the belongings, so there is no gain to report, he said.



JULIE BIDWELL FOR WSJ (2)

IRS Cracks Down on Money You Earn Online

BY ASHLEA EBELING

The Internal Revenue Service may know a lot more about your side hustle this tax season. And the agency is cracking down on those who fail to report the added income.

Anyone who earned more than \$5,000 in 2024 selling tickets, musical instruments or other goods and services online should expect to get a 1099-K tax form this month. Online platforms such as StubHub, Etsy and eBay previously only had to send these forms to users who earned more than \$20,000 in most cases.

The lowered threshold means forms will be sent to millions more taxpayers to make sure they account for the income on their tax returns.

"The IRS wants to get the message out that they're enforcing it," said Bryan Skarlatos, a criminal tax lawyer with Kostelanetz law firm in New York.

The threshold was supposed to be dropped to \$600 in 2021 after Congress passed changes to ensure taxes get paid on income from gig

work and selling concert tickets or other things online. When online platforms complained about the extra record-keeping this required and the confusion it caused, the rules were delayed. Instead, the IRS chose to phase in the change, setting the \$5,000 threshold for the 2024 tax year, \$2,500 for 2025 and \$600 for 2026.

Even without the forms, taxpayers were already required to report their income on returns, but many never did. In general, people tend to underreport income when no forms are sent to them and to the IRS to keep them honest. Almost no one lies about their salary income, on the other hand, since the details are reported on Form W-2.

Those who never report their online income may face steep penalties.

The IRS has launched an investigation into taxpayers who earned money as experts on the online platform JustAnswer, and allegedly failed to accurately report income from 2017 through 2020. At that time JustAnswer experts such as veterinarians and mechanics were generally paid between \$15 and \$25 for each question they responded to.

A judge in December authorized

the IRS to issue a summons requiring JustAnswer to provide the names of anyone who earned \$5,000 or more on the platform in any one year in that time period, when the company apparently wasn't sending out 1099 forms. The company didn't respond to requests for comment.

One taxpayer audited in 2020 had more than \$400,000 of unreported income for four years of answering questions, according to an IRS agent's declaration.

As part of the investigation, the agent identified four JustAnswer users who appear to have failed to report their JustAnswer compensation on their tax returns.

Once JustAnswer hands over the names to the IRS, these taxpayers

will likely get IRS "soft letters" nudging them to pay up, and for those who don't respond, the risk of audit is high, Skarlatos said.

Solo entrepreneurs also are subject to self-employment taxes. Depending on how much they're making and other tax withholding, they might need to pay in quarterly tax estimates to avoid underpayment penalties, she said.

Selling basement items

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PARKER ESHELMAN/WSJ, ISTOCK (4)

ARTS IN REVIEW

BY LAURA JACOBS

Providence, R.I. No other decorative device or object can accomplish so much per dollar as wallpaper." That's the midcentury decorator Michael Greer, writing in his gem of a book "Inside Design," published in 1962. Greer composed not one entry on the subject but a whopping five. "Wallpaper by its very nature is imitative," he explains, "but rare among the world's imitations because it often turns out more interesting than the marble, wood, scenic vistas, flowers, fabric, or architectural elements it imitates." A fragment of antique wallpaper, Greer suggests, is precious enough to frame and hang as art.

Hence the title of a transporting exhibition at the RISD Museum, "The Art of French Wallpaper Design." The remnants and documents on view—more than 100 pieces—have been selected from a collection of 500-plus papers that the museum purchased in 1934 from a very prescient couple: the French artist Charles Huard and his American-born wife, the writer Frances Wilson Huard, known for her memoirs about life in France during World War I.

It was after the war, in the 1920s, that the Huards became passionate about the country's historic wallpaper. Something so French yet so fragile—wall coverings of printed and painted paper—must have been powerfully symbolic. Add to that the 1920s boom in rich Americans hungry for a slice of French culture and the Huards found themselves in a partnership with the American decorator Nancy Vincent McClelland. They hunted out wallpapers that she could sell through her business, meanwhile building their own collection. The papers, which came straight off old walls or from troves of unused rolls (Huard even oversaw the reprinting of some designs), date to a time when French kings were still on the throne.

"Made in France between 1770 and 1840 using the process of wood-block printing," reads introductory text by Emily Banas, who organized the show and is the RISD Museum's associate curator of decorative arts and design, "each example reflects hundreds of hours of collaborative effort by designers, wood-block carvers, and printers."

This painstaking process is captured in a nearby video that shows artisans at Adelphi Paper Hangings recreating a 1799 design by Manufacture Bon (the reproduction covers the walls in this part of the gallery). It's a repeating abstract pattern of a classical torch, chic in colors of tangerine, coral, pale blue and black on a background of cocoa. If you didn't know the date you'd say it was 1930s Surrealism.



The exhibition is contained in one large room and begins with a bang: the spectacular panels "Sight," "Smell" and "Hearing," from an original set of "The Five Senses," circa 1780, by the renowned manufacturer Jean-Baptiste Réveillon. The palette is contained—ivory, beige and brown on a blue-gray field—but the sprays of wheat and ebullient swags that frame each sense are eye-popping.

The exhibition then travels through five sections. "Designing Wallpaper" consists of 17 preliminary drawings, some of them small-scale on penciled grids, others full size and colored in gouache, watercolor or tempera.

"Early Wallpapers" follows with six examples of Domino paper.

Simple block-printed patterns with black outlines and a single color, they were produced in squares and pasted on walls sheet by sheet.

Once companies learned to seam paper into a continuous surface, however, Dominos were mostly used for covering books and lining cabinets.

The 35 samples in "Repeating

ART REVIEW

A Passion for Patterns

An exhibition highlights the fragile beauty and striking designs of centuries-old wallpaper



Installation view of 'The Art of French Wallpaper Design,' curated by the RISD Museum's Emily Banas, above; Manufacture Bon wallpaper (1799), left.

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The 35 samples in "Repeating

Patterns" are the heart of the show. Studying these joyful evocations of time and place—scenes from myth and literature; First Empire motifs of laurels and urns—you begin thinking of excavations and celebrations, the style revivals based on archaeological finds in Rome and Egypt. As in the globetrotting imagery of antique Toile de Jouy, or the exotic locales of early ballets and operas, the cross-cultural "flow" in these two-dimensional creations is heady. We are not in the presence of appropriation but imagination.

Regarding dimensionality, the designs are actually full of nuanced shading, planes achieved through layers of printing. But in the section called "Assemblages," we see that further depth was added through the use of stately borders, faux balustrades and trompe l'oeil curtains. A 7-foot-tall panel painted in grisaille, for instance, is actually five differently sized rectangles arranged on a backing. The pattern—a sarabande of arabesques framed in rectilinear beading, circa 1785, by Arthur

et Robert—could be mistaken for extravagant plasterwork.

The Huard Collection contains three Chinese wallpapers and one is featured here, a magnificent hand-painted panel, circa 1770, of birds in a paradisiacal garden. The sole piece featured in the section "Repair," it's a reminder of how wallpapers, despite fading, wrinkles and patches, are maintained and loved. It is also an example of the exquisite artistry that inspired chinoiserie motifs in Western decoration.

In fact, the adjacent wall holds just such a paper, "Flowers and Birds," block-printed in France in roughly the same year. Lacking a ground color, its pinks and teals more ink than paint, it is far less refined than the Chinese panel. Yet who's to say its energy and intent aren't just as beautiful?

The Art of French Wallpaper Design

RISD Museum, through May 11

Ms. Jacobs is the Arts Intel Report editor for the weekly newsletter Air Mail.



Portrait of James and Sarah Tuttle (1836), by the American painter Joseph H. Davis.

road correspondent thought the avian in question was a "minor bird." This was definitely a major bird.

A screen plays a loop of clips from Big Apple-centric TV series and movies whose casts include animals, among them "Sex and the City," "Stuart Little," "Annie," "Breakfast at Tiffany's" and "You've Got Mail."

An enchanting site-specific mural by illustrator Julia Rothman opens "Pets and the City." Dogs, cats and birds (including a duck), a turtle, a languid tiger and a horse—peer out of windows and dispense themselves on the ledges, awnings, drainpipes and fire escapes of classic New York walk-ups.

But not everything in the exhibition hews so precisely to its New York theme.

Sometimes it seems that the curators are grasping at straws—perhaps more to the point, at paws. Consider the video that

highlights presidential pets. No flies on Fala, Macaroni, Socks, Major, et al., but what do those White House denizens have to do with New York? Meanwhile, artist Charles Wilson Peale's portrait of his large family gathered around a table, the resident dog Argus front and center, presents a charming domestic scene. But it's in Philadelphia.

Unfortunately,

too, the wall copy

is frequently more illuminating than the accompanying art. And dog walkers, critical members of pet owners' support system in New York, get bafflingly short shrift (as do veterinarians). But it's fascinating to learn that the dogs featured in 18th-century family portraits tended to be mutts. Canine ancestry became more of a thing with the establishment of the Westminster Kennel Club in 1877 and the American Kennel Club in 1884. It's equally interesting—and disturbing—to learn that the 19th-century bird craze, born of a desire for music in the parlor, ultimately led to the extinction of the Carolina Parakeet, which was, according to wall copy, the only parrot native to the U.S.

The exhibition runs through April 20. Be advised: no pets allowed.

Pets and the City

The New York Historical, through April 20

Ms. Kaufman writes on culture and arts for the Journal.

EXHIBITION REVIEW

The Asphalt Jungle's Animals

BY JOANNE KAUFMAN

There are eight million stories in the naked city. Safe to say that half of them are about somebody's pet. All those people whose cellphone home page is Fido or Whiskers—you know who you are—will be among friends at "Pets and the City," an exhibition at the New York Historical.

An exploration of the relationship between New Yorkers and their furry/hairy/scaly/fine-feathered companions, "Pets and the City" charts three centuries of cultural upheaval—from a hunter-gatherer culture to agrarian setting to an urban society. In so doing, it shows how animals made the transition to pets—to put it another way, how they went from being sources of nutritional support to

sources of emotional support. (The press release for the exhibition estimates that the Big Apple is currently home to more than two million pets.)

Early on those beasts had an additional burden—serving as instructors and moral guides. In the 18th century, they began appearing in children's portraits as embodiments of the qualities and values that parents hoped to see recapitulated in the next generation.

Lambs, symbols of virtue and innocence, shared canvases with young girls. Deer, viewed as the most powerful and generous of all clan animals, turned up in pictures of boys to symbolize their future role as stewards of the family's land. Squirrels, meanwhile, were emblems of diligence, said the show's curator, Roberta J.M. Olson, during a tour of the exhibition: "They find nuts and store them, then harvest and eat them." Take note, Junior.

The show includes such pet-adja-

cent topics as the founding of the ASPCA in 1866 and, several decades later, the pet adoption organization Bideawee; a history of service animals like bomb-sniffing and seeing-eye dogs; and a look at animals in the military—their ranks included messenger pigeons.

Some jobs were decidedly less glamorously if satisfying in

their own way. Endlessly peckish hogs showed their worth as street cleaners long before there was a Department of Sanitation. In his 1842 travelogue "American Notes," Charles Dickens waggishly characterized the many droves of pigs in New York as living "a roving, gentlemanly, vagabond kind of life."

They had their work cut out for them. By the end of the 19th century there were an estimated 200,000 horses in Manhattan and

Brooklyn alone. Most of them supplied the power for public transportation, but some were the pets of polo players and fox hunters.

During that same time period manufacturers began creating animal-centered games and fabricating toy animals. They were surrogate companions for children who were not yet old enough to have a pet or whose family didn't want another mouth to feed.

Examples of those playthings, photographs, works of art, memorabilia and ephemera, like an 1881 postcard recording one of the first national cat shows, constitute the 300 pieces in the show. Rare documents from the late 18th century feature the signatures of members of the Mohawk tribe; they're expressed as pictograms of their clan animals. A letter from the Pullman company in the late 19th century cleared the way for Emma C.

Thursby, a sought-after Brooklyn-born opera singer, to bring her beloved mynah bird on a train trip. Never mind that Ms. Thursby's rail-

is frequently more illuminating than the accompanying art. And dog walkers, critical members of pet owners' support system in New York, get bafflingly short shrift (as do veterinarians). But it's fascinating to learn that the dogs featured in 18th-century family portraits tended to be mutts. Canine ancestry became more of a thing with the establishment of the Westminster Kennel Club in 1877 and the American Kennel Club in 1884. It's equally interesting—and disturbing—to learn that the 19th-century bird craze, born of a desire for music in the parlor, ultimately led to the extinction of the Carolina Parakeet, which was, according to wall copy, the only parrot native to the U.S.

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Pets and the City

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OPINION

Trump's Imperial Presidency?

WONDER LAND
By Daniel Henninger

— gender ideology and outward into every nook of American life, not to mention the rest of the world he intends to "tariff and tax." Mr. Trump looks like he gets a tingle with every stroke of his black Sharpie pen.

Donald Trump made his intentions clear in countless public rallies, and on that basis, the American people chose him to be their president. Notwithstanding the "shock and awe" of Mr. Trump's executive orders, every president holds this authority under the Constitution and powers delegated by Congress. Presidents sign such orders by the hundreds to accomplish goals too difficult or time-consuming to push through Congress.

With Mr. Trump, however, we may be heading to the outer limits of what America's traditional system of checks and balances can absorb. Among Mr. Trump's first acts was to instruct his Justice Department not to enforce a ban on TikTok imposed by an act of Congress and affirmed unanimously by the Supreme Court. In his inaugural speech, Mr. Trump never mentioned Congress, exhibiting a disdain for the legislative branch also shared by his White House predecessors.

A remarkable deference to Mr. Trump's use of his pow-

ers is happening, or being allowed to happen, because so many Americans think the political system is broken, a point he hit hard in his inaugural speech: "For many years, the radical and corrupt establishment has extracted power and wealth from our citizens. While the pillars of our society lay broken and seemingly in complete disrepair, we now have a government that cannot manage even a simple crisis at home."

In a blink, Mr. Trump went from zero to 60 on exercising presidential authority, declaring two national emergencies—on the border and energy policy. If energy is a crisis under the National Emergencies Act, anything is.

Mr. Trump is reveling in his return to the U.S. presidency and the unparalleled powers of its modern incarnation. Those who agree with most of his goals think: So what? The ends, under the nation's current dire circumstances, justify exceptional means. Of course, the next Democratic president will pocket Mr. Trump's expansive definition of his powers and raise the ante.

Still, it's worth considering how we arrived at a point of being willing to cede significant power to one presidential personality. Our politics and culture aren't in the current low state Mr. Trump is trying to reverse by happenstance, but because of identifiably bad decisions that grew over time into a crisis.

The term "imperial presidency" was coined in the 1970s by the liberal historian Arthur Schlesinger Jr. In practice, Democrats have invoked the threat of an impe-

rial presidency as a cudgel against Republican presidents. It started with Richard Nixon and the political crisis over the Watergate break-in and Nixon's impoundments of congressional spending. I'd argue you can draw a line from what happened to Nixon to the public's elevation of Donald Trump, who is certain to be accused of conducting an imperial presidency. He will love it.

Congress in the '70s enacted various reforms explicitly intended to weaken the

We may be heading to the outer limits of America's system of checks and balances.

presidency, notably the most oxymoronic law in U.S. history—the Budget and Impoundment Control Act of 1974. Congress assumed almost complete control over federal spending decisions. Congressional analysts predicted chaos. The inevitable result: U.S. national debt today of more than \$36 trillion.

House reformers also created a labyrinthine system of new subcommittees with overlapping jurisdictions. The House speaker became more a traffic cop than a setter of priorities. The gerrymandering of House districts proliferated, ensuring political polarization. The result of these flawed congressional decisions today is a household word: gridlock.

Like it or not, Washington still has to function, and the void left by Congress's decline as a coequal branch was filled by the administrative

state down the street on Constitution Avenue. Elon Musk's Department of Government Efficiency is supposed to fix that. He may plant a flag on Mars first.

The breadth of the Trump presidential orders is impressive but also a sign of a system that isn't working as originally designed. Congress is supposed to represent the country's varied interests, down to 435 separate congressional districts. And they are different. Mr. Trump is displacing that federalism of interests with the simpler idea of a uniform national interest, defined and executed by the president.

While an argument can be made that more consolidation of national power has become important in a world of aggressive, centralizing powers like China and Russia, America's system of dispersed authority, whether among the three federal branches or the states, is a sustaining strength.

Its hallmark is accountability, achieved through a system of checks and balances. The Biden and Trump pardons this week were a lurch into unaccountability. The message they sent is that you can get away with anything. Where's the Republican outrage?

We are about to enter another age of strong, if not imperial, presidential authority. And perhaps some of it is necessary, with no end in sight to Congress's underperformance. But Mr. Trump's instinct, evident this first week, is to be unbound by much of anything. Conservatives, not least his own people, will need to hold the 47th president to account.

Write henninger@wsj.com.

BOOKSHELF | By Naomi Schaefer Riley

Children Who Need Parents

The Sun Won't Come Out Tomorrow

By Kristen Martin

Bold Type, 352 pages, \$32

The musical "Annie" isn't a source of reliable social analysis, but according to Kristen Martin it is taken to be one and has thus become a form of disinformation. "Annie's grit and resilience in the face of being parentless, poor, and mistreated—and her rescue by the benevolent and filthy rich 'Daddy' Warbucks—promotes the idea that there are individual solutions to the problem of orphanhood." Other works that, in her view, misrepresent orphanhood include the children's-book series "The Boxcar Children" (which began in the 1920s) and the 1990s television show "Party of Five."

With "The Sun Won't Come Out Tomorrow," Ms. Martin sets out to present, as her subtitle has it, "the dark history" of orphanhood. It is not the case, she says, that "you can 'clear away the cobwebs and the sorrow' without worrying about the societal issues that necessitated orphans in the first place."

There is a personal back story to Ms. Martin's interest in the subject. She tells us that her mother died when she was 12 and her father two years later; both had cancer. She and her brother were moved from their Long Island, N.Y., home to live with relatives in New Jersey, where—despite the trauma of losing their parents—they experienced as stable and ordinary a childhood as might be expected.

But most orphans, Ms. Martin notes, are not like her. The death of both parents was not unusual at certain points in U.S. history—such as the 1918 flu epidemic—but today only 0.3% of Americans lose both parents by age 18, as Ms. Martin acknowledges. She is concerned about those orphans of course but also widens out her discussion to include children

whose parents are deemed unable or unwilling to care for them—children who, like orphans, must be raised by their extended family or by nonrelatives. For the past 150 years or so, that kind of family reassignment has happened in the realm of the child-welfare system, the overarching concern of "The Sun Won't Come Out Tomorrow."

