

# THE WALL STREET JOURNAL.

DOW JONES | News Corp

\*\*\*\*\*

MONDAY, NOVEMBER 4, 2024 ~ VOL. CCLXXXIV NO. 107

WSJ.com

★★★★ \$5.00

Last week: DJIA 42052.19 ▼ 62.21 0.15% NASDAQ 18239.92 ▼ 1.5% STOXX 600 510.90 ▼ 1.5%

10-YR. TREASURY ▼ 1, yield 4.361%

OIL \$69.49 ▼ \$2.29

EURO \$1.0835 YEN 152.99

## What's News

### Business & Finance

◆ **The New York Times'** long-running labor dispute with its technology staffers reached a standoff, with a potential Election Day strike threatening to interfere with the newsroom's ability to cover the presidential race. **B1**

◆ **Fed officials** were expected to cut interest rates by a quarter percentage point at their meeting Thursday as inflation continues to slow. **A2**

◆ **The company that owns** The Vitamin Shoppe and Pet Supplies Plus filed for bankruptcy amid a probe by authorities examining its founder's dealings with a major shareholder. **B9**

◆ **Restaurant chain** TGI Fridays filed for bankruptcy protection, citing a problematic capital structure and lingering fallout from the Covid-19 pandemic. **B2**

◆ **Warren Buffett's** Berkshire Hathaway sold more Apple stock in the third quarter, but the iPhone maker remained its largest shareholding. **B3**

◆ **Sen. Elizabeth Warren** rebuked the Justice Department over its money-laundering settlement with TD Bank, saying executives should have been prosecuted. **B3**

◆ **Hong Kong-based** apparel maker Esquel Group will be banned from importing into the U.S. over alleged ties to China-based forced labor, American officials said. **B3**

◆ **The Consumer Financial Protection Bureau** is considering taking action against Facebook parent Meta Platforms over its use of financial data from third parties. **B3**

### World-Wide

◆ **Trump is pinning** his political future on winning the votes of young men, while Harris is doing the same with women voters, particularly moderates and independents. **A1**

◆ **The Iowa Poll showed** Harris ahead of Trump by 3 percentage points in the state, a result Republicans rejected as an outlier. **A6**

◆ **Members of the Proud Boys**, key instigators in the Jan. 6 riot, are mobilizing in support of Trump and in some cases, making threats about the presidential election. **A5**

◆ **Abortion-rights groups** are on track to secure constitutional protections for the procedure in as many as 10 states on Tuesday. **A3**

◆ **Amid U.S. warnings** against a counterattack on Israel, Iran plans a complex response involving more powerful warheads and other weapons, Iranian and Arab officials briefed on the plans said. **A8**

◆ **U.S. officials said** they were investigating reports that an American citizen had been detained in Iran but declined to identify the individual, citing privacy concerns. **A8**

◆ **The Israeli military** said its commandos slipped into Lebanese territory in a nighttime amphibious raid and captured a senior Hezbollah operative whom they took to Israel. **A8**

◆ **The U.K.'s opposition** Conservative Party chose Kemi Badenoch, 44 years old, as its new leader, making her the first Black woman to lead a major political party in Britain. **A18**

### JOURNAL REPORT

Investing Monthly:  
How to invest in  
commodities. **R1-6**

**CONTENTS** Market Data B8  
Arts in Review... A13 Opinion A15-17  
Business News... B3 Persl. Journal. A11-12  
Crossword A14 Sports A14  
Finance B9 Technology B4  
Head on Street... B10 U.S. News A2-6  
Market Digest B6 World News. A8-9, 18

45137>  
0 178908 63141 1

© 2024 Dow Jones & Company, Inc.  
All Rights Reserved

MONDAY, NOVEMBER 4, 2024 ~ VOL. CCLXXXIV NO. 107

WSJ.com

★★★★ \$5.00

## Marathoners Take Strides Through New York



CROSSING THAT BRIDGE: Runners on the Verrazzano-Narrows Bridge during the New York City Marathon on Sunday. For the men, the winner of the 26.2-mile race was Abdi Nageeye of the Netherlands; Sheila Chepkirui of Kenya won the women's.

## Dark Pitch Gets Third Airing

Democrats bet that voters are tiring of Trump's message about 'sinister' forces

By MOLLY BALL

WARREN, Mich.—Donald Trump had been speaking for more than an hour and a half when he got to the point.

"For the past nine years, we have been fighting against the most sinister and corrupt forces on earth," the former

president said, as the crowd seated on folding chairs in the cavernous community-college arena murmured its assent. "With your vote in this election, you can show them once and for all that this nation does not belong to them—this nation belongs to you."

As the GOP presidential nominee and his Democratic opponent, Vice President Kamala Harris, make their final pitches to a divided nation, Trump's essential argument has changed remarkably little over the course of three presi-

dential campaigns: that the system is rigged and foreign invaders threaten the nation. What has changed is the context, as Trump's decadelong dominance of U.S. politics has rearranged the electorate. Now, an election that stands on a knife's edge is poised to settle the central question—whether a discontented country will endorse or reject another installment of his destabilizing vision.

Trump's third and seemingly final campaign is a bet that more voters have warmed

to this central argument in this age of distrust and dissatisfaction. The thousands who had come to see him on Friday in this blue-collar Detroit exurb cheered as he railed against elites and foreigners. "We will not be invaded, we will not be occupied, we will not be overrun, we will not be conquered," he said. "We will be a free, proud nation once again!"

There are signs his argument is resonating. High inflation and chaos at the southern border—both of which the current

Please turn to page A4

## Younger Doctors Balk at Medicine's Workaholic Culture

By TE-PING CHEN

There is a question dividing the medical practice right now: Is being a doctor a job, or a calling?

For decades, the answer was clear. Doctors accepted long hours and punishing schedules, believing it was their duty to sacrifice in the name of patient care. They did it knowing their colleagues prided themselves on doing the same. A newer generation of physicians is questioning that culture, at times to the chagrin of their older peers.

Dr. Jefferson Vaughan, 63 years old, has worked as a surgeon at Jupiter Medical Center in Jupiter, Fla., for 30 years, and is on call for the

emergency room five to seven nights a month. He said he shares the duty with a handful of surgeons around his age, while younger colleagues who practice more specialized surgery are excused.

"All us old guys are taking ER call, and you got guys in their 30s at home every night," he said. "It's just a sore spot."

Nearly half of doctors report feeling some burnout, according to the American Medical Association. Work-life balance and predictable hours shouldn't be at odds with being an M.D., said doctors who are pushing against what they view as outdated expectations of overwork.

Dr. Kara-Grace Leventhal, 40, is a hospitalist, a job that

Please turn to page A2

## INSIDE



### INVESTING

Jonathan Clements, a former WSJ columnist who has cancer, offers final financial advice. **R1**



### BUSINESS NEWS

Harley-Davidson under fire from motorcycle dealers over low profits and sales. **B1**

## Middlemen Inflate Grocery Bills

Food makers complain of flood of obscure charges from distributors

By JESSE NEWMAN

The price of a bag of coconut-cashew granola at Whole Foods jumped last year from \$5.99 to \$6.69. Why that happened defies simple explanation.

The granola maker, Wildway Foods, said the cost of making the cereal hasn't gone up that much, and that it isn't pocketing more profit. It jacked up the price, it said, in large part to offset fees that piled up from a little-known link in the supply chain: grocery distributors.

There were charges for processing grocery promotions, others for potential spoilage and still

more related to alleged shipping glitches.

Rising prices, especially in the supermarket, have vexed consumers, drawn scrutiny from regulators and emerged as a central issue in the presidential race. Donald Trump has blamed Kamala Harris and the Biden administration, and Harris has pointed a finger at grocery chains and food companies.

George Milton, who runs a hot sauce business in Austin, Texas, said consumers are frustrated because it isn't clear to them why many food prices are so high. "Is that price gouging or costs going

Please turn to page A10

## Want to Buy Millions Of Butterflies?

Race against time to sell sprawling winged collection

By MICHAEL M. PHILLIPS

NAIROBI—Looking for a good home: 4.2 million butterflies.

Steve Collins started collecting butterflies at age 5 on his family's coffee farm on the flanks of Mount Elgon. He's 74 now, and racing against mortality to find someone worthy of owning what is likely the world's largest collection of African butterflies and moths.

He has spent almost a decade trying to sell his butterflies—which he calculates would require two Boeing 747 cargo planes to transport—only to see possible buyers flit away

Please turn to page A10

## She Spent Years Wooing Costco to Sell Her Snacks

By RUTH SIMON

Florence Dennis courted Costco for more than three years before it agreed to sell her African-inspired snacks. Then came the hard part.

Less than two weeks before the agreed-upon delivery date, Dennis still hadn't secured financing to begin production of her peanut-and-corn mix.

"The good news is that both the boxes and bags arrived this week," Dennis wrote her Costco buyer, before mentioning that funding challenges had delayed the purchase of ingredients. She hit send and anxiously waited for a reply.

An order from a big retailer is a badge of honor for small businesses like Flows Tasty Treats. But tiny startups must often quickly scale production and secure financing. The hurdles can be particularly high for entrepreneurs of color like Dennis, who runs her business

at night and on weekends and has one employee. And even getting on the shelves doesn't guarantee success.

When a big order arrives,

joy is often mixed with distress, said Lakeysha Hallmon, who runs an incubator for Black businesses and a retail store in Atlanta. "It's hard to produce the level of volume to be in a big retailer," she said.

Dennis's mix was inspired

by "zorklaki," also known as

"the poor man's treat"

in Ghana. As a schoolgirl, Dennis

would buy the snack, wrapped in newspaper, for pennies.

The 41-year-old was born

in Liberia, but lived in a refu-

gee camp in Ghana after her

parents fled Liberia's civil

war. She came to the U.S. at

19 and now works full time for

the New York City Depart-

ment of Education.

Dennis registered her busi-

ness in 2012, but didn't sell

Please turn to page A9

## U.S. NEWS

## Fed on Track for Quarter-Point Rate Cut

**Strong consumer spending in slowing job market poses riddle for officials**

BY NICK TIMIRAO

Federal Reserve officials are expected to cut interest rates by a quarter percentage point at their meeting Thursday because inflation has continued to make progress toward their 2% goal.

Officials began lowering rates at their previous meeting in September by making a larger half-point cut. They are trying to figure out where, exactly, rates should settle after high inflation over the past three years led to a dramatic series of rate increases.

"We're entering this new phase: Policy is going to become less restrictive over time, and that's because the Fed is more confident on where inflation is going—that it's going back down to 2%," said Loretta Mester, who retired as Cleveland Fed president in June after 10 years in the job.

This week's meeting should lack the suspense of the prior one, in which markets were left guessing over the size of the first rate cut in four years. Officials would like to avoid

the spotlight because their meeting concludes two days after the presidential election, and the Fed strives to maintain an apolitical DNA.

Tuesday's election also prompted the Fed to push back its meeting by a day. The central bank, which typically concludes its two-day meetings on Wednesdays, will do so this time on Thursday.

### Lingering questions

While this week's meeting may lack drama, officials face potentially thorny debates in the months to come. First is the decision on where rates should settle. Second, while the election result won't influence this week's decision, any policy changes by the next president and Congress that reshape the economic outlook could also alter the Fed's interest-rate path.

Policymakers face a stubborn economic puzzle that could influence whether they will feel pressure to slow down or speed up rate cuts in the months ahead. The issue: The labor market continues to show signs of cooling, but consumer spending has been solid.

Economic data released last week put an exclamation point on this riddle. The economy grew at a solid 2.8% annualized rate in the July-to-September

### Personal-consumption expenditures price index

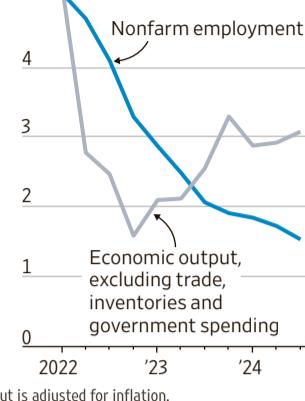


\*Figures are seasonally adjusted; economic output is adjusted for inflation.  
Sources: Commerce Department (price index), Economic output, Labor Department (employment)

quarter, buoyed by consumer spending that has defied expectations of a slowdown for the past year. Some economists have pointed to such resilience as a sign that the Fed's rate stance isn't as tight as some officials think it is.

At the same time, demand for labor has steadily cooled. The private sector added just 67,000 jobs a month, on average, for the three months through October, the lowest since the pandemic hit in 2020. While the unemployment rate held steady at 4.1% last month, the share of workers who were permanently laid off ticked up to its highest level of the year, one of sev-

### Output vs. hiring, change from year earlier\*



\*Figures are seasonally adjusted; economic output is adjusted for inflation.  
Sources: Commerce Department (price index), Economic output, Labor Department (employment)

eral signs pointing to less demand for workers.

It isn't clear how long these trends—steady consumption with a slowing labor market—can last.

In one scenario, stronger consumer spending will continue to help stabilize the labor market because it will maintain solid demand for workers. In that more optimistic circumstance, the recent cooling in the labor market would reflect a postpandemic normalization and the Fed would be able to make fewer rate cuts.

More ominously, further weakness in income growth could weigh on consumer

spending in the months to come, making the economy more vulnerable to a slowdown and potentially calling for more cuts.

Officials are also navigating through a fog of volatile data that has been revised from one month to the next. Several officials characterized the September rate cut as appropriate because inflation had fallen notably.

In the run-up to that meeting, the unemployment rate had ticked up to 4.3% in July and payroll growth had slowed. At the time, consumers had appeared to be spending down their savings to propel growth.

But revisions to government data after the meeting showed income growth had been stronger than initially reported. As a result, the personal savings rate was revised upward, meaning consumers might not be as tapped out.

The revision "removes a downside risk to the economy," Fed Chair Jerome Powell said at a conference on Sept. 30. "These were very large, healthy revisions."

Powell suggested solid readings on economic activity could make officials somewhat more comfortable at the margins that the economy isn't deteriorating. Still, he said labor-market data has histori-

cally provided "a better real-time picture" of the economy than data on gross domestic product. Solid activity data is "not going to stop us from looking very carefully at the labor-market data," he said then.

### 'Janky' data

Two whiplash labor-market reports have followed. Last month, the Labor Department reported that job growth had been stronger than expected in July and August, and payroll gains were exceptionally strong for September. That led to speculation that the Fed might need to consider slowing down the pace of future rate cuts.

Then last week, employment figures for August and September were revised lower. Moreover, payroll growth was much weaker than anticipated in October—some of it likely caused by strikes and hurricanes.

In the run-up to this week's meeting, officials had cautioned against significantly rethinking their interest-rate outlook on the basis of any single monthly report. "I've been saying we should expect the data to be—what I've been using is, 'janky,' to bounce around a bit," said Atlanta Fed President Raphael Bostic in an interview last month.

## Younger Doctors Seek A Balance

*Continued from Page One*  
offers set hospital shifts caring for patients and the ability to clock out at a fixed time.

"We have to take care of ourselves in order to take care of other people," Leventhal said. Many in her generation, she said, are also caring for young children and elderly parents.

Changes in healthcare mean a growing number of physicians now work as employees at health systems and hospitals, rather than in private practice. Electronic paperwork and other bureaucratic demands add to the stress and make the profession feel less satisfying, they said. More physicians are pursuing temporary work.

This debate—and its consequences—will play out for years. In interviews with nearly two dozen physicians, many said that medicine's workaholic culture was overdue for a correction. Others said when physicians are less committed to their work, their peers and overall quality of patient care can suffer.

Physicians work an average of 59 hours a week, according to the American Medical Association, and while the profession is well-compensated—the average physician makes \$350,000, a recent National Bureau of Economic Research analysis found—it comes with high pressure and emotional strain.

When Leventhal started her current job at Johns Hopkins Hospital in Baltimore in 2021, she said a superior told her sick time could be used only in extreme circumstances—for example, if she had been in a car crash on the way to work.

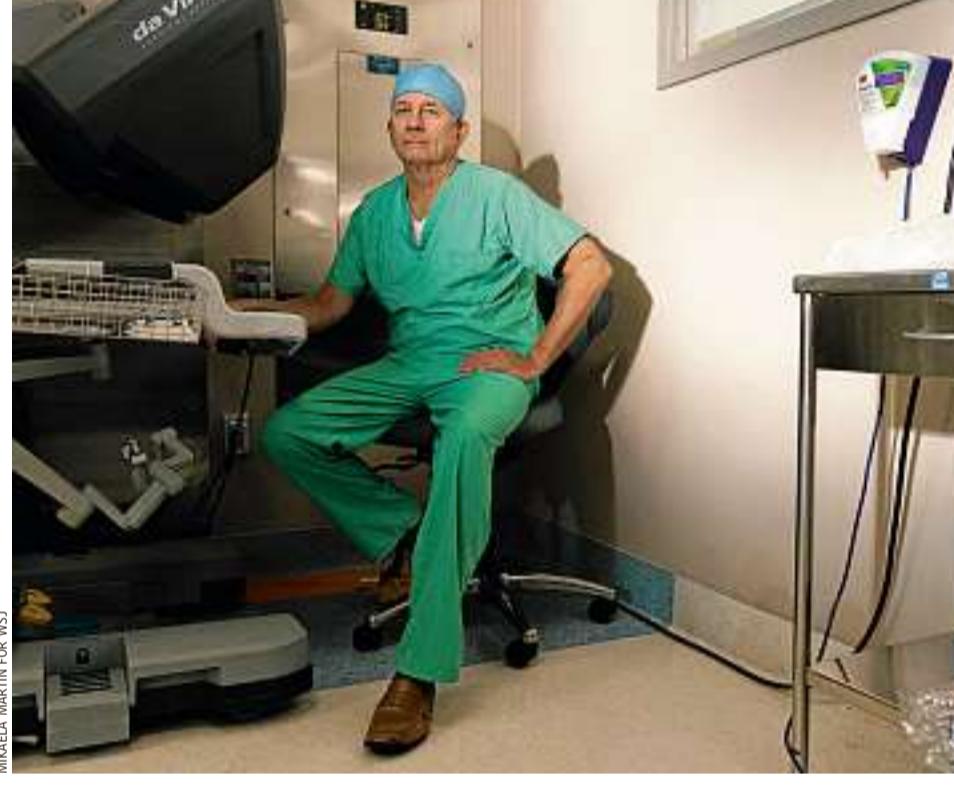
When pregnant during her residency, she nearly skipped a scan. Leventhal was due to present patients to her attending physician, and "didn't want to draw more attention to myself being a mom," she said. She made it to her appointment, then was rushed to an emergency C-section that day. Her obstetrician said that had Leventhal not come for the scan, she would have lost her daughter.

Leventhal and her peers at Johns Hopkins lobbied to change their sick-day policy, and now, she said, doctors in her group are permitted to take sick time as needed without explanation.

The hospital didn't respond to requests for comment.

In Florida, while working with medical students at Jupiter Medical Center, Vaughan has been put off when they have called out for reasons ranging from colds to bachelor parties.

"I'm not saying they're wrong in their desire for a work-life balance," he said,



Dr. Jefferson Vaughan says that over his 30 years as a surgeon, he has seen the work ethic among young doctors change. Below, Dr. Kara-Grace Leventhal, 40, a hospitalist, and her peers at Johns Hopkins lobbied to change their sick-day policy.



"but there was a time when the patient came first."

Jupiter Medical Center said it would continue to embrace "the needs of a multigenerational workforce," and said that it was deeply grateful to its physicians for their commitment to working together.

Among physicians under age 45, only 32% own practices, down from 44% in 2012. By comparison, 51% of those ages 45 to 55 are owners.

Owners have more autonomy, but also increasing overhead costs.

Dr. Joseph Comfort, 80, sold his anesthesiology practice in 2003, frustrated by rising billing tussles with insurance companies. He now works part-time as an internal medicine doctor at a small concierge clinic in Sanford, Fla.

For generations, Comfort said, doctors accepted being at the mercy of their pager and working long hours as the cost of doing business. "We took it because we considered ourselves to be masters of our

own fate," he said. "Now, everything's changed. Doctors are like any other employee, and that's how the new generation is behaving."

They also spend far more time doing administrative tasks. One 2022 study found residents spent just 13% of their time in patient rooms, a factor many correlate with burnout.

Dr. Joel Katz, who led the residency program at Brigham and Women's Hospital for two decades, has seen such attitudes evolve firsthand.

For years, doctors often referred to their work as a calling. Among some residents, that is now considered "very triggering and offensive," said Katz, 66, who recently became senior vice president for education at Dana-Farber Cancer Institute.

Today's cohort understandably feels more like widgets in a system and is inclined to use benefits such as sick time, he said.

In San Francisco, Dr. Christopher Domanski—a first-year

resident—said he is interested in pursuing a four-day work-week once he has completed his training. "I'm very happy to provide exceptional care for my patients and be there for them, but medicine has become more corporatized," Domanski, 29, said.

Residents' work and rest hours have been subject to increasing regulation by the Accreditation Council for Graduate Medical Education, whose guidelines state that they can work up to 80 hours a week, in shifts as long as 24 hours.

Dr. Christopher Wassink, a 58-year-old anesthesiologist in Naples, Fla., said lately he has seen more young doctors seeking three- or four-day schedules. It can make covering nights and weekends more difficult, he said.

Still, the father of four said he understands where they are coming from. For most of his career, he has regretted becoming a doctor. In 24 years, he never called in sick—mainly out of guilt.

resident—said he is interested in pursuing a four-day work-week once he has completed his training. "I'm very happy to provide exceptional care for my patients and be there for them, but medicine has become more corporatized," Domanski, 29, said.

Residents' work and rest hours have been subject to increasing regulation by the Accreditation Council for Graduate Medical Education, whose guidelines state that they can work up to 80 hours a week, in shifts as long as 24 hours.

Dr. Christopher Wassink, a 58-year-old anesthesiologist in Naples, Fla., said lately he has seen more young doctors seeking three- or four-day schedules. It can make covering nights and weekends more difficult, he said.

Still, the father of four said he understands where they are coming from. For most of his career, he has regretted becoming a doctor. In 24 years, he never called in sick—mainly out of guilt.

residents—said he is interested in pursuing a four-day work-week once he has completed his training. "I'm very happy to provide exceptional care for my patients and be there for them, but medicine has become more corporatized," Domanski, 29, said.

residents—said he is interested in pursuing a four-day work-week once he has completed his training. "I'm very happy to provide exceptional care for my patients and be there for them, but medicine has become more corporatized," Domanski, 29, said.

residents—said he is interested in pursuing a four-day work-week once he has completed his training. "I'm very happy to provide exceptional care for my patients and be there for them, but medicine has become more corporatized," Domanski, 29, said.

residents—said he is interested in pursuing a four-day work-week once he has completed his training. "I'm very happy to provide exceptional care for my patients and be there for them, but medicine has become more corporatized," Domanski, 29, said.

residents—said he is interested in pursuing a four-day work-week once he has completed his training. "I'm very happy to provide exceptional care for my patients and be there for them, but medicine has become more corporatized," Domanski, 29, said.

residents—said he is interested in pursuing a four-day work-week once he has completed his training. "I'm very happy to provide exceptional care for my patients and be there for them, but medicine has become more corporatized," Domanski, 29, said.

## U.S. WATCH

### OKLAHOMA

#### Severe Storms Injure at Least 11

Severe storms and tornadoes battered Oklahoma early Sunday, tossing cars and ripping roofs off buildings in the middle of the night and leaving tens of thousands of homes and businesses without power. Among numerous injuries, 11 people required hospitalization, authorities said.

Much of the damage occurred in and around the state capital, Oklahoma City, although there were reports of damage at various points around the state and early morning storms set off tornado warnings that extended south to the Arkansas state line.

More than 99,000 Oklahoma homes and businesses lost power during the overnight storms. By midday that number was reduced to fewer than 34,000. No fatalities had been reported as of midday.

Richard Thompson, forecast chief for the National Weather Service Storm Prediction Center in Oklahoma, said he believes six or more tornadoes hit the state overnight.

In the town of Choctaw, east of Oklahoma City, firefighters and police officers went door to door Sunday morning to ask about injuries.

"It leveled a complete neighborhood in Choctaw," the town's mayor, Chad Allcox, said.

Emergency workers had to free two people from an overturned mobile home, including a woman injured when an air conditioner landed on her leg, Oklahoma City Fire Department spokesman Scott Douglas said.

Douglas said 11 people were transported to hospitals with injuries that were not life-threatening.

Associated Press

### NEW YORK

#### Euthanized Pet's Owner Makes Vow

A man who took in an orphaned squirrel and made it a social media star vowed Saturday that New York state's decision to seize and euthanize the animal "won't go unheard."

"We will make a stance on how this government and New York state utilizes their resources," Mark Longo said in a phone interview.

He declined to specify his possible next steps but said officials would hear from him soon about what happened to Peanut the squirrel and Fred, a rescued raccoon that was also confiscated and put down.

The state Department of Environmental Conservation took the animals Wednesday from Longo's home and animal sanctuary in rural Pine City, near the Pennsylvania border. The agency said it had gotten complaints that wildlife was being kept illegally and potentially unsafely.

Associated Press

### MICHIGAN

#### Semitruck Crash Kills Four People

A section of Interstate 96 in southeast Michigan remained closed Sunday after a semitruck crashed into more than a dozen vehicles overnight, killing four people and injuring 17 others, according to state police.

Traffic on I-96 near Webberville had been temporarily stopped late Saturday as utility crews were completing work on power lines. A semitruck with a trailer was heading westbound and crashed into the stalled vehicles.

The impact caused the semitruck and several vehicles to catch fire. Police said more than a dozen vehicles were involved in the crash.

Associated Press

## CORRECTIONS & AMPLIFICATIONS

Readers can alert

## U.S. NEWS

# Migrant Divide In Miami Fuels Rightward Tilt

Poorer new arrivals aren't embraced by Venezuelans who arrived years ago

By ARIAN CAMPO-FLORES

MIAMI—On her radio show in Miami, Carinés Moncada rails against a "border disaster" fueled by a surge of Venezuelan migrants. She posts articles on her social-media accounts about crimes allegedly committed by Venezuelan migrants and the suspected growing presence in the U.S. of the Venezuelan gang Tren de Aragua.

It isn't surprising material for South Florida's conservative Spanish-language media. Except for one thing: Moncada is from Venezuela herself.

As successive waves of migrants fleeing turmoil have sought refuge in the U.S., a schism is forming between more-affluent immigrants who arrived long ago, and newer, poorer arrivals.

Former President Donald Trump has made inroads among Hispanic voters even as he has inveighed against immigration and the situation on the U.S.-Mexico border—messages that resonate with some Latinos.

Many Venezuelan migrants who arrived in the U.S. 10 or 20 years ago were well-off professionals who entered by plane. The more recent ones are largely poorer, less-educated people who crossed the U.S.-Mexico border by land.

Many from the earlier waves are wary of the newcomers, saying some are criminals or arrive expecting handouts. Those from recent waves say they sometimes feel spurned by their more-established countrymen.

It is a dynamic that has played out repeatedly among other immigrant groups throughout history and across geographies, said Eduardo Gamarra, a political-science professor at Florida International University who frequently conducts polls on Latino attitudes.

"The earlier you've come, the more likely you are to reject those that are coming now," he said.

The receptiveness of some Hispanics to tough immigration policies helps explain Trump's gains among Latino voters in some surveys. A Wall Street Journal poll of registered voters in the seven battleground states released last month found that 40% of Hispanic voters supported Trump, compared with 53% who backed Vice President Kamala Harris. In 2020, Trump won 35% of Latinos nationally, according to AP VoteCast. Hispanic voters in the recent Journal survey picked Trump over Harris as best able to handle immigration and border security, 47% to 43%.

Customs and Border Protection apprehensions and other encounters involving Venezuelans soared to about 313,000 in the 2024 fiscal year that ended in September, from about 50,000 in the 2021 fiscal year, federal data show. New proceedings for Venezuelans in immigration courts—another measure of new arrivals—jumped to around 276,000 from around 29,000 over the same period, according to data from the Transactional Records Access Clearinghouse at Syracuse University.

Eugenio Rodríguez, 25 years old, said he sold condiments in Venezuela, making barely enough money to eat. He said he crossed the border in California last year and applied for temporary protected status and asylum. After reuniting with his wife, who had arrived earlier, the couple eventually made their way to the Miami area, where he works installing security systems and she works in a pharmacy. The couple can remain in the U.S. legally while waiting for an immigration court to hear their cases.

Rodríguez said he hasn't felt very welcomed by some Venezuelans who put down roots years ago. "Some people are more picky," he said. "They don't like the people who are entering very much."

In a 2023 FIU poll by Gama-



Clockwise from top left: Jhonder Marcano, a migrant who arrived in the U.S. last year; Gustavo Garagorry, a U.S. citizen who arrived from Venezuela in 2002; a Venezuelan restaurant in Doral, which has a large concentration of Venezuelans.

EVA MARIE UZCATEGUI FOR WSJ (3)

rra of Venezuelan-American registered voters in Florida, 45% of respondents agreed with a policy of deporting undocumented Venezuelans. An FIU survey released Friday of Hispanic registered voters in battleground states found that 36% agreed that the most effective way to combat illegal immigration is through mass deportation and 39% agreed that new waves of undocumented migrants are primarily criminals who threaten public safety.

Among leaders of South Florida's Venezuelan community, "there is a very strong rejection of those coming now," Gamarra said.

Older arrivals often complain that they came to the U.S. through legal channels, which cost time and money, while many of the recently arrived are crossing the border illegally and then asking for asylum. But Gamarra said that many of the earlier arrivals overstayed tourist visas and then sought to secure legal status.

The earlier immigrants also contrast their wealth and success with the poverty of the

## Echoes of Cuban Community

Miami's Cuban community went through a similar experience as the Venezuelan one, when portions of an older guard of exiles who came in the 1960s and 1970s rebuffed the mass immigration of Cuban refugees in the 1980 Mariel boatlift. The newcomers were stigmatized as undesirable and for allegedly being populated with criminals and the mentally ill.

Some Venezuelans who arrived more recently share the misgivings about some fellow newcomers. Pedro Fernández, 47, and his wife, Germania Pirela, 41, crossed the border in 2021 and filed for temporary protected status and asylum. They made their

way to Miami and later Daytona Beach, and worked long days, he as a handyman and she as a restaurant worker. They saved enough money to buy a new townhouse.

The couple said they have qualms about two groups in particular—those with criminal intentions and those dubbed "hijos de Chávez" or "children of Chávez," who grew up almost entirely under Hugo Chávez's dysfunctional socialist government and don't know what it is to work hard to get ahead.

The most recent arrivals "harm those of us who are doing things right," Fernández said. "They don't represent us."

most recent wave of migrants, Gamarra said. "What you're seeing here is a reflection of the same kind of historical class bias that exists in every one of our countries."

Gustavo Garagorry said he fled to the U.S. from Venezuela in 2002 after facing threats for his work on an opposition political campaign. He entered with a tourist visa and filed

for asylum, eventually becoming a U.S. citizen. Over the years, he earned a bachelor's degree and an M.B.A., worked as a legislative analyst for a city council member and started a business that specializes in permits and licenses.

Garagorry, 57, said that although he understands the desire of his fellow Venezuelans to seek opportunity in the U.S., he is troubled by the surge of migrants in recent years and what he says is the prevalence of wrongdoers among them. "They don't have the culture of those of us who came before," he said.

Regarding Trump's frequent denunciation of undocumented migrants, Garagorry added, "The rhetoric isn't the prettiest, but...it doesn't affect me because I'm not part of that group." His view aligns with a finding in a New York Times/Siena College poll of Hispanic likely voters released last month. Of respondents who were born in another country, 51% said they didn't believe Trump was talking about them when he discussed immigration problems.

# Voters Are Poised to Reshape States' Abortion Access

By LAURA KUSISTO AND JENNIFER CALFAS

Abortion-rights groups are on track to secure constitutional protections for the procedure in as many as 10 states on Tuesday, which would mark the most significant expansion of abortion access since the Supreme Court overturned Roe v. Wade.

Polling data and fundraising totals have signaled strong support for most of the ballot initiatives, which appear in states with a range of political leanings. The measure that could have the biggest practical impact comes from Florida, which had been an island of abortion access in the South until a six-week ban went into effect in May of this year. But it is also the toughest test because supporters need to reach a 60% threshold for passage.

Other states that could see major changes are Missouri and South Dakota, both of which have strict abortion bans currently in place.

Voters in the battleground states of Arizona and Nevada also could decide to enshrine abortion rights there. Democrats are hoping the measures will help drive turnout and deliver a presidential victory for Kamala Harris. Arizona currently limits the procedure to 15 weeks of pregnancy, about two months earlier than what was allowed under Roe. Nevada already allows abortion up to 24 weeks, but supporters say a constitutional amendment would cement those rights.

Some 17 states now ban abortion after the earliest weeks of pregnancy. Most of the ballot measures would restore access through fetal viability, or about halfway



An April abortion-rights rally in Florida, one of 10 states that could loosen abortion restrictions.

through a typical pregnancy—although opponents argue that the initiatives are so broadly worded that they would allow abortion throughout pregnancy.

"What's very clear across all campaigns is that people don't want the government involved in private medical decisions. That's been this uniting force," said Chris Melody Fields Figueiredo, executive director of the Ballot Initiative Strategy Center, a nonprofit that promotes progressive ballot measures.

Abortion-rights supporters already have used ballot initiatives to override conservative legislatures, winning seven consecutive measures since Roe was overturned. In some of the states being contested now, groups favoring

abortion access are fundraising at a clip that far outpaces their opponents, including in Florida where they have pulled in more than \$100 million.

Polling on ballot measures has been more limited than in the presidential contest and other high-profile races. Anti-abortion groups say they have seen some late fundraising momentum and remain optimistic they could pull out a win in some of these states, especially Florida.