According to Ms. Martin, the government's first official attempts to remove children from abusive homes were made in the 19th century when middle-class families "went from valuing their children's economic potential as laboring contributors to the household to prizes their children for their innocence, purity, and kinship bonds." This shift in sensibility led to a wider concern for children but also, in Ms. Martin's view, to the exploitation of their vulnerability and to unnecessary interventions in the lives of poor families.

Ms. Martin begins with the case of 9-year-old Mary Ellen Wilson in 1874. Her widowed mother had relinquished her to New York City's Department of Charities and Corrections, which in turn indentured her to a couple who had lost their own children. Mary's distressing cries in that home were reported by a neighbor, Etta Angell Wheeler. Since there was no child-welfare agency at the time, Wheeler appealed to the ASPCA, a group devoted to protecting animals. Its founder, Henry Bergh, was supposed to have said that Mary "was a member of the animal kingdom" and lobbied the authorities to take up her case. Pictures from the time indicated that Mary had been beaten and starved by her mistress.

The case led to the formation of the New York Society for the Prevention of Cruelty to Children, but here is where the problems begin for Ms. Martin, a Philadelphia-based writer and critic. The men who launched this society were "politically conservative, wealthy elites," Ms. Martin writes, which meant that "their goal was never solely about helping those 'innocents.'" In fact, "the children were a means to a larger

The history of government actions to remove children from abusive homes is fraught with hard societal questions.

end: social control." Such control was to be asserted by punishing adults for their errors, "particularly poor immigrant parents," by removing their children to government custody.

The idea that people trying to save children from abusive and neglectful homes are really pursuing another agenda is a through-line in Ms. Martin's analysis. Religious people, too, only care for orphans because they want to propagate their faith or because they want to engage in "policing sexuality."

Ms. Martin was shocked to learn that the New York Foundling—an institution that today provides social services for at-risk families—originated in 1869 as a place for unwed mothers to leave their babies. The idea was to prevent a pregnant woman from taking desperate measures as well as to protect a vulnerable infant. But Ms. Martin sees the Foundling's efforts as a way of limiting women's choices. As she combs through the institution's archives in June 2022—"the same month that the Supreme Court struck down *Roe v. Wade*"—she can't help thinking that "we are still fighting for reproductive rights and bodily autonomy."

Ms. Martin often applies a modern progressive outlook to an earlier era. Take the 19th-century "orphan trains." For decades they took children—orphans, homeless children and others—from cities teeming with new immigrants and sent them out West to live with families, mostly on farms. Ms. Martin laments the "classist and racist origins" of the trains. It is true that the orphan-train movement—though giving a better life to many children otherwise condemned to live in crime- and disease-ridden slums—did harm to many others by causing a traumatic separation from their families. But the charge of classism and racism arises from the uncontroversial fact that the movement's supporters had different ethnic backgrounds and incomes from the people they were trying to help.

Underlying Ms. Martin's discontent is her belief that the abuse of vulnerable children—then and now—is almost entirely attributable to poverty. "The constant struggle to meet material needs," she writes, "increases stress, family tensions, and overwhelm[s], making it more likely that parents will lash out at their children." And yet tens of millions of poor parents in this country have never laid a finger on their children. It's not surprising that, for Ms. Martin, the best way to help vulnerable children is to abolish the "racist," "classist" child-welfare system and engage in "societal reform," including universal basic income and guaranteed housing and child care. And in the meantime? Are we to leave children in abusive and neglectful situations while we remake society? She and Annie may have landed on their feet, but a lot of other children will not.

Ms. Riley is a senior fellow at the American Enterprise Institute.

Trump Sets Out to Break Burdensome Rules

By Karl Rove

watched a parade and signed executive orders.

Among many other things, he ordered the border closed to illegal aliens, pledged to deport "criminal aliens," ended diversity, equity and inclusion in the federal government, and officially noted that there are only two sexes, a prelude to ending boys' participation in girls' sports. He

He hits the ground running as he targets costly and harmful federal regulations.

pardoned more than 1,500 criminal defendants charged with offenses related to Jan. 6, including those convicted of attacking police. The mob left 140 officers injured. Mr. Trump may yet regret that decision.

But his most positive actions so far have been quiet: a slate of decisions that will likely advance the financial well-being of American families and businesses. These include efforts to reduce the massive regulatory burden the Biden administration put on the economy.

By the time Mr. Biden left office, his administration had issued 1,213 new regulations, according to the American Action Forum. The Washington think tank tracks federal regulations, their cost and added paperwork hours on its Regulation Rodeo website. Mr. Bi-

den's red tape will result in \$1.9 trillion in compliance costs over the first 10 years each new rule is in effect, according to AAF.

One of Mr. Trump's first de-

regulatory actions this week targeted Mr. Biden's effort to force Americans to abandon gasoline-powered cars for electric ones. The Environmental Protection Agency's tailpipe emissions rule sought to make 50% of all new vehicles electric by 2030. AAF estimates the rule would cost an estimated \$870 billion over 10 years. Unless repealed, the tailpipe emissions rule would disrupt the auto industry, reduce consumer choice and place SUVs and trucks beyond the financial reach of many Americans.

In addition, Mr. Trump is revoking the waiver that allows California to ban gasoline-powered cars by 2035, onto which 11 states and the District of Columbia have piggybacked by passing laws

binding them to Sacramento's regulatory regime.

Mr. Trump's rollback effort won't be simple or quick. Some recent Biden administration regulations can be repealed by a simple congressional majority using the Congressional Review Act's expedited process. Others the president can withdraw himself, but the relevant agencies must then undertake an arduous process to replace the revoked rules with more sensible, less costly ones.

The good news for American entrepreneurs, workers and families is that the returning president has experience on this issue and knows the economic boost it can provide. In Mr. Trump's first term, Domestic Policy Council director Andrew Bremberg led the White House effort to roll back Mr. Obama's regulatory burden after Home Depot founder Bernie Marcus convinced Mr. Trump to make the cost of the Obama red-tape burden a campaign issue. It was one of the first Trump administration's greatest domestic successes.

Lifting Mr. Biden's regulatory burden will make American businesses more competitive, reduce costs for consumers and increase the prosperity of workers. That's a pretty good way to start making America great again.

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

Why Are There Two Temperatures?

By Mike Kerrigan

appreciate apparent temperature's meaning.

Apparent temperature is air temperature in degrees Fahrenheit as perceived by humans after factoring in wind speed and humidity. It conveys more information than actual air temperature, not less. I still want one measurement, but

It's more useful to know how cold it feels than how cold it is.

this has convinced me apparent temperature is the better gauge, for three reasons.

First, it's qualitatively better because it conveys more pertinent data. Second, that greater information is objec-

tively quantifiable. Third, as a practical matter it's what everyday people who inquire about the weather really want to know.

"Feels like" temperature would be useless if, as I initially feared, it were no more determinate than two people saying the weather feels bracing, by which one means a splash of Aqua Velva while the other means a plunge in the North Sea. Despite apparent temperature's loosey-goosey nomenclature, this isn't so.

Actual temperature is coin of the realm for bloodless calculations and laboratory experiments. Apparent temperature doesn't pull punches; quite the opposite. It suggests planning for a meteorological throat punch if that in fact is what

the elements have in store.

There's even an economic argument. Feels-like temperatures always seem colder in winter and hotter in summer than actual temperatures do. Using only apparent temperature strips it of this comparatively demoralizing "hold on, it gets worse" aspect. As a result, nobody stays comfy indoors shirking duty and productivity increases.

My reductive quest for reporting apparent temperatures will go nowhere until I win support of the lab-coat set, but here I face a crisis of my own making. Big Meteorology likely will resist my attempt to take its metaphoric temperature.

Mr. Kerrigan is an attorney in Charlotte, N.C.

OPINION

REVIEW & OUTLOOK

President Trump, Crypto Billionaire

Donald Trump doesn't always separate his personal interests from his public obligations, and a howling example is his sudden new status as a crypto billionaire. The President is inviting trouble with what looks like remarkably poor judgment.

Crypto markets have boomed since Mr. Trump's election in part on expectations of friendlier regulation. And so be it. Animal spirits have been rising all around. But Mr. Trump and his family have tried to cash in on the mania by minting Trump-branded coins.

On Friday, as a private citizen soon to be President, Mr. Trump announced sales of his \$TRUMP crypto token. "It's time to celebrate everything we stand for: WINNING!" he posted on X.com. Melania Trump debuted her own coin on Sunday. Step right up, Americans, you can't lose betting on \$TRUMP. But what happens when some inevitably do?

Unlike Trump-stamped tumblers (\$42) and pickleball paddles (\$180), crypto tokens are vehicles for speculation. Like other cryptocurrencies, their price is volatile. After surging roughly 10-fold after its launch, \$TRUMP's price has since fallen by half.

Twenty percent of Trump tokens are currently available for trading on crypto exchanges. Trump Organization affiliates hold the other 80%—worth \$31.4 billion at its trading price late Wednesday—which is subject to a three-year unlocking schedule. Mr. Trump's business affiliates can't sell their token interest now, but they will profit when they do assuming the price doesn't crash.

All of this creates flashing-red political risks and ethical conflicts. Start with who may be buying the tokens. A business or foreign official with interests before the federal government might seek to curry favor with Mr. Trump by announcing plans to buy millions of his token to pump up the price. Or, worse, whispering to Mr. Trump that he's made the purchases, since crypto holdings aren't disclosed. If Mr. Trump's regulators then act in a way that aids crypto or the person seeking the favor, he'll be accused of aiding the buyer in service of presidential self-dealing.

The President might claim immunity by saying the regulation is part of his official duties, but that won't remove the political taint. That

His new family tokens are courting legal and political trouble.

also won't stop civil lawsuits if (and probably when) there's a crypto crash. A President isn't immune from lawsuits for actions taken before becoming President under the Supreme Court's *Clinton v. Jones* (1997) ruling.

Federal law doesn't define all types of securities, nor specify how cryptocurrencies are to be regulated. The Supreme Court set out a multifactor test for determining a security in its *Howey* (1946) precedent. But Biden SEC Chair Gary Gensler dunned crypto developers that didn't meet the *Howey* definition for failing to register with the agency and make investor disclosures.

Mr. Trump has created a regulatory nightmare for Paul Atkins, his highly qualified nominee to run the SEC. Mr. Atkins was crypto-friendly long before his nomination, but now any regulatory move he takes that the industry supports will be attacked as helping Mr. Trump's business. The Trump tokens might hurt the crypto industry by making it all look like a get-rich-quick scheme.

Mr. Trump's \$TRUMP website includes the disclaimer that the tokens are "intended to function as a support for, and engagement with the ideals and beliefs embodied by the symbol '\$TRUMP'" and "are not intended to be, or to be the subject of, an investment opportunity, investment contract, or security of any type." That disclaimer won't stop lawsuits.

If the token's price drops, buyers who lose money could argue that Mr. Trump failed to make required securities disclosures about the risks. Democratic state Attorneys General could seek restitution for investors. If Mr. Trump hypes the token at a press conference, they might even charge him after he leaves office with market manipulation since he isn't immune from prosecution for unofficial acts.

* * *

No careful President would get anywhere near this kind of political risk, and we can't recall any President who has. Where are Mr. Trump's lawyers? In his first term, Mr. Trump was often deterred from some of his worst impulses by legal advisers who saw their job as serving the Presidency as much as this President. The crypto caper is a worrisome sign that Mr. Trump's current advisers don't understand the difference any better than he does, or that they are too cowed to speak up.

In response, Mr. Musk reposted pictures of Hillary Clinton, Taylor Swift, and others photographed with one arm straight out, palm down.

"Frankly, they need better dirty tricks," he wrote. "The 'everyone is Hitler' attack is sooo tired."

The Anti-Defamation League said it recognizes that many Americans are "on edge," but Mr. Musk "made an awkward gesture in a moment of enthusiasm, not a Nazi salute."

Mr. Musk might cop to awkwardness. When he appeared on "Saturday Night Live" a few years ago, his monologue included a comedic bit about "making history tonight as the first person with Asperger's to host," meaning that "I won't make a lot of eye contact with the cast tonight, but don't worry, I'm pretty good at running 'human' in emulation mode."

Also, recall Mr. Musk's exuberant if dorky leap at a Trump rally last year? Tim Walz, the Democratic VP nominee, mocked him for "skipping like a dips—."

No, he's really a Nazi, some Democrats now say. "I never imagined we would see the day when what appears to be a Heil Hitler salute would be made behind the Presidential seal," Rep. Jerrold Nadler wrote. "I urge all of my colleagues to unite in condemning this hateful gesture for what it is: antisemitism."

There it is, the birth of a partisan talking point—and the spreading of disinformation.

The Elon-Musk-Is-a-Secret-Nazi Meme

If Democrats are so worried about disinformation, they should stop spreading disinformation. Witness Connecticut Sen. Chris Murphy on Tuesday, questioning Elise Stefanik, President Trump's nominee to be Ambassador to the United Nations:

"What do you think of Elon Musk, perhaps the President's most visible adviser, doing two 'heil Hitler' salutes last night at the President's televised rally?"

What an object lesson in the laundering of a kooky online smear. Roll back the tape, and Mr. Musk is reacting to a roaring arena as he says the 2024 election really mattered, and his heart goes out to the crowd. He slaps his chest and waves an arm toward the audience. The peanut gallery on social media went nuts, suggesting it was an intentional Nazi salute, which mainstream outlets then cited to justify covering the supposed controversy.

"Elon Musk ignited speculation and chatter online," the New York Times said, quoting the X account of "a popular streamer." Or here's the Atlantic: "Did Elon Musk actually toss off a *Sieg heil!* at Donald Trump's inauguration rally today? A lot of people online seem to think he did." Soon enough, it hardly mattered what Mr. Musk intended: His gesture, the AP said, had been "embraced by right-wing extremists regardless of what he meant."

A kooky accusation goes from social media, to the press, to the Senate.

with companies unless they adopt racial-preference programs. Those demands drive up the cost of government goods and services while discouraging good companies from pursuing government contracts. Even before Mr. Trump signed his order, the FBI and companies from McDonald's to Meta announced they are closing or scaling back their DEI initiatives.

One way to think of President Trump's EO is as the first victory for the new Department of Government Efficiency. A substantial and intrusive policy affecting all parts of the government has been repealed. That means the army of federal workers whose job was to implement DEI programs and principles are no longer needed.

Mr. Trump's victory for limited government was done using largely limited government means. It must have been tempting to use the procurement law to drive policy—the preferred way for decades to impose government employment mandates on the private economy. But the legal basis was always a stretch: Federal procurement law authorizes the President to issue directives only for more "economical" and "efficient" federal contracting.

The Trump EO makes clear that from now on federal contractors will be subject to the same non-discrimination requirements as all employers are. Kudos to President Trump for taking on DEI, and doing it in a lawfully limited way.

Trump's Shrewd Order Killing DEI

At 5 p.m. Wednesday, all federal employees in diversity, equity and inclusion roles were placed on paid administrative leave. This is merely the first result of an executive order that President Trump signed on Tuesday, signaling his determination to kill DEI programs throughout the federal government.

The move is far-reaching if expected since he campaigned on the point. The American people made clear they're tired of DEI's divisive ideology. The order repeals Executive Order 13985, which Joe Biden signed on his first day in office to promote "equity across the federal government." By "equity" he meant equal outcomes, not equal opportunity.

Mr. Trump's order rightly notes that DEI can lead to "illegal discrimination or preferences." It's appropriate the President signed the order just after Martin Luther King Jr. Day. King called America to its better self—by making good on its founding promise that people would be judged on their character and merit.

The order also overturns EO 11246, which was issued by LBJ in 1965, little more than a year after the Civil Rights Act became law. Racial discrimination was rife at the time, and enforcement mechanisms were limited.

Today discrimination in hiring is policed by state and federal law. It no longer makes sense for the federal government to refuse to contract

with companies unless they adopt racial-preference programs. Those demands drive up the cost of government goods and services while discouraging good companies from pursuing government contracts. Even before Mr. Trump signed his order, the FBI and companies from McDonald's to Meta announced they are closing or scaling back their DEI initiatives.

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LETTERS TO THE EDITOR

Readers Offer a Requiem for 'Fact Checking'

Regarding James Taranto's "Fact Checkers' Become Rent Seekers" (op-ed, Jan. 17): Fact-checking by news outlets that sold their souls to the left in the Trump era was yet another self-inflicted wound by discredited media. According to a 2022 Gallup poll, fewer than 20% of respondents had a great deal or quite a lot of confidence in newspapers or television news.

That level edged out confidence in Congress but only by a hair. An institution that is no longer perceived as trustworthy certainly lacks credibility to be a judge of the accuracy of anyone else's facts. To the extent that fact-checkers assess facts presented by politicians, a majority of Americans will assume that the latter most likely were telling falsehoods and the former most likely were spreading disinformation about lies.

One of the worst ideas the Biden administration advanced was a top-down, federal fact-checking bureau to help private-sector fact-checkers sort through statements of fact and opinion, censoring anything deemed to be untrue or offensive. America dodged

a bullet when the proposed Disinformation Governance Board, to be housed within the Department of Homeland Security, faced public backlash.

As bad as the fact-checkers have been, imagine a public-private partnership of facts and speech umpires filtering public statements in tandem. Fortunately, we are at a point where legacy media fact-checkers are simply ignored.

DANA DAVIS
St. Augustine, Fla.

I enjoyed reading Mr. Taranto's dissection of the multiple layers of paradox embedded in the rise and fall of the news media's fact-checkers. It has always struck me as bewildering that if a vaunted self-selected group of journalists are dedicated to checking facts, what exactly are all the other journalists doing? Back in the good old days, it was assumed that every news story was at least an attempt at checking and reporting on the facts.

JIM C. SMITH
Wadsworth, Ohio

The Virtues of a Businessman in Government

Robert Rubin is correct that, for life-long private-sector executives, building technical and tactical proficiency in government is a unique challenge requiring support from civil servants ("The Limits of 'Running Government Like a Business,'" op-ed, Jan. 18). That said, the principles of good leadership remain unchanged, and the responsibility for departmental strategy rests with elected officials, not the administrative state.

The role Mr. Rubin ascribes to the technocrats with whom he worked sounds reasonable.

The notion, however, of disinterested and honest public servants, faithfully serving an elected administration, is a figment of an earlier age. With a press corps happily parroting anonymous sources (often at odds with their own journalistic standards), any disaffected or disagreeable public employee too easily enjoys a bully pulpit. The humility to which Mr. Rubin refers cuts both ways—government employees should recognize that the will of the people is personified by a department's political appointees, not the administrative state. As such, the personal political desires of civil servants must be subordinated to the policy preferences of elected representatives. If their conscience doesn't permit the execution of an administration's policies, then resignation is the best

choice. Resistance to Senate-confirmed appointees is undemocratic, unprincipled and unpatriotic.

CONAN WARD
Ponte Vedra Beach, Fla.

Mr. Rubin accurately addresses the distinction between public-policy and business concerns, but he omits the more fundamental benefit of having a business mentality. A government official with nongovernment economic experience would know that proclaiming inflation is transitory or any other excuse doesn't eliminate the effects of inflation. The same official would know that mandating that 45% of heavy-duty vehicles be electric in seven years isn't possible. A businessman would know that picking a date for removal of troops from Afghanistan is laced with consequences.

Years ago, the typical mayor and town council were often businessmen. Now local government is frequently run by those with social-science degrees. Because of this, we end up with transgender-friendly parks that cost more but do no more, except as a political imperative. The call to run government like a business means applying real-world common sense to decisions. A politician could embrace that concept and might find electoral success.

DAVID BEKUS
Skillman, N.J.

Trump Should Trust His Instincts on Ukraine

Regarding Holman Jenkins, Jr.'s column "Trump Is a Realist on Greenland" (Business World, Jan. 18): When Donald Trump responded personally to North Korea's mounting threats of imminent action in June 2019, he ignored all the voices of caution—including every Korea expert cited in the media—and proceeded to meet Kim Jong Un. No agreements were reached, but there were no more threats.

Mr. Trump has said that he wants to plunge in again, this time to end the Ukraine war by personally negotiating with Vladimir Putin and Volodymyr Zelensky.

Having never insulted Mr. Putin as Joe Biden did, Mr. Trump has made it easier for the Russian to agree to

a stand-still cease-fire without fearing criticisms of weakness. As for Mr. Zelensky, Ukraine's forces aren't advancing anywhere and can only gain from a truce. There may be a long negotiating path ahead, or even a return to hostilities, but Mr. Trump should follow his instincts.

What is certain is that the Ukraine war only serves China well, by expanding its influence over Russia while diverting Western strength from itself.

EDWARD LUTTWAK
Chevy Chase, Md.

A Hypocritical Adieu About Presidential 'Abuse of Power'

Kimberley Strassel's meditation on the Democratic machine's tactics "The Left's Mangled Guardrails" (Potomac Watch, Jan. 17) mirrored my own thoughts after listening to President Biden's farewell address. I could only cringe when he warned about dangerous abuses of power.

The past four years offer a road map for what not to do on this score. If I have to give credit to the outgoing administration for anything, it would be for testing the limits of our republic and its laws. The Biden administration has shown that our system's checks and balances will prevail even when under a brutal onslaught from within.

JOHN HARRIS
Somerset, Ky.

A Few Intelligent Thoughts On the Subject of Stupidity

Barton Swaim leads his anatomy of stupidity ("Biden, Trump and the Meaning of Stupidity," op-ed, Jan. 13) with an astringent quip from Bertrand Russell: "The trouble is that in the modern world the stupid are cocksure while the intelligent are full of doubt."

Mr. Swaim would have done better to use W.B. Yeats's earlier canonical plaint from his poem "The Second Coming" that "the best lack all conviction, while the worst are full of passionate intensity."

Yeats adds that "things fall apart; the centre cannot hold," and he closes the poem with the foreboding question: "And what rough beast, its hour come round at last, slouches towards Bethlehem to be born?" We now know the answer.

GARY KAPLAN

Canton, Mass.

Mr. Swaim's op-ed reminded me of the adage: The difference between intelligence and stupidity is that intelligence has its limits.

ERIC NAGLER

Commerce Township, Mich.

Kimberley Strassel's meditation on the Democratic machine's tactics "The Left's Mangled Guardrails" (Potomac Watch, Jan. 17) mirrored my own thoughts after listening to President Biden's farewell address. I could only cringe when he warned about dangerous abuses of power.

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JOHN HARRIS
Somerset, Ky.

Pepper ...
And Salt

THE WALL STREET JOURNAL



"If you play one more 'Stars and Stripes Forever,' I'm out of here."

OPINION

The Secret Service and the President's Life

By Janet Napolitano
And Frances Fragos Townsend

The week Donald Trump won re-election, the Justice Department warned about continued assassination plots against elected officials, this time from Iran. "There are few actors in the world that pose as grave a threat to the national security of the United States as does Iran," Attorney General Merrick Garland said on Nov. 8.

Federal Bureau of Investigation Director Christopher Wray added that the charges "expose Iran's continued brazen attempts to target U.S. citizens, including President-elect Donald Trump, other government leaders and dissidents who criticize the regime in Tehran."

Our investigation after the assassination attempt found deep systemic and cultural problems.

These threats are real, but it wasn't a sophisticated state-sponsored attack that came within millimeters of killing Mr. Trump in July. Rather it was an unstable 20-year-old gunman with no military training, who succeeded in bypassing the U.S. Secret Service and its protection protocols. One rallygoer was killed and several were injured. Six months later, what has been done to ensure such a tragedy doesn't recur?

As members of the independent

panel that investigated what transpired in Butler, Pa., and other systemic problems plaguing the Secret Service, we offered recommendations for reform. Our fear, however, is that much like past efforts, this issue will be forgotten as part of Washington's normal parlor games and jockeying for position as administrations change.

The president can take the lead in addressing the issue. The U.S. Secret Service director is a critical position for the health of our democracy and its leaders. Our independent panel found that the service has become insular, demonstrating an insufficient appreciation for available technology and an often formulaic approach to its protective mission. New leadership with significant security experience is required.

Congress can also take several measures within the first few days of Mr. Trump's term. It can require that the service achieve an integrated communications setup with its federal, state and local partners at all protective events to include real-time incident command management and tracking. It is unacceptable that our government's protective team has worse communications equipment and coordinated setups than many professional sports organizations. The personnel in Butler on July 13 communicated with a chaotic mixture of radio, cellphone, text and email. Countersniper teams can't be fumbling with phones when their eyes should be alert to threats.



Secret Service agents in Butler, Pa., July 13, 2024.

and restore the service to its proper place in the highest echelon of law enforcement.

One of the panel's boldest recommendations is to refocus the Secret Service on the protective mission and away from ancillary activities such as non-protective criminal investigations involving counterfeiting, identity theft and ransomware. The goal is to let other U.S. law-enforcement centers fight cyber and financial crimes and let the Secret Service focus on its most important mission: keeping protectees safe.

In recent months, some pundits, including people affiliated with the Secret Service, have argued in favor of retaining aspects of the nonprotective-investigative function, often under the guise of streamlining or modernizing that portion of the service's work. But allowing the service to pursue such activities at the expense of its protective duties puts protectees and the peaceful operation of American government at unacceptable risk.

Our recommendations will help ensure that Americans never again endure another July 13. Failure to pursue them leaves our leaders and the American people vulnerable. Washington must act before tragedy strikes again.

Ms. Napolitano served as governor of Arizona (2003-09) and U.S. homeland security secretary (2009-13). Ms. Townsend served as U.S. homeland security adviser (2004-08).

Congress can also demand that the service's lead site agent delivers a face-to-face situation report to the lead of the protee's personal detail on arrival at any site. This didn't happen in Butler, meaning that Mr. Trump's detail wasn't told that there was an unaccounted-for suspect who was using a range finder to case the stage on which the former president was set to speak. Had this information been conveyed, the detail could have held Mr. Trump backstage until the suspect was located and the threat addressed.

Our panel issued a host of other recommendations, such as requiring drone surveillance for outdoor events, implementing clearer lines of authority at sites, better training

integration and planning with state and local law enforcement, and running a training regimen akin to elite special-forces units. While the service has stated that some of these reforms are under way, many of our immediately actionable recommendations remain untouched. This is unacceptable, especially when foreign adversaries are known to be targeting the president and his advisers.

To be sure, some of our recommendations address deeper systemic and cultural flaws. These can't be solved overnight and may well require additional funding. These deliberations, however, should be put on a fast track so a new leadership team can begin to implement them

How Trump Can Counter Iran's Nuclear Ambitions

By Reuel Marc Gerecht
And Mark Dubowitz

Will Iran's Supreme Leader Ali Khamenei agree to nuclear negotiations with President Trump? According to the Justice Department, the cleric's minions tried to assassinate Mr. Trump during the campaign. But given the Islamic Republic's precarious standing in the Middle East, its ever-worsening economy tied to a collapsing currency and shortages of energy and gas, and a foreboding among many regime loyalists about their grip on Iranian society, Mr. Khamenei might be willing to make compromises in his nuclear aspirations in return for softened U.S. sanctions. After all, he has already made Iran a nuclear-threshold state.

The more important question: If Mr. Trump agrees to nuclear negotiations with Iran, how will he approach them? Will he firmly deny Iran the capacity to enrich uranium and retain deeply buried centrifuge facilities and nuclear-capable ballistic missiles? Will he demand that the International Atomic Energy Agency inspect all suspected nuclear sites in Iran and have access to all nuclear-related paperwork and personnel? Will he insist on all the things Barack Obama should have demanded but didn't when he approved the Iran nuclear agreement in 2015?

Or will Mr. Trump take a more conciliatory approach? Will he agree to billions in sanctions relief in return for a temporary halt in Iran's production of 60%-enriched uranium and the transfer of its existing stockpile to Moscow for "safekeeping"? Will he soften sanctions in exchange for an extension of Obama-era prohibitions on Iranian nuclear production, which would again leave in place atomic-weapons infrastructure?

Whichever path Mr. Trump takes, unless he connects nuclear talks to Iran's regional behavior, he will find himself in Mr. Obama's predicament: Any sanctions relief will fund Tehran's nefarious actions, including the supply of arms to regional terror proxies that have killed Americans and Israelis. This would fundamentally compromise the Jewish state. Among all the painful things the Oct. 7, 2023, attack revealed, the worst was that Mr. Obama's decision to address Tehran's nuclear intentions while ignoring its other regional activities gave the regime carte blanche to arm and fund Israel's enemies.

To be fair to Mr. Obama, when he first reached out to the supreme leader in 2009, many Americans and even some prominent Israelis wanted to believe that the nuclear talks could be transformational. They assumed that the power of Iran-backed

Palestinian and Lebanese militants had been sufficiently checked, so Iranian subventions to these groups didn't really matter—especially if Mr. Obama's deal gave everyone a 10-year surcease from nuclear anxiety.

But these nuclear negotiations never made any sense unless Washington was prepared to bomb Iran's nuclear facilities if the clerical regime refused U.S. demands. Without enforceable red lines, Tehran has an insuperable advantage. Whenever

If hard-line diplomacy doesn't work, he'll likely need to let Israel bomb Iran's nuclear facilities.

the U.S. gives ground to Iran, diplomacy turns into extortion.

Many in Mr. Trump's America-first movement would probably rather see Iran go nuclear than have the U.S. pre-emptively destroy Iran's nuclear facilities. As JD Vance put it before the 2024 election, referring to the U.S. and Israel, "sometimes we're going to have overlapping interests, and sometimes we're going to have distinct interests. And our interest very much is in not going to war with Iran." Trump supporter Tucker Carlson recently questioned whether

the U.S. should view the clerical regime as a serious threat and said in 2014 that a deal, "even a phony one" as he described Mr. Obama's, would be better than U.S. military strikes against Iran.

Would Mr. Trump approve of Israel's trying to take out Iran's nuclear program, an option it's reportedly considering? Would he block such an attack if Jerusalem's assessment of tolerable risk differed significantly from Washington's? Mr. Trump said in October that he's in favor of Israel's targeting Iran's nuclear facilities—will he maintain this perspective as president?

Assuming diplomacy goes nowhere, Mr. Trump might need to back Israel militarily to maximize the destructiveness of a strike. He could decide to give Israel the 30,000-pound Massive Ordnance Penetrator, which would require a B-2 or possibly a B-52 bomber for delivery and is powerful enough to obliterate Iran's underground Fordow Fuel Enrichment Plant.

Such a "lend-lease" program, which would require extensive training for Israeli air crews, would be controversial. With anyone other than Mr. Trump in the White House, it would be impossible. Even with Mr. Trump, the much greater difficulty of acting without the "lend-lease" program highlights the severe military problems for our allies when

Washington decides against intervention.

Since any Israeli attack against Iranian nuclear sites could trigger Iranian attacks on Persian Gulf oil, Washington could also soon face the risk that Arab Gulf states drift entirely out of the U.S. orbit. Mr. Trump's decision not to intervene against Tehran in 2019, after the Iranians let loose a barrage of missiles and drones on Saudi Arabia's oil facilities, shook Gulf states' confidence in the U.S.

If Mr. Trump were to stand down after another Iranian attack, it could dissuade Saudi Arabia from ever joining the Abraham Accords—an achievement Mr. Trump ardently wants. Worse, the stature of China and Russia, influential allies of the Islamic Republic, would skyrocket. This is assuming that Israel's attack on Iran's nuclear program didn't succeed in debilitating the regime.

Israel knows its role in the Middle East, but it's unclear the same is true for the U.S. Israel's future is now inextricably tied to whether Americans, especially Republicans, learn quickly that skirting the Middle East is neither advisable nor possible.

Mr. Gerecht, a former Iranian-targets officer in the CIA, is a resident scholar at the Foundation for Defense of Democracies. Mr. Dubowitz is the foundation's CEO.

Trump Follows Biden's Lead by Flouting the Law

By Zachary S. Price

President Trump appears to believe he can decide what laws are binding. On Inauguration Day, Mr. Trump suspended for 75 days all enforcement of the new law banning TikTok in the U.S. Meanwhile, his nominees for key positions have suggested he can reduce regulatory burdens and limit government spending by suspending regulatory enforcement and "impounding," or refusing to spend, funds appropriated by Congress.

None of these actions are lawful. All violate the president's constitutional duty to "take Care that the Laws be faithfully executed." In defying this duty, Mr. Trump is building on examples set by the Obama and Biden administrations and by local progressive prosecutors. Conservatives and others who decried those actions should

equally decry Mr. Trump's.

The Obama administration repeatedly refused to enforce laws it disliked. When certain provisions of the Affordable Care Act proved controversial—such as the mandate that large employers provide insurance to their employees or else pay a penalty—the administration unilaterally delayed implementation. After Congress failed to enact relief for "Dreamers"—immigrants brought to the U.S. illegally as children—Mr. Obama protected them from deportation through executive action with the 2012 Deferred Action for Childhood Arrivals program. He later attempted to expand DACA but was blocked by the courts.

As I argued at the time, these actions were unlawful because of the Take Care Clause. Executive officials have some discretion when it comes to enforcement of the law. But they can't change or delay the law. Nor

can they nullify a law's effect with broad promises of nonenforcement.

Emulating the Obama administration, many local progressive prosecutors have openly suspended the enforcement of laws they oppose. As I wrote in the Journal in April 2022, such actions may be lawful in states that grant elected prosecutors broad autonomy. But in other states, such suspensions violate officials' duty to execute the law faithfully—as DACA did. Joe Biden, for his part, sought to "preserve and fortify" DACA and took other steps to weaken immigration enforcement.

Many conservatives have rightly criticized such nonenforcement at the federal, state and local levels. Mr. Trump is now taking the same approach.

Mr. Trump's executive order on TikTok dictates that for 75 days, app stores and service providers may work with TikTok in violation of the ban, and the Justice Department may take no action against them. Further, the DOJ may not seek penalties later for conduct that occurs during the 75-day period, and it must issue letters assuring providers that "no violation" of law has occurred and they will face "no liability." Even DACA didn't offer its beneficiaries such bald assurances. A naked attempt to suspend a statute on presidential say-so, Mr. Trump's order does the opposite of what faithful execution requires.

As for regulatory enforcement, Elon Musk and Vivek Ramaswamy—then the incoming heads of the Department of Government Efficiency—suggested in these pages in November that the president "can, by executive action, immediately pause the enforcement" of regula-

tions identified for rescission. This claim makes the same mistake as the TikTok order. Federal agencies adopt regulations pursuant to statutory authority from Congress. Such regulations, once in place, have the force and effect of law. Agencies are bound to carry them out unless and until they are rescinded—something

The president has no power to delay the TikTok ban, impound spending or suspend regulations.

that typically requires either an act of Congress or the approval of a new regulation after consideration of public comments, not simple executive fiat.

Finally, Mark Paoletta, Mr. Trump's pick as general counsel at the Office of Management and Budget, has argued that presidents have the constitutional authority to refuse to spend money even if Congress appropriates it. But by law presidents can't normally cancel congressionally appropriated spending on their own; they can only postpone it for 45 days after proposing rescission legislation for Congress to consider. Mr. Paoletta argues that these legal constraints unconstitutionally infringe on executive authority. But this argument again turns faithful execution on its head. Far from holding the power to ignore the law, presidents have a constitutional duty to execute it faithfully, and that duty extends to the limits on impoundments.

Fortunately, courts have been get-

ting these questions right. The Fifth U.S. Circuit Court of Appeals

blocked Mr. Obama's DACA expansion in 2015, and in 2016 the Supreme Court deadlocked on an appeal, allowing the ruling to stand. During the first Trump administration, several federal courts overturned attempted suspensions of regulations. More recently, a federal court barred new DACA applications. Although courts typically can't order specific prosecutions, they can make clear that those who break the law are risking civil or criminal liability in the future, no matter what Mr. Trump or any other executive official may say.

The parallels among the actions of Messrs. Obama, Trump and Biden are a reminder that what goes around often comes around in the law. Having embraced nonenforcement when they liked the results, progressives have little standing to complain when the Trump administration employs the same legal theory for different purposes. But while some conservatives may feel they should now follow progressives' lead, doing so would forfeit the high ground, and those who decried DACA, the ACA delays and progressive nonprosecution will look foolish supporting identical tactics by Mr. Trump.

Do we want our presidents to follow all the laws faithfully, or only the ones they like? Let's hope it isn't too late for Mr. Trump to find the correct answer.

Mr. Price is a professor at the University of California College of the Law, San Francisco and author of "Constitutional Symmetry: Judging in a Divided Republic."

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BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

Thursday, January 23, 2025 | B1

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Private Equity Pressed to Open Up

Pension funds, others want more information on fees, investment returns

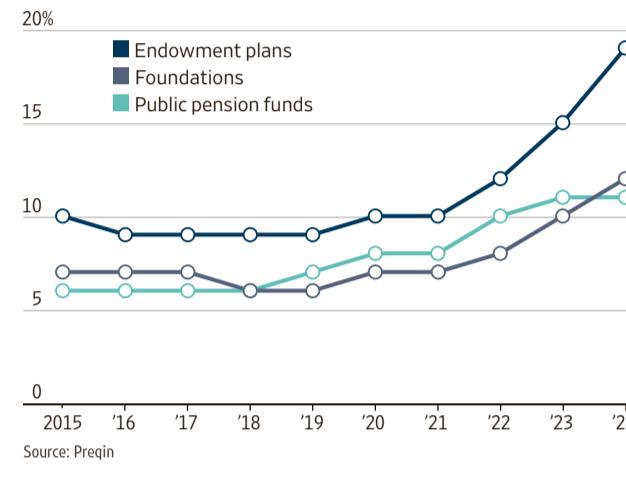
By MATT WIRZ

A group of U.S. pension funds and other institutions is pushing private-equity firms to share more information on their fees and investment returns, in bid to address simmering frustration with the industry's disclosures.