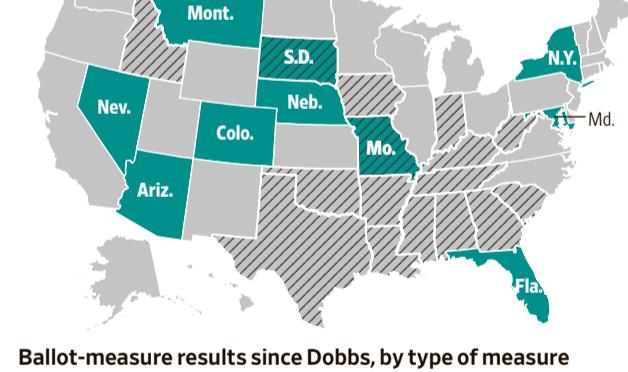
"Going into Election Day, we're seeing ballot-measure races tighten in a way we haven't in previous abortion-amendment fights," said Kelsey Pritchard, director of state public affairs for Susan B. Anthony Pro-Life America. She said abortion-rights sup-

porters were using exaggerated scare tactics to suggest that women can never get abortions, even in grave emergencies.

Before the overturning of Roe, Florida had the third-highest number of abortions in the U.S. After Roe's downfall, Florida became one of the few access points in the South, and women often drove there overnight from places such as Louisiana and Texas.

That has changed since the six-week ban. The state has seen about 2,500 fewer in-person abortions each month, according to WeCount, an abortion-data project sponsored by the Society of Family Planning, which supports abortion rights. That has had ripple effects across the U.S., straining clinics in North Carolina and

## Abortion-rights measures on the ballot in November



## Ballot-measure results since Dobbs, by type of measure

Abortion-rights measures	Antiabortion measures	
	All passed	All failed
Vt. <sup>*</sup> 77% Yes	No 23	Ky. <sup>†</sup> 48% Yes
Calif. <sup>‡</sup> 67% Yes	33	Mont. <sup>§</sup> 47
Mich. <sup>**</sup> 57% Yes	43	Kan. <sup>**</sup> 41
Ohio <sup>¶</sup> 57% Yes	43	✓ 59

<sup>\*</sup>Bans may have limited exceptions, such as medical emergencies. Nebraska has a competing antiabortion measure. <sup>†</sup>November 2022 <sup>‡</sup>November 2023 <sup>\*\*</sup>August 2022  
Sources: KFF (measures); Guttmacher Institute and staff reports (bans); AP (ballot-measure results)

KARA DAPENA/WSJ

leading to a surge in demand for pills ordered online.

Abortion providers said women still sometimes travel to Florida from out of state only to find out they are too far along in pregnancy for the procedure. "It's horrible news to have to deliver over and over and over again," said Chelsea Daniels, a doctor at a Miami abortion clinic.

The antiabortion side has struggled to mount strong campaigns in states across the country, faced with donors pessimistic about the prospects for success. But in Florida it has an ally in Republican Gov. Ron DeSantis, who has taken an unusually aggressive posture toward defeating the measure, calling it "radical" and "very, very extreme."

Abortion opponents also believe they can win in South Dakota, where they have a fundraising edge. Nebraska, meanwhile, presents the most complicated picture, because the state ballot includes two competing measures, one to protect abortion rights and the other to outlaw the procedure in most cases after the first trimester. That has the potential to muddy the waters.

Abortion-rights groups are optimistic that they can pull out a win in Missouri, the first state to enforce its near-total ban after the Supreme Court overturned Roe. They have a fundraising advantage, having pulled in about \$30 million compared with about \$5 million for their opponents.

## U.S. NEWS

## Dark View Of U.S. Gets 3rd Airing

*Continued from Page One*

administration belatedly took steps to address after being exacerbated by its policies—have drawn attention to his signature issues of the economy and immigration. Polls show he is more popular than ever, though still unpopular on balance, and many remember his tumultuous presidency fondly. National and swing-state surveys, which broadly show Trump and Harris locked in a tie, represent his best pre-election polling position to date, as his campaign pollster Tony Fabrizio pointed out in a memo last week: “President Trump’s position nationally and in every single Battleground State is SIGNIFICANTLY better today than it was 4 years ago,” Fabrizio wrote.



Kamala Harris greeted people at a restaurant in Detroit on Sunday. The Democrat's campaign is projecting confidence in the race's final days.

### Enduring appetite

At the very least, the years since Trump left office—on the heels of the Jan. 6, 2021, Capitol riot—have, far from delivering the wholesale public rejection that his opponents craved, indicated an enduring appetite for his disruptive political style. To be sure, Democrats believe that Trump's lack of discipline and dark, violent message are costing him votes in the campaign's final days, particularly with women. A Harris campaign official said Friday that the campaign's data shows late-deciding voters moving sharply in her direction.

Still, the public's dissatisfaction with the status quo has continued to move new voters into Trump's camp. One attendee Friday in Warren was Kathy Wright, a 70-year-old Sterling Heights resident who runs a cleaning business. She voted for President Biden four years ago because he “seemed like a nice guy” and she was put off by Trump's demeanor. “Now I can't stand him,” she said of Biden, and she believes Trump will fix the economy and the border. “This whole country, everything's crooked,” she said.

It was his appeal to voters like these that propelled Trump to his shock victory in 2016. Macomb County, where Warren is located, was illustrative. In the 1980s, it was the subject of a famous study by the Democratic pollster Stan Greenberg, who found that “Reagan Democrats”—work-

ing-class white voters—were switching to the GOP out of a sense of cultural alienation. Barack Obama won Macomb twice. But in 2016 and 2020, Trump won the county on the strength of those same forces. Biden narrowly won Michigan in 2020.

This is the county that put Donald Trump over the top in 2016,” Brian Pannebecker, the head of Auto Workers for Trump, told the crowd. “Now we're going to do it again.” He said he had spent the past five months holding rallies and speaking with workers outside every auto plant in the Detroit area as job losses continued. Chrysler parent company Stellantis laid off more than 1,000 workers at its plant in Warren in October, and Ford said last week that it will shut down a plant in nearby Dearborn later this month.

Trump's appeal to the disaffected, the conspiratorial, the down and out, has broadened over the intervening years to include a substantial tranche of working-class minority voters as well as whites without college degrees, particularly men. “The share of white non-college voters that support Democrats has been declining since the 1970s, but Trump dramatically accelerated the trend,” said Matt Grossmann, a political scientist at Michigan State University and author of a recent book on the growing

gulf between voters with and without college degrees.

But Trump also galvanized a countervailing force—college-educated voters who mobilized in opposition to him. Biden's 2020 victory came not primarily from winning back working-class whites but from an equally seismic shift among educated suburban voters, especially women—an effect that Democrats expect to be even more pronounced in this first presidential election since the Supreme Court's 2022 decision overturning Roe v. Wade. One-time GOP strongholds like the Detroit suburbs and the area around Grand Rapids have swung to the Democrats. Michigan's population is becoming more educated over time, Grossmann noted, meaning there are more of those voters.

### Suburban revolt

If Trump wins, it will be because he managed to drive up his margins with disaffected working-class voters nationally. But if he loses, it will be because even more educated suburban voters came out to oppose him. Michigan Democrats have staged a remarkable comeback since 2016, retaking the governorship and both houses of the state Legislature behind the popular Gov. Gretchen Whitmer, a Democrat, and an all-female team of

statewide officeholders. “Yes, abortion rights are important,” said state Sen. Mallory McMorris, a Democrat. “But it's about character and it's about so much more than that.” In her canvassing of the state, McMorris said, women tell her they are “voting for Democrats up and down the ballot.”

In Stockbridge, a town between Detroit and Lansing, 66-year-old business owner Jackie Scheller echoed that sentiment. A lifelong Republican and Michigan native, Scheller voted for Trump twice. But her faith was shaken by Jan. 6. Now Scheller is all-in for Harris, lobbying her friends and neighbors, placing ads in her local paper, and appearing in videos and billboards for the national group Republican Voters Against Trump. (The group said last week it has placed more than 150 billboards along major roadways in Michigan, Wisconsin, and Pennsylvania, featuring former Trump voters who support Harris.)

“I just can't put someone into office who is doing what Trump is doing any longer,” Scheller said. “Trump lost me primarily at the insurrection, but there were other things. I'm looking forward to a time when I don't have to get up every morning and find out what bombastic thing he did while I was sleeping.”

Harris's campaign has done its best to court voters like

those who support her.

Scheller, spotlighting the vice president's support from Republicans, such as former Rep. Liz Cheney of Wyoming, and arguing that she will bring Americans together. Her campaign is projecting confidence in the election's final days, while Trump's message has been muddled, from vowing to protect women “whether they like it or not” to calling for Cheney to face live fire in battle. In Pennsylvania on Sunday, Trump said he wouldn't mind if an assassin had to shoot through the media to get to him.

### Laying out case

On Tuesday, Harris delivered a speech intended to encapsulate her closing argument from an evocative location in Washington: the Ellipse, where Trump spoke on Jan. 6 to the mob that would proceed to storm the Capitol as it sought to interrupt the official tabulation of electoral votes confirming his election loss. She was preceded on the program by a series of speakers—a Texas couple denied an abortion for a nonviable pregnancy, a single mom of a child with diabetes, a Phoenix small business-owner, a Republican couple from Pennsylvania, the brother of a Capitol Police officer who died after Jan. 6—each of whose remarks included a plea to “turn the page on Donald Trump.”

The crowd of 75,000 waved miniature U.S. flags as Harris spoke before giant banners reading “FREEDOM” and “USA.” “Look, we all know who Donald Trump is,” she said. “He is the person who stood at this very spot nearly four years ago and sent an armed mob to the United States Capitol to overturn the will of the people in a free and fair election that he knew he lost.”

To the ecstatic but anxious crowd in Washington, that was a welcome message. “One of the worst days in the history of our country was Jan. 6, and it started here. Hopefully this is the ending of that period, and we go forward from here with a new vision,” said Thomas Tracy, a 69-year-old retired bond analyst from Bloomington, Minn. A former Republican, he said he was perplexed by the closeness of the polls given what he viewed as a healthy economy.

Harris's campaign has wavered that more people are tired of the Trump Show than thrilled by it—that the U.S.'s true silent majority are the voters who simply want to put his divisive, destabilizing dominance of the political system behind them. We will soon learn whether she is right.

cided voters, according to the Harris campaign's internal data. The comedian Tony Hinchcliffe referred to Puerto Rico as a “floating island of garbage,” one speaker said Harris has “pimp handlers,” and another called her the Antichrist. At the Milwaukee rally Friday, Trump made what appeared to be a lewd gesture, shaking the microphone stand back and forth and then bobbing his head up and down.

Voters in swing states who made up their mind in recent days are backing the vice president by a double-digit margin, Harris campaign officials said, citing their internal data.

Trump's New York rally was heavy on masculine rhetoric, and it featured speeches from UFC Chief Executive Dana White and the former professional wrestler Hulk Hogan, who tore his shirt off.

Trump has also tried to court Black men specifically, an effort Harris and her allies have sought to counter. Whitmer said in an interview Sunday that she has made stops in bars and found the Black men she has met are engaged on the choice they face. “I think Kamala Harris has got a unique message, and I think it's starting to get through,” Whitmer said. But she said the potential erosion of those voters to Trump was “concerning.”

A survey of young voters released recently by the Institute of Politics at Harvard University found that Harris leads Trump by 20 points among voters under 30. Among 18- to 29-year-old men who say they will definitely vote, Harris leads Trump 55% to 38%.

Trump has an 11-point lead over Harris among 18- to 29-year-old men who are less certain about voting, making young male turnout a crucial factor for the former president.

## ELECTION 2024

### Trump Wouldn't Mind a Shooting At Him 'Through The Fake News'

Donald Trump lamented over the bulletproof glass that surrounds him at his rallies since the attempted assassination against him, and suggested that he wouldn't mind if someone were to shoot him through where the media are positioned.

“We have this piece of glass here, but all we have really over here is the fake news—and to get me, somebody would have to shoot through the fake news. And I don't mind that so much,” the Republican presidential nominee said in Lititz, Pa.

Trump noted the different panels of glass surrounding him and pointed to some farms and buildings behind him, saying he needed glass there. “Did anyone check those buildings? The shooter at Trump's rally in Butler, Pa., in July positioned himself on top of a building near the outdoor rally where Trump spoke, allowing him to take aim at the former president.

Trump revisited the issue later in the rally, suggesting, without evidence, that “it was probably Biden or the other one who said, ‘Screw him, don't give him the glass.’”

The White House didn't immediately respond to a request for comment.

“The President's statement about protective glass placement has nothing to do with the media being harmed, or anything else. It was about threats against him that were spurred on by dangerous rhetoric from Democrats,” said Trump campaign spokesman Steven Cheung.

—Vivian Salama

### Harris Says Her Vote Is in the Mail

Kamala Harris told reporters on Sunday that she voted by mail and her ballot is on its way to California, her home state. She declined to say how she voted on a California ballot initiative that would strengthen penalties for some drug- and theft-related crimes.

“I'm not going to talk about the vote on that because, honestly, it's the Sunday before the election and I don't intend to create an endorsement one way or another,” she said of the ballot measure, she said. Trump hasn't voted yet. He is expected to do so in person on Election Day in Florida.

—Andrew Restuccia

### Trump Doesn't Rule Out Ban on Some Vaccines

Donald Trump didn't rule out banning some vaccines if he returns to the White House and signaled openness to a push by Robert F. Kennedy Jr. to ban fluoride from U.S. water systems.

“Well, I'm going to talk to [Kennedy] and talk to other people, and I'll make a decision,” Trump told NBC News when asked about banning vaccines.

In response to a question about whether he supports banning fluoride in the water supply, Trump said, “Well, I haven't talked to him about it yet, but it sounds OK to me. You know, it's possible.”

—Andrew Restuccia

### Over 76 Million People Have Already Voted

More than 76 million people have voted early with just two days until Election Day, according to the University of Florida's Election Lab.

That is nearly half the total number of people who voted in the 2020 election. In states that report party identification, 37.9% of early votes cast have been by Democrats, while Republicans have cast 36.2% of votes so far.

—Andrew Restuccia

## Campaigns Seek Edge On Turnout

*Continued from Page One*

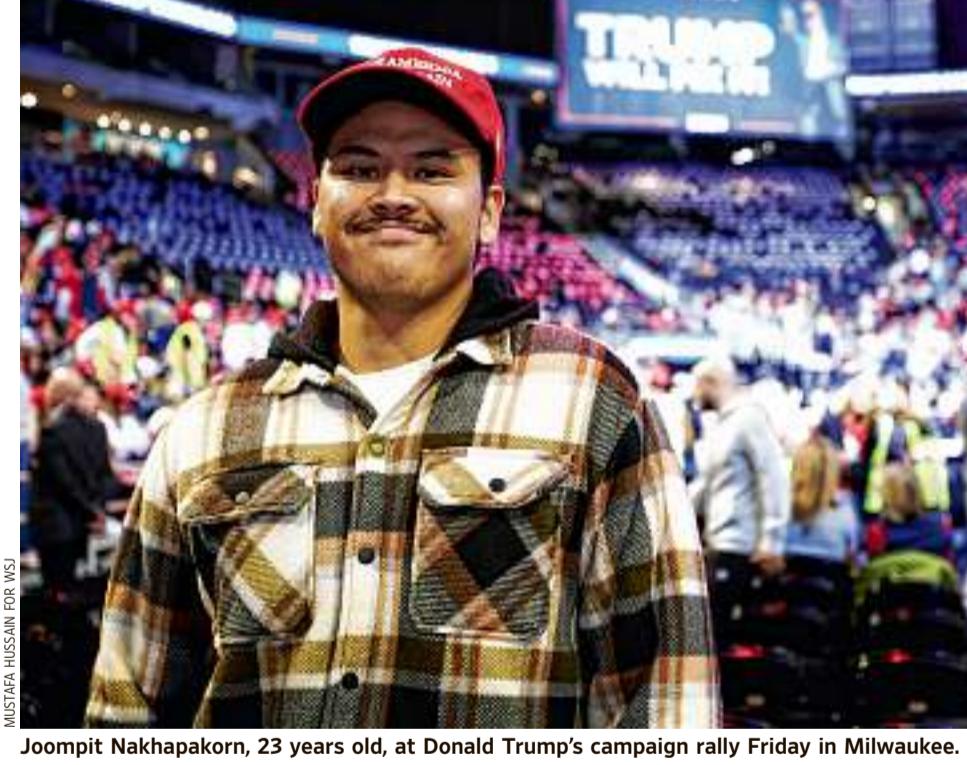
held weekend events for her in battleground states. Lady Gaga, Oprah Winfrey and Katy Perry are among the female celebrities who plan to campaign for Harris on Monday. Trump campaigned Sunday in Pennsylvania, North Carolina and Georgia.

For Trump, the challenge is that young men in particular vote at far lower rates than many other demographic groups. They are more likely than older generations and their female peers to be disconnected from politics, and they are increasingly disillusioned with the country's institutions, according to researchers and election analysts.

Youth voting increased in the 2020 presidential election, but it paled compared with the share of older voters who showed up at the polls. In 2020, 18- to 24-year-olds were the least likely age group to vote, with just over half of that cohort voting that year, according to U.S. Census Bureau surveys. In that age group, fewer men than women said they voted in 2020. In contrast, about three-quarters of Americans ages 65 to 74 reported voting in 2020.

“I've had to ask a couple of my friends to come out and vote,” said Joompit Nakhapakorn, 23, a consultant in Milwaukee who attended Trump's rally there on Friday evening. “They're like, ‘Do I have to vote? Is it a good use of my time?’”

Throughout his presidential campaign, Trump has taken



Joompit Nakhapakorn, 23 years old, at Donald Trump's campaign rally Friday in Milwaukee.

MUSTAFA HUSSAIN FOR WSJ

pains to appeal to young men, from showing up at a sneaker convention in Philadelphia and an Ultimate Fighting Championship event in New Jersey, to appearing on Joe Rogan's podcast. The strategy could help offset Harris's big advantage with female voters—but risks widening that gap should Trump's macho rhetoric and crude comments alienate women.

On Sunday in Pennsylvania, Trump called Michelle Obama “a major troublemaker” and added: “I think we're gonna start having a little fun with Michelle.” He also suggested he wouldn't mind if an assassin had to shoot through members of the media to get to him at a rally, and he said he shouldn't have left office after he lost the 2020 election.

In interviews with dozens of young men around the country

in recent months, some said they don't see a place for themselves in today's Democratic Party. Others said they are drawn to Trump's politically incorrect approach. Many said they were focused on their finances—with several arguing that Trump would do more to benefit their stock portfolios. Others said they appreciated the former president's pledge to curb illegal immigration.

Luke Meihack, 25, a high school physical education teacher in the Milwaukee suburbs, said he didn't used to be a Trump supporter, but changed his mind during Joe Biden's presidency, and said many men his age are moving in the same direction.

“It's mostly guys. Guys are more big into Trump,” he said. “He's a guy that speaks in a way that demands respect, and

that appeals to a lot of guys.” Not all of his peers are planning to vote, he said. “I'm still in a group chat with a bunch of my guys from high school. There's maybe like eight or nine of them, and like two or three of them have said they're not voting,” he said.

In the final days of the election, Harris is focusing in part on turning out women, who are statistically more likely to vote than men. Her campaign strategists are betting that abortion rights and giving women freedom over their bodies are more motivating messages to women than Trump's closing argument is to men.

Harris campaign officials argue that Trump's 11th-hour messaging is backfiring. The GOP nominee's hourslong rally at Madison Square Garden in New York turned off unde-

# Proud Boys Ramping Up Election Threats for Trump

In online chatter, far-right group hints at poll-watching and claims vote 'steal'

BY TAWNELL D. HOBBS  
AND JENNIFER LEVITZ

Members of the Proud Boys, key instigators in the Jan. 6, 2021, Capitol riot, are mobilizing in support of Donald Trump—and in some cases, making threats about the presidential election.

While it isn't clear what the far-right group is planning or how coordinated its plans are, many chapters are amplifying election-cheating claims made by Trump or his allies and discussing potential responses, according to a review by The Wall Street Journal of dozens of accounts on Telegram, the messaging app, and Trump's Truth Social platform. Chapters have gathered across state lines, talked about watching polls and have been boasting about attending Trump rallies to protect the former president.

The online chatter comes as law-enforcement officials confront an unprecedented array of aggressors this election season: foreign operatives, home-grown extremists and lone wolves such as those accused of trying to assassinate Trump.

The digital activity appears to show the Proud Boys regrouping after the imprisonment of many members and top leaders—individuals that a bipartisan House panel called central orchestrators of the riot. Former national chairman Enrique Tarrio is serving 22 years for seditious conspiracy and other charges for trying to thwart the transfer of power from Trump to Joe Biden.

A Texas Proud Boys chapter's Telegram account recently shared a post alleging a Democratic conspiracy to install Vice President Kamala Harris as president through "millions of fake ballots."

Replied a commenter pictured with a Proud Boys flag in the background: "So we can shoot them then, right?"

A North Carolina Proud Boys chapter talked about providing "security" for Trump at a September rally in Wilmington, N.C., and declared that Harris "will not win without a steal, which is exactly what they are planning to do."

The North Phoenix Proud Boys posted a picture of a gun arsenal on Truth Social last month, declaring, "Proud Boys stocking up getting ready for Nov...It's going to be biggley!!" An Ohio chapter warned on Telegram that "once Trump wins," antifa will riot, adding, "Prepare accordingly."

The Global Project Against Hate and Extremism documented in a report a 317% surge in "violent rhetoric related to election denialism" by various groups on Telegram during October. The organization cited posts that used alleged rigged elections to justify an "inevitable civil war" and a call to "Shoot to kill any illegal voters."

Heidi Beirich, the organization's co-founder, said groups like the Proud Boys are planning to do poll watching and have signaled they are prepared for violence.

In one discussion—viewed by the Journal—Proud Boys members suggested "keeping your rifle by your side."

The federal government is planning dramatically increased security for this Jan. 6 when Congress meets to certify election results. Law-enforcement officials say they don't expect an attack of similar scale, in part because more than 1,500 rioters were charged.

Yet the Federal Bureau of Investigation and Department of Homeland Security warned state and local officials in October that sole extremists or small groups, similarly galvanized by "election-related grievances," could mobilize for violence between Election Day and at least the Jan. 20 inauguration.

With their national leadership ranks thinned, the Proud Boys appear to have pivoted to localized operations.

On Telegram, a North Carolina chapter said "a hard lesson was learned about having a national PB leadership structure after J6," referring to the riot, and said that now,

there are more than "100 individual chapters conducting local events yet still feeding their lessons learned to the club as a whole."

The local chapters list "tenets," such as "declare 'the West is the best'" and "venerate the housewife."

The Proud Boys recently joined demonstrations in Springfield, Ohio, as top Republicans in September floated a debunked claim that Haitian migrants were eating pets.

"The red hat army is coming back. From now til the

election," an Indiana Proud Boy chapter posted on Telegram in July with a photo of a MAGA cap.

Julie Farnam, a former U.S. Capitol Police assistant director over intelligence, said potential presidential pardons for Jan. 6 defendants is a factor driving their support.

A Kentucky Proud Boys chapter said on Truth Social last month it was "standing back and standing by," which it called a throwback to Trump's use of that phrase during a 2020 presidential debate.



Many chapters of the Proud Boys are amplifying election-cheating claims made by Trump or his allies. Above, a Proud Boys T-shirt seen at a campaign rally in Wildwood, N.J.

JIM URQUHART/REUTERS

## YES! YOUR PIZZA BOX CAN GO IN THE RECYCLED BIN\*

PRATT  
100%  
RECYCLED

WE MAKE 100% RECYCLED PIZZA BOXES

\* Check your local recycling guidelines

## U.S. NEWS

# Where the House Will Be Decided

Races in New York, California, Michigan are among the most closely fought seats

BY KATY STECH FEREK  
AND XAVIER MARTINEZ

The fight to control the House of Representatives spans 435 seats in 50 states. But only a small number of those are considered closely competitive and will determine whether the Republicans hang on to the chamber—or if the Democrats are able to flip control.

Race watchers see the landscape as too close to call, with the winning party likely scratching out only a small majority. The current breakdown of the chamber is 220 Republicans to 212 Democrats, with three vacancies.

Here's a look at a clutch of contests in pivotal states—as well as standout individual races—that could decide the outcome.

## CALIFORNIA

### Republicans in peril

Five House Republicans in California are in races considered “tossups” and at risk of losing their seats, making it a top state to watch on election night. GOP Rep. John Duarte, a farmer who represents a heavily agricultural district, beat Adam Gray by 564 votes two years ago, while Rep. Ken Calvert, California’s longest serving Republican in the House, beat Will Rollins by fewer than 5,000 votes. Both Democratic challengers are running again.

Democrats say Rollins has broader name recognition this time around. They are casting Calvert, who was first elected in 1992, as out of touch with the district, which was redrawn to include Palm Springs, a desert city with a big LGBTQ+ population. Other Republicans at risk are Reps. Michelle Steel and Mike Garcia in Southern California, and Rep. David Valadao, whose inland district borders Duarte’s.

Republicans are looking at some reaches, including the race to fill the seat held by Democratic Rep. Katie Porter, who unsuccessfully ran for Senate.

## MAINE

### Golden opportunity

Maine’s third-term Democratic Rep. Jared Golden is considered one of the party’s most vulnerable lawmakers.

His independent attitude has resonated with rural voters in the district, which is the largest one by area east of the Mississippi River. But Republican state Rep. Austin Theriault is seen as a strong challenger. After a mass shooting in Lewiston last year, Golden dropped his opposition to an assault-weapons ban, opening him up to attacks from the National Rifle Association, which endorsed Theriault.

## NEBRASKA

### Bacon is a target

Because Nebraska awards electoral votes in part by congressional district, the Kamala Harris campaign has poured resources into the Omaha-area district represented by centrist GOP Rep. Don Bacon. A surge of “blue dot” enthusiasm has been unleashed.

Democrats think that can help them unseat Bacon, who was first elected in 2016. The race is a rematch with state Sen. Tony Vargas, who lost by less than 3 percentage points in 2022. The state also has an unexpectedly close U.S. Senate race.

President Biden won the congressional district with 52% of the vote in 2020. Bacon has emphasized his across-the-aisle appeal, while Vargas has focused on the candidates’ differences over abortion.

## NEW YORK

### Long Island fights

A 2022 surge in Republican enthusiasm led several of the party’s New York candidates to capture Democrat-held seats in midterms. But will voters allow these freshman lawmakers to stay?

Five Republicans, including Long Island Reps. Nick LaLota and Anthony D’Esposito, are seen at most risk of losing



Democratic Rep. Jared Golden of Maine



Rep. Don Bacon, a Nebraska Republican



Democratic Rep. Don Davis at a campaign office in Goldsboro, N.C., last month



GOP Rep. Anthony D’Esposito of New York



Democrat Eugene Vindman in Virginia



Rep. Marie Gluesenkamp Perez (D, Wash.), center, spoke with staffers in August.

their seats to Democratic challengers in purple or blue-leaning areas. D’Esposito has also faced controversy following a report that he employed a woman with whom he had an affair. Elsewhere, Rep. Marc Molinaro is fighting to keep a Hudson Valley seat. He was elected two years ago after beating his Democratic opponent by fewer than 5,000 votes. That opponent, Josh Riley, is challenging him again. Other vulnerable Republicans in the state: Reps. Brandon Williams and Mike Lawler.

Meanwhile, Democrats in

competitive races include Reps. Tom Suozzi and Pat Ryan.

## NORTH CAROLINA

### GOP massages map

GOP Rep. Scott Perry, a former House Freedom Caucus chairman, was a leading figure in the attempt to overturn the 2020 presidential election. His race puts him up against Janelle Stelson, who worked for decades as a TV anchor and reporter. She has said she would do more to bring federal funding to the financially struggling area, which is home to the state

itician, struggles because of low turnout.

## PENNSYLVANIA

### A shifting state

GOP Rep. Scott Perry, a former House Freedom Caucus chairman, was a leading figure in the attempt to overturn the 2020 presidential election. His race puts him up against Janelle Stelson, who worked for decades as a TV anchor and reporter. She has said she would do more to bring federal funding to the financially struggling area, which is home to the state

capital of Harrisburg.

Stelson has drawn major support from the Democratic Party, which sees the district as having changed since Perry, running on fiscal conservatism, was first elected in 2018. House Minority Leader Hakeem Jeffries (D, N.Y.) has stumped for her, and she has raised \$5.4 million this cycle—a large amount for a first-time House candidate.

Farther north, Democratic Rep. Matt Cartwright is fighting to keep his Scranton-area district that has grown more conservative since he was elected in 2012. Trump won the district in 2016 and 2020. Republican challenger Rob Bresnahan, a wealthy businessman, has portrayed Cartwright as taking orders from Democratic leaders. But Cartwright has outraised his opponent and picked up critical union endorsements.

If Cartwright loses his seat decisively in the district where Biden grew up, it could be an early warning sign for Democrats.

## MICHIGAN

### GOP has opening

Republicans are hoping to pick up two seats in Michigan left open by Rep. Dan Kildee, who is retiring, and Rep. Elissa Slotkin, running for Senate. Both central-state districts are tossups. In the state’s Seventh Congressional District, Republican Tom Barrett has name recognition after losing to Slotkin in 2022, though both he and Democratic candidate Curtis Hertel Jr. have long track records in state politics.

In the neighboring Eighth Congressional District, Democratic state Sen. Kristen McDonald Rivet faces Republican Paul Junge, a former prosecutor who worked in the Trump administration. Democrats, meanwhile, are looking at the seat held by Rep. John James, a freshman Republican who faces a rematch with Democrat Carl Marlinga to represent Detroit’s northern suburbs.

## VIRGINIA

### Tight race in exurbs

The race to succeed departing Democratic Rep. Abigail Spanberger in Washington, D.C.’s exurbs is closer than ever, making it a possible Republican flip. That possibility exists despite Democrat Eugene Vindman outraising Republican Derrick Anderson by a wide margin—making Vindman one of the top fundraisers among House candidates and giving his campaign the ability to blanket the airwaves with ads.

Vindman, a lawyer and retired Army lieutenant colonel, is known for his involvement in the controversy surrounding Donald Trump’s effort while president to pressure Ukraine to investigate the Bidens.

Vindman has suggested that Anderson, a former Green Beret, would vote for a federal

abortion ban and allow Trump to go after his political enemies. Anderson claims Vindman is out for revenge against Republicans and wouldn’t represent the district with integrity in Congress.

In another tight race, first-term GOP Rep. Jen Kiggans faces Democrat Missy Cotter Smasal. Kiggans has leaned on her experience on the House Armed Forces Committee to attract voters, many of whom work on naval bases. The district, which includes Virginia Beach and the Norfolk suburbs, has flipped twice since 2018.

## WASHINGTON

### Blue dog in rematch

Democratic Rep. Marie Gluesenkamp Perez made waves in 2022 when she flipped her rural, Trump-leaning district by less than a percentage point.

The co-chair of the moderate Blue Dog coalition, Gluesenkamp Perez has voted against a Biden administration student-loan forgiveness plan and in favor of censuring Rep. Rashida Tlaib (D, Mich.).

Her reward for defying the party line is a rematch with Trump-backed Republican Joe Kent, a former Army special forces officer.

*Kristina Peterson and Siobhan Hughes contributed to this article.*

# Iowa Poll Jolts Race With Harris In the Lead

By JOHN MCCORMICK  
AND AARON ZITNER

Democrats got a gift over the weekend, albeit one that could prove to be a mirage. The Iowa Poll, the gold standard of political surveys in the Hawkeye State, showed Vice President Kamala Harris ahead of former President Donald Trump by 3 percentage points.

It was a shocking finding for a state nobody considered competitive and raised Democratic hopes of a last-minute shift that might benefit Harris in traditional battleground states such as Michigan and Wisconsin.

Overall, the final polls taken just before Election Day found a neck-and-neck race in the battlegrounds. But Democrats are hoping that the apparent shift toward Harris recorded by the Iowa Poll, particularly among older women and independents, indicated a broader trend, possibly in reaction to Trump’s recent rally at New York City’s Madison Square Garden, where some speakers made racist comments.

Republicans immediately threw cold water on the poll, casting it as an outlier. The former president won Iowa by 8 percentage points in 2020, and there has been no general election presidential campaigning in the state or significant advertising. Iowa’s entire congressional delegation is Republican, and it has been trending red for years. And in other polls released over the weekend, there was limited evidence of a drastically reordered race.

In early 2023, the Democratic National Committee ranked Iowa’s first-in-the-nation presidential caucuses and instead made South Carolina, a state that saved President Biden’s 2020 primary campaign, the party’s leadoff nominating state. That led even some Democrats to suggest that the party had essentially given up on competing for rural voters.

Republicans kept their first nominating contest in Iowa, where Trump in January won more than half the vote in what was the largest margin in the history of the first GOP presidential nominating contest.

Iowa GOP Chairman Jeff Kaufmann said on X that the poll’s main sponsor, the Des Moines Register newspaper, and its pollster, Ann Selzer, had “lost any shred of credibility they had left.” He added that the poll should be considered “propaganda” and that Trump would win the state.

Trump’s campaign, in a memo Sunday, dubbed it “an absurd outlier poll.”

Selzer said in an email that her “method for the current poll is the same as I used for the 2020 and 2016 Iowa Polls that showed Donald Trump winning Iowa.”

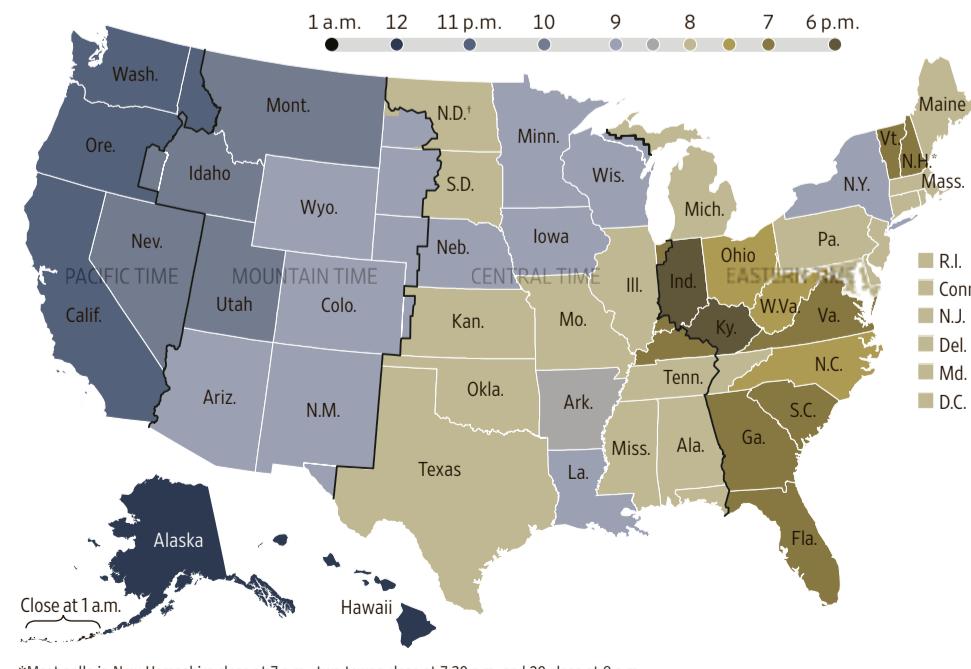
Even Democrats suggested the findings should be treated with caution, though state party officials tried to leverage it to motivate activists in the state for a final wave of door-knocking and calls.

“This is just a poll, and what really matters is that Iowans show up and make their voices heard,” Iowa Democratic Party Chair Rita Hart told reporters.

Iowa House Democratic Leader Jennifer Konfrst told reporters she was “pleasantly surprised, but not shocked” by the poll’s findings. She called Iowa a “purple” state and said abortion restrictions are motivating women in particular. “They are sick and tired of politicians interfering in their doctors’ offices,” she said.

The Iowa Poll found swings toward Harris among some voter groups that were larger than commonly seen in surveys. After trailing among independent likely voters in prior surveys, those voters favored Harris by 7 points in the new survey. The change was driven by independent women, who backed Harris in the new survey by 28 points, compared with a 5-point tilt toward Harris in September.

Another pollster, Emerson College Polling, on Saturday reported Trump ahead in Iowa by 10 points. It found Harris ahead among women by 5 points, whereas she led by 20 points among women in the Iowa Poll.



\*Most polls in New Hampshire close at 7 p.m., two towns close at 7:30 p.m. and 20 close at 8 p.m.

†Two North Dakota counties that span Central and Mountain Time close at 8 p.m. ET.

# Free to safely use any technology.

## It's possible. It's Okta.

From the beginning, Okta has focused on securing Identity so your company, employees, partners, and customers can access their digital world.

Today, it's more than just secure access. With our comprehensive Identity solutions for enterprises and developers, we free you to build your stack your way. So you can grow revenue, increase efficiencies, control IT costs, and strengthen security.

From emerging startups to the largest global enterprises, we've got you covered. With Okta:

- Developers effortlessly scale SaaS apps.
- Financial services fend off global cyberattacks.
- Local governments build accessible services for all.
- And retailers delight millions of customers with seamless experiences.

That's why nearly 19,000 of the world's most trusted brands trust Okta.

**okta**  
The World's Identity Company

# WORLD NEWS



Lebanese soldiers on Saturday inspected the beach at the reported landing site for the Israeli operation in Batroun.

## Israel Says Hezbollah Operative Was Captured in Rare Sea Raid

BY CARRIE KELLER-LYNN

**TEL AVIV**—Israel's nighttime sea raid that resulted in the capture of a man its military described as a senior Hezbollah operative deep in Lebanese territory marks the first known abduction of its kind in more than a year of fighting.

Israel's version of the Navy SEALs, called Shayetet 13, conducted the operation and brought the Lebanese national to Israel for interrogation, the military said on Saturday. Lebanese security officials said the operation was swift, lasting about four minutes and involving some 20 commandos in the Mediterranean coastal city of Batroun, about 30 miles north of the Lebanese capital, Beirut.

Lebanese security officials said they believed the man abducted was Imad Amhaz, a 38-year-old civilian ship captain whose wife reported him missing in recent days. It wasn't immediately disclosed on which day the raid happened.

A security camera captured part of the incident in a video Lebanese officials said was authentic. Several armed soldiers were seen escorting a man in their custody in the video.

The man was transferred to Israeli military intelligence's Unit 504, which is responsible for interrogations and human-sourced intelligence, the Israeli military said. The military said it was interrogating the man as an expert in his field for Hezbollah, a U.S.-designated terrorist organization.

"Israel doesn't send elite forces into Lebanon on such a mission for anything less than a valuable asset," said Daniel Sobelman, a professor of international relations at the Hebrew University of Jerusalem.

Lebanese security forces investigating the incident found about 10 cellphone SIM cards registered to foreign numbers and a foreign passport in Amhaz's apartment, from which they said he was presumed to have been taken.

Lebanese officials said Amhaz wasn't connected to the country's security services. They said he rented the apartment in Batroun about a month ago to study at the local maritime institute.

Israel disclosed the raid only after security-camera footage leaked online. The operation marked a departure from Israel's military campaign in Lebanon, which includes a ground offensive aimed at destroying Hezbollah's infrastructure near the country's border and an air campaign against the militant group's infrastructure and key figures.

Meanwhile, the Israeli military on Sunday said it carried out a ground raid into Syria, seizing a Syrian citizen involved in Iranian networks, the Associated Press reported.

It was the first time in the current war that Israel has announced sending troops into Syria. Syria didn't confirm the announcement.

The Lebanon campaign has eliminated Hezbollah's top layer of leadership, including longtime leader Hassan Nasrallah and his immediate successor, Hashem Safieddine.

The Israeli military wouldn't confirm domestic media reports that the captured man was part of Hezbollah's naval operation. Its agents are key to both the

group's rearmament and its pressure against Israel's navy and seaborne assets such as its offshore natural-gas fields. Lebanon's Mediterranean coastline has long been one of the main smuggling routes for Hezbollah to bring weapons into Lebanon, along with its land border with Syria and its airport.

Israel's military conducted several strikes in Beirut in September to destroy many of Hezbollah's shore-to-sea missiles.

Hezbollah opened its war with Israel by firing rockets into the country on Oct. 8, 2023, a day after the Hamas-led attacks into southern Israel that sparked the continuing war in Gaza. Fighting remained at a tit-for-tat level for several months before gradually ratcheting up and

exploding into a full-on conflict in mid-September, when Israel exploded thousands of Hezbollah's communications devices and started a devastating aerial campaign against the militant group.

Israel's offensive killed about 2,500 people across Lebanon, according to the country's Health Ministry, whose figures don't distinguish between civilians and combatants.

Dozens of Israeli soldiers have been killed since ground operations began in Lebanon in late September. Hezbollah continues to fire rockets, missiles and drones on northern Israel, most recently killing four Thai agricultural workers and three Israelis in separate incidents on Thursday. Eleven people were injured in central Israel on Saturday when a Hezbollah rocket slammed into a home, local emergency services said.

A cease-fire remains elusive. Israeli officials have pledged to continue fighting until they have uprooted militant infrastructure in the close vicinity of their shared border, and estimate that troops currently on the ground will require several more weeks to complete operations. Israeli officials have also said they would require beefed-up security guarantees against Hezbollah's re-enforcement, which the group has rejected.

—Adam Chamseddine  
in Beirut  
contributed to this article.

**The operation  
was a departure  
from Israel's  
campaign in  
Lebanon.**

## Disgraced Lebanon Banker Awaits Fate

BY JARED MALSIN  
AND ADAM CHAMSEDDINE

**BEIRUT**—Known for his love of Cuban cigars and luxury Paris abodes, Riad Salameh has long been a part of this country's loathed elite. But for a time, the public loved the central bank governor for steering Lebanon into the global middle class after its civil war ended, and then shielding it from the 2008 financial crisis.

Now, Salameh is one of the most hated men in Lebanon.

The former Merrill Lynch banker is blamed for the epic economic meltdown that destabilized Lebanon, weakened its institutions and created a political vacuum that helped empower Hezbollah. Israel's offensive against the militant group has killed more than 2,700 people in Lebanon, most of them since September, and forced hundreds of thousands from their homes. Israel has launched thousands of airstrikes in Lebanon to roll back Hezbollah after it began launching rockets into Israel last year.

After spending a year as a fugitive in a chalet overlooking the Mediterranean, Salameh now sits in a Lebanese jail cell, awaiting trial on embezzlement charges he denies, including a

new one leveled against him on Oct. 31.

France demands his extradition to face money-laundering and tax-fraud charges, and Interpol issued a Red Notice in response. The U.S. imposed sanctions on him for allegedly siphoning off funds from Lebanon's central bank—and using them to buy luxury apartments in European cities for his son and former mistress.

Even before the current war, Lebanon's economic crisis had pushed half the country into poverty. The national currency is worth less than 2% of its value against the dollar in 2019. The Lebanese have virtually no state-supplied electricity.

How Salameh's case in Lebanon plays out could have far-reaching implications. An indictment could signal that Lebanon is serious about confronting corruption in the country's political system, a fractious power sharing of three main sects, Shiite Muslims, Sunni Muslims and Christians. That could ease the path to an international bailout and aid in postwar reconstruction. A full accounting of Salameh's alleged crimes also would shine a spotlight on decades of broader government corruption that bankrupted the country.

But because Lebanon's political factions exert influence over the judicial system, few expect the case against Salameh to expand beyond the current, relatively small case. The case also risks inflaming tensions between those factions. Investigators say they still haven't had access to central bank balance sheets that would tell the full story of the country's financial ruin.

"He knows where the bodies are buried," said David Schenker, a former U.S. assistant secretary of state for Near Eastern affairs. "The powers that be, the political elites, would rather just put this guy on ice, isolate him, remove any possibility that he might turn state's evidence and implicate countless members of the Lebanese elite."

After Salameh retired last year following three decades as



A protester in Beirut burned photos of Riad Salameh at a depositors' demonstration last year.

governor of Lebanon's Banque du Liban, he settled into a luxurious life as a fugitive, free to ignore France's arrest warrant because of Lebanon's reluctance to extradite its citizens. It all abruptly ended on Sept. 3, when Salameh showed up for questioning at the Ministry of Justice in Beirut. During the interrogation, a prosecutor told security officers to handcuff him and lead him upstairs to the prosecutor general's office, where officials detained him on charges of embezzling funds from the central bank, witnesses said. In October, a judge denied his request to be released from pre-trial detention. Lebanese prosecutors charged Salameh with illegally taking \$40 million from the bank. In separate cases, European prosecutors and the U.S. accuse him of stealing \$330 million.

## Iran Tells Region Its Counterattack Will Be Severe

BY SUMMER SAID  
AND BOEN FAUCON

Iran is sending a defiant diplomatic message amid U.S. warnings against a counterattack on Israel: It is planning a complex response involving even more powerful warheads and other weapons, Iranian and Arab officials briefed on the plans said.

It remains to be seen whether the Iranian threats are real or just tough talk. Israel's punishing airstrike against Iran on Oct. 26 shredded Tehran's strategic air defenses, leaving it badly exposed and sharply raising the risks to Iran if it follows through.

How the Israeli response plays out will depend on the size, nature and effectiveness of Tehran's threatened strike. Israel has refrained from hitting Iran's oil and nuclear facilities, essential to its economy and its security, but that calculus could change, Israeli officials have said.

Iran has told Arab diplomats that its conventional army would be involved because it had lost four soldiers and a civilian in Israel's attack, the Iranian and Arab officials said. Involving its regular army doesn't mean its troops would be deployed but that the paramilitary Islamic Revolutionary Guard Corps that normally deals with Israeli security matters wouldn't act alone.

An Egyptian official said Iran warned privately of a "strong and complex" response. "Our military lost people, so they need to respond," an Iranian official said. He said Iran could use Iraqi territory for part of the operation and would likely target Israeli military facilities "but much more aggressively than last time."

Iran isn't planning to limit its response to missiles and drones, as two previous attacks did, and any missiles used would have more-powerful warheads, the Iranian and Arab officials said. Iran said it mostly fired four different types of midrange ballistic missiles in its attack on Israel on Oct. 1—Emad and Ghadr missiles and two of Iran's newest and most advanced, Kheibar Shekan and Fattah.

Another factor in Iran's response is the U.S. election, the Iranian official said. Iran doesn't want to influence the U.S. election with its attack, the official said, adding the response would come after Tuesday's voting but before a new president is inaugurated in January.

—Dov Lieber, Laurence Norman and Aresu Eqlabi contributed to this article.

mats gave those broad outlines of the response after warnings from the U.S., both public and private, against engaging in a fit-for-tat with Israel.

Linda Thomas-Greenfield, the U.S. ambassador to the United Nations, said last week there would be "severe consequences" if Iran attacked Israel or the U.S. "We believe this should be the end of the direct exchange of fire between Israel and Iran."

Following Israel's attack, Iranian officials initially told other countries in the region that it didn't intend to respond. Within days, the tone shifted.

On Friday, a top Iranian general threatened "an unimaginable response," and the country's supreme leader, Ayatollah Ali Khamenei, weighed in on Saturday to warn of a "tooth-breaking response."

Western officials say they believe Iranian decision makers are debating how and whether Iran should respond, including whether an attack should come directly or from proxies outside Iran to offer a layer of deniability. Israeli officials also believe Iran is seriously considering a response and have warned they are willing to mount a far more aggressive attack in return.

Last week, Israeli Prime Minister Benjamin Netanyahu said the Israeli military had struck Iran's "soft underbelly." "Today, Israel has greater freedom of action than ever before," Netanyahu said. "We can go anywhere that we need to in Iran."

The U.S. worked to limit Israel's Oct. 26 attack to military targets, leaving Iran's nuclear and oil facilities alone. The Arab officials said they were worried Israel wouldn't be restrained this time, and Netanyahu reiterated last week that preventing Iran from obtaining nuclear weapons remains Israel's "supreme objective." Iran denies it is working to build a nuclear weapon.

Israel signaled it could hit these types of targets in its Oct. 26 attack. It struck a facility Iran had used for nuclear weapons work. Satellite imagery showed Israel also hit a very low value target at Iran's Abadan refinery, experts said.

On Sunday, Iranian President Masoud Pezeshkian said his country can't let Israel's attack go unanswered. However, in a sign that Iran is still debating how to retaliate, he said "the type and intensity of our response" could change if there were a cease-fire in Gaza and Lebanon.

—Dov Lieber, Laurence Norman and Aresu Eqlabi contributed to this article.

## American Is Reported To Be Detained in Iran

BY GORDON LUBOLD

**WASHINGTON**—U.S. officials on Sunday said they were investigating reports that an American citizen had been detained in Iran.

The development came as Iranian officials say they are planning a complex counterattack on Israel involving powerful warheads and other weapons, said Iranian and Arab officials briefed on the plans.

The U.S. is warning Iran against such a move, which would be in retaliation for Israeli airstrikes against Iranian air defense and other sites on Oct. 26.

State Department officials declined to identify the detained individual, citing privacy concerns.

Reza Valizadeh, an Iranian-American journalist, was arrested last month and was being held in a Tehran prison without access to a lawyer, according to the Human Rights Activists News Agency, which monitors cases in Iran.

U.S. officials said they were working with the Swiss government and others to obtain more information about the American's detention. Switzerland serves as the representative for the U.S. in Iran, since the two countries have no diplomatic relations.

The Iran mission at the United Nations declined to comment.

"Iran routinely imprisons U.S. citizens and other countries' citizens unjustly for political purposes," the State Department said. "This practice is cruel and contrary to international law."

The news came just before the 45th anniversary of Iranian students' takeover of the U.S. Embassy, an event that triggered the Iranian hostage crisis in which over 50 Americans were held for 444 days between 1979 and 1981. Since then, Iran has routinely imprisoned foreigners, including Americans.

The goal, Western officials and former prisoners say, is to gain leverage against adversaries and win concessions from them, such as sanctions relief or cash payouts.

Five Americans who had been imprisoned in Iran were freed last year after the Biden administration released billions of dollars in revenue from Iranian energy sales that had been frozen under sanctions.

State Department officials have long warned of the risk of kidnapping or the "arbitrary arrest" of American citizens.

—Laurence Norman contributed to this article.

## WORLD NEWS

# North Korea-Russia Deal Is Test for China

Unpredictable allies' new military ties complicate Beijing's regional aspirations

The militarization of ties between North Korea and Russia makes one country particularly uncomfortable: China. Beijing often aligns with

*By Timothy W. Martin  
in Seoul and Austin  
Ramzy in Hong Kong*

Moscow and Pyongyang, including on a disdain for the U.S.-led world order. But North Korea's deployment of troops to the Russian front

lines with Ukraine tests the limits of its ability to influence its nuclear-armed neighbors.

A chief concern is that a combat role for the North Koreans could invite even greater military partnerships between the U.S., Western Europe and its Asia-Pacific allies. Beijing sees the North Atlantic Treaty Organization's expanded ties with Australia, Japan, New Zealand and South Korea as harming its interests and regional stability.

The North Korean deployment to Russia—estimated at roughly 10,000 overall by U.S. officials—is unacceptable for China because it wants to see fighting stop, said Zhu Feng, director of the Institute of International Studies at Nanjing University. And Beijing may fear the conflict "will now become an intercontinental engagement," he added.

China may see direct Russian support of North Korea's strategic weapons as a red line—though even so, options to clamp down on either country would be limited and might look less appealing than maintaining the status quo, said Eric Ballbach, the Korea Foundation fellow at the German Institute for International and Security Affairs.

"China is clearly confronted with the reality that it is losing influence over Pyongyang, while Russia is gaining influence," Ballbach said.

North Korea relies on China to be its main economic benefactor. Beijing has also helped prop up Moscow's finances by becoming a bulk purchaser of Russian energy. But Russia and North Korea can offer each other things that Beijing cannot: Russia needs manpower and munitions to win the war with Ukraine; Pyongyang needs weaponry know-how.

"It's like each has become the other's bespoke Swiss Army knife," said John Park, a nonresident senior fellow at the Atlantic Council, who focuses on Indo-Pacific security and economic statecraft.

China has avoided criticism of Russia's invasion of Ukraine, calling it a "crisis" instead of a war. Beijing has said little about the North Korean troops. China's Foreign Ministry spokesman Lin Jian said Friday that North Korea-Russia relations were "a matter for themselves."

The U.S. has spoken recently with China about the North Korean soldiers in Russia, asking Beijing to use its clout to curb such activities, Secretary of State Antony Blinken said on Thursday.

North Korean leader Kim Jong Un has made a dramatic shift by showering more attention on Russia than China over the past year or so. Kim has sent Russian President Vladimir Putin more than 10 leader-to-leader letters this

year, triple the volume of his correspondence with Chinese President Xi Jinping.

China is bound to frustrate Russia and North Korea on some levels, since Beijing is unwilling to give public declarations of alliance to its two neighbors, said Miles M. Yu, a former Trump administration policy adviser on China.

"But in the meantime, China would never abandon clandestine—or at least oblique—assistance to Russia and North Korea," said Yu, who is now director of the China Center at the Hudson Institute. "As a result, China has to be double-faced."

*—Soobin Kim contributed to this article.*

## FROM PAGE ONE

## A Startup's Long Trek To Costco

*Continued from Page One*  
her first snack bags until 2017. Her initial customers were African stores. She packaged the snacks at home before moving the business to a small commercial space in Newark, N.J.

She landed a contract to supply a handful of local grocery stores, but struggled to make deliveries and restock shelves before her morning commute. The tiny business isn't yet profitable and owes more than a year of rent.

Dennis made her first cold-call to Costco in 2020. The buyer reviewed her 12-page pitch deck and quickly passed.

"Anytime I would get a good review of the product, I would send it to him," said Dennis, who also forwarded samples. She was handed to a second buyer and then a third.

Costco's order, when it fi-

nally arrived this summer, was for 37,000 bags that would retail for \$11.98. The \$375,000 sale was twice what Dennis dreamed of. She doesn't know what persuaded Costco. Her business's total revenue last year was \$153,000.

Greyson Payne, the regional buyer who ultimately placed an order, declined to comment on the decision. "We are constantly rotating in and out old items and new items," he said.

Costco cautions suppliers not to become too dependent on its business, but success in one region can make it easier to secure orders from others, said Steve Freeman, founder of Next Step Club Solutions, a food broker that specializes in selling to Costco.

Once in the stores, brands "have five seconds at 5 feet to get the member's attention," Freeman said. Costco typically brings in new brands for an eight-to-12-week rotation, he said, though buyers typically know within a couple of weeks if a product is a success.

Dennis worked with Costco on packaging for months after it expressed interest. "We went through about 30 iterations,"



Florence Dennis's peanut-and-corn snack mix was inspired by 'zorklaki,' which she used to buy as a schoolgirl in Ghana.

she said. The final result was bright green with a kente pattern at the top, reflecting Ghanaian culture. Friends chipped in \$50,000 to get the bags printed, Dennis said.

Costco agreed to pay Dennis 15 days after delivery, but doesn't offer supplier financing. Dennis lined up an invoice-factoring company that would release the funds when Costco acknowledged delivery, in exchange for about \$3,800 in fees and interest charges.

But the peanut and corn suppliers demanded payment before shipping.

Lender after lender turned Dennis down. One said the Costco purchase order looked odd. Others said she didn't have enough assets, the turnaround time was too short or she needed too much cash.

"I am very sad, very discouraged," Dennis said at the time.

In late August, Dennis emailed Costco a second time. "I am at the risk of losing this deal," she said in an interview that day. Later that day, the Costco buyer agreed to wait. She would need another month.

Dennis had reached out months earlier, in May, to Renaissance Economic Development Corp., a community development financial institution in New York City specializing in immigrant-owned small businesses.

The lender agreed in September to a \$150,000 loan with a fixed 11% interest rate. Renaissance's normal limit is \$100,000, but a New Jersey state program took on a portion of the risk.

Renaissance cautioned Dennis not to use the factoring company because of the high borrowing cost. Dennis said that she ended up using the factoring company, but turned down another offer of funds that carried a high interest rate. "The money I got from [Renaissance] was not enough to pay for everything," she said. "I had no option."

Dennis initially thought her peanut supplier would package the snacks, but the arrangement fell apart at the last minute. She scrambled and found another local packer, Utica Specialty Foods, that met Costco requirements.

She missed the first few

days of Utica's production because she was traveling to Walmart's headquarters to pitch her snacks. She wanted to be sure the Costco order met her standards. For small batches, she shakes off excess salt and picks out any burned pieces by hand. Utica's version turned out a bit saltier, but she was pleased, she said.

Dennis had agreed with the trucking company to double-stack the pallets to fit 44 in two trucks. Utica objected. "If it arrives at the warehouse and it is a mess, they will reject the whole truckload," said Mohamed Ali Ben Ammar, Utica's chief executive officer. Utica arranged for a third truck and reconfigured how the pallets would be stacked, he said.

The first shipment reached Costco in October—more than four years after Dennis's cold call. She visited a store near her home in New Jersey to see.

"I felt a great sense of accomplishment and joy," she said. But Dennis worries sales have gotten off to a slow start.

Her next task: Driving to 28 Costco stores to promote her snack mix—with the goal of keeping it on the shelves.

# Go Deeper This Election Season.



## THE WSJ APP

Stay close to stories as they unfold, no matter where you are.

VISIT: [WSJ.COM/APP\\_ELECTION](http://WSJ.COM/APP_ELECTION)



## ELECTION EMAIL NEWS ALERT

Get immediate updates or an email roundup at the end of the day.

VISIT: [WSJ.COM/ELECTIONALERT](http://WSJ.COM/ELECTIONALERT)



## LIVE COVERAGE

Stay on top of the latest developments with live coverage.

VISIT: [WSJ.COM/HARRIS-TRUMP-ELECTION](http://WSJ.COM/HARRIS-TRUMP-ELECTION)



## POLITICS & POLICY NEWSLETTER

Sign up for objective election coverage, unmatched scoops and bonus editions—delivered straight to your inbox.

VISIT: [WSJ.COM/POLITICSNL](http://WSJ.COM/POLITICSNL)

WSJ offers a holistic and in-depth view in the run-up to Election Day.  
Explore all the different ways you can stay informed.

# THE WALL STREET JOURNAL.

IT'S YOUR BUSINESS

## FROM PAGE ONE

## Middlemen Drive Up Food Prices

*Continued from Page One*  
up for distributors or retailers or farmers? I have no idea," he said. "Nobody does."

Big food companies have increased prices in recent years for everything from cereal to ketchup to potato chips, citing higher costs for ingredients and labor, among other things. Many small manufacturers that have raised their prices have another explanation. They say they also are being squeezed by the distributors who act as gatekeepers to many supermarkets.

Distributors are the middlemen of the grocery business. They buy products from food makers—many of them too small to run their own distribution networks—then store, sell and ship them to supermarkets. A small number of them, including KeHE Distributors, C&S and United Natural Foods, or UNFI, sell to grocery stores nationwide.

When Milton started his hot sauce business 12 years ago, he delivered the condiment himself by truck, dropping boxes at the back door of local food co-ops in exchange for a check.

These days, the chief executive of Yellowbird Foods relies on national distributors to ship his product to stores, a process he said is riddled with obscure costs that make it hard to know what, if anything, he'll be paid.

"That's a really tough way to run a business," Milton said. "But what is the alternative, that I UPS it from one place to another?"

Fees and other charges levied on food makers, such as for late or partial shipments, have long been a part of the grocery business. Grocers impose many of their own fees for things like promotion and shelf space, which distributors pass on to food companies. Distributors charge extra for processing those fees, and levy others themselves.

Launching a new flavor for an existing product? There's a fee for that. Running a promotion at retail? Distributors charge for that, too. If distributors buy too much and products expire before hitting store shelves, they can deduct spoilage fees. But if food makers short an order, aiming to avoid spoilage charges, distributors can ding them for that.

Many smaller food makers complain they are being gouged, and that fees and other charges from distributors have forced them to raise their prices to stay in business.

Distributors operate on razor-thin profit margins, with limited ability to offset rising operating costs. Food executives said grocers have enormous power to dictate terms with distributors, and that



Rising grocery prices have angered consumers and become an issue in the presidential campaign.

tions with distributors.

Distributors also have consolidated, absorbing smaller and regional firms, leaving food makers with fewer alternatives.

Trying to get a product into Whole Foods? Talk to UNFI, which earlier this year extended its contract to be the primary distributor to Whole Foods until 2032. Going for Albertsons or Publix? Try KeHE.

Greg Ferrara, CEO of National Grocers Association, which represents independent grocers and distributors, said there is still plenty of competition in both the grocery and distribution sectors.

### 'Wild West'

Some food makers raised their prices after UNFI introduced a new policy for suppliers earlier this year. UNFI began charging a 2.5% fee on purchases, in return for consolidating various fees and providing access to sales data and insights.

"Fee consolidation will reduce friction, increase transparency, and improve predictability, resulting in time and cost savings," UNFI said in a February letter to suppliers.

"All of this is the Wild West," said Jack Acree, who has worked with several food brands and helped to launch the snack Terra Chips. "There are very few rules."

UNFI has struggled financially in recent years. Its shares have fallen about 75% from a 2015 peak, weighed down in part by its 2018 acquisition of troubled food distributor Supervalu. UNFI's shares jumped in October after the company instituted the new supplier policy and unexpectedly reported a small adjusted quarterly profit.

Some food manufacturers protest what they see as erroneous or unjust charges, but said that even if they prevail, it can take up to a year to be reimbursed, leaving them strapped for cash. Others said they are wary of pushing back for fear of reprisal.

Christine Quinn, owner of My Family Seasonings, a spice blend manufacturer, said charges she incurred from distributors and retailers left her business on the brink of bankruptcy. Over the course of two years, she said, her distributor paid her almost 40% less than she billed it for prime rib and poultry seasonings.

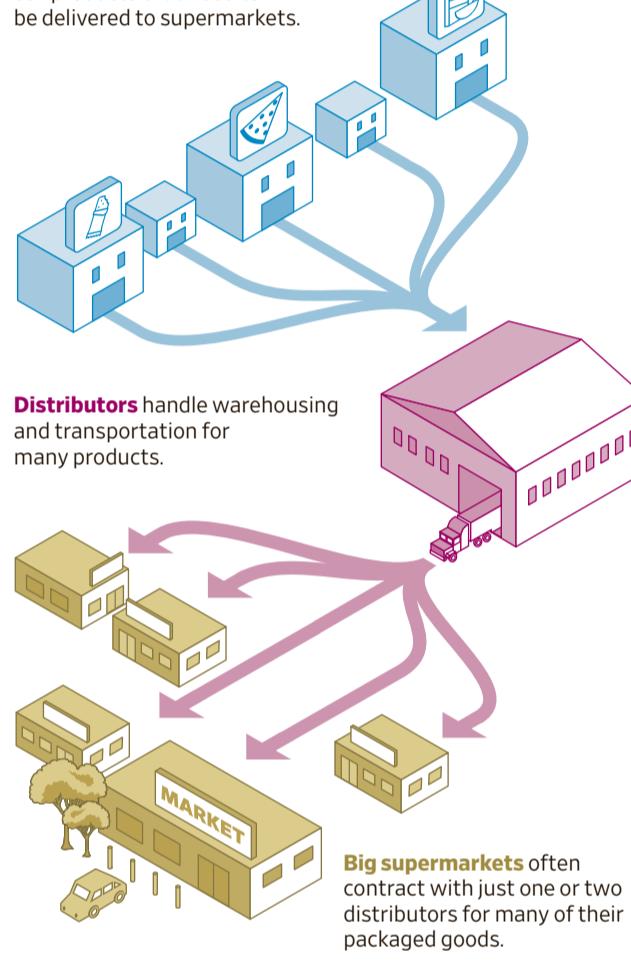
To stay afloat, Quinn said, she raised the price of the seasoning blends she sold to grocers. A 4-ounce bag of prime rib seasoning that a few years ago sold for \$4.99 now goes for \$6.99, she said.

"We had no choice," Quinn said. "They nickel and dime you to death."

Quinn said her spice sales dropped sharply after the price increase. She let most of her 22 employees go when she was unable to make payroll last year, and spent months packing boxes of spice packets herself. After nearly 20 years in business, she said, she is in discussions with a broker about selling the company.

### Food Chain

How food distributors fit into the grocery supply chain



tracts signed by food makers, and that small brands often don't fully understand the terms they agree to with distributors and grocers. Since she took over at KeHE last year, she said, KeHE has hosted seminars to help suppliers better understand how food distribution works.

UNFI and C&S declined to comment.

### 'Inside income'

To win business, distributors often bid against one another to be the primary supplier of food brands to grocers. The resulting contracts typically limit how much distributors can mark up prices on goods they buy from food makers. In practice, what large supermarkets pay distributors frequently doesn't cover their costs.

That leaves distributors reliant on so-called inside income, or revenue generated from food manufacturers.

"Inside income isn't ancillary" to distributors' business, said Peter Gialantizis, chief merchandising officer of startup food distributor Pod Foods. "Without that, they would go out of business."

Distributors often require food manufacturers to offer discounts every few months. Food makers say distributors often buy much of their inventory during those periods—a practice called "bridge buying." The savings often boost distributors' bottom lines rather than flow to consumers, manufacturers said.

Distributors' rules and charges are a symptom of pressures rippling through the supply chain, according to current and former grocery and distribution executives. Grocers are competing with one another to win shoppers with lower prices. Big food sellers have gained market share, giving them more leverage in negotiations.

### 'Weather the storm'

Distributors deduct fees and other charges from the checks they write to food makers, often leaving smaller manufacturers with a fraction of their anticipated revenue. The charges can be so burdensome that some food manufacturers hire full-time employees—or outside firms known as "deduction busters"—to manage them.

Kyle Koehler, CEO of granola-maker Wildway, said he once called his distributor to inquire about a late check, only to be told that he owed the company \$25,000. Another time he sent his distributor \$10,000 worth of granola, but

was paid only \$2,50. "The cost to mail the check is more than that," he said.

Koehler, a finance-industry employee turned food entrepreneur, said he realized last fall that Wildway needed to raise its granola prices. About half the increase stemmed from rising distribution costs, he said.

"Once brands start to realize how much gets shaved off the top, there's not much choice," he said. "It's go out of business or raise my price to the sake of charging."

Conklin said KeHE's practices are spelled out in con-

wall. Collins was hooked. He was 15 when he identified his first new species, a brown and black Charaxes Tectonis, on a visit to Nigeria.

During his career with Monsanto Central Africa, Collins traveled the continent, gathering specimens himself and training locals to collect on his behalf. His network of butterfly agents shipped him as many as 50,000 specimens a year, many from forests since destroyed.

Along the way, he acquired the collections of 30 or 40 other lepidopterists.

Collins lives on a large property in Kenya's capital, surrounded by milkweed, bottlebrush trees and Natal mahogany. He counts 200 species of butterfly in his garden and wanders the grounds in search of butterfly eggs and caterpillars attached to the undersides of leaves. He baits live-traps with squashed bananas—butterflies taste through their feet—and runs the traplines at day's end, admiring his catch and setting them free again.

Collins keeps his collection in a pair of outbuildings next to his house.

He doesn't go collecting as often as he did during his prime. But his assistant, Edgar Emojong, still breeds and pins butterflies as needed. Emojong estimates he has mounted 300,000 butterflies and moths, about a quarter of Collins's pinned collection.

The pinned insects are stored in 9,000 wooden display boxes, stacked on tables and

lined up like library books on shelves. Another three million butterflies are stored in paper envelope.

"It's just an amazing collection, and there won't be another like it in our lifetimes," says biologist Naomi Pierce, curator of Lepidoptera at Harvard University's Museum of Comparative Zoology, who has tried, and failed, to acquire a few hundred thousand of Collins's butterflies.

Collins believes his collection is worth \$15 million, but that is a hypothetical figure, given the dearth of buyers willing to spend that kind of money.

The Smithsonian has absorbed private collections over the years, but the Collins col-

lection dwarfs most of those acquisitions, Miller says.

In 2017, Arizona State University acquired a private collection of more than a million weevils. The university put the value of the gift, which included endowments for insect studies, at \$12 million.

Around 2015, a wealthy British lepidopterist wanted to buy Collins's butterflies, Collins said. At the time, an airline quoted a price of \$500,000 just to ship the collection, from Nairobi to the U.K.

Collins backed out of the deal. He wanted the butterflies available to scientists and pictured the collection going to a university rather than a private collector.

In 2021, Pierce and inverte-

brate specialist Gonzalo Giribet, director of Harvard's Museum of Comparative Zoology, visited Nairobi to see if they could reach a deal for at least part of the Collins collection.