The Institutional Limited Partners Association, a trade group that counts the retirement plans of public workers in California and Wisconsin as members, proposed this week new guidelines to standardize financial reporting by private-equity firms, people familiar with the matter said.

Public pension plans, university endowments and char-

Portion of investments in private equity



itable foundations have about doubled their investments in private-equity funds since 2018, according to Preqin, a company that collects data on private funds.

These institutions are among alternative investment

firms' biggest and most-loyal clients. North American private-equity funds manage some \$4 trillion in assets.

Pensions have turned to private equity to plug cash shortfalls for years, tolerating weaker reporting on their in-

Private-equity management fees



how much they invest. The smaller the check, the less information.

Many small and midsize pensions are left out of the loop, and even the big ones struggle to accurately compare performance of fund managers.

"I'm a big believer that sunshine is the best disinfectant," said Scott Ramsower, head of private-equity funds at the Teachers Retirement System of Texas, which manages \$200 billion of savings for its members. "We can then have much more detailed conversations with our [private-equity] partners and hopefully be putting pressure on them to really be thoughtful."

Texas Teachers, the California Public Employees' Retirement System and the State of Wisconsin Investment Board are members of the initiative.

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Anti-DEI Activists Target Goldman, JPMorgan

By ANNAMARIA ANDRIOTIS AND ALEXANDER SAEEDY

Goldman Sachs and JPMorgan Chase are in the crosshairs of right-leaning activist groups privately pushing them to abandon or shrink their diversity, equity and inclusion efforts, according to people familiar with the matter.

Bank of America and Citigroup, meanwhile, are under pressure from activists accusing them of discriminating against customers because of their religious or political beliefs.

The various groups—which include the National Center for Public Policy Research, the National Legal and Policy Center and the Heritage Foundation—each own small stock stakes of the banks they are targeting, and submitted proposals challenging their business practices late last year, the people said.

They argue that the banks' policies leave them and their shareholders vulnerable to costly legal challenges.

Shareholders could have a chance to vote on the proposals ahead of the banks' annual meetings this spring. Boards typically recommend shareholders vote against such measures. The groups have filed similar proposals against companies including Apple, Walmart and Starbucks and all have been handily defeated, rarely getting more than 2% of shareholder support.

A Goldman spokeswoman said the bank strongly believes that organizations benefit from diverse perspectives and that it is committed to operating its programs and policies in compliance with the law.

So-called anti-woke groups have seized on the 2023 Supreme Court ruling that found race-based affirmative action in college-admissions processes is unconstitutional. Since then, the groups have challenged a range of diversity policies across corporate America, both in court and through shareholder proposals.

President Trump's election win is likely to embolden the anti-DEI movement further. Trump signed an executive order on his first day in office to end DEI programs across the federal government.

The NCPPR was a co-plaintiff in a successful December ruling against the Securities

Please turn to page B2

State Eyes Reboot Of Nuclear Plant to Power AI

By LAUREN THOMAS

Santee Cooper, the big power provider in South Carolina, has tapped financial advisers to look for buyers that can restart construction on a pair of nuclear reactors that were mothballed years ago.

The state-owned utility is betting interest will be strong, with tech giants such as Amazon.com and Microsoft in need of clean energy to fuel data centers for artificial-intelligence capabilities.

Santee Cooper announced Wednesday it is seeking proposals for buyers to complete the project at South Carolina's sprawling V.C. Summer Nuclear Station, confirming an earlier report from The Wall Street Journal.

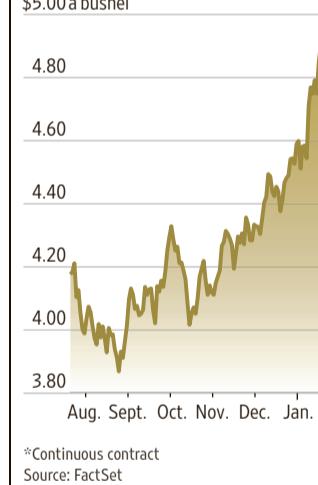
The utility is working with bankers at CenterView Partners, which will accept proposals until May 5.

Santee Cooper will likely look to tap a consortium that could include a construction firm, a tech company that will use the power and an additional partner for capital, according to people familiar with the matter. It also is looking for another power company partner because it doesn't plan to own or operate the units once they are up and running.

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Corn Prices Spring Back Ahead of Planting Time

Market watchers debate if the accelerated pace of corn sales seen in recent weeks is due to higher consumption or if the increased purchases were a move to stock up before possible new Trump administration tariffs. B10



JERRY MENENIG/ZUMA PRESS

Travelers Sees Growth Despite Fires

By ROB CURRAN AND KATHERINE HAMILTON

billion, or \$6.99 a share, a year earlier.

Excluding nonrecurring items, core earnings came in at \$9.15 a share, blowing past the average target of \$6.65 a share from analysts polled by FactSet. Revenue rose 9.9% to \$12.01 billion, also beating analysts' expectation of \$10.84 billion.

Travelers said the strong results and outlook would allow it to support customers affected by the wildfires that devastated Los Angeles. The company has yet to calculate the expected losses from the

catastrophe, but on a call with analysts, Chief Financial Officer Dan Frey said it expected the fires to affect first-quarter earnings.

The fires "are going to be a material event for the industry and will have a material impact on our first-quarter earnings, because the event is so recent and to some degree still ongoing," Frey said. He added that, coming into the event, Travelers had been shrinking in California.

The company said it raised the retention limit of its catastrophe excess-of-loss reinsurance.

ance treaty, which covers property losses from events such as hurricanes and fires, by about \$500 million. The treaty's retention for 2025 is \$4 billion, up from \$3.5 billion in 2024.

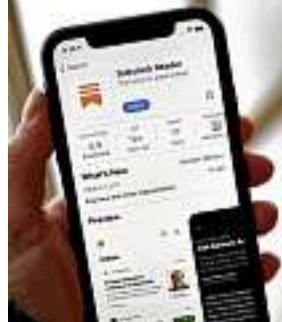
In 2025, not including damage from the California fires, Travelers said it was expecting catastrophes to affect its combined loss and expense ratio by 6.9 points, which would be above the five-year average of 6.6.

The company said its fourth-quarter overall net

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INSIDE



HEARD ON THE STREET

Netflix unveils blowout subscriber numbers and price increase. B12

BUSINESS NEWS
Substack advertising turns writers into part-time sales representatives. B10

Meme Coins Like Trump's Stir Wild Market

By VICKY GE HUANG

Just days ahead of his return to the White House, President Trump and his wife, Melania, launched a pair of meme coins that have skyrocketed in value and earned them billions of dollars, at least on paper.

Dubbed \$TRUMP and \$MELANIA, the tokens are a type of cryptocurrency that doesn't serve any economic purpose and whose value is based largely on the popularity of internet memes. The market cap of the \$TRUMP token stood at about \$8 billion as of 5 p.m. ET Wednesday;

\$MELANIA hovered around \$710 million.

Trump commented on his meme coin for the first time Tuesday, saying, "I heard it was very successful." He didn't directly answer a reporter's question about whether he plans to continue selling products that benefit him personally.

The tokens drew swift criticism from ethics watchdog groups who said they create significant conflicts of interest for the president.

Meme coins are created based on funny or viral internet memes—a joke, an image or a turn of phrase that is of-

ten associated with animals or celebrities. Because of their fun and lighthearted nature, the tokens typically serve no purpose other than to bring a few chuckles to an internet community keen on sharing the joke.

In the case of the president's token, the meme is a picture of him holding his fist in the air with the words "fight, fight, fight" in the background, a phrase he mouthed after being shot in the ear during a rally in Butler, Pa., last summer. The first lady's meme is an image of her smiling while clasping her

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Price performance of \$TRUMP meme coin



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BUSINESS & FINANCE



CHUCK BURTON/AP

Construction at the V.C. Summer nuclear plant in 2016. The project was halted the next year.

Reboot of Nuclear Plant Eyed

Continued from page B1

Construction of two nuclear reactors at the V.C. Summer plant was halted in 2017 after Santee Cooper and the plant's then-co-owner, South Carolina Electric & Gas—now part of **Dominion Energy**—had al-

ready jointly spent around \$9 billion.

Nuclear-project builder Westinghouse Electric, a contractor at V.C. Summer, filed for bankruptcy that year, dealing a blow to the plans. The two reactors had been among the first American nuclear power projects in years and were supposed to be operational by 2019.

Santee Cooper owns 100% of the assets at the V.C. Summer plant today. The company expects to recover some of the \$9 billion that was previously spent, the people familiar said.

Completion of the reactors would then cost billions of dollars more over several years.

A number of big nuclear reactors had gone dark amid competition from cheaper natural gas and renewable energy. But growing demand for electricity, including that needed to power data centers, has renewed interest in nuclear plants.

Last year, Microsoft and **Constellation Energy** announced a deal to restart Pennsylvania's Three Mile Island. Google parent **Alphabet** also said it would back the

construction of a handful of small nuclear reactors.

Amazon has signed deals to back nuclear-power projects, and **Meta Platforms** in December put out a request for proposals to team up with developers for nuclear energy in the U.S.

Plant Vogtle, operated by **Southern** Co. in Georgia, is the nation's largest nuclear plant. Adding two new reactors at the site cost more than \$30 billion, more than twice the initial estimates. Work on that plant finally wrapped up last year.

Travelers Expects Growth

Continued from page B1

written premiums rose 7% to \$10.74 billion. Net written premiums in its business insurance unit climbed 8% to \$5.4 billion. Personal insurance net written premiums rose 7% to \$4.3 billion, as many customers renewed coverage at higher rates, particularly in homeowners insurance.

At its bond and specialty-insurance unit, net written premiums rose 7% to \$1.1 billion. At the surety unit, net written premiums increased 19%.

Investment income increased 23% to \$955 million. Insurers traditionally invest money gathered through policy sales to maintain reserves, meet payout obligations and generate profits via steady income growth.

Chief Executive Alan Schnitzer said the robust growth in the fourth quarter looks set to continue.

"With this momentum, we are very confident in the outlook for Travelers in 2025 and beyond," Schnitzer said.

Anti-DEI Activists Hit Banks

Continued from page B1

and Exchange Commission over Nasdaq's requirement that companies listing on its exchange meet certain diversity criteria. Its Free Enterprise Project describes itself as an opponent of "the woke takeover of American corporate life."

The Heritage Foundation is one of the most-influential conservative public-policy institutions in the U.S. In recent years, it began buying up shares of companies and has sought to spark changes in their policies, people familiar with their practices said.

DEI backlash

Large banks rolled out or expanded DEI initiatives after the protests tied to George Floyd's murder in 2020. Wall Street, in particular, has viewed itself as vulnerable to

allegations of racism given that there are few minorities in its upper echelons. Goldman and JPMorgan in recent years received investor proposals in favor of minorities, including in pay equity and support for minority communities, which shareholders voted against.

Goldman and JPMorgan received the anti-DEI proposals from NCPPR and NLPC, some of the people familiar with the matter said.

Bank of America and Citigroup received proposals from NLPC and the Heritage Foundation, respectively, asking the banks to audit whether they have surveilled customers on the basis of their political or religious beliefs.

Republicans in Congress criticized banks including Bank of America and Citi for cooperating with the Federal Bureau of Investigation after the Jan. 6, 2021, attacks on the Capitol to identify possible "domestic violent extremists" on the basis of what critics say is protected religious or political expression.

Bank of America has said it followed all applicable laws in

its interactions with the Treasury Department and law enforcement.

NCPPR's proposal calls on Goldman to conduct a racial-discrimination audit of its DEI policies. They include Goldman's requirement that the companies it helps take public in the U.S. and Western Europe have at least two diverse board members.

A commitment by Goldman to invest \$10 billion in businesses and organizations that benefit Black women also has come under scrutiny.

The proposal also targets Goldman's race-based "inclusion networks" and its hiring targets for Black vice presidents in the Americas and the U.K., among other initiatives.

The activists argue that left unchanged, the banks' policies put them at risk of costly litigation.

"Even if only a fraction" of Goldman's and JPMorgan's employees file lawsuits similar to the one in which a former white employee of Starbucks was awarded more than \$25 million in 2023 after

alleging discrimination, they face the possibility of billions of dollars in costs, the NCPPR writes.

NCPPR pushed JPMorgan to consider ending its DEI policies, including employing a global head of DEI and a program that picks suppliers based on their race and sex.

The NLPC's proposals ask the banks' boards to consider removing DEI initiatives as a factor that affects pay for executives such as Goldman CEO David Solomon and JPMorgan CEO Jamie Dimon.

Samsung Puts Google Chatbot on Its Phones

By MILES KRUPPA

Google's Gemini will be the default assistant on **Samsung**'s newest line of smartphones, giving a boost to the search giant's efforts to get the chatbot in the hands of more people.

The companies announced the feature Wednesday as part of Samsung's annual unveiling of its coming line of Galaxy phones. Samsung's Bixby assistant was the default on previous phone generations and will remain available as an alternative to Gemini.

Sundar Pichai, the CEO of Google parent **Alphabet**, has set a goal of reaching 500 million users of Gemini by the end of the year, The Wall Street Journal reported, including by convincing Android device manufacturers to make the chatbot the default assistant on smartphones.

ChatGPT, the current market leader, has about 300 million weekly active users and is featured on iPhones as part of Apple Intelligence.

Listen to a Podcast: Wait... Was That The TikTok Ban?



DAVID SWANSON/REUTERS

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BUSINESS NEWS

Prince Harry Settles U.K. Tabloid Suit

Murdoch's papers apologize for privacy intrusions on Duke and Princess Diana

By GARETH VIPERS

Prince Harry reached a last-minute settlement with Rupert Murdoch's U.K. newspaper group, ending a years-long legal battle over press intrusion, unlawful information gathering and predatory practices by the tabloids.

In a statement read out in court Wednesday, News Group Newspapers apologized to the prince and agreed to pay "substantial damages" for what it described as "the serious intrusion" by two of its flagship titles, the Sun and the News of the World.

A spokesperson for the company said unlawful activities were carried out by private investigators working for the Sun but denied any wrongdoing by its journalists and said phone hacking had not taken place at the title. The company also apologized for phone hacking, surveillance and misuse of private information by journalists at



Prince Harry's lawyer, David Sherborne, called the legal settlement, which included a public apology and substantial damages from News Group Newspapers "a monumental victory."

the News of the World.

"There are strong controls and processes in place at all our titles today to ensure this cannot happen now," the spokesperson said.

Announced the day after a long-awaited trial was due to begin in London's High Court, the settlement spares the company from potentially

damaging testimony detailing its alleged use of illegal methods for more than a decade.

Speaking outside the court Wednesday, the prince's lawyer said the settlement represented vindication for him and hundreds of other victims of press intrusion.

"In a monumental victory today, News UK have admitted

that the Sun, the flagship title for Rupert Murdoch's U.K. media empire, has indeed engaged in illegal practices," David Sherborne said.

News Group Newspapers apologized to the prince, using his alternative title, the Duke of Sussex, for making intrusions into his life and that of his mother, the late Princess Diana, who died when he was 12 years old.

"We acknowledge and apologise for the distress caused to the Duke, and the damage inflicted on relationships, friendships and family, and have agreed to pay him substantial damages," the company said in the apology read out in the court.

News Group Newspapers is owned by **News Corp**, the parent company of The Wall Street Journal.

The News of the World was closed in 2011 after a public backlash around accusations a private investigator hired by the paper had hacked the phone of a missing schoolgirl who was later found murdered.

The resulting police inquiry found phone hacking was a widespread practice at the publication, and resulted in a number of convictions, including the jailing of several News of the World journalists and private investigators.

The prince has written and spoken at length about the effect tabloid journalists, paparazzi and private investigators have had on his life. In his 2023 memoir, "Spare," he explained that he had told his then-girlfriend Chelsy Davy

how to treat press intrusion like "a chronic illness." He wrote that he worried, in the context of that relationship, that the press would "cost me another person I cared about." His mother died in a car crash in 1997 after being chased by paparazzi in Paris.

The prince has pursued legal cases through the British courts against several publishers. In 2023, a British court awarded the prince almost \$180,000 in damages after finding that journalists at titles run by the Mirror Group Newspapers hacked his cellphone to get scoops.

Several other high-profile figures have settled cases against News Group Newspapers in recent years, including actors Hugh Grant and Sienna Miller. The company also issued an apology to U.K. lawmaker Lord Watson Wednesday for intrusions into his private life.

"I am glad they have apologized and acknowledged the direct harm caused by years of unlawful surveillance by their journalists and their army of private investigators, not just to my family but to Prince Harry and his," Watson said outside the court.

J&J Reports Strong Results, Cuts Guidance

Johnson & Johnson reported better-than-expected quarterly revenue and profit on higher sales of cancer drugs and some medical devices, but shares slipped 1.9% Wednesday after J&J lowered its sales guidance for 2025.

The healthcare company faces headwinds this year, including a stronger dollar, which hurts J&J sales overseas, and a change in the Medicare drug benefit.

Quarterly adjusted earnings fell 11% to \$2.04 a share, J&J said on Wednesday. That beat analysts' consensus view of \$1.99 a share. Sales rose 5% to \$22.52 billion, ahead of the Street estimate

of \$22.45 billion.

For full-year 2025, J&J expects adjusted earnings of up to \$10.70 a share, ahead of consensus forecasts.

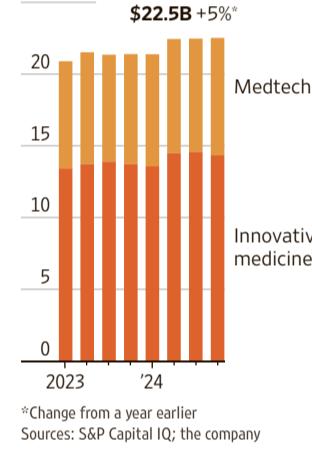
But the company forecasts annual sales of up to \$90 billion, short of the analyst view of \$91.04 billion.

The stronger dollar is weighing on J&J's 2025 revenue outlook, which some analysts hadn't accounted for in their forecasts, Chief Financial Officer Joseph Wolk said.

Other challenges: the loss of patent protection for big-selling drug Stelara, a slowdown in China, and a redesign of the Medicare Part D drug benefit.

—Peter Loftus

Johnson & Johnson's quarterly segment revenue



P&G Executives Unfazed by Possible Tariffs

Procter & Gamble reported solid quarterly results, boosted by volume growth and higher prices in several key categories in North America.

Asked about potential tariffs on U.S. imports—as promised by President Trump—executives said P&G manufactures the vast majority of its products locally.