They met with Richard Leakey, the famed Kenyan paleontologist. Leakey, who felt fiercely that the country's natural bounty should remain in Kenya, was in failing health and joked that the collection would be moved abroad "over my dead body," Pierce remembers.

Leakey offered to house the butterfly collection among a series of museums that he wanted to build on his land on the edge of the Great Rift Valley, according to Pierce and Leakey's daughter, Louise Leakey.

A few months later Richard

Leakey died, and plans for the butterfly museum faded away.

Back at Harvard, Pierce worried about what would happen if Collins's house caught fire, or if he died. (Collins says his son isn't interested in butterfly collecting.)

In February, she made Collins an offer: Harvard would send scientists to separate out a smaller collection, containing 10 males and 10 females from every species and subspecies in the collection, or roughly 300,000 specimens. The university would place the butterfly bodies in a deep freeze in the basement of the Museum of Comparative Zoology, creating a DNA vault, and preserve the wings separately.

The university would pay him \$300,000 for what would officially be a long-term loan.

Collins balked at the idea of breaking up his life's work. "They basically want to cherry-pick, and I'm not happy with that," he says.

Even if he were to cut a deal with Harvard, it isn't clear what regulatory hurdles the Kenyan government might put in the way of any effort to export the insects.

Collins feels the press of mortality and money. He'd like to have funds to splurge on a trip to see the giant tortoises on the remote Aldabra atoll, in the Seychelles.

But, for the moment, he's surrounded by butterflies and hoping for a miracle.

"There isn't," he says, "a Plan B."



Steve Collins shows butterflies from his collection in Nairobi, Kenya.

## Millions of Butterflies For Sale

*Continued from Page One*  
at his insistence that they take everything or nothing at all.

"An obsession like this," admits Collins, "is a disaster."

He is one of a threatened species of scientist-gatherers trying to ensure their hobbies outlive them.

"There is a history in many parts of biology—but especially in insects—for people to have built these very large, essentially privately owned collections," says Scott Miller, senior research entomologist at the Smithsonian's National Museum of Natural History and a longtime friend of Collins. "And this is kind of the end of that generation."

Collins's parents moved from England to Kenya after World War II, settling on a 5,000-acre farm. They lived in thatched-roofed brick huts, lit by kerosene lamps and bathed their sons in a zinc tub.

In the mid-1950s, while young Collins's parents were on a jaunt to what was then the Belgian Congo, a neighbor gave him a walking stick that, with a quick twirl, became a butterfly net. His father pinned his catch in a frame, wings spread, and hung it on the hut

lined up like library books on shelves. Another three million butterflies are stored in paper envelope.

"It's just an amazing collection, and there won't be another like it in our lifetimes," says biologist Naomi Pierce, curator of Lepidoptera at Harvard University's Museum of Comparative Zoology, who has tried, and failed, to acquire a few hundred thousand of Collins's butterflies.

Collins believes his collection is worth \$15 million, but that is a hypothetical figure, given the dearth of buyers willing to spend that kind of money.

The Smithsonian has absorbed private collections over the years, but the Collins col-

lection dwarfs most of those acquisitions, Miller says.

In 2017, Arizona State University acquired a private collection of more than a million weevils. The university put the value of the gift, which included endowments for insect studies, at \$12 million.

Around 2015, a wealthy British lepidopterist wanted to buy Collins's butterflies, Collins said. At the time, an airline quoted a price of \$500,000 just to ship the collection, from Nairobi to the U.K.

Collins backed out of the deal. He wanted the butterflies available to scientists and pictured the collection going to a university rather than a private collector.

In 2021, Pierce and inverte-

brate specialist Gonzalo Giribet, director of Harvard's Museum of Comparative Zoology, visited Nairobi to see if they could reach a deal for at least part of the Collins collection.

They met with Richard Leakey, the famed Kenyan paleontologist. Leakey, who felt fiercely that the country's natural bounty should remain in Kenya, was in failing health and joked that the collection would be moved abroad "over my dead body," Pierce remembers.

Leakey offered to house the butterfly collection among a series of museums that he wanted to build on his land on the edge of the Great Rift Valley, according to Pierce and Leakey's daughter, Louise Leakey.

Collins feels the press of mortality and money. He'd like to have funds to splurge on a trip to see the giant tortoises on the remote Aldabra atoll, in the Seychelles.

But, for the moment, he's surrounded by butterflies and hoping for a miracle.

"There isn't," he says, "a Plan B."

# PERSONAL JOURNAL.

© 2024 Dow Jones &amp; Company. All Rights Reserved.

THE WALL STREET JOURNAL.

Monday, November 4, 2024 | A11



**PERSONAL TECHNOLOGY**  
JOANNA STERN

**Friday, 12:05 p.m., a few weeks ago:** "Pres. Trump's Sec. of State here!"

I might have actually bought that Mike Pompeo was texting me from his fave lunch spot, if it weren't for the survey link and donation request that followed. I replied, firmly, "Stop."

**Same day, 1 p.m. until midnight:** "It's JD Vance," "It's Don Jr." "Ted Cruz here."

Twenty-seven more text messages took over my inbox, all claiming to be from various Republican candidates and political-action committees. On Saturday, 28 more arrived. On Sunday, another 29.

In the game of political texts, "Stop" apparently means "Go! Go! Go!"

Perhaps you've heard there's an election this week. Ahead of it, campaigns and political groups had been scrambling to get their messages out and gather last-minute donations. Some were using shady tactics to get it done.

For years, I've passed on—and abided by—the advice of messaging experts: Text "Stop" to end unwanted messages, as long as they're not blatantly scammy. Often it works. This time? Not so much.

"Unfortunately, there are unscrupulous texting vendors out there who will perversely use that opt-out message that you sent back," said Thomas Peters, chief executive of RumbleUp, a political texting platform.

"They use that as a data point, that 'Oh, we found a live number!'"

Even though my flood of messages came from right-leaning groups, others I've talked to have had similar barrages from the left. Look at that—a nonpartisan issue we can all agree on: Relentless political texts need to stop.

Since the text-pocalypse hit my iPhone, I've been digging into what happened, and how to filter out the SMS spam.

## 1. Stop texting 'Stop'

That Friday, after I got texts from Pompeo's Champion American Values PAC and Harrison Butker's UpRight PAC, I texted "Stop" to both of them. Within an hour, the pace of messages from new numbers picked up, like my dog at the sight of a dropped chicken nugget. Another and another and another, almost every hour.

To understand what happened,

gator to send out mass texts across cellular carriers. When you reply "Stop," your request goes through the carrier, the aggregator and the service provider.

The aggregator that sent those two messages is Telnyx. David Casem, its CEO and co-founder, says my stop requests were processed successfully. And it's true: I never got another text from Pompeo or Butker's PACs again. But I did get messages from over 50 other politically aligned groups.

Peters and other industry insiders say the flood likely came from the campaign service provider, which likely shared their lists.

Once it spotted a "live one," it marked the number and referred it to other money-seeking groups. Some also suggested the PACs could have shared the number.

Casem didn't share the name of the campaign service provider targeting those messages at me, citing privacy restrictions. The PACs didn't respond to my requests for their service provider's name.

The moral: When in doubt, don't respond, don't click links.

## 2. Report as junk

Now that you've resisted the urge to reply, you should flag the mes-

sage. On an iPhone, tap the "Report Junk" button under the body of the message and then tap "Delete and Report Junk." If you haven't opened the message, swipe left on it, then tap the garbage icon.

This moves the message into your iPhone's Recently Deleted folder, and reports it as spam to Apple and your cellular carrier.

Apple, specifically, receives the sender's number and message. If it determines the sender is a spammer, the company says it takes action to block additional unwanted messages from that source.

## 3. Get a spam filter

This week, my jealousy of Android users runs deep. Google's operating system has advanced, real-time spam filtering, so many of these messages don't reach the inbox.

Apple doesn't have that, but it does have a tool for filtering *all* messages from mystery numbers into an Unknown Senders folder (Settings > Apps > Messages > Message Filtering > Filter Unknown Senders). The issue with that is that most of us get a few important messages from people not in our Contacts.

You can get a spam filter from Apple's App Store. I installed Stop

Donation Spam and paid the \$10-a-year subscription. Life instantly improved.

Now, nearly all the texts go straight into a Junk folder.

"I was so sick and tired of getting the spam and the other apps didn't specify how they would deal with specifically political spam," said Marc Love, a Brooklyn-based software engineer who built the app in his spare time.

After you download the app, you enable filtering in Settings (Settings > Messages > Filter Unknown Senders and select the SMS Filtering app). The big issue: These spam apps divert the contents, attachments and sender info from any texts from entities outside your Contacts, sending it to the developers' servers.

Love says his service collects minimal data, and what he does collect is anonymized. He confirmed he didn't get my phone number or any personal details.

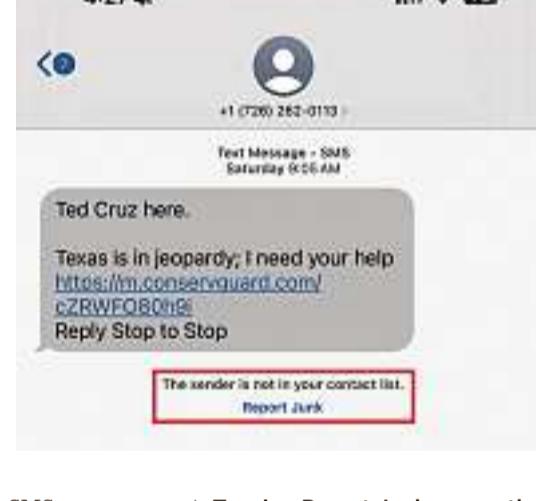
Right now, it all feels like a giant game of Whac-A-Mole. Here's hoping that by the next election cycle, we'll have stronger consumer protections and smarter tech tools, especially on iPhones.

Until then, when you feel like texting "Stop," just stop yourself.



## Replying 'Stop' to a Political Text Made It So Much Worse

Here's how our columnist banished the barrage of unwanted election messages



▲ Tapping Report Junk moves the message into your iPhone's Recently Deleted folder and reports it as junk to Apple and your cellular carrier.

let's quickly detour to Political Texting 101. A campaign or PAC hires a campaign service provider, which provides a software platform to manage lists, target messaging and decide who gets what. The service provider then works with an aggre-

gator to send out mass texts across cellular carriers. When you reply "Stop," your request goes through the carrier, the aggregator and the service provider.

The aggregator that sent those two messages is Telnyx. David Casem, its CEO and co-founder, says my stop requests were processed successfully. And it's true: I never got another text from Pompeo or Butker's PACs again. But I did get messages from over 50 other politically aligned groups.

Peters and other industry insiders say the flood likely came from the campaign service provider, which likely shared their lists.

Once it spotted a "live one," it marked the number and referred it to other money-seeking groups. Some also suggested the PACs could have shared the number.

Casem didn't share the name of the campaign service provider targeting those messages at me, citing privacy restrictions. The PACs didn't respond to my requests for their service provider's name.

The moral: When in doubt, don't respond, don't click links.

## 2. Report as junk

Now that you've resisted the urge to reply, you should flag the mes-

TAKUTO DOMER



▲ Shawn and Leanne Till with the 1931 Alfa Romeo 6C.

navigation. It's one of the last great historical driving events in the world. I have since competed 10 times, all but once with a friend from Spain who has a collection of family cars.

**Leanne:** We've been married for 28 years. While Shawn was doing these car endurance events, I was home with our three kids. My endurance events were marathons, and I ran my last one in 2019.

**Shawn:** In 2021, we took ownership of this 1931 Alfa Romeo, purchased from a well-known historian in the Alfa Romeo circle in Europe. Last June, I took the car to the Mille Miglia and, for the first time, Leanne came with me. Driving a classic Italian car at this event in Italy is a very special experience. [Alfa Romeo was founded in Milan in 1910.]

For a car from 1931, the 6C handles incredibly well. It's a combination of nimbleness and speed. I love that it's not restored, so it shows its battle scars. It

has its original 1750-cubic-centimeter straight six-cylinder supercharged engine and its original feel to it.

**Leanne:** This car has its driver's seat on the right, and the brake and gas pedals are switched in position. The manual transmission is a handful. So while Shawn drives, I am navigating. The maps we fol-

lowed at the Mille Miglia are all in Italian, they're in kilometers and not miles, and they're very exact.

There are hundreds of turns every day over the five-day event. You

have to be on! Unlike running marathons, where you can follow those in front of you, here you cannot.

Countless times I saw the car in front of us go straight while we

needed to turn right.

has its original 1750-cubic-centimeter straight six-cylinder supercharged engine and its original feel to it.

**Shawn:** I am 6-foot-6, so we barely fit in this car. If I was 1 inch taller, we wouldn't. The pedals are so close together, I can't wear shoes, so I wear socks with rubber on the bottom. We put in the highest octane gas that we can, plus an octane boost. My degree is in engineering, and I love the engineering of this car because it's like a snapshot of elite Italian machinery of its time. In fact, an Alfa Romeo 6C 1750 won the Mille Miglia two years in a row in its day.

**Leanne:** We came in 26<sup>th</sup> out of something like 450 cars. We were first for an American team. The top

teams got to attend a ceremony, and we were the only ones, I think, wearing headphones for translation because we couldn't understand Italian.

**Shawn:** As of now, we have taken the Alfa Romeo on five distance rally events—the one in Italy, twice at the 1000 Miglia Warm Up USA centered in Middleburg, Va. (we came in first both times), and twice at the Colorado Grand. We're incredibly grateful to have these opportunities.

**Leanne:** As for the 2023 Mille Miglia, it was grueling, it was hot, and the car broke down. But we finished and, now, Shawn has me hooked. We're planning to go back this coming June.

navigation. It's one of the last great historical driving events in the world. I have since competed 10 times, all but once with a friend from Spain who has a collection of family cars.

**Leanne:** We've been married for 28 years. While Shawn was doing these car endurance events, I was home with our three kids. My endurance events were marathons, and I ran my last one in 2019.

**Shawn:** In 2021, we took ownership of this 1931 Alfa Romeo, purchased from a well-known historian in the Alfa Romeo circle in Europe. Last June, I took the car to the Mille Miglia and, for the first time, Leanne came with me. Driving a classic Italian car at this event in Italy is a very special experience. [Alfa Romeo was founded in Milan in 1910.]

For a car from 1931, the 6C handles incredibly well. It's a combination of nimbleness and speed. I love that it's not restored, so it shows its battle scars. It

has its original 1750-cubic-centimeter straight six-cylinder supercharged engine and its original feel to it.

**Leanne:** This car has its driver's seat on the right, and the brake and gas pedals are switched in position. The manual transmission is a handful. So while Shawn drives, I am navigating. The maps we fol-

lowed at the Mille Miglia are all in Italian, they're in kilometers and not miles, and they're very exact.

There are hundreds of turns every day over the five-day event. You

have to be on! Unlike running marathons, where you can follow those in front of you, here you cannot.

Countless times I saw the car in front of us go straight while we

needed to turn right.

has its original 1750-cubic-centimeter straight six-cylinder supercharged engine and its original feel to it.

**Shawn:** I am 6-foot-6, so we barely fit in this car. If I was 1 inch taller, we wouldn't. The pedals are so close together, I can't wear shoes, so I wear socks with rubber on the bottom. We put in the highest octane gas that we can, plus an octane boost. My degree is in engineering, and I love the engineering of this car because it's like a snapshot of elite Italian machinery of its time. In fact, an Alfa Romeo 6C 1750 won the Mille Miglia two years in a row in its day.

**Leanne:** We came in 26<sup>th</sup> out of something like 450 cars. We were first for an American team. The top

teams got to attend a ceremony, and we were the only ones, I think, wearing headphones for translation because we couldn't understand Italian.

**Shawn:** As of now, we have taken the Alfa Romeo on five distance rally events—the one in Italy, twice at the 1000 Miglia Warm Up USA centered in Middleburg, Va. (we came in first both times), and twice at the Colorado Grand. We're incredibly grateful to have these opportunities.

**Leanne:** As for the 2023 Mille Miglia, it was grueling, it was hot, and the car broke down. But we finished and, now, Shawn has me hooked. We're planning to go back this coming June.

navigation. It's one of the last great historical driving events in the world. I have since competed 10 times, all but once with a friend from Spain who has a collection of family cars.

**Leanne:** We've been married for 28 years. While Shawn was doing these car endurance events, I was home with our three kids. My endurance events were marathons, and I ran my last one in 2019.

**Shawn:** In 2021, we took ownership of this 1931 Alfa Romeo, purchased from a well-known historian in the Alfa Romeo circle in Europe. Last June, I took the car to the Mille Miglia and, for the first time, Leanne came with me. Driving a classic Italian car at this event in Italy is a very special experience. [Alfa Romeo was founded in Milan in 1910.]

For a car from 1931, the 6C handles incredibly well. It's a combination of nimbleness and speed. I love that it's not restored, so it shows its battle scars. It

has its original 1750-cubic-centimeter straight six-cylinder supercharged engine and its original feel to it.

**Leanne:** This car has its driver's seat on the right, and the brake and gas pedals are switched in position. The manual transmission is a handful. So while Shawn drives, I am navigating. The maps we fol-

lowed at the Mille Miglia are all in Italian, they're in kilometers and not miles, and they're very exact.

There are hundreds of turns every day over the five-day event. You

have to be on! Unlike running marathons, where you can follow those in front of you, here you cannot.

Countless times I saw the car in front of us go straight while we

needed to turn right.

has its original 1750-cubic-centimeter straight six-cylinder supercharged engine and its original feel to it.

**Shawn:** I am 6-foot-6, so we barely fit in this car. If I was 1 inch taller, we wouldn't. The pedals are so close together, I can't wear shoes, so I wear socks with rubber on the bottom. We put in the highest octane gas that we can, plus an octane boost. My degree is in engineering, and I love the engineering of this car because it's like a snapshot of elite Italian machinery of its time. In fact, an Alfa Romeo 6C 1750 won the Mille Miglia two years in a row in its day.

**Leanne:** We came in 26<sup>th</sup> out of something like 450 cars. We were first for an American team. The top

teams got to attend a ceremony, and we were the only ones, I think, wearing headphones for translation because we couldn't understand Italian.

**Shawn:** As of now, we have taken the Alfa Romeo on five distance rally events—the one in Italy, twice at the 1000 Miglia Warm Up USA centered in Middleburg, Va. (we came in first both times), and twice at the Colorado Grand. We're incredibly grateful to have these opportunities.

**Leanne:** As for the 2023 Mille Miglia, it was grueling, it was hot, and the car broke down. But we finished and, now, Shawn has me hooked. We're planning to go back this coming June.

navigation. It's one of the last great historical driving events in the world. I have since competed 10 times, all but once with a friend from Spain who has a collection of family cars.</p

## PERSONAL JOURNAL.

BY JAMES R. HAGERTY

For a lot of shoppers, buying a Christmas tree comes down to convenience. You go to the nearest big-box store and pull an artificial tree off the shelf. Then it takes just a few minutes to put up.

How can a Christmas-tree farm compete with that?

For Jim Rockis and Beth Bossio, who operate **Quarter Pine Tree Farm** in Smithfield, Pa., the idea is to target buyers who aren't looking to get it done quickly. Some of their customers drive an hour or more to reach the farm, about 60 miles south of Pittsburgh. They may spend another hour to choose a tree—not only cutting it down but taking pictures to capture the moment.

"Our crop is not just a product," Bossio says. "It is an experience."

It isn't easy being a seller of real Christmas trees at a time when most people are opting for the convenience of fake. Among households that put up Christmas trees, around three-quarters go for the artificial ones, according to the National Christmas Tree Association. They are simple to put up, and simple to take down for next year. Needles don't fall off. And you can't beat the price—which can range from about \$50 to \$450—if you intend to use it for many years.

So, for those who sell real Christmas trees, like Rockis and Bossio, the strategy is to compete on something other than cost and convenience, and to market Christmas-tree shopping itself. Quarter Pine Tree Farm is one of thousands of choose-and-cut operations run by tree farmers who invite customers to tramp across fields to find their own trees. They are hoping to tap in to people's desire, especially since the pandemic, for safe outdoor excursions, as well as the social-media-driven appetite for heartwarming photos.

In urban areas, sellers of real trees have to work harder to create photo ops. Papa Noel Christmas Trees, which operates temporary shops on parking lots and other vacant spaces in Austin and San Antonio, sets up circus tents and creates a forest of trees inside, complete with twinkling lights and Christmas music. In Minneapolis, **Bachman's** garden center brings in live reindeer for its annual Christmas tree sales.

It isn't only about the trees. Some Christmas-tree farms add so-called agritainment in the form of corn mazes, hay rides and petting zoos. Some also sell local wine, cheese or honey, or holiday decorations. Quarter Pine, for instance, offers ornaments and tree stands. The farm also makes wreaths from the branches of scraggly trees that otherwise wouldn't be salable.

**In the green**

There are no comprehensive statistics on sales, but the National Christmas Tree Association estimates that 20 million to 25 million real Christmas trees are sold annually, at pop-up locations, big-box stores, garden centers and farms like Quarter Pine that sell their own homegrown trees. Justin Whitehill, a forestry researcher at North Carolina State University, estimates those sales total at least \$2.5 billion a year, based on a variety of industry sources.

Nationwide, the typical Christmas tree buyer pays around \$75 for a real tree, according to a 2023 survey by the National Christmas Tree Association. Quarter Pine last



▲ Jim Rockis, shown with his wife, Laura Rockis, grows Christmas trees in Pennsylvania.

lin C. Cech, a forest-genetics professor at West Virginia University.

Rockis and Cech explored the Canaan Valley of West Virginia in the early 1990s to find the best Canaan firs and figure out how to cultivate them successfully in other areas.

"We'd have forestry school in the front seat of the truck," Rockis recalls. "This stuff, it takes a lifetime to learn."

Another break for Rockis was meeting Bossio. At age 10, she became his stepdaughter when Rockis married Laura Jeanne Bossio in 1993.

They bonded over a mutual love for the tree farm. Now she helps him run a thriving family business.

They have a total of about 290 acres of land at two farms—the first one he bought from a great-aunt, in Smithfield, and another one bought later across the border in West Virginia. This year, the area with trees ready to cut down (mostly 5 to 7 feet tall) is in a plot totaling around 15 acres.

**Science behind trees**

Until the mid-20th century, Americans seeking Christmas trees generally found them in the wild. Now nearly all are grown on specialized farms.

Rockis tries to assess future demand for seeds and trees by attending meetings with other growers and learning about their plans and expectations.

Christmas trees grow best in places with moderate temperatures, plenty of moisture, good drainage and little risk of late frosts. Oregon, North Carolina and Michigan all have high-volume production. In North Carolina, some tobacco farmers switched to Christmas trees when cigarette smoking began declining. Growers often rely on foreign laborers on temporary visas to prune branches, harvest trees and do other chores.

Climate change, portending more droughts, is a worry. Some growers and university researchers are looking at trees native to other parts of the world, such as Turkish firs, as alternatives able to grow in drier places.

Genetic research and selective breeding allow growers to "select the elite athletes of Christmas trees," says Whitehill of North Carolina State.

What's known as "needle retention" is among the main focuses of this research.

Many people buy their trees in late November and expect them not to shed needles in large quantities before early January. That is possible if the tree is given plenty of water in its stand and kept away from heat sources.

Quarter Pine uses year-round social-media postings and farm tours to explain what it takes to grow appealing trees. One goal is to persuade customers that the trees are worth the asking prices.

An educated customer, says Bossio, knows that "the farmer is not just going to drop a seed in the ground, and, boom, there's a tree next year."

QUARTER PINE TREE FARM (3)

## Christmas-Tree Farms Grow Memories

They make buying an experience, not something to be done quickly



▲ Customers lining up with the trees they've picked at Quarter Pine's opening day in 2022.

year charged \$75 for 6- to 7-foot trees (the most popular size). It plans to charge the same this year. Those on a tight budget can ask for shorter "tabletop" trees costing as little as \$25. People who want trees 13 or 14 feet high pay as much as \$250.

Bossio expects to sell around 3,000 trees at Quarter Pine's retail outlet this year. At Quarter Pine, the most popular species are Canaan, Douglas and Fraser firs. In other parts of the country, coveted species also include Noble, Balsam, Nordmann and Grand firs.

Sales of trees at Quarter Pine begin the day after Thanksgiving

and continue until mid-December. The biggest rush of buyers tends to be in the first two weekends, when customers hope to grab the most picturesque trees. Toward the end of the selling season, prices sometimes are reduced, but the choice is slimmer and customers may have to settle for a wonky tree.

While most people seek bushy, symmetrical trees, Bossio also has had success marketing what she calls "naked trees," ones with widely spaced branches leaving the trunk exposed—an unconventional look that pleases some buyers. They cost the same as the bushier varieties.

**Planting the seeds**

Quarter Pine got its start four decades ago, when Rockis bought a hilly plot of farmland in southwest



▲ Jim Rockis collects pollen catkins as part of his efforts to breed better Christmas trees.

Pennsylvania from a great-aunt. He wanted to keep the land in his family and figured he could find a profitable cash crop. That turned out to be Christmas trees.

At the beginning, "I basically knew nothing," says Rockis, who is now 68 years old. His background as a mining engineer, however, gave him a methodical approach to solving problems and working with machinery. One of his early breakthroughs was meeting Frank-

ern Pennsylvania from a great-aunt. He wanted to keep the land in his family and figured he could find a profitable cash crop. That turned out to be Christmas trees.

At the beginning, "I basically knew nothing," says Rockis, who is now 68 years old. His background as a mining engineer, however, gave him a methodical approach to solving problems and working with machinery. One of his early breakthroughs was meeting Frank-



back over time, and in this case it won't take long. I bonds purchased now will outperform the ones issued at peak inflation within seven months, even after accounting for compounding interest.

If the bonds you hold are from many years ago and the difference in the fixed rate is closer, advisers say it still often makes sense to redeem, though it will take longer to break even.

In addition to trading an old I bond for a new one, you can re-

deem the bond completely for another investment. The current I bond rate is the lowest it has been since 2021 and many other investments offer higher interest right now. The benchmark 10-year Treasury currently offers a fixed yield of 4.3%.

**Old vs. new**

Investors are required to hold for 12 months before redeeming. Interest is exempt from state and local taxes.

You pay taxes on the gain when you redeem I bonds. Investors can avoid paying taxes if the proceeds are used for qualified higher-education expenses and their income falls below certain thresholds.

The Treasury Department resets both the fixed and moving portion of the rate of return on I bonds twice a year, in May and November.

Investors who bought bonds between May 2020 and October 2022 and still hold them are stuck with a fixed rate of 0%. Their interest rates are decided solely by the inflation rate.

The Treasury Department has since boosted the fixed portion. New I bonds currently have a fixed rate of 1.2%. A high fixed rate creates a buffer between your interest rate and inflation's ups and downs.

—Imani Moise contributed to this article.

## Investors In I Bonds Face a New Decision

BY KATHERINE HAMILTON

**T**he millions of people who bought I bonds when inflation peaked have a decision to make: Hold them or redeem them and buy new ones.

In most cases, the right move is to exchange.

Inflation-linked government savings bonds were a hit with investors when they offered a guaranteed return of 9.6% in 2022, stoking so much demand that it took down the website where they are sold.

That rate was short-lived. I bond rates reset based on inflation every six months. Any purchased back at that peak now have a more modest 1.9% rate.

New I bonds issued as of Friday

### Inflation-linked government savings bonds were a hit with investors.

come with a yield of 3.11%, a drop from the prior rate of 4.28%.

But the current yield on new I bonds is only part of how to determine whether to hold or trade in an I bond. The return of your I bonds is calculated based on a fixed rate determined on the purchase date and a moving rate based on the current level of inflation. Since inflation peaked in 2022, the moving rate went down but the offered fixed rate went up.

This difference between the fixed rate when you bought and the current fixed rate is the most important factor to determine your next move. And today, the fixed rate is more than a percentage point higher than two years ago.

Financial advisers say this gap means investors who bought and held during the heyday would be wise to trade now, even though there is a

penalty for redeeming I bonds within five years of buying.

Much like refinancing a mortgage, you pay something upfront to make the exchange. You forfeit three months of interest when you redeem, though it will take longer to break even.

New I bonds issued as of Friday

deem the bond completely for another investment. The current I bond rate is the lowest it has been since 2021 and many other investments offer higher interest right now. The benchmark 10-year Treasury currently offers a fixed yield of 4.3%.

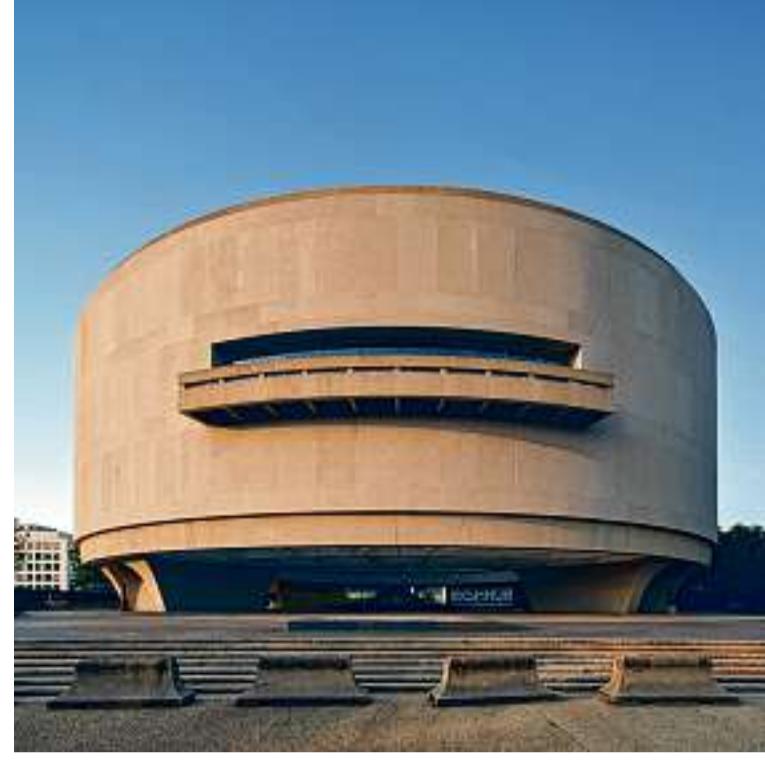
At the beginning, "I basically knew nothing," says Rockis, who is now 68 years old. His background as a mining engineer, however, gave him a methodical approach to solving problems and working with machinery. One of his early breakthroughs was meeting Frank-

ern Pennsylvania from a great-aunt. He wanted to keep the land in his family and figured he could find a profitable cash crop. That turned out to be Christmas trees.

At the beginning, "I basically knew nothing," says Rockis, who is now 68 years old. His background as a mining engineer, however, gave him a methodical approach to solving problems and working with machinery. One of his early breakthroughs was meeting Frank-

PARKER ESHELMAN/WSJ, MAANSI SRIVASTAVA FOR WSJ, ISTOCK

## ARTS IN REVIEW



## ARCHITECTURE REVIEW

## The District of Concrete

'Capital Brutalism' focuses on seven stolid, monumental government buildings in Washington

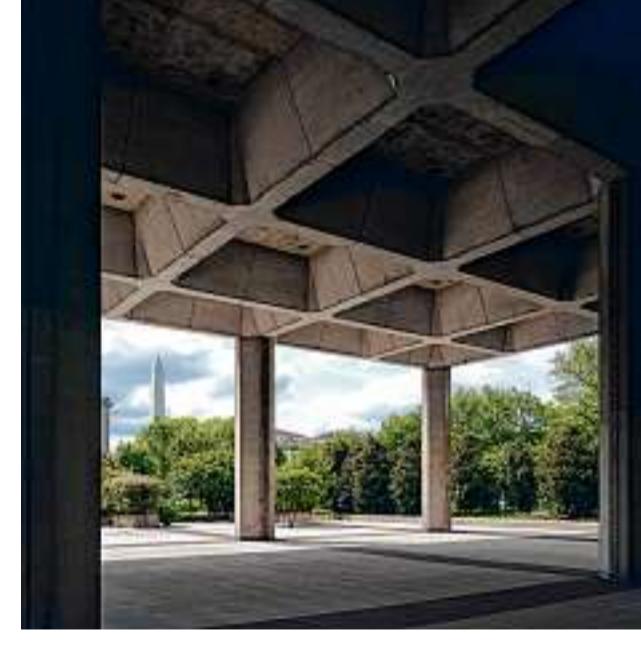
By MICHAEL J. LEWIS

**T**here is no English equivalent of the French phrase *jolie laide*, defined as "fascinatingly ugly." How better to describe a Brutalist building? Brutalism takes its name from *béton brut*—yet another French term—meaning raw concrete, its surfaces left intentionally coarse. During its heyday in the 1960s, the style was virtually obligatory for government buildings but especially in Washington, where they reached the apogee of authoritarian monumentality. Seven of those structures are the subject of "Capital Brutalism," the exhibition on view at the National Building Museum through Feb. 17, 2025. It is curated by Angela Person, associate professor of architecture at the University of Oklahoma, and Ty Cole, a photographer. They wisely decided that the only way to treat this humorless architecture was lightheartedly.

Its subjects range from the gargantuan 2.5 million-square-foot FBI headquarters to Harry Weese's Washington Metro system. Each is represented by a lively variety of material, including photographs, architectural drawings and contemporary reviews. We learn that 1960s Brutalism never really fell from favor, for it was never popular in the first place. Brutalist buildings were reviled as much by critics as by their users: Ada Louise Huxtable reviewed the Hirshhorn Museum as "born-dead, neo-penitentiary modern" while Jack Kemp described the Weaver Build-

ing, his own headquarters when he served as secretary of housing and urban development, as "10 floors of basement." Six decades ago, detractors could only grumble, but as Brutalist buildings enter their seventh decade it is now possible to think about tearing them down, or at least altering them. The most intriguing items here are proposals by contemporary architects for renovating buildings so as to soften their Brutalist harshness. This is no easy matter. Typically built on a modular system, in which precast concrete elements are repeated in cellular fashion, bay upon identical bay, to form a densely knotted web of structure, they stubbornly defy modification; you might as well try to modify a coral reef.

Yet try these architects do, and mightily. The firm of Brooks + Scarpa makes a determined effort to transform the colossal Weaver Building from a hive of offices into "a dynamic, mixed-use structure," with small apartments sharing common kitchens and bathrooms. Its richly detailed scale model is the showstopper here. We see Marcel Breuer's long curved facades left intact, while his interior is peeled back to make a steel and glass courtyard, which bursts forth into a jubilant cascade of ir-



View of the Forrestal Building, by photographer and exhibition co-curator Ty Cole.

regular green-roofed terraces. This certainly is one approach to Brutalism: remove as much of it as possible and start again.

Studio Gang takes the diametrically opposite approach in its proposal for the Forrestal Building, headquarters of the Energy Department. Instead of inflicting a radical root canal, it tackles just one problem, the building's staggering 760-foot length. By removing a run of bays from its center (to be reused elsewhere), the architects split the building into

two human-scaled wings and reopened the long-closed view to the Smithsonian Castle.

Some projects are simply amusing. We see a 2009 proposal by Diller Scofidio + Renfro to insert an event space into the hollow hub of Gordon Bunshaft's circular Hirshorn. This would be an inflatable "Bubble" that could be blown up in just 30 minutes, giving the rather inflexible building 11,000 square feet of additional space. The digital presentation shows it bubbling up and over the building, like a tube of toothpaste squeezed too

vigorously, and it has the anarchic freedom of one of Archigram's Pop Art fantasies.

If the "Bubble" is unintentionally comical, the proposal by BLDUS, a Washington-based firm, for the citadel-like Hubert Humphrey Building is deliberately absurd. It would evict the Department of Health and Human Services in favor of a new executive department, to be called the Department of Play. The building, also by Breuer, would be disemboweled, opening up space for "slides, climbing facilities, affordable dining," etc., making it "the largest playground in the world." The architects seem to have realized that to retrofit a

The Hubert Humphrey Building, above left, and the Hirshorn Museum, above.

Brutalist stronghold is a fool's errand, and that you might as well have fun.

"Capital Brutalism" does what an exhibition of recent architecture should do, which is to take something that has become familiar, commonplace and discolored by decades of auto exhaust and help us to see it with fresh eyes. The contemporary color photographs by Mr. Cole are lovely, and find poetry where you would not expect it, i.e., in the shadowy concrete contours of a Brutalist wall. They remind us that these buildings were originally envisioned as exquisite abstract sculpture.

Most visitors will overlook the small scale models of a single structural unit of a building. They should not. When isolated, and freed from their colossal context, they are radiant in their tapered and chiseled elegance. One bay of the Weaver Building suggests a brawny set of shoulders atop the delicate feet of a dancer; it tells us what Brancusi might have looked like if Brancusi had been advising the builders.

Brutalism will never speak to us again as it did in the 1960s, when the expansion of the federal government under the Great Society required such behemoths, and the anxiety of the Cold War got into their bones, making them sublimated bunkers. But it does offer us something today: an architecture of solidity and seriousness, two qualities that are in short supply in the design of our time.

**Capital Brutalism**  
National Building Museum, through Feb. 17, 2025

Mr. Lewis teaches architectural history at Williams and reviews architecture for the Journal.

## MUSIC REVIEW

## A Supergroup's Emergent Sound

By MARC MYERS

**A**t 3:30 a.m. on Aug. 18, 1969, singer-songwriter and guitarist Stephen Stills was anxious. Facing an ink-black silhouette of more than 400,000 attendees at the Woodstock music festival and rock stars watching from the wings, he had no clue how Crosby, Stills and Nash would be received. After cheers went up following the trio's first song—his "Suite: Judy Blue Eyes"—a

relieved Mr. Stills announced: "Thank you, we needed that. This is the second time we've ever played in front of people, man," adding that the group was scared. Neil Young, the new fourth member, sat out much of the acoustic set but played later on the electric one.

Two venues and eight concerts later, on Sept. 19 and 20, David Crosby, Mr. Stills, Graham Nash and Mr. Young performed four shows over two nights in New York. "Live at Fillmore East, 1969" (Rhino)—a newly released double album of previously unheard tracks culled from the Sept. 20 shows—captures the supergroup between two hit albums singing largely about their romantic relationships.

Formed in December 1968, CSN released their first LP—"Crosby, Stills & Nash"—in May 1969, and it

peaked at No. 6 on Billboard's album chart. Mr. Young joined the group that summer, and the quartet's first gig took place in Chicago—two days before their Woodstock appearance. Concert promoter Bill Graham had opened the Fillmore East, on New York's Lower East Side, a year earlier, and it quickly became one of rock's most important indoor concert spaces.

At the Fillmore, CSNY's acoustic set dwelled on the group's new California folk-rock sound, a mellow approach that risked boring audiences that typically lined up to see hard- and psychedelic-rock bands.

With the counterculture on edge, however, CSNY's sullen yet catchy love songs were a balm. By then, the military draft had ramped up after North Vietnam's Tet Offensive in 1968, two assassinations led to violent antiwar and civil-rights protests, and the Manson Family's grisly Tate-LaBianca murders in August 1969 were a harrowing coda to a hopeful decade.

On stage, the group stood in



place, playing together and singing in harmony as each song's composer became the lead singer. Not until the electric set was CSNY joined by two nonmembers who added punch—bassist Greg Reeves and drummer Dallas Taylor.

Mr. Stills's "Helplessly Hoping," "Go Back Home" and the haunting "20" explore inner torment and revisit his split with Ms. Collins.

The quartet's acoustic set featured 11 ballads in a row, 10 of which were about ex- or current girlfriends—a static playlist that could have backfired. Instead, based on the applause, audiences were drawn into the melancholy confessions. On his ingenious opener, "Suite: Judy Blue Eyes," Mr. Stills sings about his failed relationship with Judy Collins: "I am yours, you are mine, you are what you are / You make it hard"). A cover of the Beatles' "Blackbird" follows, a tribute to a beloved band that was in the process of breaking up.

Mr. Stills's "Helplessly Hoping,"

"Guinnevere" pays tribute to three women: Joni Mitchell; another whose name Crosby never revealed; and his lover at the time, Christine Hinton, who would die 10 days later in a car crash—a loss that wreaked emotional havoc on Crosby.

Mr. Nash's "Lady of the Island" celebrates Ms. Mitchell, his live-in lover by then. Backing himself on organ, Mr. Nash sings a touching solo version of his hit "Our House" to Ms. Mitchell, who was in the audience. The two would break up the following year, leading Ms. Mitchell to record "Blue."

Mr. Stills's "You Don't Have to Cry" is again about Ms. Collins, after she left him in L.A. for New York: "In the mornin' when you rise / Do you think of me and how you left me cryin'?" Mr. Young injects relief with "On the Way Home" and "I've Loved Her So Long." His rootsy, nasal falsetto croon and brightly strummed chords are commanding and refreshing.

The electric set begins with two statement songs: Crosby's forceful "Long Time Gone," written the night of Robert Kennedy's assassination in 1968, and the hard-charging "Wooden Ships"—written by Crosby, Mr. Stills and Paul Kantner, co-founder of Jefferson Airplane—about surviving a nuclear war. "Sea of Madness" by Mr. Young is a solid rocker that hurtles forward with twists and turns. That song, along with "I've Loved Her So Long" and "Lady of the Island," are rarities, since the group wouldn't perform them again together.

By far, the record's high point is Mr. Young's "Down by the River," a tale about a man who shoots his lover. It lasts more than 16 minutes and features Messrs. Young and Stills jamming on dueling guitars. The concert closes with Mr. Stills's "Find the Cost of Freedom," a song he wrote for the final scene of "Easy Rider" that wasn't used.

By July 1970, CSNY had imploded. Clashing egos, sudden wealth, runaway addiction, sexual betrayal and a desire by each member to prove his worth with solo albums tore them apart. On "Live at Fillmore East, 1969" we hear the band at peace and putting the audience at ease, just months before their own chaos began.

Mr. Myers is the author of "Rock Concert: An Oral History" and "Anatomy of 55 More Songs" (Grove Press).



## OPINION

## The Hemlock Election



**INSIDE VIEW**  
By Andy Kessler

Overheard waiting to vote in 1992 for either Bill Clinton or George H.W. Bush on Manhattan's Upper West Side: "Looks like you just have to hold your nose and vote." To me, Tuesday's election is worse: rock meets hard place, a Sophie's choice, pomposity versus progressive purgatory, unrest versus economic decline. Pick your poison. Let's call this the Hemlock Election.

A friend told me, "I don't think I can take another four years of Donald Trump clips on the 'Today' Show, with that whiny voice butchering the English language, complaining about what people think of him." It's hard to argue. On the flip side, I don't think I can take another four years of performative hand-wringing, like Kamala Harris's Columbus Day 2021 "shameful past" speech to the National Congress of American Indians: "Those explorers ushered in a wave of devastation for Tribal nations—perpetrating violence, stealing land and spreading disease."

How uplifting. Under Mr. Trump, expect me-me-me, mockery and misogyny. Under Ms. Harris, climate craziness, wokey woo-woo and pronoun patrols. I don't like either scenario.

Mr. Trump says if he wins,

there'll be mass deportations. Believe him. Detention centers will be constructed, which the press will immediately compare to Nazi camps. It won't be pretty. Add tariffs and a lower dollar in a misguided effort to help U.S. manufacturing. Prices will go up.

Ms. Harris says she'll give money away in the form of tax credits, home subsidies and higher minimum wages. Believe her. Prices will go up. In 2026 maybe we'll see a rebranding of the Dollar Store to the Five Dollar Store. The stock market may swoon on larger federal deficits.

It's vainglorious versus vassal, bouffant versus vacuous pantsuit. According to Mr. Trump, dictators will bend the knee to the great and powerful Donald. Wars will end. China will cower. Doubtful. Under Ms. Harris, expect a Culture Club-like Kamala Chameleon, saying whatever's popular that day. Her flip-flops on fracking, Medicare for All and guns make John Kerry seem like the Rock of Gibraltar.

A President Harris will likely reduce defense spending and continue to empower Iran. My real worry is weakness—an international loss of respect, much as a Bay of Pigs-weakened John F. Kennedy led to the Berlin Wall. I also fear a President Trump coddling Vladimir Putin and backing away from Ukraine.

Under a President Harris, as under President Biden, there will be mysterious peo-

ple in charge—the effete elite—opening the border and giving gifts to Iran. At least Mr. Biden's failed industrial policy can be laid at the feet of national security adviser Jake Sullivan, who I suspect will have the ear of a President Harris. Meanwhile, Mr. Trump's decisions, it seems,

**Hold your nose and pick your poison. The republic will survive Trump or Harris.**

were often influenced by the last person with whom he spoke. Oh, and Elon Musk may oversee "government efficiency." I can't wait for the Twittersphere's snarky judgment of his performance.

Economic illiteracy is bipartisan. Ms. Harris says she will "advance the first-ever federal ban on price gouging on food and groceries." Price controls lead to empty shelves—ask the Soviets. Mr. Trump suggests of the U.S. debt, "Maybe we'll pay off the \$35 trillion dollars in crypto. I'll write on a little piece of paper, '\$35 trillion crypto, we have no debt.' That's what I like." Dumb and dumber.

You pick: performative or pretentious. Oppression-obsessed or obstinate. Fortunately, two progressive movements—diversity, equity and inclusion and environmental, social and governance—have

peaked and are circling the drain. Will a Harris administration revive them? Will she see racism and toxic masculinity everywhere? Put tampons in boys' bathrooms? Allow men to compete as women in the Olympics? The right can be performative too: Mr. Trump's friend Kid Rock shot up cases of Bud Light with a Heckler & Koch MP5 German submachine gun (so much for "buy American") after Budweiser's marketing department had already shot it in the keg.

One thing is sure, the media doesn't come off well. CBS's "60 Minutes" was caught editing an interview it did with Ms. Harris in her favor. Twitter ran wild with "they're eating the cats" until DJ Vance admitted to creating stories.

Both candidates made mistakes. Mr. Trump agreed to a June debate with Mr. Biden, leaving time after Mr. Biden's disastrous performance to swap him out for someone with a chance to win. Ms. Harris picked Minnesota's Tim Walz instead of Josh Shapiro, leaving Pennsylvania's crucial electoral votes up for grabs. Second-guessing will begin as soon as a winner is declared—hopefully before New Year's Day. Meanwhile, we have checks and balances. So go ahead, hold your nose, pick your poison—our republic will survive. And then vote early, but please (especially in Chicago) not too often.

*Write to kessler@wsj.com.*

**BOOKSHELF** | By Tunku Varadarajan

## People-Smuggling As a Way of Life

### Soldiers and Kings

By Jason De León  
*Viking, 400 pages, \$32*

A man named Kingston is a Honduran "guide" in Mexico—a *guía*, in Spanish. That is, of course, the polite way to describe him. Many of us would be inclined to regard him, instead, as a people-smuggler. His chosen profession is to help undocumented Honduran migrants traverse Mexico to the U.S. border. By any yardstick, he is a bad man. He beat a Russian almost to death in a Mexican bar and was deported from the U.S. for pistol-whipping someone in the Bronx, N.Y. And he's a member of the Bloods gang, which has infiltrated his ethnic group, the *Garifuna*—Afro-Hondurans descended from runaway slaves.

Kingston's shadowy story—and that of a half-dozen other such *guías*—is told to us by Jason De León in "Soldiers and Kings," a book born of years of fieldwork. In 2009, Mr. De León, a Mexican-Filipino-American professor of anthropology at UCLA, founded the Undocumented Migration Project, an organization that seeks to "inspire positive social change about migration issues globally." He is the author of "The Land of Open Graves" (2015), in which he accused the U.S. government of the "weaponization of natural terrain" by funneling cross-border migration through the Sonoran Desert of Arizona. Many die from heat and dehydration, a deliberate strategy, he argued, to dissuade migrants from coming to the U.S.

Mr. De León's interlocutors in "Soldiers and Kings" operate mainly in Chiapas, a Mexican state on the border with Guatemala, itself an impoverished country that lies in between middle-income Mexico and destitute Honduras farther to the south. Honduran migrants, writes Mr. De León, risk assault, robbery, rape and murder to undertake their odyssey to the U.S. They're entirely at the mercy of the guides and their bosses, many of whom are cold-blooded thugs.

We learn from Mr. De León that the most basic smuggler's "package" from Honduras to Houston can cost up to \$15,000 per migrant. It involves more walking than riding; sleeping beside railroad tracks or in jungle clearings; atrocious food (often a diet of roasted iguana); and fetid "safe houses." Only a fraction of the money handed over—as little as \$200—ends up going to *guías* like Chino, Santos, Flaco, Papo and Kingston, all of whom Mr. De León came to know as he embedded in this murky world. The rest goes to the cartels and gangs who control the people-smuggling routes.

Bribes also must be paid to the police in Honduras, Guatemala and, especially, Mexico, countries that pursue U.S.-funded policies designed to turn people back well before they reach the very north of Mexico. Mr. De León is a man of the left: He uses phrases like "deportation-industrial complexes" and accuses "the Global North" of firing tear gas and rubber bullets "at mothers holding their babies." Yet he never mentions Donald Trump in his book, instead blaming the progressive Obama administration for putting in place antimigrant measures that impede the passage of people to the U.S. border. These measures, he argues, empower the people-smugglers, the only ones with the guile, resources and contacts to evade the checkpoints along the way. It's nigh impossible to cross Mexico without a gang-affiliated guide.

**For a price, guides shepherd migrants heading north. The journey includes atrocious food, fetid 'safe houses' and the risk of assault.**

While it's easy to sympathize with migrants who flee crushing poverty and gang violence in Honduras, it's harder to like the people-smugglers whom Mr. De León befriends and with whom he wishes us to form a bond of empathy. He asks us to accept that these men are desperate and to forgive them their trespasses; guides, after all, make a living as best they can in an infernal milieu where there are no saints, only survivors. "People are always criminalizing what we do," says one *guía*, "but we are just working for our families." And if the guides exploit the migrants they herd through Mexico—making them pay more for food or shelter, for instance, than the original deal had envisaged—they're at least making it possible for some people to escape.

But Mr. De León's plainly stated recourse to "participant observation" and his stance of "cultural relativism"—strategies by which a researcher "hangs with" his subjects and suspends normative judgment to ensure unimpeded trust and abundant material—lead him to become much too close to his subjects. He sentimentalizes the guides and confesses to crying when he sees them in distress. He visits their families in Honduras. He gives them money, not just for beer, food and marijuana but also for time-credit on their cellphones, vital tools of the people-smuggler's trade.

Mr. De León's narrative is based exclusively on what he's told by his subjects: men who have a vested interest in projecting onto themselves a certain incongruous nobility—for how else do you save yourself from self-loathing other than by persuading yourself that what you do, however squalid, is best evaluated by a broader utilitarian calculus? Put plainly, Mr. De León isn't skeptical enough of the *hombrés* who become his homies.

There is valuable material in his book. We learn at first-hand how vulnerable migrants are to exploitation and how near to social collapse their countries of origin. A town called Tapachula, 12 miles into Mexico from Guatemala, teems with thousands of Haitians biding their time before they can afford to travel northward. "No disrespect to my Mexican family and friends," writes Mr. De León, "but it's to be pretty unbearable in one's home country if you're seeking refuge in Chiapas, the poorest state in Mexico."

For all his sympathetic portraiture of people-smugglers, and his sensitive portrayal of dead-end life in Honduras, Mr. De León's analysis is undone by his own ideology. He concedes that smuggling is "exploitative and violent" but insists that, even so, it is "not the problem." Instead, the "monstrous injustices created by capitalism that drive migration are the problem." It's ironic, then, that the people so cruelly wronged (in his view) by capitalism are fleeing in the direction of a dreamland in *el Norte* whose bedrock is that same confounding creed.

*Mr. Varadarajan, a Journal contributor, is a fellow at the American Enterprise Institute and at NYU Law School's Classical Liberal Institute.*

## Puerto Rico Is a Political Football



**AMERICAS**  
By Mary Anastasia O'Grady

Puerto Rico's per capita gross domestic product would make it the poorest state in the nation. Its anemic economy has impelled millions to leave

their families for work on the U.S. mainland. Neither of the two big political parties in Washington gives a hoot about it except as a tool to virtue-signal—usually right before an election.

Comedian Tony Hinchcliffe's reference to Puerto Rico as a "floating island of garbage" at a Trump rally will cost the former president votes on Tuesday. How many is hard to say. But if the election is as close as forecast it could turn out to be an unforced error that matters.

Some Trump supporters accuse critics of being humorless. They point out that Mr. Hinchcliffe also made crude cracks about Jews, blacks and Hispanic culture more broadly. Bad taste and vulgarity are his stock in trade.

That hasn't cheered up Puerto Ricans. They're proud of their beautiful homeland, culture and record of service in the U.S. military. With hundreds of thousands of Puerto Rican voters concentrated in swing states, it's surprising Mr. Trump didn't try harder to reverse the damage.

Democrats were elated that Republicans had offended Puerto Rico. Rep. Alexandria

Ocasio-Cortez (D., N.Y.) pounced. So did Kamala Harris, Tim Walz and CNN. Within a couple of days, Puerto Rico was again playing its most useful national role for the parties: political football.

The cause of Puerto Rico's economic malaise is no secret. A dominant public sector, born under New Deal central planner Rexford Tugwell, has ballooned over decades. Powerful special interests, notably organized labor, crony capitalists and a giant bureaucracy, drain resources from business and stand in the way of reshaping the economy toward something more dynamic.

A fiscal crisis can be a catalyst for change. But not when Washington backstops the status quo. That's what happened in 2016, when Gov. Alejandro García Padilla, who had run up huge deficits, decided to stop servicing some of the island's debt.

Since Puerto Rico, like the 50 states, wasn't permitted bankruptcy under the U.S. code, creditors prepared to go to court. The island government faced a reckoning.

But it was an election year. President Obama wanted to save Mr. García Padilla's political interests. The Republican-controlled House buckled from the pressure. Congress crafted bipartisan legislation to allow the commonwealth to restructure most of its debt under the guidance of a federal oversight board. The "O board" was charged with forcing lenders to take a haircut and driving reform.

Puerto Rico was happy to

wipe away obligations to creditors, who had enabled its reckless spending. Downsizing and improving state services? Not so much.

Eight years later the O board remains at the helm, because under the law its exit requires that the island government be able to issue debt at reasonable rates again.

**Washington uses the island for virtue-signaling, mostly at election time.**

That hasn't happened because credit-rating firms are waiting for it to get current on its audited financial statements.

An Oct. 22 report from the San Juan-based Institute of Economic Freedom shows how little of what matters to growth and development has changed. Ángel Carrión-Tavárez, the institute's director of research and public policy, notes that the island "has the highest number of government employees as a percentage of total employment" of any U.S. jurisdiction. As of May 2024, he writes, there were "166,122 jobs in state and local government, including career, confidential, and other positions," or "approximately 510 public employees per 10,000 inhabitants."

According to Mr. Carrión-Tavárez, "Puerto Rico has the second highest corporate tax rate in the world, at 37.5%." Some multinational corpora-

tions dodge that heavy burden. The rest take it on the chin. Small and medium-size local businesses make up "over 95% of businesses in Puerto Rico." The disincentives to investment are many. From creating a company and hiring workers to registering property and acquiring an occupational license, Puerto Rican government fails entrepreneurs.

The O board was tasked to restructure the debt of the electricity utility but its mess, dating back almost a decade, lingers. Citing Arizona State's "Doing Business North America 2022" report, Mr. Carrión-Tavárez observes that "Puerto Rico ranked last in terms of accessibility, reliability, and cost of electricity." These troubles "discourage private investment and entrepreneurship and are an obstacle to growth," especially for small and medium-size businesses. San Juan ranks at rock bottom among 83 U.S. jurisdictions for ease of running a business.

The oversight board has the authority to instruct Puerto Rico to clean up its inefficient bureaucracies but hasn't done so. Is it possible that its incentives don't align with the interests of Puerto Ricans? In 2016 the Congressional Budget Office estimated the board's work, including outside attorneys and consultants, would cost \$370 million over five years, charged back to Puerto Rico. To date it has cost \$1.5 billion. That's good work if you can get it. Why end it?

*Write to O'Grady@wsj.com.*

**For a price, guides shepherd migrants heading north. The journey includes atrocious food, fetid 'safe houses' and the risk of assault.**

By Marc Siegel

**R**ecreational marijuana, already legal in 24 states and the District of Columbia, is on the ballot this week in Florida, North Dakota and South Dakota. With 70% of Americans now favoring legalization, it seems to be only a matter of time before marijuana is legal nationwide. But "recreational" is a misleading term to describe the drug, which is more dangerous than in the past.

The chemical responsible for most of marijuana's psychological effects is tetrahydrocannabinol, or THC. Chemists have acquired the ability to hyperconcentrate the compound and enhance its effects, leading to more potent strains of cannabis. As the THC content of a product increases, so does the risk that it will impair functioning and cause long-term harm to users.

Today's marijuana products are loaded with THC, which new research suggests is re-

sponsible for spikes in anxiety, depression and psychosis. But many of the states where marijuana is legal have very limited THC-concentration restrictions. More pregnant women are taking the drug to ease the symptoms of morning sickness, only to discover

**Florida's Amendment 3 would legalize pot with dangerously high amounts of THC.**

that the souped-up product leads to preterm births, low-birth-weight infants and developmental delay.

Other countries are aware of these risks. Switzerland limits the THC content in cannabis products to less than 1%. In France, the limit is 0.3%. Compare this with Florida's Amendment 3, which would decriminalize recreational marijuana. Florida's

legislators have debated how high the THC concentration of marijuana should be—one proposal allowed for products to contain up to 60% THC content. This is a dangerous amount and a far cry from the 1% to 3% content of so-called Woodstock Weed from the 1960s and '70s.

The potential collateral damage is enormous. We will see more car accidents, injuries and poisonings, as well as emergency-room trips caused by psychosis, suicidal ideation and uncontrollable-vomiting disorders. States where pot has long been legal, such as Colorado, California and Nevada, have already seen spikes in cannabis-induced ER visits.

Kamala Harris has promised to legalize weed at the federal level, and Donald Trump recently endorsed Florida's Amendment 3. The Florida proposal's potentially sky-high THC limit poses serious health risks. Contrary to its supporters' claims, it's un-

likely the amendment would reduce the drug's illicit market. The American cannabis industry—valued at more than \$33 billion—spends millions on lobbying every year, arguing that legalized recreational use makes illicit use disappear. The opposite seems to be true: In California the illegal market is thriving and pushes its more regulated legal competitors out of business. When users become desensitized to the already-high THC concentrations sold in the legal market, a robust illegal market will be standing by to fill demand.

If marijuana is to be legalized nationwide, policymakers must pay closer attention to and get more serious about regulating THC content. Public health will increasingly depend on establishing safer limits.

*Dr. Siegel is a clinical professor of medicine at NYU Langone Health and a Fox News senior medical analyst.*

## OPINION

## REVIEW &amp; OUTLOOK

## The Senate Stakes Can't Get Much Higher

**T**he race for the White House has tightened again, if you can take more drama, as new polls show Kamala Harris gaining ground in the last week, including Wisconsin, Georgia and even Iowa. This marks a good moment for a reminder of why this year's U.S. Senate elections are unusually important.

If the Vice President wins, while Democrats keep a Senate majority, the House stands a good chance of going her way as well. After that, the progressive deluge.

She has endorsed overriding the Senate's 60-vote filibuster rule to enact a national abortion law that in practice would go beyond *Roe v. Wade*. Democrats in 2022 tried to bypass the filibuster to nationalize election rules, including on California-style ballot harvesting, but Sens. Joe Manchin and Kyrsten Sinema balked. They're retiring from Congress and were run out of the party.

Sometimes Democrats claim they want only a few legislative filibuster "carve outs," but don't be fooled. "The bill that gets around the filibuster will be virtually certain to include permanent reproductive rights, permanent restored voting rights, getting rid of corrupting billionaire dark money, and Supreme Court reform," Sen. Sheldon Whitehouse said this summer.

Then what? Making the District of Columbia and Puerto Rico states on a partisan vote by one party for its own political advantage? A union wish list? Those and more are likely, as Democratic interest groups clamor to have their priorities passed by a simple majority.

If Republicans retake the Senate, it will halt this progressive vision to transform America, at least for two years. Yet the margin also matters, since the Senate's electoral maps for 2026 and 2028 are more favorable to Democrats. If the GOP comes out of Nov. 5 with 51 seats, it will be a win, but that small majority might be hard to retain, and Democrats will see it as a delaying action. What could change the story is a bigger Republican Senate victory.

Consider, too, the longer implications of the

### A GOP majority could check Harris's progressive deluge.

opposite scenario, if voters give Mr. Trump the White House. Under a GOP Senate, retirement might start to look appealing to the Supreme Court's oldest members, conservative Justices Clarence Thomas (76) and Samuel Alito (74). Liberal Justice Sonia Sotomayor is 70.

On the other hand, a Democratic Senate would likely while away the next four years blocking any non-liberal appointment by Mr. Trump to replace a Justice. Today's conservative High Court majority looks more fleeting than Republicans imagine or Democrats fear.

For two elections in a row, the GOP squandered its Senate chances. After 2020, as Mr. Trump's wild claims about voting fraud discouraged GOP turnout, Democrats narrowly won runoffs for two Georgia seats. That's what made Chuck Schumer the Majority Leader and prompted President Biden to dream that he could be the next FDR. Then in 2022 Republicans racked up preventable losses by nominating oddball candidates.

For the most part the party has done better this year, and credit to Sen. Steve Daines, the GOP's campaign chairman. The lobbying to keep Rep. Matt Rosendale out of the Montana race was crucial to setting up businessman Tim Sheehy's candidacy against three-term incumbent Democrat Jon Tester.

On the other hand, Arizona Republicans might regret giving another shot to Kari Lake, after her "stop the steal" antics and 2022 loss. Polls show her trailing, while Mr. Trump is up slightly in the state. GOP Sens. Deb Fischer in Nebraska and Ted Cruz in Texas also might be less safe than assumed.

But Tuesday's decisive action looks like it might come in Pennsylvania, Michigan and Wisconsin, all of which have strong GOP candidates. How they perform at the ballot box might set the tone for the next four years. Will the Supreme Court get younger conservative Justices? Or will it be restructured to have 15 Justices? Voters in those three Great Lakes states might end up answering the question.

## New York Bureaucrats Get Their Squirrel

**N**ew York can't keep the subways safe, the mentally ill attack random pedestrians on the streets, and the Manhattan district attorney won't prosecute many nonviolent crimes. But house a pet squirrel, and the state's bureaucrats will come down on you like you're a menace to society.

That's what Mark Longo says happened to him when several government agents descended on his upstate Pine City home on Wednesday in a heavy-handed raid. Mr. Longo and his wife run a nonprofit animal-rescue operation. Two of their animal charges, a raccoon named Fred and a squirrel named P'Nut, were targeted by ever-vigilant agents from the state departments of Environmental Conservation and Health.

"They treated me like I was a terrorist. They treated this raid as if I was a drug dealer. They ransacked my house for five hours," Mr. Longo told the New York Post. "They asked my wife, who is of German descent, what her immigration status was. They asked if I had cameras in my house. They wouldn't allow me to go to the bathroom without a police escort, who then checked the back of the toilet to see if I was hiding anything there."

Mr. Longo told the Post he took in P'Nut

### State enforcers descend on a home with the pet social-media star.

seven years ago after the squirrel's mother was killed. P'Nut has since become something of a star on Instagram, Facebook and TikTok. Mr. Longo published images of P'Nut behaving more like a domesticated house pet than a rodent in the wild.

The squirrel cops nonetheless took custody of P'Nut and Fred and euthanized them to check for rabies after P'Nut allegedly bit one of the raiding agents on the hand. Mr. Longo told the Post he saw no evidence of the bite and that the agents wore heavy gloves. It is against state law to keep a wild animal in a home without a license, but Mr. Longo said he tried to release P'Nut into the wild only to rescue him after he was attacked by other animals.

The P'Nut incident has exploded on social media as an example of abusive government, and it's hard to conclude otherwise if Mr. Longo's account is accurate. The 34-year-old had better watch out now that he's gone public, because there's nobody more vengeful than a bureaucracy that's been embarrassed when its bullying zealotry is exposed.

Too bad for P'Nut he didn't steal sundries from a drug store. He'd already be back safely at home.

## Gavin Newsom Wants a Climate Bailout

**T**uesday's election appears to have turned on an LED bulb switch in Sacramento. Lo, California Gov. Gavin Newsom has discovered that his state's high electric rates are hurting Democrats and now—get this—he wants folks in Waukesha, Wis., to pay for his state's climate folly.

Electric rates in California have risen on average by 57% in the last five years, more than twice as much as nationwide. Enter Mr. Newsom, who last week issued an executive order to ensure "electric service remains affordable, reliable, and safe for all Californians during our clean energy transition." Electricity now is neither reliable nor affordable.

It's nice of Mr. Newsom to concede in his order a point we've made for years: "Californians' electric rate increases have been driven largely by the cost of some programs added over time, such as the subsidy provided through the legacy Net Energy Metering program for rooftop solar photovoltaic systems."

California's net-metering program pays utility customers with rooftop solar panels for excess power they generate and remit to the grid at retail rates, which are two to three times as high as the wholesale cost of power. The average utility customer without rooftop solar pays 10% to 20% of his electric bill to subsidize rooftop solar customers.

Mr. Newsom also singles out wildfire mitigation as a cost-driver. But other Western states must protect their grids from the same danger, and their electric rates are less than half of the Golden State's. What's the matter with Califor-

### The California Governor has a revelation about rising electric rates.

nia? Answer: Its aggressive renewables mandate, which requires utilities to procure solar and battery power at higher cost.

California's cap-and-trade program also requires natural gas-fired plants to pay for CO2 emissions permits. The state Public Utilities Commission (PUC) says the program raises electric rates, though

customers receive biannual "climate credits" on their bills to offset some of the program's cost—in April (when taxes are due) and October (before elections).

The PUC says the credit "helps to offset [rate] increases while preserving the incentive for customers to conserve energy and reduce GHG emissions." In other words, the purpose of cap and trade is to raise energy prices to force people to use less energy.

Mr. Newsom now wants his energy commission to identify programs and regulations "that may be unduly adding to rates, for which the electricity system benefits may not be justified by the costs." This applies to all of the state's climate mandates and programs.

Unwilling to renounce climate religion, he directs his regulators "to pursue any federal funding available to help lower electricity costs for Californians." That sounds like he wants people in states with more sensible energy policies to subsidize progressive lunacy. That's what the Biden Federal Energy Regulatory Commission is trying to do via a regulatory back door.

It's possible Mr. Newsom could get a job in a Harris Administration. Americans stung by surging electric rates these past few years, look out. It can always get worse.

### Review & Outlook

## OPINION

## LETTERS TO THE EDITOR

### Weighing the Risk of a Second Trump Term

Your editorial asks an important question: "How Risky Is a Trump Second Term?" (Nov. 1). The short answer is: Way too risky for America. In the time since Donald Trump's first term as president, his message to the people has gotten more divisive, dark and disjointed.

In his first term, Mr. Trump had many competent people in his administration who acted as a guardrail against his worst, most impulsive ideas. Many of those people have since come out strongly advising against electing him for a second term. If Mr. Trump is elected again, he will surround himself with loyalists who will do whatever they are told. This alone isn't worth the risk of a second Trump presidency.

Two areas where this will be particularly dangerous is the economy and foreign policy. His extreme tariffs and mass deportations will have far more negative effects than merely "introduce uncertainty." Higher inflation and lower growth are virtual certainties. His reckless handling of foreign policy and flirtations with murderous dictators should be disqualifying alone.

On the other hand, Vice President Kamala Harris will be a far more stable alternative who will certainly surround herself with qualified people.

KURT HAGEMEISTER  
Ann Arbor, Mich.

A Harris win would produce the most immediate danger in foreign

policy. She is not prepared, by knowledge, temperament or experience, to deal with the issues we will face.

Further domestic damage will depend on whether Democrats control Congress or not. Simply having the White House held by Democrats, however, will lock in the ill-advised destruction of our energy and transportation systems as well as other left-wing crusades.

All in all, this is a very important election. Mr. Trump wouldn't be my first choice, but Ms. Harris is my last.

DANIEL MCKENZIE  
Denver, N.C.