"Our products don't like to travel," Chief Financial Officer Andre Schulten said, referring to a portfolio that spans products including Pantene shampoos, Tide detergents and Pampers diapers.

Schulten said P&G has invested \$6 billion in U.S. manufacturing over the past six

years, which he said created 6,000 jobs. He said the company hires across the labor force and he didn't anticipate having issues finding talent.

Shares rose nearly 1.9% in Wednesday trading.

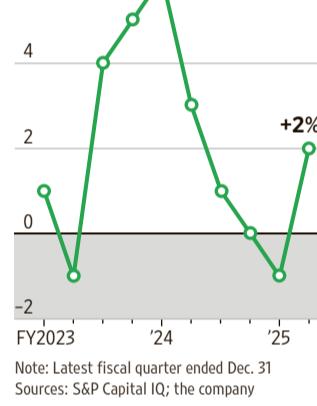
Some key details from P&G's quarterly results:

Net sales increased 2% from a year earlier to \$21.9 billion. Organic sales, which exclude currency swings and acquisitions or divestments, rose 3%.

Halfway through the fiscal year, P&G kept its goals for organic sales growth of 3% to 5%, and for core earnings growth.

—Natasha Khan

Procter & Gamble's quarterly net sales, change from a year earlier



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EV, Heat Pump Sales Growth Continues

Experts eye Trump administration for clues on fate of tax breaks, incentives

By H. CLAIRE BROWN

U.S. sales and leases of electric vehicles rose in the fourth quarter of 2024, driven in part by tax incentives made available through the Inflation Reduction Act. Heat pumps also recorded increased market share last year, though industry executives said they expected any major lift from Biden's signature 2022 climate legislation to take shape in 2025.

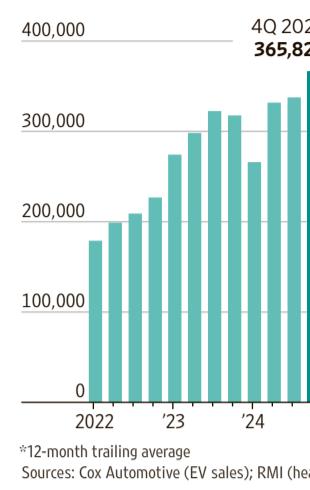
Experts in both industries are watching the Trump administration for clues about the fate of tax breaks and other financial incentives intended to spur U.S. consumers to electrify their homes and vehicles.

President Trump has vowed to kill a tax credit of up to \$7,500 for EV purchases. He also has said he plans to roll back other parts of the law, and energy-efficiency rebates have been the target of some attacks. Homeowners can claim tax credits of up to \$2,000 for electric heat pump installations, and additional state-administered rebates worth thousands more are slowly rolling out into the marketplace.

Stephanie Valdez Streety, director of industry insights at auto-services firm Cox Automotive, said she expects a tax break rollback would slow—but not halt—EV adoption. "We're still on this road to electrification," she said. "So it's basically going to change the timeline."

In 2024, sales of electric vehicles in the U.S. increased by 7.3% year over year, according to Cox Automotive's Kelley Blue Book EV Sales Report. Fourth-quarter sales hit a volume re-

U.S. electric-vehicle sales

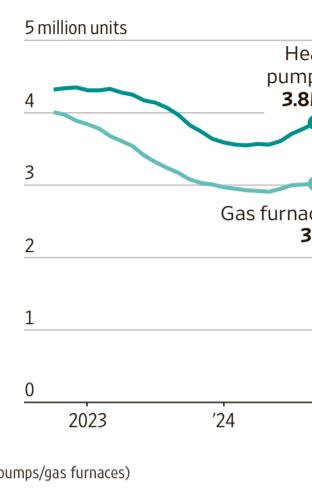


Sources: Cox Automotive (EV sales); RMI (heat pumps/gas furnaces)

cord of 365,824 vehicles. EV leases are booming, in part because of a tax loophole that allows lessors of foreign-made cars to claim the credit and offer low prices.

According to a recent work-

U.S. sales of heat pumps and gas furnaces*



*12-month trailing average

ing paper from the National Bureau of Economic Research, scrapping subsidies for EV purchases would result in an estimated 27% decline in new registrations, and new leases would fall by more than half. In

Germany, electric-car sales fell significantly after subsidies were withdrawn.

Lobbyists for the auto industry have been arguing in favor of continued federal support for electric vehicles. The Trump administration has already initiated a rollback of Biden-era rules regulating vehicle tailpipe emissions, a policy that spurred many automakers to accelerate EV development. The rollback is expected to boost gas-powered vehicles.

Mark Kuntz, chief executive at Mitsubishi Electric Trane HVAC US, said a \$2,000 tax credit for heat-pump installation that has been available since 2022 hasn't driven hordes of households to switch out their furnaces. He is hopeful that rebates administered by individual states of up to \$8,000 for low- and middle-income households will have a more-pronounced effect.

"These funds will help push [heat pumps] into more households and other types of households and we see that momentum building through 2025. We're very excited about it," he said.

New heat-pump shipments edged out gas furnaces in the U.S. for the first time in 2022, according to an analysis from energy think tank RMI, and the trend continued last year.

"Over 2024, there's definitely a substantial increase in the sales of heat pumps relative to furnaces," said Russell Unger, a principal at RMI who works on building decarbonization.

Kuntz is hopeful the heat-pump incentives will remain available in the coming years. He said the rebates total \$4.3 billion, a "drop in the bucket" for government spending.

"We're optimistic that there's going to be support from both sides of the aisle," he said.

Electronic Arts Lowers Its Outlook

Electronic Arts cut its outlook, citing less engagement across its soccer-themed videogame titles.

The Redwood City, Calif., company said Wednesday that its Global Football segment, which includes its EA Sports FC videogame series, experienced a slowdown. Early momentum in the company's fiscal third quarter, which ended Dec. 31, didn't sustain through the end of the frame, it said.

Separately, the company said the latest entry in its "Dragon Age" franchise engaged about 1.5 million players during the quarter, down nearly 50% from expectations.

EA now expects net bookings, which combine total net revenue and the change in deferred net revenue for online-enabled games, to come in at \$2.22 billion for the quarter, down from a prior



projection of between \$2.4 billion to \$2.55 billion.

For the year, EA's net bookings are now expected between \$7 billion and \$7.15 billion, down from between

\$7.5 billion and \$7.8 billion.

For the third quarter, EA guided for earnings of \$1.11 a share, in line with analyst expectations, according to FactSet. It expects revenue of

\$1.88 billion, missing analyst views for \$2.51 billion.

The company is scheduled to release its full fiscal third-quarter results on Feb. 4.

—Connor Hart

Stellantis to Reopen Idled Illinois Factory

By RYAN FELTON

John Elkann, chairman of Jeep maker **Stellantis**, wasted no time reassuring President Trump of the global automaker's commitment to U.S. manufacturing.

The scion of Italy's famous Agnelli family met with Trump last week to emphasize the company's support for American workers.

On Wednesday, following the meeting, Stellantis reaffirmed plans to reopen a now-idled factory in Illinois to make a new midsize truck, according to an internal memo reviewed by The Wall Street Journal. It didn't offer a timeline on when that might happen.

The factory, located in Belvidere, Ill., went dark two years ago, right before the

company was to begin contract talks with the United Auto Workers union. The UAW expects it to resume operations in 2027, employing about 1,500 union workers.

Stellantis is searching for a new chief executive officer after the abrupt resignation late last year of Carlos Tavares. Elkann is running the company through an executive committee in the interim.

The Belvidere plant has been a hot-button issue for the UAW, which had secured the reopening of the factory as part of a new labor deal reached in late 2023.

Stellantis said last fall it had delayed the restart of the factory but remained committed to the project. The UAW had said it was weighing a vote on a national strike in part because of the matter.

Five Things to Know About The Latest Orders on Energy

By BOËT MORENNE AND JENNIFER HILLER

President Trump signed a salvo of executive actions this week aimed at unleashing America's energy resources and fulfilling his campaign promise to make oil and gas a pillar of U.S. prosperity and global dominance.

Trump directed agencies to support the development and transportation of fossil fuels, the build-out of electricity-transmission infrastructure and the advancement of uranium production and geothermal energy.

Here are five things to know about Trump's energy agenda:

◆ Climate change out, national security in

Some of Trump's executive actions reversed previous orders by former President Joe Biden, including measures the Democrat took to address climate change.

Trump declared a national energy emergency that installs national security as the prime concern in energy matters, saying high energy prices are an active threat to the American people and the nation. He paired it with an order that may lay the groundwork for eliminating the Environmental Protection Agency's findings that a concentration of greenhouse gases in the atmosphere threatens public health. Trump also once again withdrew the U.S. from the Paris climate accord.

◆ Expedited permits, less regulation

Trump is moving to rescind regulations that some energy developers have long said are a major stumbling block to getting shovels in the ground. The president signed an order that, among other objectives, seeks to blunt the implementation of the National Environmental Policy Act by federal agencies.

The 1970 law imposes federal reviews of the environmental impact of projects. Green groups have invoked it in a number of challenges to energy projects, saying a careful review



President Trump temporarily halted wind-energy leasing and permits for federal lands and waters.

is in the public interest.

Trump's order could make it easier for companies to obtain permits for everything from pipelines to transmission lines, analysts said, but is no substitute for passing a legislative reform to the process through Congress.

◆ A blow to wind power

Trump temporarily halted wind-energy leasing and permits for federal lands and waters, a move that could have near-term consequences.

Offshore projects already under construction are unlikely to be affected, according to most analysts, though not everyone agrees. The order includes a review of existing leases. Future projects have bigger question marks.

Offshore wind was an expected early target, given Trump's frequent complaints about those projects, but the inclusion of land-based projects surprised the industry.

The impact could be significant. Projects on private land sometimes require federal environmental approvals, too.

◆ Litigation on the horizon

Lawyers said Trump's avalanche of executive actions is all but certain to be litigated by opponents in the court—and that it will take some time

before their true impact is clear. The Natural Resources Defense Council immediately vowed to fight the administration's efforts to roll back environmental protections.

Orders by Trump to open up federal land to oil-and-gas or mineral mining give companies access to Alaska for mineral development or rescind EPA rules on greenhouse gases are all likely to be disputed, said Steve O'Day, a partner at law firm Smith, Gambrell & Russell.

◆ Oil-and-gas companies to stay put—for now

Trump wants oil-and-gas producers to "drill, baby drill," but they have adopted a cautious approach to how they spend their money. Frackers are more focused on returning cash to shareholders via buybacks and dividends rather than reinvesting it in the oil patch.

Shale operators also drill for oil overwhelmingly on private land, and opening more federal land for development is unlikely to unleash a drilling frenzy. Pipeline firms, which have run into strident opposition from environmental groups in recent years, still have to navigate a complex regulatory environment and make sure long-term economics make sense before they greenlight multibillion-dollar projects, energy lawyers said.

If It's Making News in Tech, We've Got It

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THE WALL STREET JOURNAL.

BUSINESS & FINANCE



EasyJet cited investments made on longer-distance flights, and lower ticket prices to fill in increased seating capacity.

Shares of U.K.'s easyJet Slide As Carrier Warns on Quarter

Budget airline flags weakening revenue trends, sending the stock 5.2% lower

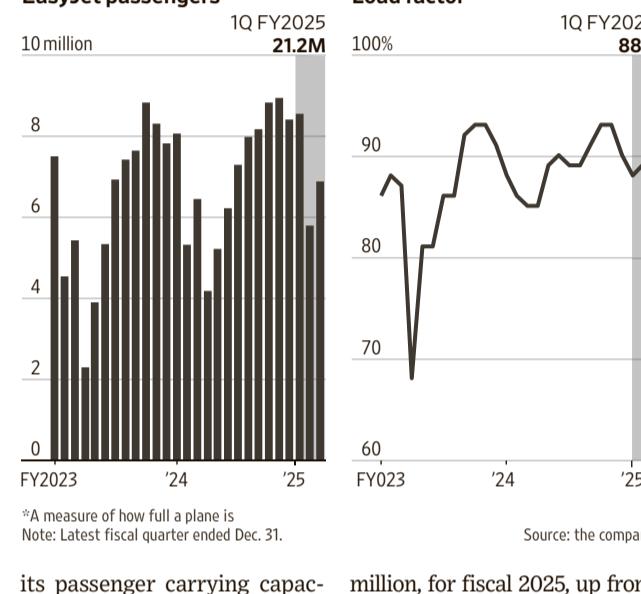
BY PIERRE BERTRAND

EasyJet shares fell after the U.K. budget airline flagged weakening revenue trends in its fiscal second quarter, despite an improved first-quarter performance.

Shares slid 5.2% in Wednesday's trading in London. The stock is down 13% this year.

The London-listed company said Wednesday that second-quarter revenue trends are expected to slip on quarter due to the timing of Easter, which falls in the third quarter this year. Revenue also will reflect investments made on longer-distance flights and lower ticket prices to fill in increased seating capacity, it said.

Revenue per available seat kilometer—a key revenue metric measuring the ratio between an airline's revenue and



*A measure of how full a plane is

Note: Latest fiscal quarter ended Dec. 31.

its passenger carrying capacity—in the second quarter is forecast around 4 percentage points lower than a year ago, it said.

Despite the second-quarter revenue hit, easyJet said it expects to meet a company-complied headline pretax profit consensus of £709 million, or \$876

million, for fiscal 2025, up from £610 million for the year ended Sept. 30, 2024.

The company said 57% of second-quarter bookings have been sold so far, up 2 percentage points year over year. Third- and fourth-quarter bookings, meanwhile, were 2 percentage points and 1 per-

centage point ahead of fiscal 2024 levels, respectively.

"Looking to this summer, we have seen continuing demand for easyJet's flights and holidays where we have one million more customers already booked," Chief Executive Kenon Jarvis said.

EasyJet, the first of Europe's major airlines to report its earnings this season, posted a narrowed £61 million headline pretax loss for its fiscal first quarter. The adjusted metric, which strips out exceptional and other one-off items, compares with a headline pretax loss of £126 million in the prior-year period.

The company flew 21.24 million passengers in the three months to the end of December, with a load factor—a measure of how full a plane is—of 88% compared with 86% for first quarter of fiscal 2024. Passenger numbers rose 7%.

Revenue, meanwhile, grew 13% year over year to £2.04 billion, reflecting passenger and ancillary sales growth of 11% and 10%, respectively.

Deal Firms Are Pressed To Open Up

Continued from page B1
Initiative's steering committee.

Representing the buyout industry on the committee are **Vista Equity Partners**, **Cerberus Capital Management** and **Searchlight Capital Partners**.

Some private-equity firms support the initiative, though its adoption still faces an uphill battle, people familiar with the matter said.

More investors want to get into top private-equity funds than there is room for them, giving private-equity firms greater leverage at the negotiating table.

Private-equity assets managed for all types of investors have about tripled over the past decade, but the fees collected by these firms have risen sixfold, according to Prequin.

"Private-equity firms work every day to ensure investors have the information they need to make the best investment decisions for retirees across America," said Drew Mahoney, chief executive of the American Investment Council, a trade group for private-equity firms.

Fee growth has outstripped the overall market's expansion in part because fund managers employed financial engineering to boost their reported returns, the investors in private-equity funds said. An increasing number of managers borrow cash using subscription lines and net-asset-value loans to lift short-term performance and the fees they charge.

Such stopgaps have grown common because rising interest rates make it harder for funds to make payouts to their investors pay remained unchanged at 2%, according to data from Prequin.

ILPA proposed a standardized fee and performance template in 2016. While some managers have adopted it, about half of the market hasn't.

The lack of information makes it harder to distinguish which managers are the top performers.

Smaller pension funds already are at a disadvantage in that private-equity firms charge them more than their large counterparts.

The average management fee that private-equity funds charge declined sharply last year as large customers negotiated discounts, but the median fee that most small investors pay

\$4T

Assets that are managed by North American private-equity funds.

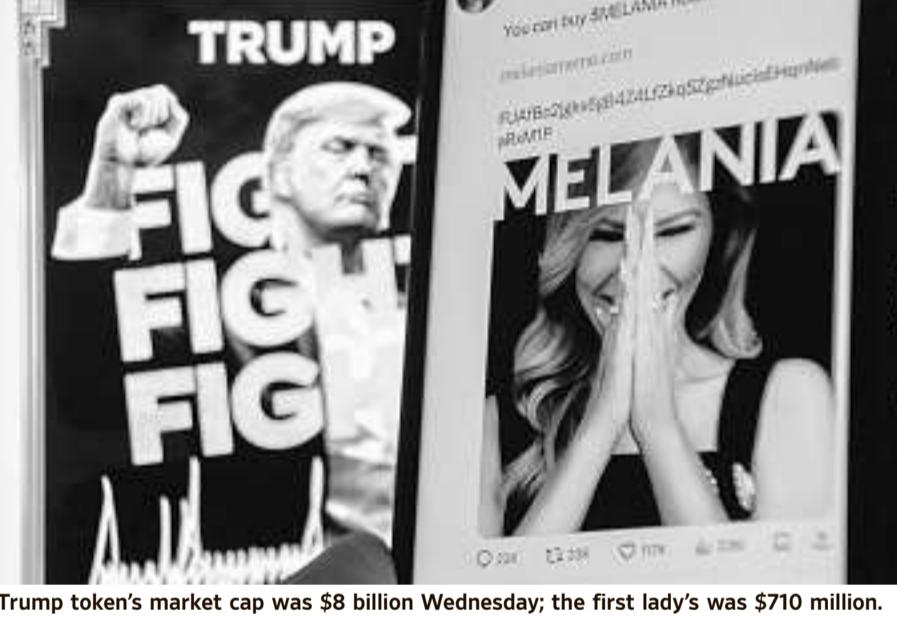
reached unchanged at 2%, according to data from Prequin.

ILPA proposed a standardized fee and performance template in 2016. While some managers have adopted it, about half of the market hasn't.

The Securities and Exchange Commission attempted to force standardized reporting through a new rule, but fund managers fought off the initiative in a court battle last year.

The new proposal is the latest attempt to level the playing field.

"There's no justification for the [private-equity] community to tell someone 'I only give that information to my large investors,'" Parrish said.



The Trump token's market cap was \$8 billion Wednesday; the first lady's was \$710 million.

Meme Coins Stir Wild Market

Continued from page B1

hands in a prayer.

Trump or any other coin issuer benefits twice when meme coins are sold to the public. They get the proceeds of coin sales and have an ownership stake whose value rises when the price of the coin increases. They can then sell more coins to gain further profits.

These days, anyone can create a meme coin within minutes thanks to the proliferation of websites that specialize in one-stop token creation. Users simply need to plug in the desired names, tickers and descriptions of their tokens and pay a fee before launching their very own meme coins.