The real risk lies in not repudiating Jan. 6. If concerted efforts to change official election results through nonjudicial means aren't decisively rebuked—at the least, with never being elected again—other politicians will try it, and some will succeed. Once we lose the norm of settling election disputes peacefully through the courts, we'll descend into chaos.

ILYA SHLYAKHTER  
Belmont, Mass.

As the old lawyer's adage goes, "When you have the facts on your side, pound the facts; when you have the law on your side, pound the law; and when you have neither, pound the table."

Ms. Harris is pounding the table.

RICHARD CHUPP  
Evans, Ga.

### Has Harris Been Too Cautious or Too Radical?

Regarding your editorial "Harris Would Be a Fourth Obama Term" (Oct. 31): Kamala Harris is an able campaigner. Starting as an unpopular vice president with relatively few accomplishments in or out of office, she has forced former President Donald Trump to up his game. She toyed with him in debate, endured withering ridicule and kept her smile despite long hours on the road.

Ms. Harris makes two arguments for her candidacy. First, she isn't Mr. Trump. Second, she supports a woman's right to get an abortion. The first echoes the Biden candidacy, but wears thin after four years of media hyperbole. Both arguments may appear most effectively to professional women.

The flip side is that Ms. Harris shares the Democratic Party's deaf ear when it comes to men, including young black and Hispanic men. Young men are the ones hurt most by competition from illegal immigrants and rising crime rates when police lose support. If Ms. Harris performs poorly among men, as polls predict, misogyny won't be to blame. Thankfully, Ms. Harris is a quick study. If elected, she is likely to be the most presidential of recent presidents.

STEPHEN W. HIEMSTRA  
Centreville, Va.

Teetering on the edge of retirement and living on a fixed income, I can't afford another four years of "progressive" government. The past eight years have been a roller-coaster ride for my 401(k): with Mr. Trump to unexpected highs, with Mr. Biden to the drubbing of the past four years.

MICHAEL J. BOMYEA  
Wixom, Mich.

### The Experts Owe Us More Than Their Politics

Kevin Hassett and Casey Mulligan's exposé "Nobelists for Harris Are Unburdened by Proof" (op-ed, Oct. 30) appears almost exactly four years after a similarly prestigious and influential group—of 51 former senior intelligence officials—circulated an open letter claiming that the release of emails from Hunter Biden's laptop had "all the classic earmarks of a Russian information operation." After circulating for months, creating incalculable political mischief, the claim—the one described here—was revealed to be false.

It is not only disheartening. It is a national tragedy that our best and brightest are willing to cynically compromise their credibility and their reputations in the service of a narrow political agenda.

ROBERT L. MARSHALL  
Newton, Mass.

The comparisons that Messrs. Hassett and Mulligan offer between the economic records of the Trump and Biden administrations are telling, particularly with respect to the pro-

growth effects of the Trump tax cuts. But as stock-market advisers say, past performance is no guarantee of future results. Economists worry about the contrast between former President Donald Trump's campaign promises for his next administration (high tariffs, mass deportations, slashed government spending) and Vice President Kamala Harris's muted remarks (pretty much a continuation of President Biden's policies).

GARY CLYDE HUFBAUER  
Ranchos de Taos, N.M.

### Report the News for a Change

Jeff Bezos claims that "declining to endorse presidential candidates" will help show that the Washington Post, and the media in general, isn't biased (Notable & Quotable, Oct. 30). I'd suggest it might be more effective for the media's reporting to show a lack of bias. The media's presidential endorsements merely confirmed what was otherwise evident.

JONATHAN BASTIAN  
Green Bay, Wis.

### Pepper ... And Salt

THE WALL STREET JOURNAL



"Bill and I are readers."

Letters intended for publication should be emailed to [wsj.ltrs@wsj.com](mailto:wsj.ltrs@wsj.com). Please include your city, state and telephone number. All letters are subject to editing, and unpublished letters cannot be acknowledged.

ERIC SANDBERG  
Tucker, Ga.

## OPINION

# The ‘Live Free’ Election for Governor

By Jillian Lederman

**A**ll politics is personal in New Hampshire. “The running gag is, ‘Who are you gonna vote for?’” says state Rep. Fred Doucette. “Well I’ve only met this person three times, so I’ve still got questions.”

This year the Granite State features the only close gubernatorial race in the country. And little wonder, because the state swings both ways. Its entire congressional delegation is Democratic, and no Republican presidential candidate has carried it since 2000. But the state Legislature is GOP-controlled, and Chris Sununu, who is in his fourth two-year term, is ranked the sixth most popular governor in the country. A scion of one of the state’s most famous political families, he would have easily secured a fifth term had he sought one. He won in 2020 with 65% even as Joe Biden carried the state by more than 7 points.

## Libertarian-leaning New Hampshire picks between Republican Kelly Ayotte and Democrat Joyce Craig.

Joyce Craig, 57, a fourth-generation Granite Stater and former Manchester mayor, is vying to become the first Democratic governor since Maggie Hassan, who moved to the U.S. Senate in 2017. She’s running against Kelly Ayotte, 56, a Nashua native and former state attorney general who served a term in the U.S. Senate (2011-17) but narrowly lost re-election to Ms. Hassan.

New Hampshire’s motto is “Live Free or Die,” and both candidates are appealing to that libertarian ethos. “The best thing going for Kelly Ayotte is Chris Sununu,” says Jessica Taylor of the Cook Political Report. “It’s Ayotte’s votes in the Senate, particularly on abortion, that have hurt her the most.” Ms. Ayotte voted twice for bills that would ban abortion after 20 weeks, with exceptions. As a former senator, she shep-



CHARLES KRUPA/ASSOCIATED PRESS; ELIZABETH FRANTZ/REUTERS

Republican Kelly Ayotte and Democrat Joyce Craig.

herded Justice Neil Gorsuch through his Senate confirmation.

New Hampshire law permits abortion without restriction up to 24 weeks, and 74% of residents believe it should be legal in all or most cases, according to the Public Religion Research Institute. Ms. Craig promises to repeal all restrictions and to expand Medicaid to cover abortions. “We will always protect reproductive freedom,” she says during a campaign event in Manchester. Ms. Hassan, also at the event, says in an interview that “women’s freedom is on the ballot.” New Hampshire’s other U.S. senator, Jeanne Shaheen, echoes the point. Gov. Josh Shapiro (D., Pa.) came to Concord on Wednesday and called Ms. Craig the “pro-freedom candidate.”

Ms. Ayotte promises to veto any bill tightening restrictions. But Ms. Craig says “we cannot trust what Kelly Ayotte is saying,” and some voters agree. “I think she is duplicitous and is lying about how she will vote on reproductive rights,” says Victoria Burke, 62, who lives in Stratham. (Ms. Ayotte didn’t respond to interview requests.)

Ms. Ayotte focuses on the contrast between New Hampshire and liberal Massachusetts, encapsulated by her slogan, “Don’t Mass Up NH.” In an October interview, she said: “Joyce Craig, she’s been campaigning in New Hampshire with the governor of Massachusetts. Higher taxes, higher crime, less personal freedom. That’s not what New Hampshire stands for.”

More than half of New Hampshire’s 1.4 million residents were born in another state, and Massachusetts is the largest source. Jodi Nelson, 55, a GOP state representative who moved from the Bay State to Derry in 2008, says her family used to be “completely overtaxed.” Massachusetts’ total state and local tax burden averages 8.6% of income, compared with New Hampshire’s 5.6%. New Hampshire has no general sales tax, and its only income tax is on interest and dividends and expires at the end of this year.

Both candidates say they won’t implement any new sales or income taxes, but Ms. Ayotte attacks Ms. Craig’s history: All six of her proposed Manchester budgets included tax increases. Ms. Craig is also “open” to preserving the interest-and-dividends tax, though she’d like to raise the threshold to “the top 1%.”

Ms. Craig says she hasn’t heard concerns about Massachusetts-style governance. “We have a lot of people who live in New Hampshire and travel to Massachusetts to work, and vice versa,” she says in an interview. “I look forward to working with all the governors in New England, because we have shared challenges.”

Housing is also top of mind. New Hampshire has a 23,500 unit housing shortage that is projected to rise to nearly 90,000 by 2040. Ms. Ayotte defines her plan as “build, baby, build,” promising to ease state permitting. Ms. Craig wants to change local zoning rules. She says that her approach

as mayor led to “over 2,000 units of housing” in development.

Between 2022 and 2023, New Hampshire’s homelessness rate rose by 52%, the highest increase in the country, according to the Department of Housing and Urban Development. Though the increase occurred statewide, it coincided with Ms. Craig’s mayoralty of the state’s most populous city. “I’m going to vote for Kelly Ayotte because I can’t get beyond what I experienced as a Manchester business owner,” says Jeff Foy, 58, who lives in Portsmouth. His office building was occupied by a homeless encampment three separate times. Both candidates promise better treatment for mental illness and drug abuse. Ms. Ayotte also stresses her support for law enforcement.

Looming over these local issues is the presidential election. Ms. Craig is happy to be associated with Kamala Harris, but Donald Trump is more awkward for Ms. Ayotte, who withdrew her endorsement of him in 2016 after the “Access Hollywood” video. This year she supports him but tends not to emphasize it. In the Republican presidential primary, which is open to independents, 43% of voters opted for Nikki Haley, whom Mr. Sununu endorsed. Chris Ager, chairman of New Hampshire’s Republican State Committee, says the key to GOP victory in the state is appealing to “that pragmatic, fiscally conservative, non-ideological moderate Republican.”

Ms. Ayotte seems to be trying to do just that. Donors have showered \$21 million on her campaign, just under three times Ms. Craig’s \$7.3 million. But it may all come back to abortion. Graciela Denis, 64, from Manchester, is an independent voter who twice backed Ms. Ayotte for Senate but now supports Ms. Craig. “The big thing for me is women’s rights,” she says. Dante Scala, a University of New Hampshire political scientist, says the race boils down to a simple dichotomy: Ms. Ayotte says “you can’t trust Craig with your pocketbook,” while Ms. Craig says “you can’t trust Ayotte with your body.” Both can be understood as variants of “Live free or die.”

*Ms. Lederman is a Joseph Rago Memorial Fellow at the Journal.*

# Trump Isn’t Perfect, but He’s the Better Choice

By Nikki Haley

**M**illions of people love Donald Trump, and millions hate him. Each group will vote accordingly.

But there are also millions whose views on Mr. Trump are mixed. They like much of what he did as president and agree with most of his policies. But they dislike his tone and can’t condone his excesses, such as his conduct on Jan. 6, 2021. This third group of Americans will determine whether the former president returns to the White House.

To that group, I’ll point out that Mr. Trump isn’t the only one on the ballot. This election isn’t a referendum on him. It’s a choice between him and Kamala Harris.

I don’t agree with Mr. Trump 100% of the time. But I do agree with him most of the time, and I disagree with Ms. Harris nearly all the time. That makes this an easy call. Here are the facts most relevant to me.

If you like his policies but are put off by his tone or his excesses, consider the cost of the past four years.

Americans today on average face some \$13,000 in higher annual costs than they did four years ago. Prices on nearly everything—food, gasoline, utility bills, insurance—have gone up. This is the direct result of the Biden-Harris agenda, which stoked inflation and stuck families with the bill. Americans are stuck with another bill, too: the national debt. It has reached nearly \$36 trillion, thanks in part to Ms. Harris’s tie-breaking votes on the grossly misnamed American Rescue Plan and Inflation Reduction Act. Despite its title, the latter is still boosting inflation. Its estimated price tag has more than doubled since President Biden signed it, and it is funding projects that are largely stalled. As president, Ms. Harris would make America’s fiscal crisis even worse.

Then there’s national security. The Biden-Harris agenda has made the world far more dangerous. Our southern border is our most pressing security threat; Mr. Biden and Ms. Harris have made it dramatically worse. Their debacle in Afghanistan not only created a new terrorist state; it also signaled weakness that sparked Russia’s war against Ukraine. Their appeasement of Iran has enriched that despotic regime and emboldened it to pursue war with Israel through its terrorist proxies. And the administration’s weakness toward China has done nothing to impede the communist power’s expansion at our expense.

This is the world that Biden-Harris failures have given us in four short years.

A Trump administration would be different. It wouldn’t be perfect. But I agree with Mr. Trump that we need to keep taxes low and cut them more. I agree that we need to roll back trillions of dollars in special-interest handouts. I agree that we need to expand American energy to empower our families and job creators while making us less dependent on foreign energy.

I agree with Mr. Trump that America should be strong—far stronger than we are today. When he was president, Russia didn’t invade another country, Iran was on its heels, China received serious pushback for the first time in decades, and our southern border was more secure. The world is unsafe under Biden-Harris, and we shouldn’t expect that to change under a Harris administration.

These are enormous policy differences that will affect the lives of every American and much of the world.

Will Mr. Trump do some things I don’t like in a second term? I’m sure he will. If that was the question before voters, then I imagine Mr. Trump would lose. But that isn’t the question in any election. No politician gets everything right. For those of us clear-eyed enough to see Mr. Trump’s flaws and honest enough to acknowledge them, the question is whether we’re better off with his policies or his opponent’s. On taxes, spending, inflation, immigration, energy and national security, the candidates are miles apart. And Mr. Trump is clearly the better choice.

*Ms. Haley was U.S. ambassador to the United Nations (2017-19), and governor of South Carolina (2011-17) and a candidate for the 2024 Republican presidential nomination.*

# The Biden Economy Is ‘Glorious’—if You’re Wealthy

LIFE SCIENCE  
By Alyssia Finley

New York Times columnist Paul Krugman. If you disagree, you’re a dense partisan who refuses to give President Biden credit for anything. I’ve received many emails to this effect.

Mr. Biden’s economy has been glorious—for affluent liberals. It’s been awful for the working class. Socioeconomic disparities have grown in recent years owing to the policies that were supposed to shrink them. The well-to-do got wealthier while the rest got poorer.

Consider a Federal Reserve study last month, which examines socioeconomic disparities in consumer spending between 2018 and 2024. Inflation-adjusted spending grew at roughly the same rate for households of different education and income levels between 2018 and 2020. Then differences emerged.

Working-class Americans sharply boosted their spending in early 2021 amid the gusher of transfer payments but then also sharply cut back as inflation took hold. Americans with higher incomes and more education continued to increase their spending, even after adjusting for inflation.

As a result, spending has increased 7.9% for those making less than \$60,000 vs. 16.7% for those making more than \$100,000 since January 2018. Spending by Americans who have attended graduate school climbed 19.4%, roughly twice as much as those who haven’t attended college. The study posits that “higher-

income households might experience a wealth effect as their homes and investments increase in value, while they also receive more interest and investment income during periods of higher interest rates, all providing a stimulus for sustained levels of spending.”

Americans who own stocks are feeling good about the economy as they watch their 401(k)s and mutual funds grow. The S&P 500 index has surged by some 50% since January 2021. Ditto Americans who owned homes before interest rates rose in 2022 and may have refinanced at historically low interest rates.

## Asset values have grown, but the working class bear the brunt of inflated prices and higher interest rates.

But others have seen inflation erode their wages and spending power. Those who can’t work from home are spending considerably more to fuel up. New home buyers are spending thousands more each month on mortgage payments than those who bought homes before Mr. Biden took office.

While pandemic transfer payments such as sweetened unemployment benefits and child tax credits fueled inflation, the Fed deserves some blame too. The central bank went missing in action as inflation picked up, perhaps because it was receiving political pressure from Democrats not to raise rates, lest doing so hurt minorities.

Democrats claim Donald Trump will bully the Fed to keep rates low, but Mr. Biden and congressional Democrats have attempted the same. In June 2020, Mr. Biden’s economic

adviser Jared Bernstein proposed broadening the Fed’s employment mandate to “make it more racially inclusive” and correct “persistent economic injustice.” Mr. Biden endorsed a 2022 bill, which passed the Democratic House, that would have required the Fed to use its monetary and regulatory tools to promote racial equity.

As the Journal’s editorial board warned in July 2020, “a racial-equity mandate would give the Fed an excuse to rarely if ever raise interest rates under any circumstances.” This is effectively what happened after the central bank adopted a “broad-based and inclusive” employment goal in August 2020.

As inflation surged in 2021, the Fed cited higher unemployment rates for minorities as an excuse not to tighten. Chairman Jerome Powell told a House committee in June that the central bank was cognizant that “joblessness continues to fall disproportionately on lower-wage workers in the service sector and on African Americans and Hispanics.”

Blame the latter on lockdowns and transfer payments that made

lower-income work less attractive. As inflation flared out of control, the Fed eventually had no choice but to raise interest rates—and higher than it probably would have if it had acted sooner. Those most hurt by higher rates and inflation have been working-class Americans, including minorities.

The well-to-do continue to spend liberally as stock and home values rise, which is what’s driving the economy. Business and housing investment, however, are slowing. Consumer spending has accounted for 79% of economic growth under Mr. Biden, compared with 63% during Mr. Trump’s first three years in office.

This means the current economic expansion may not be broad-based or durable. It’s certainly not inclusive. Perhaps the liberal media realizes this and are preparing to blame any downturn on a President Trump. “The next U.S. president could inherit a booming economy,” read a CNBC headline over the weekend.

One silver lining for Republicans if Kamala Harris wins: She will own any economic crack-ups that come during the next four years.

# Day One Agenda: A Pardon

By Ira Stoll

After the past two bitterly contested presidential elections, both winners immediately spoke of reconciliation.

“Now it is time for America to bind the wounds of division,” Donald Trump said in 2016, promising to “unify our great country.”

“I pledge to be a president who seeks not to divide but unify,” Joe Biden said in 2020. “It’s time to put away the harsh rhetoric, to lower the temperature. . . . We must stop treating our opponents as our enemy.”

The Trump and Biden administrations both had successes, but calming partisan tensions wasn’t among them. In retrospect, Mr. Biden’s line is almost laughable, with Democrats now denouncing Mr. Trump as a fascist.

This time around, the winner can go beyond rhetoric by promising, in the victory speech, pardons for the other side.

If Mr. Trump wins, that means pledging clemency for Hunter Biden. The president’s son faces sentencing on federal gun and tax charges.

If Ms. Harris wins, it means asking Joe Biden to grant Mr. Trump clemency, or issuing those orders herself once in office. She could also ask state and local prosecutors to

drop cases against Mr. Trump.

Rule-of-law sticklers may fret about undercutting the principle that no person is above the law. Yet the pardon is part of our legal system. The Constitution empowers the president “to grant Reprieves and Pardons for Offences against the United States.”

The goodwill of a fresh start outweighs any risk that pardons would fuel cynicism about ruling elites taking care of their own. A system in which politicians imprison their political opponents—cheered on by crowds shouting “lock her up” or “lock him up”—erodes confidence. It makes America look more like a dictatorship, where prosecutions and prison terms are driven by partisan whims rather than by established rules, impartially applied.

What better way to turn the page than by signaling that the new administration will be one of grace and forgiveness, of generosity of spirit?

Post-inauguration, President Trump could move on swiftly to mass deportations, or President Harris to going after corporate price gougers. Or, preferably, to policies that unite Americans with their success. It would reassure the country, though, to pause first for a moment of mercy.

If Ms. Harris wins, it means asking Joe Biden to grant Mr. Trump clemency, or issuing those orders herself once in office. She could also ask state and local prosecutors to

Mr. Stoll writes at [TheEditors.com](http://TheEditors.com).

# THE WALL STREET JOURNAL.

PUBLISHED SINCE 1889 BY DOW JONES &amp; COMPANY

Lachlan Murdoch  
Executive Chairman, News CorpRupert Murdoch  
Chairman Emeritus, News CorpEmma Tucker  
Editor in ChiefLiz Harris, Managing Editor  
Charles Forelle, Deputy Editor in Chief  
Elena Cherny, Senior Editor; David Crow, Executive Editor; Chip Cummins, Newswire; Tanith Evans, Digital; Brent Jones, Culture, Training & Outreach; Alex Martin, Print & Writing; Michael W. Miller, Features & Weekend; Prabha Natarajan, Professional Products; Bruce Orwall, Enterprise; Philana Patterson, Audio; Amanda Wills, VideoPaul A. Gigot  
Editor of the Editorial Page

Gerard Baker, Editor at Large

DOW JONES | News Corp

Robert Thomson  
Chief Executive Officer, News CorpAlmar Latour  
Chief Executive Officer and PublisherDOW JONES MANAGEMENT:  
Mae M. Cheng, EVP, General Manager,  
Leadership; David Cho, Barron’s Editor in Chief;  
Jason P. Conti, General Counsel, Chief  
Compliance Officer; Diana DeSevo, Chief People  
Officer; Jared DiPalma, Chief Financial Officer;  
Artem Fishman, Chief Technology Officer;David Martin, Chief Revenue Officer, Business  
Intelligence; Dan Shar, EVP, General Manager,  
Wealth & Investing; Ashok Sinha, Chief  
Communications Officer; Josh Stinchcomb, EVP &  
Chief Revenue Officer, WSJ / Barron’s Group;

Sherry Weiss, Chief Marketing Officer

EDITORIAL AND CORPORATE HEADQUARTERS:  
1211 Avenue of the Americas, New York, N.Y., 10036  
Telephone 1-800-DOWJONES

## WORLD NEWS

# U.K. Tories Tap Culture Warrior as Leader

**Badenoch takes the reins in the wake of a disastrous election for Conservatives**

By MAX COLCHESTER

The U.K. Conservative Party's selection of Kemi Badenoch as its new leader on Saturday is a big bet that a relatively untested conservative culture warrior can reassert control over the right wing of British politics after the party suffered a historic defeat in July's election.

Badenoch, 44 years old, who is the first Black woman to lead a major political party in Britain, campaigned on a platform of redefining the Tories as a party of pragmatism that cracks down on illegal immigration, trims the state and embraces cultural conservatism.

While in government "we talked right, but governed left," she said recently, explaining why her party slumped to its worst performance in 200 years against the Labour Party in the latest general election in July.

"To be heard, we have to be

honest," she said after she was selected for the role following a ballot of Tory party members. "Honest about the fact we made mistakes and honest that we let standards slip. The time has come to tell the truth."

The former trade secretary, who was born in London but spent part of her childhood in Nigeria, is known for her no-nonsense, straight-talking style, which at times in the past has both energized and exasperated her Conservative colleagues. She first entered Parliament in 2017 and quickly rose through the ranks by championing Brexit and anti-woke policies. She succeeds former Prime Minister Rishi Sunak and becomes the sixth Tory leader in eight years.

The selection sets the stage for an ideological battle over Britain's direction. Badenoch faces a challenge on two fronts: taking on Prime Minister Keir Starmer, who is betting on a big state and big taxes to fix Britain's woes, and upstart politician Nigel Farage, whose Reform UK party has drawn millions of Tory supporters by promising a harder line on illegal migration.



Kemi Badenoch campaigned to lead the Tories on a platform of redefining the Conservatives as a party of pragmatism.

Badenoch has argued Labour's approach is wrong-headed. During her campaign, she said the British state had become too big and unproductive. She also said that net-zero targets were harming economic-growth prospects. She pledged to lay bare the trade-offs that are involved with a small-state, lower-tax government and be a leader "who tells the truth because the truth will set us free."

Badenoch is relatively little

known among the British public and so far not popular. Only 12% of Britons have a favorable opinion of her, according to pollster YouGov.

How she tackles Farage is less clear. Her views on immigration are less well-defined.

She says Britain must do better to control its borders but has shied away from pledging to pull the country out of a European human-rights convention to make it easier to deport people seek-

ing asylum.

For some political analysts, Badenoch faces tension in trying to win back the roughly 14% of voters who voted for Reform without alienating centrist voters that also make up a key part of the Tories' coalition.

"All of this begs the question: Having won by appealing to the party members—who are themselves to the right of the average conservative voter—whether she will then tilt to the center or feel the need to continue to play further out to the right," said Tony Travers, a politics professor at the London School of Economics.

The outlook for the party Badenoch inherits isn't rosy. The Tory brand is damaged after years of infighting over policy direction, poor management of Britain's divorce from the European Union and a drumbeat of scandals. The Conservatives have traditionally been seen as the party of fiscal responsibility and border control, but growth stagnated and a record number of migrants arrived under their 14-year watch.

But with another election not due until 2029 at the lat-

est, the Tories have time to regroup. And the incumbent Labour Party, which has a big majority, has had a difficult start to its tenure. Its popularity has fallen since the election and it has imposed the biggest tax increase in a generation as it seeks to fix Britain's public services.

Badenoch made waves as a junior equalities minister under then-Prime Minister Boris Johnson, when she enraged many on the left by endorsing a report challenging the notion that there was widespread institutional racism in Britain. She has in the past defended colonialism, saying that good as well as bad things came out of Britain's empire. She has also weighed in on the gender debate, stating support for single-sex toilets and domestic-violence shelters for people who are solely biologically women. Her confrontational style continued during her Tory leadership campaign, where she said that maternity pay had gone too far.

"I will not stand there and let people punch me. If you swing at me, I will swing back. But I don't look for fights," she once said.

# Nightmare Continues for Spain's Flash-Flood Victims

By CRISTINA GALLARDO

VALENCIA, SPAIN—When residents of La Torre, a neighborhood on the outskirts of the city, managed to pry open a garage on Mariano Brull Street, they were met with a tragic scene—the bodies of eight people, including one police officer.

The victims had rushed to their cars on Tuesday evening, as torrential rainfall began to hammer the region, the police said. Unable to leave in time, they drowned when an unexpected deluge of muddy water flooded the garage.

That night, some areas saw more than a year's worth of rain in eight hours, bringing devastation to mostly working-class areas of the Valencia region, on Spain's eastern coast.

Hundreds of rescue teams have tried to drain water and mud from underground garages in several towns south of the city of Valencia. At least 214 people died in the floods, 211 of them in the region of Valencia alone. Officials have yet to disclose how many people remain missing.

On Sunday, a crowd of enraged survivors in Paiporta, where more than 60 people died, pelted King Felipe VI, Prime Minister Pedro Sánchez and other government officials with mud and shouted "Killers!" during the first visit by the country's leaders to the center of the suffering, the Associated Press reported.

Daniel Treviño, a resident of Xirivella, said most garages in his town remain filled with water. He fears that "quite a few" victims will be found in the underground parking for the BonAire supermarket in the nearby town of Aldaia. Rescue efforts are slowed by the time it takes to pump out water and clear the mud.

"I get goosebumps. I was lucky enough to withdraw my car just before the water arrived," he said.

Sánchez on Saturday said



King Felipe VI of Spain, center, on Sunday was heckled by angry residents who threw mud and objects during his visit to Paiporta, which was hit hard by floods.

the floods were "the worst natural catastrophe" in the country's recent history.

Five thousand soldiers were sent to the Valencia region on top of the 2,500 soldiers already there. Sánchez said an amphibious Spanish Navy ship with operating theaters is set to arrive at the port of Valencia, joining about 400 military vehicles, 30 helicopters and dozens of drones involved in the rescue operations.

"This is Spain's biggest military deployment in peacetime," Sánchez said.

He added that 12,000 volunteers traveled from the city of Valencia to the hard-hit towns in the southern part of the region. While just a few miles away, Valencia was largely spared from the devas-

tation because of a dam that was built after a 1957 flood that killed 81 people.

In Paiporta, a town of 27,000 people and the epicenter of the flooding, Mariana Castañeda couldn't hold back tears as she recounted how neighbors used a hose to pull two elderly men to safety as the rushing water threatened to overtake them.

"We've never seen anything like this," she said, pointing to a watermark about 6 feet high on the wall of her house, left by the floods. "It's going to take years for our town to return to normality."

The hardest-hit parts of Paiporta buzzed with activity on Saturday, as thousands of residents, armed with brooms and shovels, pushed water and mud

out of the way. Books, chairs, beds, washing machines and more were piled on the streets.

Near Castañeda's home, a row of semidetached houses crumbled into ruins, unable to withstand the force of the deluge. A large van was smashed into the first floor of a building. Rescue workers carried several bodies out from the underground garages on the street.

Antibiotics and baby food were in urgent demand, locals said. More than 70 pharmacies in Spain were destroyed, most of them in the Valencia region, according to the World Pharmacy Council.

As the mud dried out, people donned face masks to avoid inhaling dust—and to prevent contact with contaminated water still flowing in some areas.

Alejandro González managed to escape the flood Tuesday night with his two teenagers, wife and dog. The family rushed to the second floor of their apartment building in Picanya, a town less than a mile from Paiporta. By the time the official flood alert hit his phone, he was hip-deep in water. "We didn't know this was coming," he said.

Road traffic into Paiporta and Picanya was restricted to ease the flow of emergency vehicles and ambulances. Several bridges in and around the towns collapsed, forcing residents from both places to walk several miles to the city of Valencia to buy brooms, shovels and other tools. The route is dotted with destroyed cars.

According to the Spanish

government, more than 2,000 vehicles have already been removed from the area, along with tons of mud and debris.

Electricity has returned to 94% of the households around Paiporta and Picanya, but authorities are racing to restore running water and about 225,000 disrupted phone lines, Sánchez said.

More than 80 people in the area were detained for looting, which has contributed to emptying the shelves of several supermarkets. Police officers stood watch on Saturday as long lines formed outside food stores and people waited hours to get basic items.

"I know there are severe problems and shortages, and that we need to improve," Sánchez said.

## WORLD WATCH



THOSE MAGNIFICENT FOLKS IN THEIR DRIVING MACHINES: Cars made before 1905 traveled through London on Sunday during the 60-mile annual Veteran Car Run to Brighton.

### KASHMIR Grenade Attack Injures at Least 9

An assailant threw a grenade at a bustling marketplace in Srinagar, the main city of Indian-controlled Kashmir, on Sunday, wounding at least nine people, police said. The attack came a day after a suspected militant was killed in a gunbattle in Srinagar.

Police said the attacker hurled a grenade from a bridge, apparently targeting a stationed paramilitary vehicle, in Srinagar's main business center, where thousands of people visit the Sunday flea market.

All of those wounded in the attack were taken to a hospital, and reinforcements of police and paramilitary soldiers launched a search for the attacker.

India and Pakistan each administer a part of Kashmir, but both claim the territory in its entirety.

—Associated Press

### JAPAN Osprey Aircraft Grounded Again

Japan has grounded its fleet of V-22 Osprey aircraft again after an incident on Oct. 27 where one of the hybrid helicopter-aircraft tilted unexpectedly and hit the ground while trying to take off.

The V-22 was taking part in the joint U.S. military exercise Keen Sword on the island of Yonaguni and carrying 16 passengers, including three U.S. service members.

It was the first major incident affecting Japan's V-22 fleet since a U.S. Air Force Special Operations Command Osprey crash last November off the coast of Japan killed eight service members and led to a months-long grounding of the entire fleet for both Japan and the U.S.

India and Pakistan each administer a part of Kashmir, but both claim the territory in its entirety.

—Associated Press

### MOLDOVA Incumbent Wins Presidential Runoff

Pro-Western President Maia Sandu won a second term in a presidential runoff against a Russia-friendly opponent, in a race that was overshadowed by claims of Russian interference, voter fraud, and intimidation in the European Union candidate country.

With nearly 98% of votes counted in the second round of the presidential race held on Sunday, Sandu had obtained 54% of the total votes, according to the Central Electoral Commission, or CEC, compared with 46% for Alexander Stoianoglo, a former prosecutor general who was backed by the pro-Russia Party of Socialists.

Turnout stood at more than 1.68 million people—about 54% of eligible voters, CEC said.

—Associated Press

# BUSINESS & FINANCE

THE WALL STREET JOURNAL.

Monday, November 4, 2024 | B1

© 2024 Dow Jones &amp; Company. All Rights Reserved.

Last Week: S&P 5728.80 ▼1.37% S&P FIN ▼0.18% S&P IT ▼3.28% DJ TRANS ▲1.53% WSJ\$IDX ▲0.15% 2-YR. TREAS. yield 4.201% NIKKEI 38053.67 ▲0.37% See more at [WSJ.com/Markets](#)

## Harley Tries to Calm Irked Dealers

Motorcycle sellers have criticized the company over lower profits and sales

By JOHN KEILMAN

A black SUV pulled up to Elk River **Harley-Davidson** in October and delivered an embattled visitor: the motorcycle maker's CEO.

For months, Jochen Zeitz has confronted growing criticism from Harley dealers over slow sales and shrinking profits, and he was traveling to meet some dealers face to face. Dressed in jeans and a Harley-branded flannel shirt, Zeitz chatted with dealership owner Jason Bremer about the business, including Harley's efforts to reduce the cost of entry-level bikes.

"How do you feel about the new pricing?" Zeitz asked.

"I think it's beneficial," Bremer replied. But he also had a concern: His dealership's profits are the lowest they have been during his 25 years in the business.

Elk River was Zeitz's final stop in a day spent calling on Minnesota dealerships. While he said he often makes such visits, these came as relations have grown frosty between Harley and its network of more than 500 U.S. dealerships.

Over the summer, a power-sports group that represents the owners of more than 200 Harley dealerships outlined grievances that ranged from unrealistic incentive plans to mandatory building upgrades. A nearly monthlong pressure campaign over diversity, equity and inclusion issues prompted one dealer to call for Zeitz's resignation. A Baird survey published in October found dealer sentiment to be the lowest on record.

Zeitz, who has led Milwaukee-based Harley since 2020 and served on its board for 13 years before that, said it is a

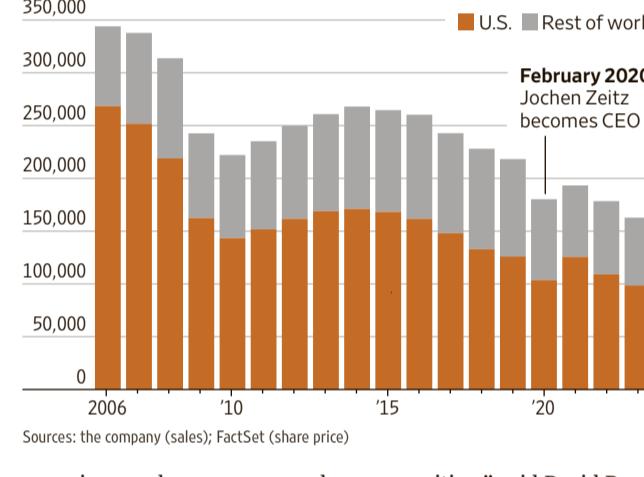


Jochen Zeitz, the motorcycle maker's chief executive, has been traveling to meet some Harley-Davidson dealers face to face.

tough time for all power-sports manufacturers as high borrowing costs and low consumer confidence hamper sales. Harley is easing shipments, offering promotional help and taking other steps it says will help dealers.