The cost of creating a meme coin varies depending on the blockchain used. On Solana, the network used by the Trumps, low transaction costs and fast speeds have made it a breeding ground for all kinds of meme coins. Millions of tokens have been created on Solana; most have failed to gain traction.

The mania over meme coins all started with a Shiba Inu Dogecoin is the original meme coin that set the internet ablaze. Its popularity exploded

after Elon Musk, the Tesla chief and Trump ally, obsessively tweeted about it. Today, it trades at 37 cents, putting its market cap at \$55 billion. That is down from a peak of over \$80 billion in May 2021.

Once created, meme coins can trade on various exchanges. People can buy and sell them on centralized exchanges such as Coinbase Global and Binance, once they are approved for listing, or on decentralized exchanges like Uniswap that don't require approval from a centralized entity.

Regardless of where they trade, a key feature of meme coins is their extreme volatility. Their prices swing wildly based on the hype surrounding the underlying memes. Most meme coins can't be used to buy anything in the real world; their value is assigned by fellow internet users.

A prime example: The \$TRUMP coin crashed more than 45% on Sunday afternoon following the launch of the \$MELANIA token, before recovering some ground.

Critics warn the tokens erode any boundaries between the president's political and business interests. Foreign governments or businesses seeking to influence Washington could be inclined to buy the tokens to curry favor with Trump, they caution.

The biggest point of contention: 80% of the \$TRUMP token's supply is owned by Fight Fight Fight and CIC Dig-

ital, an affiliate of the Trump Organization that was recently registered in Delaware. Some 200 million of the 1 billion \$TRUMP tokens have been released, and the rest will be sold over three years, according to the website associated with the token.

Based on the \$TRUMP token's current price of around \$44, Trump's stake in the project is worth about \$35 billion, a staggering sum that could vanish just as quickly as it grew in the wild market for meme coins. The Wall Street Journal recently pegged Trump's net worth at between \$7.5 billion and \$10 billion, including debt.

Trump's meme-coin gains are unrealized profits that exist only on paper. If he were to flood the market with the remaining tokens, it is unlikely he would find enough buyers at the current price. As he unloaded his position, the price would very likely go down, as would the value of his holdings.

One of the primary criticisms of meme coins is their susceptibility to pump-and-dump schemes in which large holders cause sharp price declines by selling more tokens than the market can absorb. The sudden drop in price often leaves investors with worthless tokens, an act that is known in crypto parlance as a rug pull. Those who abscond with investor money can face serious legal consequences and reputational damage.

Who's Who of Distinguished Leaders: 2025 Honoree

Since 1898, Marquis Who's Who has remained the standard for reliable and comprehensive biographical reference material. We are proud to highlight hand-selected listees who have been recognized as *Distinguished Leaders* in their fields of endeavor.

Of 1.6 million listees, only a small percentage is recognized with the *Distinguished Leaders* honor. We laud these individuals for their ambition, professional fortitude, industry contributions, and career accomplishments. It is our great pleasure to present one of them here:

Nicole Lancia.

NICOLE LANCIA
OF COUNSEL
JACKSON LEWIS PC

Nicole Lancia excels as an attorney and has dedicated her career to helping employers and unions understand and comply with their responsibilities under the National Labor Relations Act. After over 13 years as a federal government attorney, Ms. Lancia transitioned to the private sector at Jackson Lewis PC. She has advised clients on the collective bargaining process, written arbitration and NLRB briefs, responded to union grievances, and assessed employers' vulnerability to unionization. Previously, she was a trial attorney with the United States Department of Labor in New York City. Among her achievements in that role, she obtained an injunction against a restaurant/bar for its child labor violations.

One of the most notable aspects of Ms. Lancia's career was her 11-year tenure as an attorney with the National Labor Relations Board. She wrote several appellate briefs seeking enforcement of the board's orders and argued those cases in circuit courts throughout the country. Ms. Lancia also played a crucial role on a small, dedicated team of attorneys in litigation against McDonald's USA, which challenged her to navigate a complex case, including investigating communications from management regarding the "Fight for 15" wage campaign. Re-

flecting on her experience, Ms. Lancia believes the opportunity enriched her understanding of labor relations while contributing to an important legal and socioeconomic issue.

Ms. Lancia attributes her success to the profound influence of her mother, a dedicated secretary for Oded Aboodi since she was 19. Despite financial challenges, her mother insisted that she study abroad in Ecuador through Georgetown University's Nature and Culture program, which included one week at a biodiversity station in Tiputini and another week in the Galapagos. Ms. Lancia earned a Bachelor of Arts in philosophy with minors in Spanish and African American studies from Georgetown University in 2007. Three years later, she graduated with a Juris Doctor from Georgetown University Law Center, which admitted her without the LSAT exam.

In addition to her academic pursuits, Ms. Lancia obtained a monetary award from Georgetown's African Studies program to volunteer with the Ghana Health and Education Initiative, advocating for women's empowerment in Humijibre. She and two fellow volunteers worked to build teenage girls' self-esteem and educate women about safe sex and reproductive health, seeking to lessen the stigmas against young women interested in preventative health measures and encourage those young women to embark on their own journeys. The previous summer, Ms. Lancia volunteered as an ESL instructor in a small village in Culiacán, teaching children and teenagers at the local school. She has also volunteered with Habitat for Humanity International in Nepal and Honduras to build houses for those in need. Since 2020, Ms. Lancia has also served her local community as the diversity and inclusion committee chair for the Phi Beta Kappa New York Chapter.

Over the coming years, Ms. Lancia aims to secure an appointment to the National Labor Relations Board or the Department of Labor. Her time in the private sector has provided crucial insights into labor-management relationships from differing perspectives, and she believes that experience, coupled with her public service career, will enhance her contributions to future government roles.

Ms. Lancia highly values hard work, humanitariansm and perseverance, believing true leadership is rooted in dedication to one's goals, demonstrating resiliency despite obstacles and a sincere desire to understand other people's experiences. As both an attorney and a mother, she hopes to leave a meaningful legacy for American society and her 2-year-old son, Vincent.



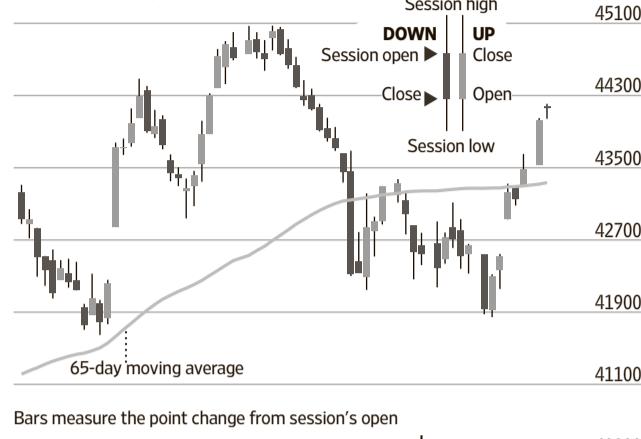
MARQUIS
Who'sWho

MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

44156.73 ▲130.92, or 0.30%
 High, low, open and close for each trading day of the past three months.



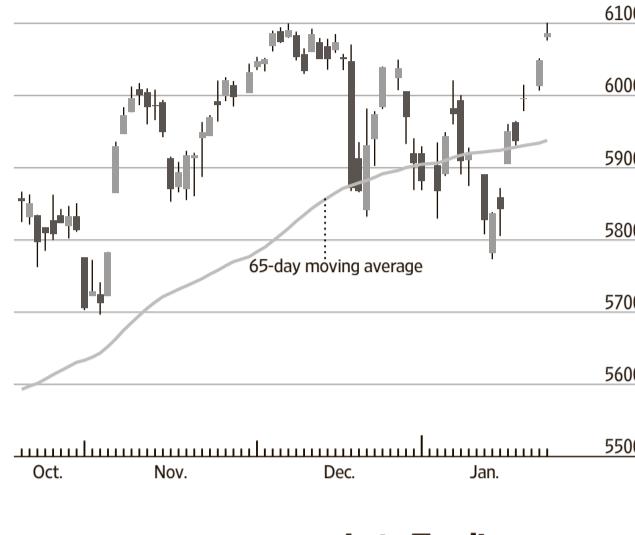
Bars measure the point change from session's open

Oct. Nov. Dec. Jan.

*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; †Based on Nasdaq-100 Index

S&P 500 Index

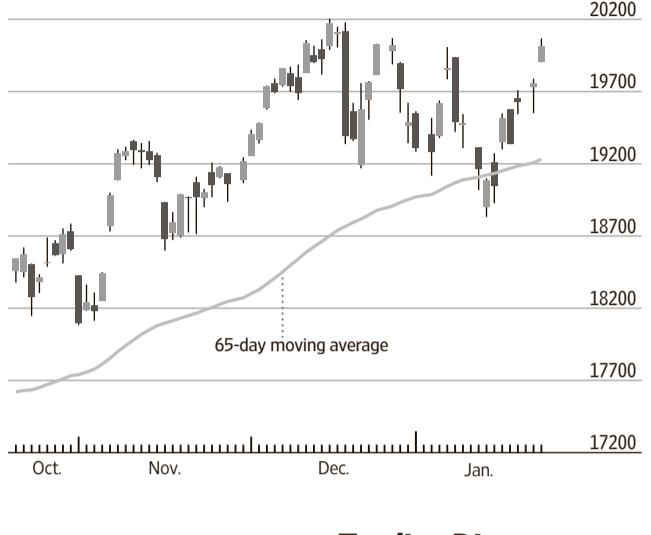
6086.37 ▲37.13, or 0.61%
 High, low, open and close for each trading day of the past three months.



Oct. Nov. Dec. Jan.

Nasdaq Composite Index

20009.34 ▲252.56, or 1.28%
 High, low, open and close for each trading day of the past three months.



Oct. Nov. Dec. Jan.

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	44208.34	44042.11	44156.73	130.92	0.30	45014.04	37735.11	16.8	3.8	8.8
Transportation Avg	16689.77	16545.88	16555.84	-106.62	-0.64	17754.38	14781.56	5.1	4.2	2.8
Utility Average	1033.82	1005.54	1005.86	-24.10	-2.34	1079.88	829.38	20.6	2.4	2.1
Total Stock Market	60723.36	60515.52	60577.76	301.27	0.50	60836.59	48275.32	24.9	3.7	10.8
Baron's 400	1320.14	1314.51	1314.69	-0.02	-0.002	1356.99	1063.30	23.3	5.0	9.7

Nasdaq Stock Market

Nasdaq Composite	20068.52	19903.05	20009.34	252.56	1.28	20173.89	15164.01	29.2	3.6	13.3
Nasdaq-100	21943.04	21756.23	21853.00	286.49	1.33	22096.66	17037.65	24.9	4.0	14.8

S&P

500 Index	6100.81	6076.13	6086.37	37.13	0.61	6090.27	4845.65	25.0	3.5	11.4
MidCap 400	3299.58	3276.76	3278.70	-14.04	-0.43	3390.26	2732.18	19.5	5.1	8.1
SmallCap 600	1463.46	1452.08	1452.88	-12.22	-0.83	1544.66	1241.62	13.6	3.2	4.3

Other Indexes

Russell 2000	2318.63	2301.90	2303.72	-14.25	-0.61	2442.03	1937.24	17.4	3.3	5.0
NYSE Composite	1927.77	19821.97	19827.62	-65.97	-0.33	20272.04	16769.25	18.2	3.8	6.5
Value Line	636.11	632.76	632.79	-3.32	-0.52	656.04	568.94	9.5	3.6	0.6
NYSE Arca Biotech	6199.92	6135.59	6142.86	-28.98	-0.47	6171.84	4861.76	18.7	6.9	7.8
NYSE Arca Pharma	925.34	916.14	921.26	-4.08	-0.44	1140.17	912.71	-2.5	-1.4	5.5
KBW Bank	137.24	135.85	136.31	-1.24	-0.90	138.78	92.30	42.4	6.9	1.0
PHLX® Gold/Silver	151.48	148.70	149.39	-0.77	-0.51	175.74	102.94	32.6	8.9	4.7
PHLX® Oil Service	78.03	76.22	76.23	-2.22	-2.83	95.25	68.88	-7.7	5.0	8.0
PHLX® Semiconductor	5525.15	5433.80	5469.29	90.80	1.69	5904.54	4260.92	22.0	9.8	16.8
Cboe Volatility	15.29	14.59	15.10	0.04	0.27	38.57	11.86	14.9	-13.0	-19.4

\$Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
World	MSCI ACWI	868.51	4.37	0.51	3.2
	MSCI ACWI ex-USA	333.50	1.04	0.31	2.3
	MSCI World	3838.19	20.91	0.55	3.5
	MSCI Emerging Markets	1082.34	1.23	0.11	0.6
Americas	MSCI AC Americas	2292.54	13.38	0.59	3.6
Canada	S&P/TSX Comp	2511.50	29.87	0.12	2.4
Latin Amer.	MSCIEM Latin America	1962.26	25.30	1.31	5.9
Brazil	Bovespa	122971.77	-366.57	-0.30	2.2
Chile	S&P IPSA	3779.45	-6.05	-0.16	4.6
Mexico	S&P/BMV IPC	50944.58	494.32	0.98	2.9
EMEA	STOXX Europe 600	528.04	2.06	0.39	4.0
Eurozone	Euro STOXX	532.12	2.79	0.53	5.3
Belgium	Bel-20	4242.34	-25.76	-0.60	-0.5
Denmark	OMX Copenhagen 20	2013.93	12.83	0.64	-4.2
France	CAC 40	7837.40	66.45	0.86	6.2
Germany	DAX	21254.27	212.27	1.01	6.8
Israel	Tel Aviv	2537.33	-14.57	-0.57	5.9
Italy	FTSE MIB	35854.07	-205.10	-0.57	4.9
Netherlands	AEX	914.45	-0.19	-0.02	4.1
Norway	Oslo Bors All-Share	1709.21	3.72	0.22	3.9
South Africa	FTSE/JSE All-Share	48654.64	-191.20	-0.23	0.7
Spain	IBEX 35	11882.70	-44.70	-0.37	2.5
Sweden	OMX Stockholm	1007.38	3.79	0.38	5.5
Switzerland	Swiss Market	12207.89	96.73	0.80	5.2
Turkey	BIST 100	10105.37	105.82	1.06	2.8
U.K.	FTSE 100	8545.13	-3.16	-0.04	4.6
U.K.	FTSE 250	20580.30	-15.43	-0.07	-0.2
Asia-Pacific	MSCI AC Asia Pacific	181.45	0.15	0.08	-0.1
Australia	S&P/ASX 200	8429.80	27.41	0.33	3.3
China	Shanghai Composite	3213.62	-29.00	-0.89	-4.1
Hong Kong	Hang Seng	19778.77	-327.78	-1.63	-1.4
India	BSE Sensex	76404.99	566.63	0.75	-2.2
Japan	NIKKEI 225	39646.25	618.27	1.58	-0.6
Singapore	Straits Times	3781.21	-14.16	-0.37	-0.2
South Korea	KOSPI	2547.06	29.03	1.15	6.2
Taiwan	TAIEX	23525.41	225.40	0.97	2.1
Thailand	SET	1361.7			

COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures

	Contract		Open		Contract		Open					
	Open	High	Low	Settle	Chg	Interest	Open	High	Low	Settle	Chg	Interest
Copper-High (CME) -25,000 lbs:\$ per lb.	4,270.0	4,270.5	4,258.5	4,2715	-0.0395	902	14.98	14.99	14.80	14.82	-0.17	10,286
March	4,339.5	4,3410	4,2815	4,3010	-0.0400	110,172	558.50	566.75	551.50	554.00	-4.75	235,904
Gold (CMX) -100 troy oz:\$ per troy oz	2754.50	2768.80	2753.50	2767.60	12.60	1,569	570.75	579.00	564.75	567.25	-4.25	101,411
Jan	2758.70	2774.40	2756.20	2770.90	11.70	272,676	584.00	595.75	581.50	585.00	-50	59,238
March	2771.10	2786.30	2770.00	2783.90	11.90	6,597	274.50	275.75	274.50	275.00	2.650	5,090
April	2784.50	2800.30	2782.50	2797.40	11.80	210,271	267.425	273.675	267.400	273.075	5.825	34,467
June	2809.50	2809.40	2808.70	2822.40	12.00	44,946	197.100	200.150	197.05	200.050	3.000	61,848
Aug	2834.00	2848.50	2833.20	2846.00	11.70	17,696	193.200	199.375	197.250	199.775	2.450	159,267
Palladium (NYM) -50 troy oz:\$ per troy oz	893.50	937.50	937.50	998.40	25.90	6	81.00	81.700	81.000	81.475	.275	41,779
March	977.50	1011.00	972.00	1004.80	27.80	18,244	86.650	87.375	86.000	87.275	.575	119,581
Platinum (NYM) -20.00 lbs:\$ per Troy oz	956.00	959.10	956.00	958.20	1.00	26	584.00	585.00	581.50	585.00	-.50	59,238
Jan	969.50	974.30	969.00	971.10	0.30	69,530	274.50	275.75	274.50	275.00	2.650	5,090
Silver (CMX) -5,000 troy oz:\$ per troy oz	30.995	30.995	30.995	31.239	-.072	219	19.40	19.43	18.95	18.97	-.46	4,732
March	31.555	31.710	31.115	31.420	-.076	119,762	11.528	11.777	11.409	11.675	1.16	40,636
Crude Oil, Light Sweet (NYM) -1,000 bbls:\$ per bbl	75.88	76.45	75.28	75.44	-.39	367,417	11.220	11.557	11.091	11.468	2.44	40,202
April	75.12	75.54	74.54	74.69	-.03	168,330	11.220	11.557	11.091	11.468	2.44	40,202
May	74.32	74.66	73.78	73.98	-.08	129,642	11.220	11.557	11.091	11.468	2.44	40,202
June	73.52	73.84	73.04	73.27	-.09	176,408	11.220	11.557	11.091	11.468	2.44	40,202
Sept	71.57	71.82	71.20	71.46	-.07	112,874	11.220	11.557	11.091	11.468	2.44	40,202
Dec	70.03	70.27	69.70	69.98	0.13	171,288	11.220	11.557	11.091	11.468	2.44	40,202
NY Harbor ULSD (NYM) -40,000 gal:\$ per gal	3.786	4.009	3.711	3.960	.204	60,471	11.220	11.557	11.091	11.468	2.44	40,202
Feb	3.5638	3.5833	3.4725	3.4842	-.0739	52,106	11.220	11.557	11.091	11.468	2.44	40,202
March	3.4875	3.5067	3.2417	3.4272	-.0560	99,036	11.220	11.557	11.091	11.468	2.44	40,202
Gasoline-NY RBOB (NYM) -42,000 gal:\$ per gal	2.0852	2.0983	2.0534	2.0578	-.0265	49,109	11.220	11.557	11.091	11.468	2.44	40,202
March	2.1180	2.1303	2.0843	2.0869	-.0286	112,714	11.220	11.557	11.091	11.468	2.44	40,202
Natural Gas (NYM) -10,000 MMbtu:\$ per MMbtu	3.786	4.009	3.711	3.960	.204	60,471	11.220	11.557	11.091	11.468	2.44	40,202
Feb	3.571	3.532	3.321	3.506	.163	321,482	11.220	11.557	11.091	11.468	2.44	40,202
April	3.372	3.526	3.327	3.507	.162	128,947	11.220	11.557	11.091	11.468	2.44	40,202
May	3.453	3.608	3.419	3.592	.157	133,163	11.220	11.557	11.091	11.468	2.44	40,202
Oct	3.880	4.037	3.855	4.024	.154	121,879	11.220	11.557	11.091	11.468	2.44	40,202
Jan'26	4.770	4.912	4.751	4.899	.136	116,710	11.220	11.557	11.091	11.468	2.44	40,202