"I've got a lot of support from dealers that have called or written to me," Zeitz said in an interview. "They're usually the dealers that wouldn't speak up because it's the negative voices that want attention." A spokesman said the company doesn't view the power-sports group as official and engages with a separate council of dealers.

The root of the tension concerns profitability. Harley's margins have risen during Zeitz's tenure, while some dealers say their profits have withered, partly because of com-



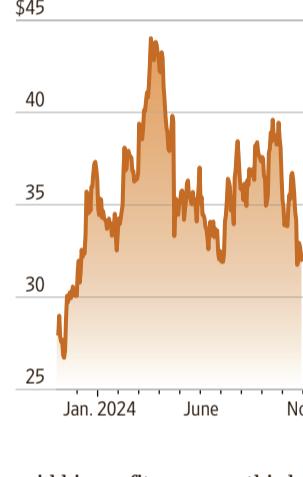
Sources: the company (sales); FactSet (share price)

pany-imposed expenses and unsold bikes for which they must pay interest.

"Margin erosion is so significant that it's really put a lot of dealers in a challenging busi-

ness position," said David Pearson, a former Harley dealer who is now a power-sports consultant.

Mark Forszt, who owns six Harley locations in Indiana,



said his profits are one-third of what they were a decade ago. He said he is considering canceling his order for next year's bikes because he already has

Please turn to page B2

## China's EV Makers Set Sights on Latin America

By SAMANTHA PEARSON

CAMAÇARI, Brazil—When **Ford Motor** shut its factory here in 2021 after more than a century in the country, Uelcson Alves and the automaker's thousands of other workers in this once-thriving Brazilian town panicked.

"It was devastating. Stores started closing and then health clinics and schools," said Alves. It was the middle of the pandemic, and his family, like many others, suddenly had no health insurance, he said. The town's streets became empty as many families simply left in search of work elsewhere.

But things are looking up these days in Camaçari: The Chinese are here.

**BYD**, one of the world's biggest electric-vehicle producers, bought the abandoned plant last year and is rapidly transforming the 1,100-acre plot on Henry Ford Avenue into its Latin American hub.

Largely shut out of the U.S. and facing punitive tariffs in Europe, Chinese makers of electric and hybrid vehicles have flooded Latin America and other regions with cheap cars after ramping up production at home—a strategy that threatens some of the world's largest automakers at a time of

deepening trade tensions.

Latin America and the Caribbean—home to about 650 million people and much of the lithium that EV makers need for batteries—are among the markets at the top of the list. BYD said it is thinking about building a plant in Mexico, where some 10% of new-car sales are Chinese brands, while

also rapidly expanding its fleet of electric buses from Colombia to Chile. Other Chinese companies, such as **Great Wall Motor**, also are moving to Brazil, taking over a Mercedes-Benz plant that was abandoned after the German company ceased car production in the country.

"It's a big paradigm shift," Ricardo Bastos, Great Wall's institutional-relations director in Brazil, said in an interview. "These were two factories that produced combustion vehicles, they shut down operations and everyone was fired, and now they will be reopened to produce new technologies."

Home to more than 200 million people, Brazil is already BYD's biggest auto market outside China, Alexandre Baldy, BYD's senior vice president in Brazil, said in an interview.

Brazil put some 51,000 BYD cars on the road between January and September this year, accounting for about 72% of all

imported cars given license plates during that period, according to the Brazilian Association of Automobile Importers and Manufacturers. That is more than eight times the number of BYD cars registered for use in the same period last year. The figures don't include popular brands such as Fiat, which is owned by **Stellantis** and produced in Brazil, and which saw some 370,000 of its vehicles registered during the same period.

"Brazil has positively surprised us," said Baldy. Costing close to \$1 billion, the Camaçari plant will begin operating in

Please turn to page B4

## 'Whiskey Fungus' Has Resort Town Divided

By SAABIRA CHAUDHURI

As whiskey ages, a small amount evaporates, a loss that has long been poetically called the "angels' share." But in the resort town of York, Maine, residents see the vapor as far from romantic.

At a town meeting last year, Beth Downs held up photos from Tennessee and Kentucky, showing stop signs and trees covered in an ugly black mold called whiskey fungus.

"This could be York," the 61-year-old resident warned the room. "This is what happens—we know this, we've seen it."

For the past two years, battle lines have been drawn in this coastal town of some 13,000 people. In one camp is a family-owned business—Wiggly Bridge Distillery—which wants to age its whiskey for longer in hopes of improving its flavor.

In the other are hundreds of residents worried about the implications of whiskey fungus, in which ethanol vapors turbocharge a species of fungus called *Baudoinia*, leaving black

stains on buildings and plants.

The neighbors believe Wiggly Bridge's expansion will cause mold similar to fungus seen near warehouses owned by whiskey giants such as **Diageo**, **Brown-Forman** and **Beam Suntory** in Scotland, Tennessee and Kentucky. Though the fungus has no known health effects, the residents fear it could cause property values to drop, as well as hurt tourism in a town that draws visitors to its sandy beaches, eclectic gift shops and whitewashed light-house, which locals affectionately call "Nubble Light."

"I don't think vacationers want to see whiskey fungus staining as they arrive at their summer homes," said Downs, a retiree.

For their part, the Woods family who own Wiggly Bridge said it ages a small amount of whiskey and that it is being unfairly conflated with enormous distillers. "People made it sound like we were turning the town black," said 37-year-old Amanda Woods, whose hus-

## INSIDE



### BANKRUPTCY

Bar-and-grill chain TGI Fridays files for chapter 11.

B2



### BUSINESS NEWS

Warren Buffett's Berkshire Hathaway pares its stake in Apple.

B3

## An Industry Dispute Is Poised To Shake Up Home Listings

By NICOLE FRIEDMAN

The National Association of Realtors' landmark settlement is changing the way homes are bought and sold. Now another industry dispute threatens to shake up how homes are listed for sale.

A rule implemented in 2020 requires most real-estate agents to add listings into local databases known as multiple-listing services within one business day of publicly advertising the listing.

Advocates say the rule, known as the clear cooperation policy, makes the housing market more transparent by putting available homes in one place. The goal of the rule was to reduce the number of home listings that are shared privately with a select group of buyers or agents, known as pocket listings.

But opponents say the rule limits sellers' options for how they can market their homes and puts brokerages at risk of lawsuits. The Justice Depart-

ment's antitrust division is investigating the policy, and a lawsuit against NAR regarding the rule is scheduled to go to trial in late 2025.

A NAR advisory board considered proposals regarding the clear cooperation policy at meetings in September and October. **Compass** proposed to repeal it, **Zillow Group** proposed making the rule stricter and **Anywhere Real Estate** proposed making it more lenient.

The advisory board decided not to take any formal action. The organization will continue to evaluate the policy while considering ongoing litigation and Justice Department investigations, a spokeswoman said.

Most home sellers want to



The dispute reflects a wider disagreement on what role the National Association of Realtors should play in setting rules.

EILEEN T. MESLAR/CHICAGO TRIBUNE/ZUMA PRESS

## INDEX TO BUSINESSES

These indexes cite notable references to most parent companies and businesspeople in today's edition. Articles on regional page inserts aren't cited in these indexes.

A	Deckers Outdoor.....B5	Nvidia.....R2
Adidas.....B5	F	O
Aker Solutions.....B3	Ford Motor.....B1	On Holding.....B5
American Express.....B3	G	Q
Anywhere Real Estate.....B1	Goodyear Tire & Rubber.R2	Quarter Pine Tree Farm A12
Apple.....B3	Great Wall Motor.....B1	R
B	H	Redfin.....B9
Bank of America.....B3	Harley-Davidson.....B1	S
Berkshire Hathaway.....B3	I	SBC Communications.....R2
Blue Owl.....B8	Iconiq Capital.....B8	Seven & i.....B10
Boeing.....B10	IPI Partners.....B8	Stellantis.....B1
BYD.....B1	Iron Point Partners.....B8	T
C	J	The New York Times.....B1
Casey's General Stores.B10	JPMorgan Chase.....B3.B10	W
Coca-Cola.....B3	K	Wells Fargo.....B3
Compass.....B1	JPMorgan Chase.....B3.B10	Z
Costco Wholesale.....A1	M - N	Zillow Group.....B1
D	Meta.....B3	
Dandi Fertility.....B4	Microsoft.....B10	
	Nike.....B5	

## INDEX TO PEOPLE

B	H	P
Baldy, Alexandre.....B1	Heitz, Ilmarin.....B5	Pearson, David.....B1
Ballbach, Eric.....A9	Herzberg, Raaz.....B10	Plotch, Cynthia.....B4
Bartasi, Gina.....B4	Hofmeister, Ann.....B2	Powell, Matt.....B5
Bastos, Ricardo.....B1	Kantor, Rob.....R2	R
Bonadio, Anthony.....B10	Kent, Jake.....B4	Richter, Kyle.....B2
Bossio, Beth.....A12	M - N	Rosenblit, Igor.....B9
Bremer, Jason.....B1	Malik, Saira.....R2	S
C	Maloney, James.....B9	Salameh, Riad.....A8
Chopra, Rohit.....B3	Mignot, Martin.....B10	Streeter, Susannah.....R2
D	N	V
Dennis, Florence.....A1	Norwood, Jamie.....B4	Voelchert, Johannes.....B5
F	O - P	Y
Forszt, Mark.....B1	Obiri, Hellen.....B5	Young, Ken.....B9
G	Park, John.....A9	Z
Ghiya, Maneesha.....B4		Zeitz, Jochen.....B1
		Zhu Feng.....A9

## Tech Strike Threatens The Times

*Continued from page B1*

spokeswoman said.

The technology workers' union says it is fighting for fair wages, greater job protections and benefits that support work-life balance, such as the ability to work remotely full time. Times executives say workers represented by the union, which hasn't had a contract since it was formed in 2022, are among the highest paid at the company and enjoy generous time off and insurance coverage, as well as other benefits.

Most employees in the tech union receive pay of more than \$100,000, and average compensation, including bonus and restricted stock units, is \$190,000, according to a Times spokeswoman. That figure is an average of \$40,000 more than members of the Times's journalist union, she said.

Times leaders also have bristled at the nature of some of the guild's requests. The

union previously sought a requirement that the company use unscented cleaning supplies and offer a pet bereavement policy that included a leave of up to seven days, though it has since backed down from those demands.

It also asked to be informed of any letter to the editor that would mention a staffer by name, and for the right to request that the letter not be published. That requirement, which also has been withdrawn, was deemed by some as having inappropriately crossed a line into editorial affairs.

Some Times newsroom staffers support efforts to unionize but are upset that the Times Tech Guild could jeopardize coverage on one of the most important news days of the year and think the group should give priority to serving readers.

The potential union strike follows years of tense interactions with management over the tech group's efforts to unionize. Times management resisted the move by tech workers to organize and declined to voluntarily recognize the new union, arguing that a tech union would be an unproven experiment that could compromise collaboration and experimentation.

discounting, so Harley has cut shipments to allow inventory to normalize. The reduced shipments contributed to the company lowering its revenue and profit guidance in late October.

Harley also is giving dealers extra marketing development money, lowering the number of bikes they must sell to earn incentives and offering dealer-exclusive apparel. Dealers have complained that Harley's online store has cut into their own clothing sales and showroom traffic.

A company spokesman said dealer sentiment is improving, and that following a recent forum, 73% of dealers surveyed rated Harley's efforts as good to excellent. He said dealership closures are at a normal level compared with prior years.

Bremer, the owner of Elk River Harley-Davidson, credited Zeitz's team for being more accessible than prior executives. He also agreed with one controversial Harley initiative—the decision to produce some models, including the entry-level Nightster, in Thailand.

While some dealers say making the bikes in Thailand will hurt Harley's All-American brand image, it is also expected to make the bikes cheaper. Harley said most dealers plan to carry the new Nightsters, and Bremer predicted the bikes' buyers, who tend to be younger, won't have a problem with their overseas origin.

**Harley's margins have risen, while some dealers' have withered.**

*Continued from page B1*

too many 2023 and 2024 models. Forszt blamed Zeitz, who rose to prominence turning around Puma, the German sportswear maker. Forszt said Harley's leadership lacks a history with the brand's unique culture.

Zeitz said that before high interest rates constrained demand, dealers enjoyed some of the highest profits they have ever seen. One of the Minnesota dealers he visited, Ann

Hofmeister, recalled bikes flying out of the showroom during the days of the pandemic.

"People didn't care what color it was or anything," said Hofmeister, whose Faribault, Minn., dealership is a 45-minute drive south of the Twin Cities. "They just bought them."

Her margins have since become "a lot skinnier," she said, but she still is on pace to hit her sales targets in 2024, a feat others say they won't accomplish.

Harley is taking steps it says will help dealers. Some have complained that the company has sent them more bikes than they can sell, leading to major

## BUSINESS & FINANCE

# TGI Fridays Files for Bankruptcy

By SOMA BISWAS

Restaurant chain TGI Fridays filed for bankruptcy protection, citing a problematic capital structure and fallout from the Covid-19 pandemic.

The Texas-based bar-and-grill chain, which for years has been shedding sales in the U.S., filed for chapter 11 bankruptcy Saturday in the U.S. Bankruptcy Court in Dallas. TGI Fridays has lined up a loan from the Bank of San Antonio, its lender, to provide funding while it is in bankruptcy, according to a court filing by the company.

"The primary driver of our financial challenges resulted from Covid-19 and our capital structure," said Rohit Manocha, co-founder and managing director of TriArtisan Capital Advisors and executive chairman of TGI Fridays. The Wall Street Journal reported last week that the chain was nearing a bankruptcy filing.

TGI Fridays operates 39 company-owned U.S. restaurants. All the chain's franchised



The chain has been shedding sales in the U.S. for years.

vate-equity firms TriArtisan and Sentinel Capital Partners since 2014. TGI Fridays in 2017 entered into a complex financing deal linked to its franchise royalties, and visits to the company's locations have declined as consumers sought out newer alternatives.

The chain's U.S. sales declined to \$728 million last year, down 15% from the prior year, according to data provided by market research firm Technomic.

The chain also has been closing stores in the U.S. It operated 292 locations last year, 11% less than in 2021, according to the company.

In June, the company's independent auditor said TGI Fridays was running out of funds to meet its debt obligations.

TGI Fridays has appointed Kyle Richter of consulting firm Berkeley Research Group as chief restructuring officer, the company's court filings show. Ropes & Gray and Foley & Lardner are serving as bankruptcy counsel to the company.

operations, which are independently owned and operated, stayed out of bankruptcy, as well as TGI Fridays Franchise, an affiliate that owns the company's brand and related intellectual property.

Bankruptcy filings by restaurant chains and operators this year are on track to hit the highest levels in decades outside of 2020, when many were

forced to close locations because of the pandemic, according to an analysis of BankruptcyData.com records. Restaurant bankruptcies this year have included sit-down chains such as Red Lobster and fast-casual concepts like Tijuana Flats and Roti.

The chain, known by its tagline "in here, it's always Friday," has been owned by pri-



York, Maine, residents are set to vote on an ordinance that would hit David and Amanda Woods' Wiggly Bridge Distillery.

## 'Whiskey Fungus' Splits Town

*Continued from page B1*

band and father-in-law run the distillery. "For a time I felt terrible even walking into our local grocery store because I was concerned people hated us."

### Widespread problem

The spat is emblematic of battles playing out elsewhere, potentially resulting in limits on where and how distillers age their products. In Scotland, a couple is seeking damages from Diageo over fungus staining their home, which they say has been caused by the company's nearby whiskey warehouse. A court case is scheduled for next year.

The Johnnie Walker maker disputes the couple's claim and notes that exterior blackening exists on properties across Scotland. "Blackening is dependent on many different environmental factors and it is very difficult, if not impossible, to say that it is caused by any single environmental factor," said a spokeswoman.

In Moriah, N.Y., WhistlePig Whiskey recently agreed to powerwash residents' homes after state environmental officials concluded that ethanol emissions from its warehouses were contributing to black fungus. The distillery said it adheres to regulations. "Vapors break down very quickly in ambient air and the distance they could potentially reach is very limited," said Ahren Wolson, WhistlePig's director of operations.

In Tennessee, Christi Long last year sued Lincoln County for not requiring building permits from Jack Daniel's owner Brown-Forman after black mold began appearing on the wedding venue she owned. Her complaint briefly halted some of the whiskey giant's operations but Long—who received death threats from Jack Daniel's supporters—has since



moved away.

"We had to sell the property because it was being destroyed," she said. "You can't have a wedding venue if everything looks dead."

A spokeswoman for Brown-Forman said the angels' share is "just one of microflora's many food sources." Available information indicates it isn't harmful and can be removed through pressure washing, she added.

Fungus has been found to thrive near distilleries that make various liquors. In 2022, Diageo agreed to pay residents of St. Croix, in the U.S. Virgin Islands, more than \$10 million after they said rum fungus caused by its operations had damaged their homes and fruit trees.

The report's authors eventually agreed to scrub the phrase "whisky fungus" from the report and delete a paragraph describing how damp and mold in homes could increase the risk of respiratory and other problems. The Scottish government told the authors in an email that the industry had raised "significant concerns about the whisky fungus sec-

tion."

In York, yard signs for and against Wiggly Bridge dot the town's well-manicured lawns. Barbs have been traded on Facebook and in town meetings. Downs visited the local police station to explore filing a harassment complaint after an opponent took photos of her.

Dave Razzaboni, 47 years old, knocked on doors this summer to get signatures for a petition demanding the town vote on a proposed ordinance requiring any new distillery production or aging buildings be banned within 400 feet of a residence. Razzaboni, who lives near Wiggly Bridge Distillery, said potential property buyers could be put off by the specter of whiskey fungus.

"It's the fear of the unknown," he said.

The proposed ordinance—which also says distilleries must be located 200 feet from any lot boundary—will go before voters on Tuesday. If approved, Woods said it could cripple Wiggly Bridge's prospects since the distillery could make no further changes to its existing facilities and would need 25 acres to build new buildings.

### A family business

Founded in 2012 by a father and son both named David Woods, Wiggly Bridge for years coexisted peacefully with its neighbors. Then in 2022, the Woods family applied to build two new rickhouses so Wiggly Bridge—named for a local pe-

destrian suspension bridge that is said to be America's smallest—could age its whiskey for longer.

Neighbors said they noticed black stains on the distillery and a building next door and fear an expansion could cause the fungus to spread.

Their case was bolstered by a town-commissioned University of Maine study that concluded it was "highly likely" that Wiggly Bridge was the source of "a significant cluster of whiskey fungus spores" on the distillery.

Two months later the Woods family's application to expand was denied.

Then this past July the family put in another application. This time it asked to build just one new rickhouse, saying this wouldn't be used to age spirits but rather to store grain and glass. The application was approved last month.

The neighbors called for the November referendum because they believe Wiggly Bridge will apply to change the rickhouse's use so it could be used to age whiskey. "As a small business we're not sure what the future holds but our intention is to be able to age spirits longer," said Amanda Woods.

The Woods family recently commissioned a rival study from a University of Hampshire researcher. It showed that whiskey fungus wasn't detected within roughly a mile of the distillery, which they attribute to the relatively small volume it produces. Amanda Woods said the study shows the distillery isn't creating whiskey fungus.

James Scott, a professor at the University of Toronto's Dalla Lana School of Public Health and an expert on whiskey fungus, said the emphasis on the volume of whiskey made is overstated. He said small distilleries can cause whiskey fungus and that factors like the characteristics of the warehouse and the area's climate are more important.

While distillers could tackle the problem by installing thermal oxidizers, these are very expensive, said Scott. WhistlePig's Wolson also said natural ventilation is crucial to the whiskey aging process.

## BUSINESS NEWS

# Buffett's Firm Cuts Apple Stake

Berkshire Hathaway also reduced its holdings in Bank of America's shares

By KAREN LANGLEY

Warren Buffett's **Berkshire Hathaway** sold more **Apple** stock in the third quarter.

The Omaha, Neb., company ended September with \$69.9 billion of the iPhone maker's shares, according to a quarterly report released Saturday. That means Berkshire sold about 25% of the 400 million Apple shares it brought into the third quarter. Berkshire held slightly more than 900 million Apple shares at the end of last year.

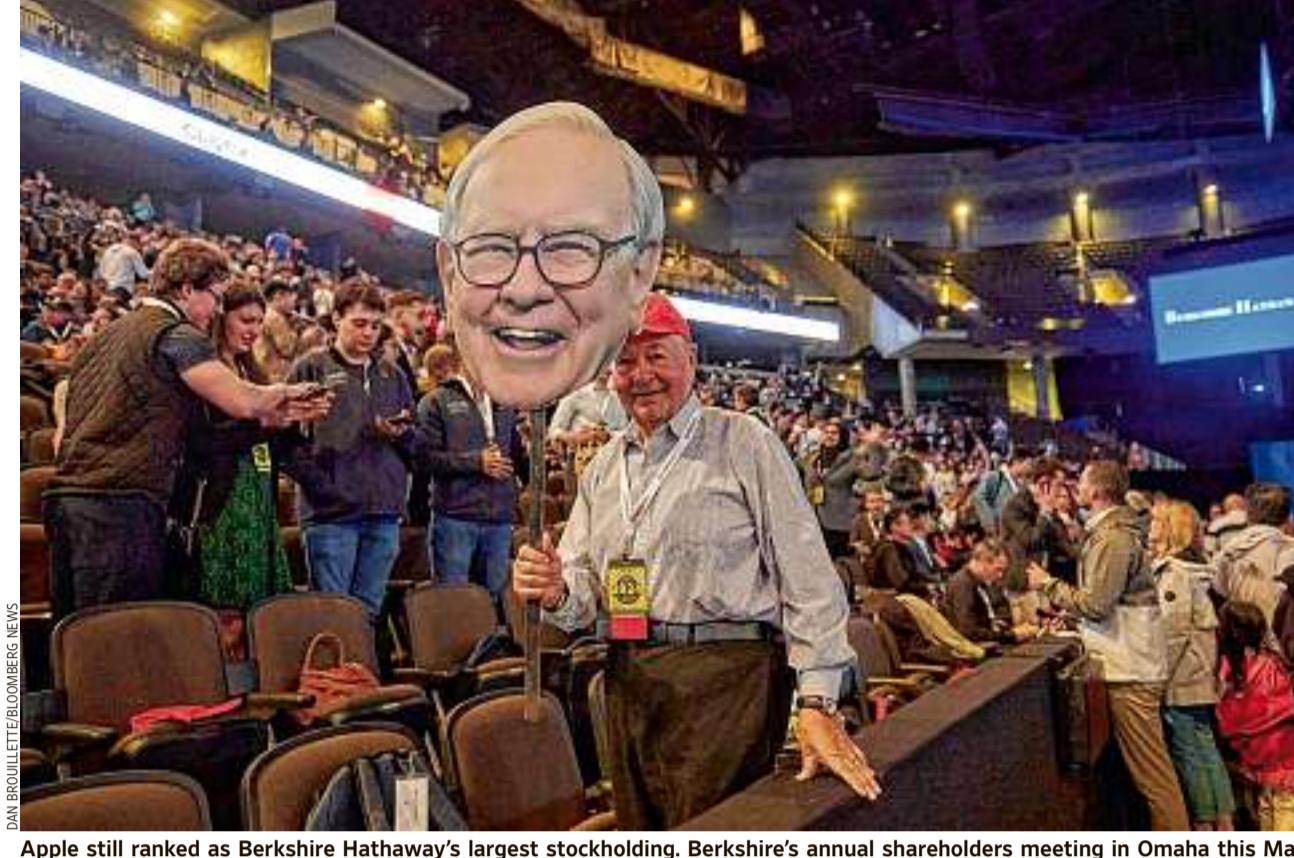
Even after the sales, Apple was Berkshire's largest stockholding at the end of September. Apple has been a major bet for Berkshire, and one that paid off big time as tech-hungry investors drove the stock even higher in recent years.

This year, Berkshire has slashed the position, though Buffett has continued to praise the company. He told an arena of shareholders at Berkshire's annual meeting in May that Apple was "an even better business" than **American Express** and **Coca-Cola**, two other big holdings, and hinted that tax considerations might have played a role in the decision to sell some shares.

Apple shares are up 16% this year and trading near records.

Chris Bloomstran, president and chief investment officer of Semper Augustus Investments Group, which has owned Berkshire shares since 2000, had said he expected the company would disclose it continued to sell Apple in the third quarter.

Bloomstran said Apple's stock has been too expensive given that he doesn't expect its business to grow as rapidly as in the past. Apple traded late last week at roughly 30 times



Apple still ranked as Berkshire Hathaway's largest stockholding. Berkshire's annual shareholders meeting in Omaha this May.

its projected earnings over the next 12 months, above a 10-year average of about 20 times, according to FactSet.

"It's trading at a price at which Warren determined the economics don't merit as big of a position as it was," he said.

Berkshire's mountain of cash grew to a record \$325.2 billion, including equivalents, at the end of September, the company's financial statements show. It was the first time Berkshire ended a quarter with more than \$300 billion in cash. The enormous cash pile gives Buffett ample ammunition should he spot an appealing company to add to the Berkshire empire. But it also shows the challenge he faces finding good investments that are attractively priced.

Buffett's company didn't buy back any stock in the quar-

### Berkshire Hathaway Class B share-price performance



ter, a first since 2018, according to FactSet. Its buybacks had slowed to a trickle in recent months after many quarters of sizable repurchases.

Class B shares have rallied 27% this year, compared with a 20% gain by the S&P 500, and even some loyal shareholders say the stock looks a little pricey. The company's market value crossed the \$1 trillion threshold earlier this year, though it has traded below that level recently.

Berkshire also reduced its **Bank of America** position in the third quarter, and continued to sell in October. Since Berkshire owned more than 10% of the bank, it was required to quickly report trades. But recently disclosed sales brought its stake just below 10%, so observers might not learn whether Berkshire continues to sell Bank of America until a Form 13F filing due in February.

Beyond its huge investment portfolio, Berkshire owns and

operates a range of businesses including insurer Geico, BNSF Railway and sportswear maker Brooks Running.

Berkshire posted net income of \$26.3 billion, or \$18,272 a class A share equivalent, for the third quarter, swinging from a net loss of \$12.8 billion, or \$8,824 a share, in the year-earlier period.

Operating earnings, which exclude some investment results, fell to \$10.1 billion from \$10.8 billion last year. Weaker results from insurance underwriting weighed on operating earnings. Berkshire said quarterly earnings were hurt by estimated losses from Hurricane Helene. The company said it expected fourth-quarter earnings to reflect losses from Hurricane Milton that could be between \$1.3 billion and \$1.5 billion before taxes.

# TD Bank Settlement Criticized By Warren

By MENGQI SUN

The U.S. Justice Department's \$3 billion settlement with TD Bank over lax money-laundering controls is facing criticism from a lawmaker and a transparency watchdog for not including the prosecution of bank executives.

Sen. Elizabeth Warren (D., Mass.), in a letter sent last Wednesday to Attorney General Merrick Garland and Deputy Attorney General Lisa Monaco, criticized DOJ for not charging the bank with money laundering and for shifting some legal liability from Toronto-based TD Bank to its U.S. holding company, which she said allowed it to evade the full scope of penalties.

"These charging decisions represent absurd legal gymnastics by DOJ that ultimately have allowed the bank and its top executives to avoid full responsibility for their actions. This is not an acceptable outcome," Warren wrote in the letter.

The TD Bank settlement, reached in October, stemmed from what authorities characterized as a decadelong breakdown in its anti-money-laundering safeguards. The bank's failures allowed a Chinese money-laundering ring in New York and other criminals to funnel more than \$670 million in drug funds through the bank, according to federal prosecutors.

TD Bank pleaded guilty to conspiring to launder money and conspiring to fail to build proper anti-money-laundering systems, while the U.S. holding company pleaded guilty to causing TD Bank to have a deficient anti-money-laundering program.

Prosecutors have so far charged two lower-level employees of the bank who allegedly received bribes in exchange for helping the money-launderers set up accounts and avoid detection.

Warren said the settlement, however, failed to hold the bank's high-level executives accountable, despite presiding over a criminally deficient anti-money-laundering program.

Warren noted that Monaco, in recent remarks, had said the DOJ's first priority was individual accountability.

"Until and unless those executives who presided over TD Bank's institutionalized money laundering are held accountable, banks will continue to factor enforcement fines into the cost of doing business, rather than approaching compliance with our money laundering laws with the seriousness it requires," Warren wrote.

Warren said the DOJ settlement also avoided "the most obvious charge" against TD Bank: money laundering. A guilty plea to money laundering would have resulted in the banking "death penalty," Warren said, under which the Office of the Comptroller of the Currency, the banking regulator, could move to terminate its charter.

A spokeswoman for the Justice Department confirmed receipt of Warren's letter and pointed to Garland's remarks this month announcing the settlement. The spokeswoman declined to comment on the settlement's legal-liability structure mentioned in Warren's letter.

"Our criminal investigations into individual employees at every level of TD Bank are active and ongoing," he said at the time. A spokeswoman for TD Bank declined to comment.

Better Markets, a Washington, D.C.-based independent transparency group, applauded the regulators and prosecutors for punishing TD Bank, but said not charging any bank supervisor or executives was "wrong and dumb."

"Handcuffing minnows while letting the whales go free is not justice and will not deter those who have the power at banks to ensure that they are following the law. Until those individuals are held personally accountable, illegal and even criminal behavior will continue," the group said this month.

# CFPB Weighs Action Against Meta Platforms

By DYLAN TOKAR



At issue is Meta's use of financial data from third parties. Consumer Financial Protection Bureau director Rohit Chopra

The Consumer Financial Protection Bureau is considering taking action against Facebook parent **Meta Platforms** over its use of financial data from third parties, a move that would extend the agency's oversight into a new industry.

Staff of the consumer-finance watchdog say Meta's use of third-party data in its advertising business could violate the Consumer Financial Protection Act, the social-media giant said in a securities filing on Thursday. CFPB staff may recommend to Director Rohit Chopra that the agency bring an enforcement action against Meta, it said.

The move would be a novel one for the CFPB, whose oversight normally falls on banks, mortgage providers and payday lenders. Under Chopra, however, the agency has inter-

vating for stringent oversight of Meta. Before being nominated by President Biden to serve as director of the CFPB, he served as a commissioner at the Federal Trade Commission. There, he pushed for harsher penalties against Facebook over privacy failures that resulted in a 2019 settlement.

The FTC in 2018 began scrutinizing Facebook after reports that the personal data of tens of millions of Facebook users was shared with Cambridge Analytica, a firm that worked on Donald Trump's 2016 presidential campaign.

The agency eventually voted to levy a \$5 billion fine against Facebook.

Chopra and another Democratic commissioner voted against the settlement. Chopra at the time wrote a 19-page dissent explaining his vote, arguing that the settlement imposed no meaningful changes

to Facebook's structure or financial incentives.

A Meta spokesman on Thursday declined to provide additional details about the CFPB's claims about the use of third-party financial data. The Consumer Financial Protection Act generally protects consumers from "unfair and deceptive financial practices."

The CFPB has stepped up enforcement activity in recent months, following delays related to a legal challenge over how the agency is funded. The Supreme Court in May rejected the challenge.

The agency has been pressing ahead with investigations into **JPMorgan Chase**, **Bank of America** and **Wells Fargo** over their handling of customers' disputed transactions on peer-to-peer payments platform Zelle. Bank of America on Tuesday said it was considering litigation against the CFPB.

# Hong Kong's Esquel Added to U.S. Forced Labor Ban List

By RICHARD VANDERFORD

such as Nike and Tommy Hilfiger. The company before that ban supplied about 110 million garment pieces to brands around the world, shipping over 60% of them to the U.S., it said.

Esquel didn't respond to a request for comment. It has denied allegations that it uses forced labor.

"We are uncompromising in removing forced labor from U.S. supply chains," said Homeland Security Undersecretary Robert Silvers, who serves as chair of the government's forced labor enforcement task force.

The move is a significant setback for Esquel, which for years has tried to fight U.S. allegations regarding links to forced labor. An Esquel subsidiary previously had been barred from importing to the U.S., which Esquel said led to its being dropped by clients



Esquel said a previous ban led to its being dropped by clients such as Tommy Hilfiger.

the statute as interference in its internal affairs.

The law, which went into force in 2022, also set up an entity list of companies that have been singled out as companies known to U.S. officials to allegedly use forced labor.

The list, which makes it easier for U.S. companies to vet their supply chains, has been steadily growing under

the Biden administration. The administration in particular has focused on apparel and textile makers as it faces pressure from U.S. trade groups

complaining they can't compete with companies using forced labor in China. Merchandise from companies on the list is presumptively banned from the U.S.

Esquel's Xinjiang-based

subsidiary Changji Esquel Textile was added to a U.S. ban list under a legal authority that predates the UFLPA.

The company filed a lawsuit challenging that listing, but lost a bid to block the enforcement of the ban and was subsequently added to the entity list. The listing announced Thursday broadens the ban to the parent company.

# Reproductive-Health Startups Prepare for Post-Election Scenarios

BY BRIAN GORMLEY

Venture capitalists and startups in reproductive health are scenario planning for how the U.S. presidential election could affect abortion services and other areas in the field.

**Dandi Fertility**, a startup that provides telehealth services and in vitro fertilization care kits to make hormone injections more comfortable, has plans for both a Trump and a Harris presidency, said co-founder and Chief Executive Jake Kent.

He said that with the possible influence of Project 2025, a blueprint for the next conservative president by the Heritage Foundation, there is uncertainty about future protections for reproductive health under a Trump presidency. Former President Donald Trump has said he has nothing to do with Project 2025 and has voiced support for IVF.

Under a Trump presidency, Dandi would increase its efforts in telehealth to provide a centralized resource for patients who may need assistance getting care outside their state if IVF restrictions were to increase.