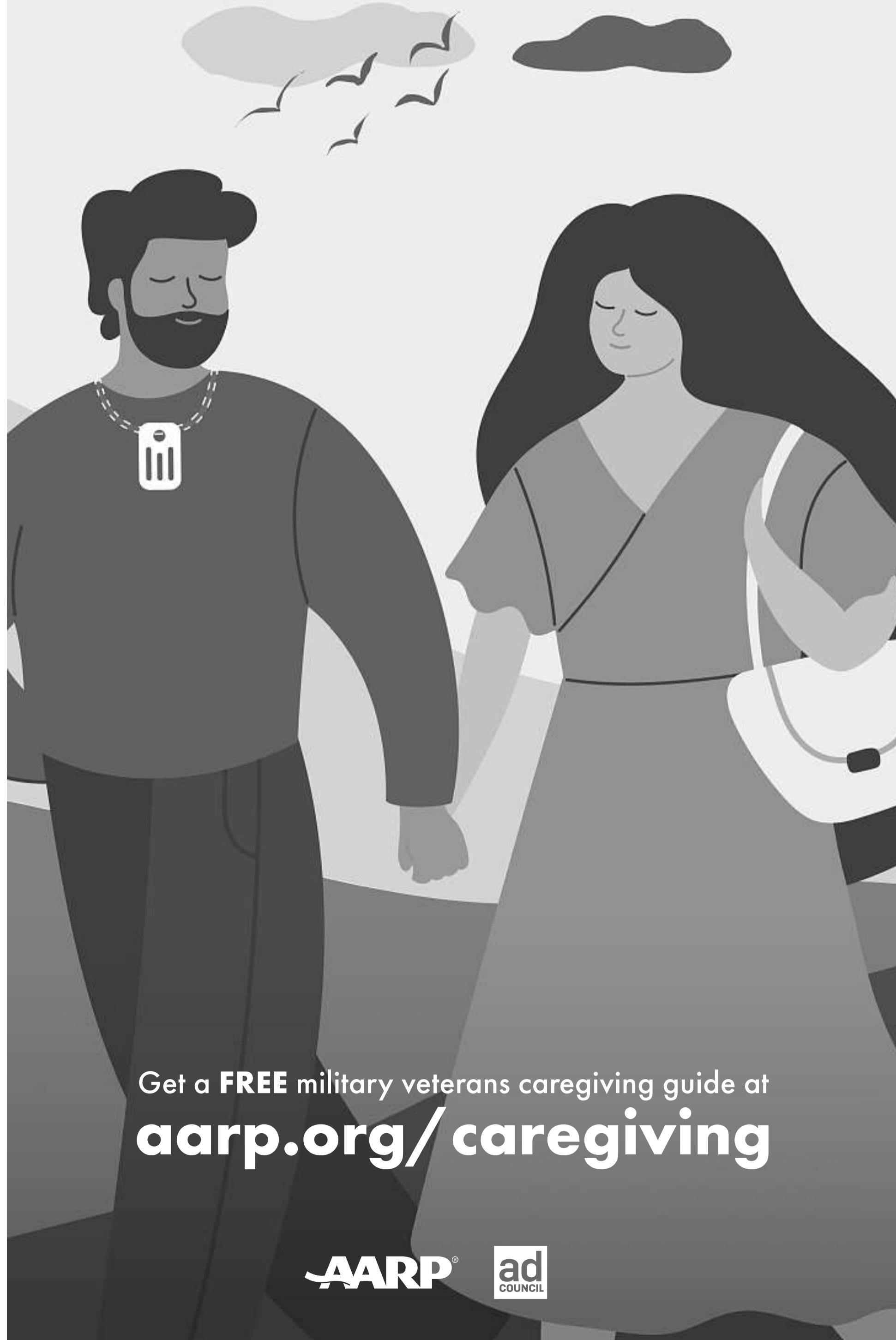
Agriculture Futures

	Contract		Open		Contract		Open					
	Open	High	Low	Settle	Chg	Interest	Open	High	Low	Settle	Chg	Interest
Corn (CBT) -5,000 bu:\$ cents per bu.	489.50	492.25	482.50	484.25	-.57	731,108	118.180	119.040	118.050	119.160	-.70	1,792,589
March	499.00	501.75	492.00	494.00	-.57	441,569	118.220	119.080	118.130	119.090	-.70	703
Oats (CBT) -5,000 bu:\$ cents per bu.	370.00	374.75	364.00	366.50	-.65	3,172	113.160	113.300	113.060	113.140	-.70	1,917,503
March	376.50	377.50	369.25	371.50	-.60	702	113.100	113.220	113.110	113.070	-.70	5,557
Soybeans (CBT) -5,000 bu:\$ cents per bu.	1066.00	1073.50	1051.75	1056.00	-.11	361,410	106.070	106.095	106.017	106.035	-.37	6,158,392
May	1076.50	1084.50	1064.00	1068.25	-.95	204,442	106.070	106.105	106.047	106.074	-.37	11,134
Soybean Meal (CBT) -100 tons:\$ per ton.	311.00	318.50	307.50	315.80	4.80	225,208	102.235	102.466	102.219	102.223	-.84	4,155,099
May	318.00	326.20	315.20	323.40	4.80	127,587	102.285	102.292	102.267	102.272	-.10	337
Soybean Oil (CBT) -60,000 lbs:\$ per lb.	45.84	45.84	44.21	44.42	-.13	217,339	95.6700	95.6725	95.6725	95.6725	.0025	524,860
May	46.17	46.22	44.63	44.81	-.13	139,176	95.6700	95.6750	95.6750	95.6750	-.0025	453,109

Interest Rate Futures

	Contract		Open	
--	----------	--	------	--

For military veteran caregivers,
caregiving often starts earlier in life
and lasts longer. **To better care for
your loved one, you must also
care for yourself.**



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COUNCIL

BUSINESS & FINANCE

Rising Corn Prices Offer Growers Hope

However, Trump's tariffs could quickly halt gains and demand for the grain

By KIRK MALTAIS

Prices for U.S. corn appear to be rebounding ahead of the next planting season for U.S. farmers, this after tumbling last year to their lowest levels since the Covid-19 pandemic.

Across the **COMMODITIES** Corn Belt,

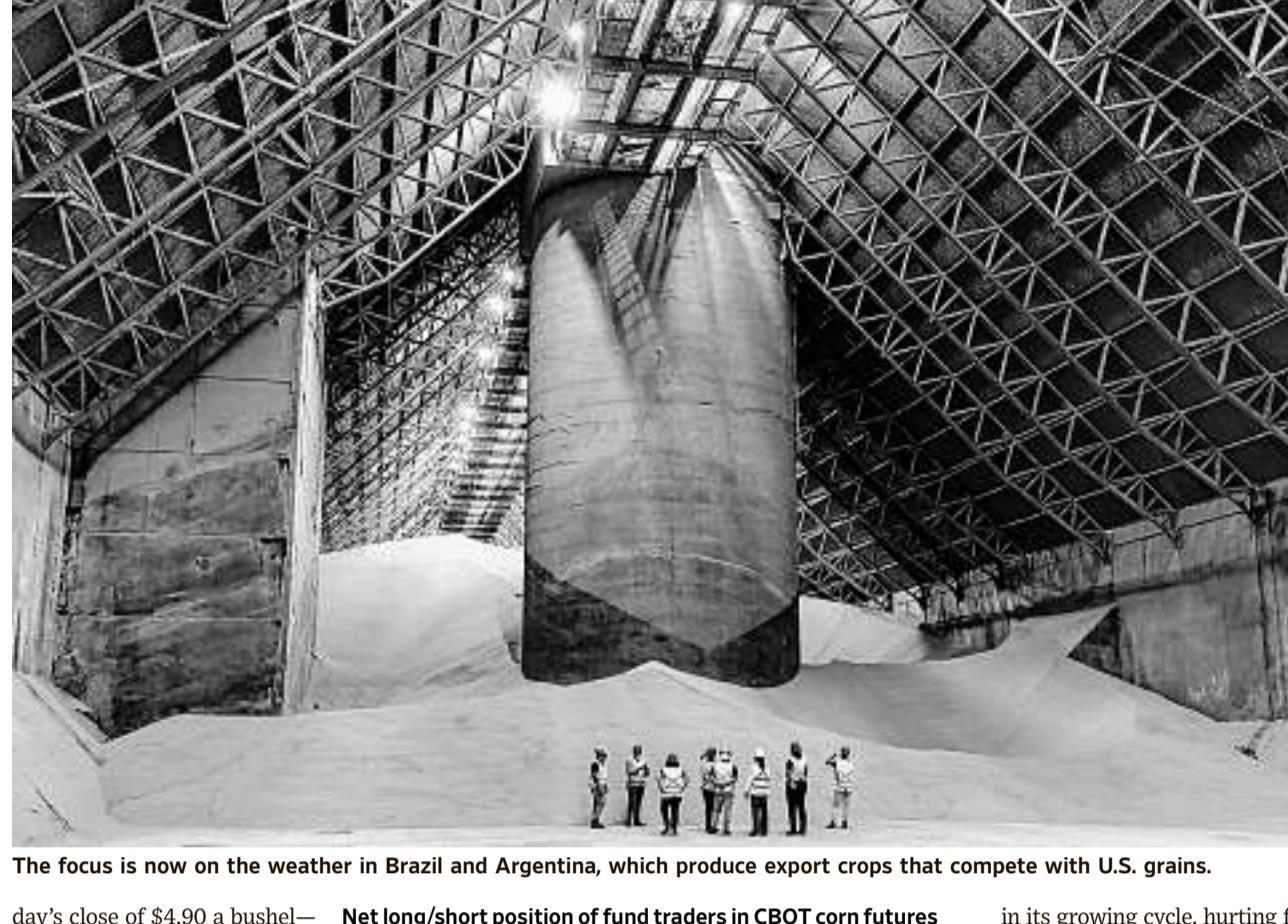
many farmers incurred losses on their planted corn acres in 2024, resulting in a drop in farm incomes. Farmers are expected to again take losses on their corn acres in 2025, according to estimates published by universities and trade groups ahead of the spring season.

One such estimate published this month by Farmdoc, which was written by professors with the agricultural departments of the University of Illinois and Ohio State University, narrows expected losses per acre for Illinois producers but doesn't eliminate them. The same is true for an estimate revised this month by Iowa State covering the state's corn and soybean growers.

But with the upward trend in corn futures, farmers are growing closer to returning to profitability. "There is buoyancy there for corn prices," said Stephen Nicholson, a global grains and oilseed strategist with Rabobank.

Corn futures on the Chicago Board of Trade have gained roughly 30 cents per bushel since the start of the month, or more than 6%, according to FactSet data.

Prices closed Wednesday trading down 1.2% at \$4.84 a bushel, off from the previous



JONNE RORIZ/BLOOMBERG NEWS

The focus is now on the weather in Brazil and Argentina, which produce export crops that compete with U.S. grains.

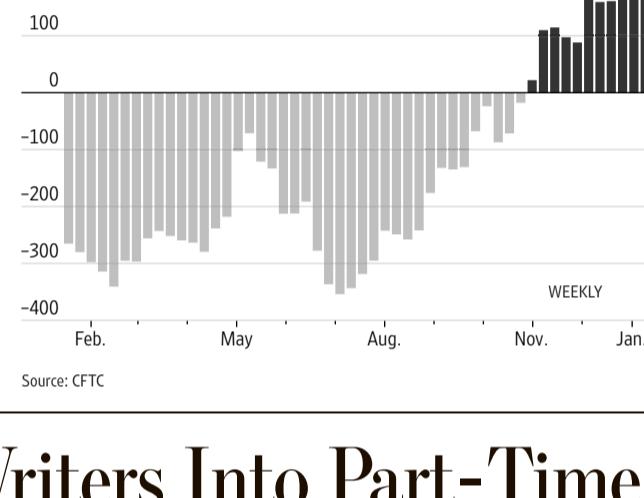
day's close of \$4.90 a bushel—their highest level since December 2023.

But on Tuesday, President Trump said his administration intends to impose a 10% tariff on Chinese imports by Feb. 1, if the nation doesn't help with initiatives such as bringing an end to the Russia-Ukraine war and stemming the flow of fertilizer into the U.S.

Corn prices began the most recent leg of their rebound after the Department of Agriculture lowered its view for how much the grain farmers produced in 2024 in its monthly estimate on Jan. 10.

A round of hot and dry weather hit the Corn Belt late

Net long/short position of fund traders in CBOT corn futures



in its growing cycle, hurting final production figures and knocking what was a record-size crop back a bit.

U.S. farmers are expected to plant a similar amount of corn this spring, with hopes that improved demand for U.S. corn among net importing countries will boost profitability.

Trump also has threatened 25% tariffs on Mexico and Canada beginning Feb. 1. But he stopped short of instituting a new round of tariffs on day one of his presidency, keeping traders and analysts guessing.

Mexico is typically the leading buyer of U.S. corn. Canada also is a leading buyer. China, meanwhile, is a top buyer of

agricultural imports globally.

Market watchers debate if the accelerated pace of corn sales seen in recent weeks is because of higher consumption of corn by these countries, or if the increased purchases were a move to stock up ahead of Trump assuming power this past Monday. If it is the latter, then futures may give back their gains in the coming weeks, some analysts say.

Tariffs could highlight a stark reality that there may not be enough alternative sources of corn available to satisfy global demand. "The world may not like Trump tariffs, but the reality is that they don't have anywhere else to go," Nicholson said.

Fund traders appear to agree. Long positions in corn futures—bets that the price will rise over time—are up to their highest seen since May 2022, according to the Commodity Futures Trading Commission.

The focus is now on the weather in Brazil and Argentina, which produce export crops that compete with U.S. grains on the world export market. In Brazil, farmers are in the process of planting their safrinha corn crop—the larger of two batches of corn planted in the country yearly, done typically between January and February. But both Brazilian and Argentine growing areas have received only a fraction of the rainfall that they typically do over the past month.

The reduced expectations for the 2024 U.S. corn crop makes what happens in South America more important in 2025. "We have very little cushion against potential significant losses due to weather in Argentina, Brazil's winter crop, or the Midwest this summer," said Arlan Suderman of StoneX Group.

Substack Ads Turn Writers Into Part-Time Sales Reps

BY KATIE DEIGHTON

Casey Lewis never thought she would sell advertising space. Now the journalist who puts out a Substack newsletter called After School is finding herself in the world of contract negotiations and rate cards as brands continually offer to sponsor her work.

"I don't like to do too much of it, just because it is pretty time-consuming from an operational standpoint," said Lewis, who sends a free newsletter four days a week and charges \$7 a month for weekly "deep dives." She expects that ads will make up around 20% of her revenue in 2025, up from 10% in 2023, she said.

"I'm such a writer at heart," she said. "All of that stuff— invoicing and all that—is so tedious for me."

Newsletter platforms such as Substack have become a thriving vehicle for writers operating independently of traditional publishing companies, and marketers trying to reach online consumers outside of hard news and social media have taken note. But the landscape looks nothing like the sleek, automated world of media buying to which they are accustomed.

The marketplace is full of one-off deals managed by writers on Google Docs, much like the early days of influencer marketing and podcast ads when advertisers worked

directly with creators.

Marketers are finding that ad prices can vary widely, and creators say they often aren't sure what to charge, tending to negotiate deals rather than setting fixed rates. Many declined to disclose what they have charged in the past, citing the fluctuating and diverse prices different brands are willing to pay. An affiliate link or mention could cost as little as \$100, a few paragraphs can bring in up to \$5,000, while sponsoring a single edition of a newsletter with a subscriber base of more than 75,000 might run \$20,000, authors and media buyers said.

"These rates are much, much higher than your standard newsletter

CPM-led ad deal of yore," Lewis said, referring to the cost per thousand impressions, known to run as low as \$5 in some newsletters. "That has shifted a ton in the last year or two as personal newsletters, Substacks especially, have become more of a thing."

A handful of PR and marketing agencies are seeing an opportunity in brokering sales, while new newsletter platforms offering to semi-automate the ad-buying process are lining up to win writers

over from Substack.

"If you are an independent journalist writing to 40,000 people about sports, those 40,000 people read you because you're really good at writing about sports, not because you have the time to handle all these brand partnerships," said Tyler Denk, the chief executive officer and co-founder of Beehive, a three-year-old newsletter platform that lets writers make money from its nascent ad network.

Brands including Netflix

and Nike have used the ad network of Beehive, Denk said. Creators have the chance to vet advertisers before they appear on their newsletters. The company takes a cut of up to 20%

of writers' ad revenue that's brought in through the network, but doesn't share in subscription revenue or any brand deals forged by creators independently.

Marketers tired of rising costs and competition for attention on Google's and Meta's platforms are seeking out new, quieter corners of the internet, said Danielle McGrory, the founder of communications agency Communauté. The firm represents both marketers looking to work with cre-

ators on sponsored content and writers looking for advertising clients, McGrory said.

Substack since its founding in 2017 has lured writers with grants, lump sums and the promise that they can make a living by self-publishing.

The company, which takes a 10% cut of writers' subscription revenue but doesn't get a piece of their ad sales, has for the most part remained stubborn in its belief that subscriptions are a healthier path to income generation than advertising. It said 50,000 of its publishers make money from four million paid subscriptions on the platform, with the top 10 creators collectively bringing in more than \$40 million a year. Substack, which declined to disclose its revenue, doesn't provide tools that writers can use to sell ad space.

Some writers, especially those who previously worked on the commercial side of publishing, have DIY-ed their own systems and formats to sell advertising on Substack.

Alex Kantrowitz, author of a Substack newsletter called Big Technology, began selling ad space on his newsletter several months after sending out the first issue in 2020. Big Technology publishes some posts for anybody to read, and in 2023 began selling subscriptions for \$8 a month or \$80 a year. Subscriptions currently make up just under 50% of the newsletter's revenue,

with the rest coming from advertising.

"I was an ad buyer early in my career and bought plenty of ads in email newsletters, so I knew newsletter ads were very effective and a good business," Kantrowitz said.

His first advertiser, the advertising-software and services company Mediaocean, bought three months of ad space. Big Technology has since accrued 150,000 subscribers and hosted ads for household names such as LG. It charges brands \$12,000 a month for a newsletter sponsorship, and less for secondary ad units, Kantrowitz said.

Kantrowitz works with a few agencies to sell slots to advertisers, though their process remains scrappy. "All the space is reserved on a shared Google doc and I get the creative into the newsletter pretty quickly," he said.

Delia Cai, a former Vanity Fair journalist who publishes the 25,000-subscriber newsletter Deez Links, uses Google Forms to keep track of her classifieds section. She usually sells an ad slot for \$200, or four for \$650, and transacts using Venmo or Chase bank.

But larger, unsolicited sponsorships are the golden ticket, Cai said.

"It's like the hand of God reaching down and being like, 'I'm about to make this so much easier for you,'" she said.

Puma Will Cut Costs After Profit Declines

BY MICHAEL SUSIN AND MAURO ORRU

Puma said it was embarking on a cost-saving program, after its profit fell last year as the German sporting-goods company grappled with higher expenses and sluggish sales growth.

The group said on Wednesday that the program would seek to optimize direct and indirect costs—including personnel expenses—by better reallocating resources. The company didn't specify whether it was contemplating job cuts.

Puma said net income last year fell to €282 million, equivalent to about \$294.1 million, from €305 million in 2023, citing higher net interest expenses and the effect of higher noncontrolling interests.

Earnings before interest and taxes came in at €622 million in 2024, about flat compared with the prior year, generating a 7.1% Ebit margin. Puma had expected Ebit between €620 million and €670 million, after narrowing its guidance in August because of muted consumer sentiment, particularly in China, as well as higher freight costs.

Mutual Funds

Data provided by LSEG

Top 250 mutual-funds listings for Nasdaq-published share classes by net assets.

e-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-Ex-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 exist at start of period.

Wednesday, January 22, 2025

Fund	NAV	Net YTD Chg % Ret	Fund	NAV	Net YTD Chg % Ret	Fund	NAV	Net YTD Chg % Ret	Fund	NAV	Net YTD Chg % Ret	Fund	NAV	Net YTD Chg % Ret
AB Funds	11.15	+0.02 0.1	WshA	63.81	+0.03 3.6	LgCo	40.37	+0.25 3.5	tTlndxInstPr	13.77	-0.01 2.0	NASDAQ	253.67	+3.20 3.6
MunIncmShare	11.15	+0.02 0.1	Artisan Funds	14.82	-0.04 2.8	US CoreEq1	44.97	+0.15 4.0	USDlndxInstPr	20.10	-0.01 2.0	EqInc	24.98	-0.09 4.3
AB Funds - ADV	11.55	+1.92 5.6	Int'lval Inst	31.81	+0.55 4.6	US CoreEq2	40.14	+0.12 4.0	OTC	22.42	+0.35 4.4	LgPwGwth	83.44	+1.27 4.7
American Century Inv	60.09	+0.83 3.6	AggRdInst	9.67	-0.01 0.2	US Small	50.98	-0.28 4.2	Puritn	25.77	+0.13 3.7	JPMorgan R Class	10.14	-0.01 0.2
Growth	60.21	+1.31 3.1	ShTbdInst	10.02	-0.02 0.1	Total Bd	9.39	-0.01 0.2	CoreBond	10.14	-0.01 0.2	Putnam Funds Class A	10.80	+0.01 0.2
American Funds CI A	70.48	-0.29 2.2	BlackRock Funds Inst	9.50	+0.01 0.6	GroOppl	210.12	+0.36 3.6	SrsPlusBd	7.14	-0.01 0.3	Putnam Funds Class Y	10.85	+0.02 0.2
CapWGrA	66.06	+0.21 3.9	StrathtcOpplns	15.01	+0.01 0.5	MidCpGAdv	20.57	+0.32 4.4	Lord Abbott I	3.86	... 3.0	Putnrm Fund	15.77	+0.02 0.2
EupacA	56.09	+0.18 4.4	HtYldBk Inst	7.15	... 1.1	SALUSMvnlnd	21.93	+0.09 2.2	ShDlndrc p	3.86	... 3.2	Putnrm Fund	174.71	+0.70 5.0
FdnWVA	84.88	+0.35 5.7	Income	12.39	-0.02 0.1	SALUSQyldx	21.84	+0.19 2.6	Schwarbg Cap	35.85	-0.11 4.0	VANGUARD CREF FUNDS	127.19	+2.23 0.7
GwthA	78.41	+0.54 5.3	ItdStk	51.49	+0.04 3.2	SAULSMvnlnd	21.70	+0.32 4.4	RealEstAdm	120.19	-0.23 3.7	ExtdlnsP1	374.96	-0.95 5.5
BalA	35.39	+0.05 3.1	Stock	26.95	-0.52 4.8	SALUSQyldx	21.61	+0.32 4.4	Putnrm Adm	10.80	+0.01 0.2	ExtdlnsP2	121.29	-0.06 2.4
BondsA	11.13	-0.01 0.2	ItdStk	35.62	-0.24 3.6	SAULSLqhdnd	21.51	+0.32 4.6	Putnrm Adm	10.80	+0.01 0.2	ExtdlnsP3	19.41	-0.01 2.4
CapIBA	70.48	-0.29 2.2	BlackRock Fund Inst	9.50										

MARKETS

Nasdaq Finishes 1.3% Higher As AI Boom Powers Stocks

Trump's pledge of \$500 billion to sector investment fuels Nvidia, Arm

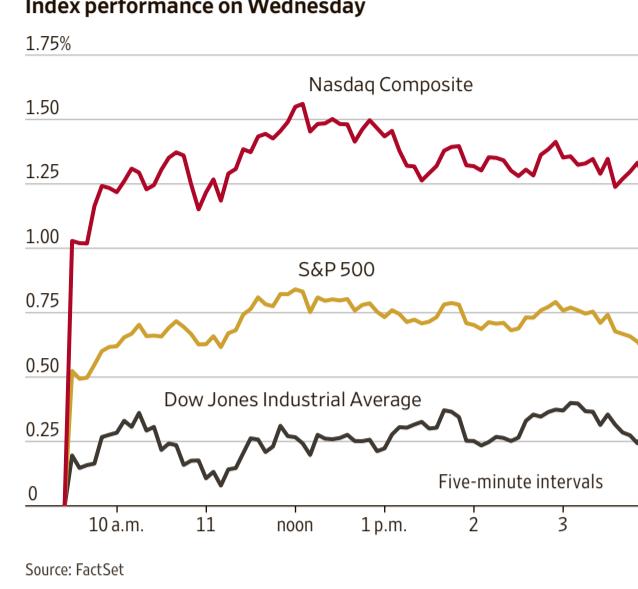
Excitement around artificial intelligence turbocharged the stock rally, sending the tech-heavy Nasdaq Composite up 1.3%.

The S&P 500 and Dow industrials rose 0.6% and 0.3%, respectively.

AI-linked stocks surged after the leaders of **SoftBank**, **Oracle** and **OpenAI**, standing alongside President Trump, pledged \$500 billion in artificial-intelligence investment in the U.S. **Nvidia**, **Microsoft** and **Arm** will be involved in creating infrastructure for the joint venture, which is called StarGate.

Oracle stock jumped 6.8%. Nvidia shares rose 4.4%, while Microsoft and Arm rose 4.1% and 16%, respectively.

Elon Musk, however, poured cold water on the



project.

Investors also parsed a smattering of earnings releases during a season that is shaping up to be particularly volatile. **Netflix** shares jumped 9.7% after it reported blockbuster earnings. Shares of **Procter & Gamble** also rose after the consumer-goods

company's solid results, but **Johnson & Johnson**'s sales outlook disappointed.

Currencies including the Mexican peso swung against the dollar, and Chinese stocks fell after Trump renewed his tariff threats, singling out Mexico, Canada, China and the European Union as targets.

Elsewhere:

- ◆ Benchmark U.S. Treasury yields inched up to 4.600%.
- ◆ Bitcoin traded around \$104,000. On Monday, the cryptocurrency hit an intraday record above \$109,000, before pulling back.

—Angus Berwick and Gunjan Banerji

AUCTION RESULTS

Here are the results of Wednesday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

17-WEEK BILLS

Applications	\$210,422,221,700
Accepted bids	\$64,185,973,700
* noncompetitively	\$581,703,100
* foreign noncompetitively	\$0
Auction price (rate)	98.610014 (4.205%)
Coupon equivalent	4.323%
Bids at clearing yield accepted	78.60%
Cusip number	912797PK7

The bills, dated Jan. 28, 2025, mature on May 27, 2025.

19-YEAR, 10-MONTH BONDS

Applications	\$36,487,277,600
Accepted bids	\$13,721,915,600
* noncompetitively	\$105,526,500
* foreign noncompetitively	\$0
Auction price (rate)	96.527371 (4.900%)
Interest rate	4.625%
Bids at clearing yield accepted	98.74%
Cusip number	912810UF3

The bonds, dated Jan. 31, 2025, mature on Nov. 15, 2044.

STOCK SPOTLIGHT

Netflix
The streaming service posted blockbuster earnings, fueling a nearly 10% surge in its stock.

SoftBank
The Japanese conglomerate will co-lead the Stargate joint venture in which tech companies will invest up to \$500 billion in U.S. artificial-intelligence infrastructure. SoftBank shares rose over 10% in Tokyo.

Procter & Gamble
The consumer-goods company posted robust quarterly sales and adjusted earnings. Shares climbed 1.9%.

Johnson & Johnson
The healthcare company reported better-than-expected quarterly revenue and profit, but its forecast for annual sales disappointed investors. Shares fell 1.9%.

Ally Financial
The holding company for Ally Bank posted quarterly results that trumped forecasts, and said it had agreed to sell its credit-card business. Ally shares rose nearly 4%.

United Airlines
The carrier projected stronger

profit this year due to robust demand for premium and international travel. Shares finished 2.3% lower.

Trump Media & Technology Group
Shares of the Truth Social parent have struggled since President Trump's inauguration on Monday, dropping about 11% Tuesday, and falling another 5.6% Wednesday.

Travelers
The insurance company recorded its best-ever annual profit, fueling a 3.2% rally in its stock.

THURSDAY'S EVENTS:
Davos: At 2:15 a.m. ET, the WSJ's Emma Tucker will sit down with U.K. Treasury chief Rachel Reeves. Then, President Trump is expected to address the conference via zoom at 11 a.m.

EXPECTED EARNINGS:
CSX
Elevance Health
GE Aerospace
Intuitive Surgical
Texas Instruments
Union Pacific

HEARD ON THE STREET

Why GE's Power Spinoff Is Revved Up

GE's power spinoff started off lukewarm, but is now red hot thanks to tech companies' AI-driven interest in nuclear and natural-gas-fueled power.

Just how hot? **GE Vernova**'s shares have tripled since their debut about nine months ago, and are up nearly 30% in January.

GE Vernova makes equipment and provides services for the power industry, including turbines for gas and wind power, as well as equipment supporting the grid.

Though AI hype was in the air

when GE Vernova spun off, its shares languished—partly because the power business had a history of pursuing growth at the expense of profitability. But investors seem to have warmed to its new leadership, which has so far delivered on cost and operational discipline.

The company reported full-year results Wednesday right in line with guidance: a 5% increase in its top line for 2024, free cash flow of \$1.7 billion and 5.8% in margins based on adjusted earnings before interest, taxes, depreciation and

amortization. Its shares finished Wednesday nearly 3% higher.

Investors likely have their eyes on GE Vernova's order book beyond 2025—particularly in the gas-power and electrification business. GE Vernova's gas-turbine orders roughly doubled last year to about 20 gigawatts. And last month, GE Vernova said it has about 9 gigawatts of slot reservation agreements for gas equipment, due for delivery in 2027 and 2028. These commanded higher prices than existing orders.

Grid upgrades should drive some

high-margin services business: GE Vernova does about \$2 billion of upgrades in the gas-power business annually, but expects that to grow by 50% by the end of this decade. Also worth watching is the electrification segment, for which revenue rose 18% last year.

GE Vernova isn't expecting much growth in wind, its second-largest revenue segment. But that was largely expected by investors, and it has been more focused on making this business more profitable.

Further-out areas of growth in-

clude small modular nuclear reactors: GE Vernova's design was chosen recently by a couple of utilities—including Duke Energy and American Electric Power—for future projects.

After their run-up, GE Vernova shares now trade at about 60 times forward earnings. That makes them roughly 70% more expensive than **Constellation Energy**, the most richly valued power producer. There is a lot to like at GE Vernova, but at today's prices, the stock seems fully charged. —Jinjoo Lee



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THE WALL STREET JOURNAL.

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FINANCIAL ANALYSIS & COMMENTARY

Netflix Explodes Into a New Era

Streamer unveils blowout subscriber numbers and price increase, but record value sets a high bar

One thing Netflix definitely has learned over its many years in show business is how to go out on a high note.

The streaming giant added a record 18.9 million new subscribers during the fourth quarter. That was nearly double the number Wall Street expected and even well above the 15.8 million added to the company's rolls in early 2020, when the onset of Covid locked the masses at home in front of their TV screens. It is also the last time Netflix says it will disclose its subscriber numbers—at least as part of its regular quarterly reports.

Such a jump—coming during a period that included a second season of Netflix's most popular TV series ever, two live NFL games aired on Christmas Day and a live boxing match featuring a 58-year-old Mike Tyson—naturally raises questions about sustainability. But Netflix co-Chief Executive Greg Peters said during the company's earnings call on Tuesday that the three aforementioned titles were responsible for a "small minority" of total subscriber additions in the quarter.

And Netflix is feeling good enough to raise its prices yet again. Rates on its three U.S. plans will be going up by an average of 13%, including the first-ever hike for the ad-supported plan, which is going up \$1 from its \$6.99 a month launch price in late 2022.

The double feature of blowout subscriber growth and price increases sent Netflix shares up more than 14% after hours Tuesday. They rose 9.7% on Wednesday. That follows a strong run that boosted the stock by nearly 80% over the past 12 months. Netflix's market capitalization now exceeds the combined value of streaming rivals Disney, Comcast, Warner Bros. Discovery and Paramount.

Is this as good as it gets for the streaming titan? Netflix has been telegraphing its plan to phase out

the reporting of subscriber numbers for a while now. The company says it now measures its performance on revenue and earnings growth as its business has grown more complex with the addition of advertising and account-sharing options. That could smooth out some post-earnings volatility; Netflix shares have made double-digit swings following eight of its last 16 quarterly reports, according to FactSet data.

But companies also typically stop reporting discretionary metrics when those metrics are no longer helpful to their growth stories. Apple conveniently stopped disclosing device unit sales in 2018 when the iPhone business matured. And with its global subscriber base now topping 300 million and well ahead of any streaming rival, delivering such massive growth numbers in any given quarter will keep getting harder for Netflix.

Ahead of Tuesday's report, analysts were expecting Netflix to average about 18.6 million new subscribers annually for the next three years, according to estimates from Visible Alpha. The company has averaged about 27 million new subscribers annually over the past five years.

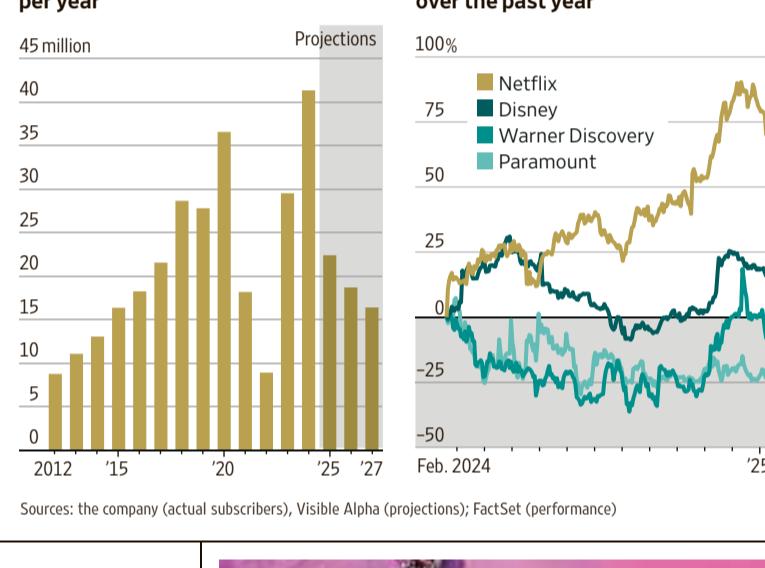
The new Netflix, which will be one of only 20 companies on the S&P 500 to carry a market value in excess of \$400 billion, will thus have an even greater impetus to continue delivering steady gains on both the top and bottom lines. In a step that bodes well, Netflix edged up its 2025 revenue forecast on Tuesday despite the stronger U.S. dollar. It also projected record operating margins of 29%—up more than 10 percentage points from five years ago.

In a year likely to feature even more volatility in the troubled media market, a bit less drama from the market's leader will be welcome.

—Dan Gallagher



A boxing match with Mike Tyson was one of Netflix's most popular offerings.



Sources: the company (actual subscribers), Visible Alpha (projections); FactSet (performance)

Oracle's Valuation Lifts Off On Stargate

Project Stargate is good news for several major tech companies. The timing is particularly good for Oracle.

The ambitious AI infrastructure venture unveiled at the White House named Oracle, with OpenAI and SoftBank, as a key partner and equity investor. Oracle's share price jumped nearly 7% Wednesday, following a 7% gain Tuesday as reports of the project emerged.

The news also sparked strong gains for chip makers Nvidia and Arm, along with Microsoft. All three were named "initial technology partners" for the project, along with Oracle. But Oracle's stock has been in a bit of a lurch since last month's earnings featured a disappointing revenue forecast and a huge jump in projected capital spending. The shares had sunk 15% subsequently.

The latest gains put Oracle's share price back near records. The stock's valuation is above 28 times projected earnings, which is the highest multiple Oracle has fetched in more than two decades, according to FactSet data.

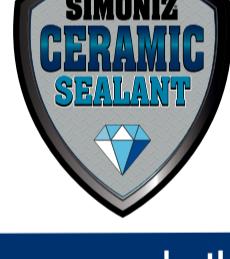
Investors don't seem worried. Several analysts said Wednesday the Stargate project solidifies Oracle's position in the AI race.

"With AI capacity only really just starting to hit in FY25, there is a long runway to convert AI bookings into accelerating [Oracle cloud] growth," said Brad Zelnick of Deutsche Bank.

Karl Keirstead of UBS said, "The scale of this data center build-out is likely even larger than most Oracle analysts contemplated." Oracle's high-price AI dreams aren't yet giving Wall Street nightmares.

—Dan Gallagher

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