If Vice President Kamala Harris wins, the company would expect a more supportive political climate for IVF and increased demand for the service. In that scenario, Dandi could work with IVF clinics, which are already struggling with high demand, to provide more-personalized care to patients, Kent said.

"Depending on how this election goes, it's going to shape which route we push down," Kent added.

Venture investment in women's health, a category that includes reproductive health, has increased 314% since 2018, Silicon Valley Bank, a division of First Citizens Bank, said in January. The growth has come as investors



Kindbody, which has a network of fertility clinics, is prepared in case states enact IVF curbs.

see broader opportunities in the range of health needs for women, the report said.

Under a Trump presidency, Winx would lobby at the state level, Plotch said, including on issues such as reproductive rights and access to medically accurate sex education.

The shifting legal landscape on abortion and in vitro fertilization is spurring entrepreneurs to consider innovations in both fields, said Maneesha Ghya, managing partner of FemHealth Ventures.

For example, entrepreneurs are considering tools to help physicians determine whether a pregnant woman's life is at risk. This would be particularly beneficial in states where abortion is prohibited except for situations such as when the mother's life is in danger.

In February, the Alabama Supreme Court ruled that frozen embryos produced during in vitro fertilization were legally children, prompting IVF providers to pause services in that state. Alabama passed a law in March to shield clinicians from criminal and civil penalties for providing IVF services, but several states this

year introduced personhood bills that would deem frozen embryos to be children.

The bills, if passed into law, would force patients in those states to seek IVF services out of state. Entrepreneurs are looking at better technologies for storing embryos, Ghya said. FemHealth Ventures has yet to invest in any of these areas but will consider doing so regardless of the election outcome, she said.

Kindbody, which has a national network of fertility clinics, is prepared in case states enact IVF restrictions, said founder and Executive Chair Gina Bartasi. The company can ship patient tissue from IVF-restricted states to others that don't restrict the procedure, she said.

There is also a scenario in which insurance coverage for IVF could widen, she said. Some states, including California, have passed laws expanding insurance coverage for IVF, and Trump has proposed mandating insurance coverage for the treatment.

## EV Makers Eye Latin America

*Continued from page B1*

December, initially churning out 150,000 cars next year and by 2028 producing 300,000.

Some local economists question the reliance on Beijing. Since overtaking the U.S. as Brazil's biggest trading partner in 2009, China has flooded the local market with cheap imports, contributing to a process of stark deindustrialization. Manufacturing has shrunk from 36% of Brazil's gross domestic product in 1985 to just 11% last year.

Government officials are hopeful that Brazil will reap the benefits this time, though part of the workforce building the plant is Chinese.

Davidson Magalhães, the government secretary in charge of employment in the northeastern state of Bahia, where Camaçari is located, said he hopes the BYD factory will generate some 15,000 formal and informal jobs in the region. That is far more than the 9,000 lost with Ford's exit.

Great Wall Motor, the Chinese manufacturer of electric sport-utility vehicles and pickup trucks, said it plans to invest \$1.8 billion by 2032, converting a small former Mercedes-Benz plant in Iracemápolis in São Paulo state into its own South American hub.

The West's legacy carmakers have struggled to keep up with Chinese production of conventional combustion-engine cars as well as EVs in some of the world's top growth markets.

Ford Chief Executive Jim Farley told The Wall Street Journal in an interview that China's carmakers represent an "existential threat" to the company. And earlier this year, he identified South America, as well as Africa, as make-or-

break markets for Ford.

The Biden administration has imposed a 100% tariff on Chinese EVs, while the European Union last week imposed tariffs as high as 45% on EVs from China. Former President Donald Trump, should he be re-elected, has pledged high tariffs on Chinese vehicles.

Brazilian President Luiz Inácio Lula da Silva has introduced his own measures to protect local industry—by prodding Chinese makers to invest and offering automakers such as BYD incentives to build plants in the country.

"The hope is that BYD intensifies its investments to produce electric cars in Brazil, generating jobs and income in the country," Brazil's Ministry of Industry said.

Under rules set by Mercosur, the South American trade bloc, automakers that produce at least 40% of their cars on Brazilian soil can export to the rest of South America without import taxes in those countries.

It was a major factor behind Great Wall's decision to produce its SUV, Haval, in São Paulo, Bastos said.

BYD has battled to offset the effects of protectionist measures in the U.S. and Europe by expanding aggressively wherever and whenever it can. It already has plants in Thailand and Uzbekistan, and announced plans for factories in Turkey and Hungary.

In Camaçari, some locals said they remain skeptical over how much the factory will benefit the region. BYD brought in a Chinese company, Jinjiang Construction Group, to help build the plant, flooding the region with Chinese workers who mix little with the locals.

BYD said it is common practice for a company to work with a construction company that it already knows for a factory that big, adding that most of the plant's workers will be Brazilian.

—Clarence Leong and Mike Colias contributed to this article.

## Follow the Election With a New Series From What's News

Visit America's battleground states and hear from voters about the dynamics influencing the upcoming presidential election in this special podcast series. Join WSJ reporter Jimmy Vielkind as he makes his way through swing states such as Arizona to cover the biggest topics that will sway the race.



LISTEN WHEREVER  
YOU GET YOUR PODCASTS.



## Chasing the Vote The Battlegrounds



WSJ

THE WALL STREET JOURNAL.

# Footwear Maker On Tries Spray-On Shoes

Swiss brand's novel method can produce a sneaker in about three minutes

By TREFOR MOSS

ZURICH—Sneaker brand On first grabbed attention with a sole full of holes. Now it is betting on a shoe that is made with a spray and feels more like a sock.

The unconventional shoe is the result of a new technology that sprays the upper part of the sneaker onto a foot-shaped mold twirled around by a robotic arm.

The LightSpray system not only produces an unusual shoe but eliminates the need to source and stitch together individual pieces of fabric. A sneaker materializes in about three minutes using the technology, a step toward automating an industry that still relies heavily on human labor.

"In a traditional product you have 200 pairs of hands, in this one you basically have only a few," said Marc Maurer, On Holding's co-chief executive.

## First steps

The first commercial sneaker produced using the spray is the Cloudboom Strike LS—a lightweight, laceless shoe costing \$300 a pair and targeted at serious runners. That price is roughly the same as Nike's latest super shoe and cheaper than a rival offering from Adidas. On now plans to scale up the LightSpray technology to launch cheaper versions of the running shoe as well as casual sneakers in the next few years.

Expanding LightSpray brings challenges. The technology is an exciting development, "but it won't be a game changer unless they can make it affordable" by using it to make mass-market sneakers, said Matt Powell, a footwear consultant with Spurwink River, citing the initial prod-



**The LightSpray system eliminates the need to source and stitch together individual pieces of fabric, cutting down on labor.**

a single input, the polymer, and cutting most human workers out of the loop. Machines could be distributed globally, ending the costly and time-consuming practice of shipping products from Asian factories.

On has only two LightSpray machines but plans to add more so it can start producing in higher volumes.

## The daily 'runch'

On put its new shoe to the test this spring, sending a pair to Kenyan athlete Hellen Obiri ahead of April's Boston Marathon.

"I was suspicious, I had big doubts," Obiri said, recalling her reaction upon seeing the sneaker for the first time. Obiri then ran a personal best in her first training session wearing the LightSpray shoes.

Obiri went on to win the Boston Marathon wearing the sneakers, before scooping a bronze medal at the Paris Olympics.

A limited commercial drop of the sneakers followed this summer and several hundred more pairs are due to be released this month. On hasn't disclosed sales figures but says tens of thousands of people have registered their interest in buying the shoes.

On's big break came during the pandemic when big brands

like Nike abandoned retailers to sell more products directly to consumers online. The sneaker maker rushed to fill the shelf space and snapped up spare production capacity as rivals dialed back their output.

The company's sales rose 47% to roughly \$2.1 billion last year, with net profit up 38% to about \$92 million. Two-thirds of sales are generated in the U.S., where On listed in 2021.

On's headquarters is in Zurich. Some staff commute in summer by swimming along the Limmat River—towing their clothes, phones and laptops in protective dry bags—and share daily "runch," a riverside run followed by lunch in the vegan canteen.

uct's price tag.

There is also no guarantee consumers will warm to the sneakers. While generally positive about its feel and performance, some early reviews of the shoe noted that it can be tricky to get on and expressed concerns about how its sock-like structure would hold up over time.

Maurer said the shoe's look may well prove divisive but that making a splash with a distinctive product is preferable to launching something that fails to turn heads.

On is one of several rapidly growing sneaker brands—Deckers-owned Hoka is another standout example—that are turning the screw on Nike and Adidas by winning market share.

Most major sneaker brands claim to champion innovation. Adidas and Nike have both made superlight running shoes worn by athletes who broke marathon records in the past year or so. But both shoes are assembled in the conventional way.

For a relative newcomer like On, creativity is more vital than it is for incumbents, Maurer said. Whereas Adidas has the Samba and Nike has the Air Force 1—tried-and-tested styles that can be endlessly re-launched—"we have no archive of old stuff," he said.

On began in 2010 as an experiment when Swiss triathlete Olivier Bernhard chopped up a garden hose pipe and glued the pieces onto the soles of his running shoes to provide extra cushioning. That idea ultimately became On's CloudTec sole; perforated with large holes, it is visually different from rival sneakers, a quality that helped the brand's shoes to stand out.

## You do, we pay'

Having built a reputation for its unusual sole, On wanted to mix up the upper part of sneakers too.

The LightSpray project started in 2019 when one of the company's developers spotted student Johannes Voelchert at

the Milan Design Show demonstrating a hot glue spray he had adapted from a children's Halloween toy. Instead of squirming stringy spider's webs, it was being used to create complex three-dimensional forms.

Seeing the spray's potential, On hired Voelchert as an intern and set him up in the company's "maker space," where he worked alone trying to figure out if he could produce a shoe.

"We just said, 'You do, we pay,' and we gave Johannes his corner upstairs and a robot arm," said Ilmarin Heitz, On's senior director of innovation.

After a year of research, On recruited a 20-strong development team, only three of whom had any experience as footwear designers. The group included material scientists, 3D-modeling experts and robotics specialists—people with the skills to develop a new production process. Voelchert graduated from intern to senior lead for innovation technology design.

Fine-tuning the spray was

an arduous process. The upper part of the sneaker is made from synthetic materials known as polymers, which behave differently depending on how they are combined, heated and sprayed. The team tried hundreds of combinations before finding a formula that was durable but also flexible and comfortable.

To make the shoe, a single mile-long polymer filament is sprayed onto a standard mold. First, it is bonded to a pre-manufactured sole and then the material is layered up until the upper is fully formed. Colors and logos are then laser-printed onto the shoe.

Voelchert said the process can be further refined, cutting the production time from three minutes per shoe down to two.

The team is also working on honing the technology to produce a complete sneaker, including the sole.

Though large factories can produce conventional shoes at a high rate, LightSpray promises to simplify the process by condensing the supply chain to



## Your long-term peace of mind is always front of our mind.

Managing wealth is complicated. Whether you're looking to grow yours over time, plan for a succession, define your family legacy, or give back to the community, PNC Private Bank® simplifies the complex. By meeting you where you are on your financial journey, we aim to gain a better understanding of your goals so that we can bring them to life brilliantly. Backed by nearly 160 years of experience, our team of specialized advisors takes a steady, calculated, some might even say, boring approach to deliver expert services that are in your best interest. Through our deep discovery process we're able to create customized solutions that reflect your long-term ambitions, starting today and through the life of your wealth plan.

**Find out what our brilliantly boring philosophy can do for your wealth.**

**PNC PRIVATE BANK**  
BRILLIANTLY BORING SINCE 1865™

WEALTH PLANNING | INVESTMENT MANAGEMENT  
CREDIT & CASH MANAGEMENT | TRUST & ESTATE ADMINISTRATION

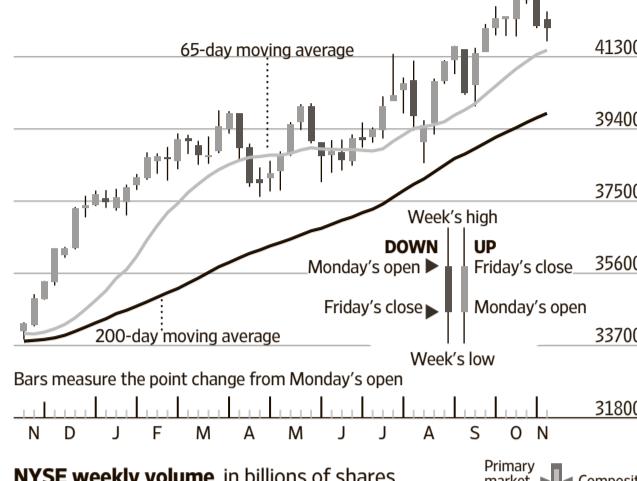
The PNC Financial Services Group, Inc. ("PNC") uses the marketing name PNC Private Bank® to provide investment consulting and wealth management, fiduciary services, FDIC-insured banking products and services, and lending of funds to individual clients through PNC Bank, National Association ("PNC Bank"), which is a Member FDIC, and to provide specific fiduciary and agency services through PNC Delaware Trust Company or PNC Ohio Trust Company. PNC does not provide legal, tax, or accounting advice unless, with respect to tax advice, PNC Bank has entered into a written tax services agreement. PNC Bank is not registered as a municipal advisor under the Dodd-Frank Wall Street Reform and Consumer Protection Act. "PNC Private Bank" is a registered mark, and "Brilliantly Boring Since 1865" is a service mark of The PNC Financial Services Group, Inc. Investments: Not FDIC Insured. No Bank Guarantee. May Lose Value. ©2024 The PNC Financial Services Group, Inc. All rights reserved.

## MARKETS DIGEST

## Dow Jones Industrial Average

**42052.19** ▼62.21, or 0.15% last week  
High, low, open and close for each of the past 52 weeks

Current divisor 0.15221633137872



Bars measure the point change from Monday's open

N D J F M A M J J A S O

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

Primary market ► Composite

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

31800 33700 35600 37500 39400 41300 43200

36 24 12 0

## FINANCE NEWS

## A Week in the Life of the DJIA

A look at how the Dow Jones Industrial Average component stocks did in the past week and how much each moved the index. The DJIA lost 62.21 points, or 0.15%, on the week. A \$1 change in the price of any DJIA stock = 6.57-point change in the average. To date, a \$1,000 investment on Dec. 31 in each current DJIA stock component would have returned \$33,762, or a gain of 12.54%, on the \$30,000 investment, including reinvested dividends.

## — The Week's Action —

	Pct. chg.	Stock price change	Point chg.	Company	\$1,000 Invested	(year-end '23)
					Symbol	Close
5.38	10.10	66.35	Amazon.com	AMZN	\$197.93	\$1,303
3.20	9.01	59.19	Visa	V	290.74	1,123
2.29	0.52	3.42	Intel	INTC	23.20	468
2.00	5.34	35.08	American Express	AXP	272.69	1,473
1.98	2.47	16.23	3M	MMM	127.22	1,432
1.50	2.26	14.85	Chevron	CVX	153.07	1,059
1.47	4.26	27.99	Salesforce	CRM	294.72	1,125
1.32	6.75	44.34	Goldman Sachs	GS	519.35	1,372
0.89	2.60	17.08	McDonald's	MCD	295.21	1,014
0.82	0.78	5.12	Walt Disney	DIS	95.81	1,066
0.71	2.24	14.72	Amgen	AMGN	319.22	1,133
0.57	1.19	7.82	Honeywell	HON	209.19	1,014
0.53	3.00	19.71	UnitedHealth Group	UNH	567.56	1,091
0.28	0.63	4.14	JPMorgan Chase	JPM	222.94	1,342
-0.05	-0.02	-0.13	Verizon	VZ	41.36	1,170
-0.27	-0.42	-2.76	Boeing	BA	154.59	593
-0.39	-0.32	-2.10	Walmart	WMT	82.19	1,579
-0.43	-0.24	-1.58	Cisco	CSCO	55.50	1,134
-0.47	-0.75	-4.93	Johnson & Johnson	JNJ	160.13	1,046
-1.00	-0.79	-5.19	Nike	NKE	78.06	728

\*Based on Composite price. DJIA is calculated on primary-market price.  
Source: Dow Jones Market Data; FactSet.

## Cash Prices

Friday, November 1, 2024

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

	Friday		Friday
<b>Energy</b>			
Hides,hvy native steers piece,fob-u	n.a.		
Wool,64s,staple,Terr del-u,w	n.a.		
<b>Grains and Feeds</b>			
Bran,wheat middlings,KC-u,w	119		
Corn,No.2 yellow,Cent IL-bp,u	3,7700		
Corn gluten feed,Midwest-u,w	119.9		
Corn gluten meal,Midwest-u,w	441.6		
Cottonseed meal,u,w	n.a.		
Hominy feed,Cent IL-u,w	112		
Meat-bonemeal,50% pro Mnpls-u,w	318		
Oats,No.2,milling,Mnpls-u	4,4245		
Rice,Lon Grain Milled,No.2 AR-u,w	35.25		
Soybean Meal,Cent IL,railton48%-u,w	323.50		
Soybeans,No.1 illy IL-bp,u	9,5300		
Wheat, Spring14%-pro Mnpls-u	8,4975		
Wheat,No.2 soft red St.Louis-u	5,7950		
Wheat - Hard - KCR (USDA) \$3/bu-u	n.a.		
Wheat-No,soft white,Portl,OR-u	5,9750		
<b>Food</b>			
Beef,carcass equiv,index			
choice 1-3,600-900 lbs.-u	295.25		
select 1-3,600-900 lbs.-u	267.66		
Broilers,National comp wtd.avg.-u,w	1,2943		
Butter,AA Chicago-d	2,6700		
Cheddar cheese,bbl,Chicago-d	186.75		
Cheddar cheese,blk,Chicago-d	183.75		
Milk,Nonfat dry,Chicago lb-d	137.75		
Coffee,Brazilian,Comp-y	2,5089		
Coffee,Colombian,Ny-y	2,6904		
Eggs,large white,Chicago-u	4,0050		
Flour,hard winter,KC-p	15.80		
Hams,17-20 lbs,Mid-US,fob-u	n.a.		
Hogs,Iowa-So,Mnnesota-u	87.06		
Pork bellies,12-14 lb MidUS-u	n.a.		
Pork loins,13-19 lb MidUS-u	1,0436		
Steers,Tex-Oka,Choice-u	n.a.		
Steers,feeder,Oklahoma,City-u,w	276.25		
<b>Fats and Oils</b>			
Degummed corn oil,crude wtd.avg-u,w	n.a.		
Grease,choice white,Chicago-h	0.4200		
Lard,Chicago-u	n.a.		
Soybean oil,crude,Cent IL-u,w	0.4539		
Tallow,bleach,Chicago-h	0.4350		
Tallow,edible,Chicago-u	n.a.		
<b>Fibers and Textiles</b>			
Burlap,10-oz,40-inch NY,yd-n,w	0.8400		
Cotton,1/16 std lwd-mdmPrhs-u	0.6567		
Cotlook 'A' Index-t	82.05		

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; D=CME; E=Manfra,Tordella & Brooks; H=American Commodity Brokerage Co.

K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; P=Sosland Publishing; R=S&L Energy; S=Platts-TSI; T=Coatook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. \*Data as of 10/31.

Source: Dow Jones Market Data

## Borrowing Benchmarks

wsj.com/market-data/bonds/benchmarks

## Money Rates

November 1, 2024

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Inflation		Week	-52-WEEK-		
Sept. index level	Chg From % Aug. '24 Sept. '23	Latest	ago	High	Low
<b>U.S. consumer price index</b>					
All items	315.301	0.16	2.4		
Core	321.109	0.34	3.3		
<b>International rates</b>					
Latest	Week ago	52-Week	Low		
<b>Prime rates</b>					
<b>U.S.</b>	8.00	8.00	8.50	8.00	
Canada	5.95	6.45	7.20	5.95	
Japan	1.625	1.625	1.625	1.475	
<b>Policy Rates</b>					
Euro zone	3.40	3.40	4.50	3.40	
Switzerland	1.50	1.50	2.25	1.50	
Britain	5.00	5.00	5.25	5.00	
Australia	4.35	4.35	4.35	4.10	
<b>Overnight repurchase</b>					
U.S.	4.88	4.89	5.48	4.85	
<b>U.S. government rates</b>					
Discount	5.00	5.00	5.50	5.00	
<b>Federal funds</b>					
Effective rate	4.8300	4.8300	5.3400	4.8300	
High	5.0500	5.0500	5.6500	5.0500	
Low	4.8000	4.8000	5.3300	4.8000	
<b>DTCC GCF Repo Index</b>					
Treasury	4.894	5.2380	5.504	4.845	
MBS	4.935	67.600	5.689	4.868	
<b>Weekly survey</b>					
Freddie Mac					
Latest					

## Closed-End Funds

Listed are the 300 largest closed-end funds as measured by assets. Closed-end funds sell a limited number of shares and invest the proceeds in securities. Unlike open-end funds, closed-end funds do not buy their shares back from investors who wish to cash them out. Instead, fund shares trade on a stock exchange. **NA** signifies that the information is not available or not applicable. **NS** signifies funds not in existence for the entire period. 12 month yield is computed based on the latest distribution received during the previous 12 months for periods ending at month-end or during the previous 52 weeks for periods ending at any time other than month-end by the latest monthly end-market price adjusted for capital gains distributions. Depending on the fund category, either 12-month yield or total return is listed.

Source: LSEG

Friday, November 1, 2024

52 wk Fund (SYM)	NAV Close	Prem /Disc	Ttl Ret
BR Enth C&I CII	21.23	19.34	-8.9 12.5
BlackRock Energy & Res BDJ	9.51	8.69	-6.7 25.9
BlackRock Enth Int'l BGI	6.19	5.56	-10.3 20.0
BlackRock Enth Int'l ECAT	17.98	17.21	-4.3 33.6
BlackRock Enth Sq Term BMEZ	17.55	15.79	-10.0 26.7
BlackRock InnovGrowth BIG	8.23	7.51	-8.7 25.2
BlackRock Res & Comm BCX	10.40	9.42	-9.4 13.6
BlackRock Sel'&Tech Term BST	22.04	20.27	-8.0 41.5
BlackRock Sel'&Tech Trust BST	57.57	36.00	-4.2 18.2
BlackRock Util Infra & Pwr BII	23.64	23.24	-1.7 22.7
BlackRock Util Infra & Pwr EAT	17.48	17.22	-0.4 46.7
Nav Dow DynOwritre DIA	16.71	14.68	-12.1 17.7
NavCorEqAlpha JCE			

## BUSINESS &amp; FINANCE

## Blue Owl Bets on Buyouts to Lift Growth

By LUIS GARCIA

**Blue Owl Capital** is betting on recent acquisitions to help it capitalize on promising trends such as a boom in data-center development, rising demand for commercial financing and investing in life insurers.

The private-investment and credit specialist in early October agreed to acquire data-center developer **IPI Partners** for about \$1 billion. The company is a joint venture between growth investor **Iconiq Capital** and fellow private-equity firm **Iron Point Partners**. The deal followed Blue Owl's acquisition of asset-

based lending specialist **Ataya Capital Management** in September through a \$450 million deal.

Earlier this year, Blue Owl bought property-finance business **Prima Capital Advisors** and life insurer and annuity provider **Kuvare Asset Management**.

"We are further positioning ourselves to be on the forefront of trends that will define the alternatives industry in the coming decade," Co-Chief Executive Marc Lipschultz said Thursday on an earnings call with securities analysts. "We see both digital infrastructure and alternative credit as multitrillion-dollar

markets with transformational shifts happening in real time."

He added that the acquisitions, which totaled roughly \$2.5 billion, "have been modest" and will bear fruit over time.

"In the early days, none of these businesses will be highly impactful to our revenues or earnings on their own because they're just not that big," Lipschultz said. "But over the next three, five,

seven years, we look forward to demonstrating and quantifying the significant value creation that we are already seeing."

Blue Owl raised \$7.9 billion during this year's third quarter, including \$3.5 billion for a strategic capital strategy that acquires stakes in other asset managers, often referred to as general partners.

The firm also collected \$3.1 billion for credit funds and \$1.3 billion for a strategy ded-

icated to buying property and leasing it back to the seller, according to an investor presentation.

The acquisitions and capital inflows helped lift assets under management by roughly 50% to \$234.6 billion by the end of September from a year earlier, eclipsing the \$228.8 billion average expectation of Wall Street analysts, as tallied by FactSet. The total comprised \$128.4 billion for credit strategies, \$62 billion for GP-capital funds and \$44.1 billion for real-estate vehicles.

Fee-related earnings, a key metric, rose 32% compared with the year-ago period to

about \$326.9 million, Blue Owl said.

The firm's third-quarter net income nearly doubled to \$29.8 million, or 4 cents a share, from \$15.1 million, or 3 cents a share, in the same period last year, while revenue rose 40% to \$600.9 million.

Excluding certain items, Blue Owl posted a 25% gain in adjusted distributable earnings, or profit that can be returned to fund investors, of 20 cents a share from 16 cents a share a year earlier. The result was in line with the average Wall Street estimate as compiled by FactSet.

—Rob Curran  
contributed to this article.

### The firm's third-quarter net income nearly doubled year over year.

## Closed-End Funds

Continued From Page B7

Fund (SYM)	NAV	Prem	Close	Disc	Ttl	Ret	Prem12 Mo
BRB Distr Strat DSU	10.70	10.93	+2.1	-10.9			
BR/F/R Inv Strc FRA	12.98	13.91	+7.2	-10.7			
BlackRock Floating RtnC BGT	12.65	13.20	+4.3	-11.0			
Blackstone Lng-Sh Cr Inc BGX	NA	12.64	NA	9.9			
BS SFR 2027 Tm BSL	NA	14.18	NA	9.6			
BS St Cr 2027 Tm BGB	12.84	12.20	-4.4	-9.4			
Eagle Point Credit ECC	NA	9.69	NA	17.5			
Point Income EIC	NA	15.94	NA	14.8			
Etn VncFltRteInc EFT	NA	13.12	NA	10.9			
EV SenFltRte Tr EFR	NA	12.82	NA	11.0			
FT/Srl Fltg Rte 2 FCT	10.78	10.31	-4.4	-11.2			
Highland Opty & Income HFO	12.78	5.63	-55.9	9.5			
InvDcyCrDpp AYTA	11.00	NA	NA	NA			
InvSrnrnCr t VVR	3.96	3.94	-0.5	13.2			
Nuveen Credit Strat JQC	NA	5.73	NA	11.3			
Nuveen Total RetnC EVV	NA	10.32	NA	9.3			
Allspring Multi-Sector ERC	9.90	9.13	-7.8	8.6			
Ares Dynamic Crd Alloc ARDC	NA	15.06	NA	9.3			
BlackRock Mlt-Mkt Crt Bt	14.16	14.83	+1.5	10.0			
BlackRock Tax MunI Bd BBN	17.41	16.76	-3.7	6.7			
DoubleLine Opp Crd Fd	15.40	15.29	-0.7	8.5			
EV LmtD DrlnCm EVV	NA	10.32	NA	9.3			
Franklin Ltd DrlnCm FTF	7.00	6.51	-7.0	11.2			
FS Crd Opportunity FOF	NA	NA	NA	10.6			
J Han Investors JH	14.87	14.35	-4.5	18.4			
AllianceBernGhilman AWF	11.36	10.87	-4.3	7.4			
Alisping Income Opty EAD	7.35	6.83	-7.1	9.0			
Barings Glb SD Hyd BDG	16.00	15.36	-4.0	9.5			
BR Corporate HY HYT	9.74	9.91	+1.7	4.4			
BlackRock Ldt DrlnCm BLW	14.12	14.29	+1.2	9.2			
BNY Mellon Hlth Crt DPH	2.74	2.57	-6.9	7.7			
Brookfield Real Asst Inc RA	12.84	13.45	-1.5	9.7			
CrSuisHighly DHY	2.21	2.15	-2.7	8.4			
DoubleLine Inc Sol DSL	12.51	12.71	+1.6	10.5			
DoubleLine Ldy Opps DLY	14.16	16.15	+0.1	9.2			
First Trust Hy Optz FTHY	15.26	14.55	-4.7	10.6			
Franklin Univ FT	8.21	7.54	-8.2	6.8			
KKR Income Opportunities KIO	NA	13.88	NA	10.4			

Fund (SYM)	NAV	Prem	Close	Disc	Ttl	Ret	Prem12 Mo
Neubg HgYld Srt NHS	7.88	8.04	+2.0	13.2			
New Amer Hg Yld HGY	8.36	8.19	-2.0	5.9			
Nuveen Global High Inc JGH	13.81	12.76	-7.6	9.6			
PGIM Global High Yield GHY	13.23	12.27	-5.0	9.9			
PGIM High Yield Bond ISD	14.12	14.08	-0.3	8.9			
PGIM Shrd Hg Yld Opp SHY	17.37	16.66	-6.0	7.7			
PioneerHlcm PHT	8.35	7.78	-6.8	8.4			
WstAstrHsp II HIX	NA	4.40	NA	13.3			
Western Asset Hg Yld D HY	NA	12.32	NA	9.3			
Other Domestic Taxable Bond Funds							
Allspring Multi-Sector ERC	9.90	9.13	-7.8	8.6			
BlackRock Mlt-Mkt Crt Bt	14.16	14.83	+1.5	10.0			
BlackRock Tax MunI Bd BBN	17.41	16.76	-3.7	6.7			
DoubleLine Opp Crd Fd	15.40	15.29	-0.7	8.5			
NYLmkt DrlnCm EVV	NA	10.32	NA	9.3			
Franklin Ltd DrlnCm FTF	7.00	6.51	-7.0	11.2			
FS Crd Opportunity FOF	NA	NA	NA	10.6			
J Han Investors JH	14.87	14.35	-4.5	18.4			
AllianceBernGhilman AWF	11.36	10.87	-4.3	7.4			
Alisping Income Opty EAD	7.35	6.83	-7.1	9.0			
Barings Glb SD Hyd BDG	16.00	15.36	-4.0	9.5			
BR Corporate HY HYT	9.74	9.91	+1.7	4.4			
BlackRock Ldt DrlnCm BLW	14.12	14.29	+1.2	9.2			
BNY Mellon Hlth Crt DPH	2.74	2.57	-6.9	7.7			
Brookfield Real Asst Inc RA	12.84	13.45	-1.5	9.7			
CrSuisHighly DHY	2.21	2.15	-2.7	8.4			
DoubleLine Inc Sol DSL	12.51	12.71	+1.6	10.5			
DoubleLine Ldy Opps DLY	14.16	16.15	+0.1	9.2			
First Trust Hy Optz FTHY	15.26	14.55	-4.7	10.6			
Franklin Univ FT	8.21	7.54	-8.2	6.8			
KKR Income Opportunities KIO	NA	13.88	NA	10.4			

## ADVERTISEMENT

## The Marketplace

To advertise: 800-366-3975 or WSJ.com/classifieds

## NOTICE OF SALE

IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

In re: JORDAN HEALTH PRODUCTS, INC., et al.<sup>(Jointly Administered)</sup>

NOTICE OF BID PROCEDURES

PLEASE TAKE NOTICE that on October 8, 2024, the above-captioned debtors and debtors in possession (the "Debtors") filed a motion [Docket No. 126] ("the 'Bid Procedures' and Sale Motion") before the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court")

PLEASE TAKE FURTHER NOTICE that on October 29, 2024, the Bankruptcy Court entered an order [Docket No. 126] ("the 'Bid Procedures'") approving Bid Procedures (the "Bid Procedures") and setting key dates, times and procedures related to the sale of the Debtors' assets ("the 'Bids'"). All interested bidders shall carefully read the Bid Procedures and the extent there are any inconsistencies between the Bid Procedures and the summary description of the terms and conditions contained in this Notice. The terms of the Bid Procedures shall control.

PLEASE TAKE FURTHER NOTICE that pursuant to the terms of the Bid Procedures, an auction (the "Auction") will be held to confirm the results of the Auction and approve the transactions contemplated in the Bid Procedures and the Bid Procedures will be held in accordance with the Bid Procedures and the terms of the Bid Procedures.

PLEASE TAKE FURTHER NOTICE that on November 14, 2024, at 11:00 a.m. (prevailing Eastern Time), or such time thereafter as counsel may be appointed by the Debtors, the Auction will be held at the offices of the Auctioneer, located at 222 Decker Street, Suite 1101, Wilmington, Delaware 19801, at the time and place set forth in the Bid Procedures.

PLEASE TAKE FURTHER NOTICE that on November 14, 2024, at 11:00 a.m. (prevailing Eastern Time) or such time thereafter as counsel may be appointed by the Debtors, the Auction will be held at the offices of the Auctioneer, located at 222 Decker Street, Suite 1101, Wilmington, Delaware 19801, at the time and place set forth in the Bid Procedures.

PLEASE TAKE FURTHER NOTICE that on November 14, 2024, at 11:00 a.m. (prevailing Eastern Time) or such time thereafter as counsel may be appointed by the Debtors, the Auction will be held at the offices of the Auctioneer, located at 222 Decker Street, Suite 1101, Wilmington, Delaware 19801, at the time and place set forth in the Bid Procedures.

PLEASE TAKE FURTHER NOTICE that on November 14, 2024, at 11:00 a.m. (prevailing Eastern Time) or such time thereafter as counsel may be appointed by the Debtors, the Auction will be held at the offices of the Auctioneer, located at 222 Decker Street, Suite 1101, Wilmington, Delaware 19801, at the time and place set forth in the Bid Procedures.

PLEASE TAKE FURTHER NOTICE that on November 14, 2024, at 11:

## FINANCE &amp; MARKETS

# Ports Race to Secure Billions In Clean-Energy Grant Money

EPA aims to finalize most awards of federal support before year-end

By PAUL BERGER

Ports around the U.S. are rushing to nail down green-energy projects to ensure they receive their portions of \$3 billion in new federal grants, funding that faces tight government deadlines and potential disruption from the presidential election.

The Environmental Protection Agency awarded the money last week to dozens of ports for investments such as new solar arrays, upgrades to electric shore power and purchases of thousands of new electric- and hydrogen-powered heavy-duty lifting equipment and trucks.

The agency aims to finalize most of the 55 awards by the end of December so that the federal government is legally bound to make the payouts, said Ian Gansler, director of government relations at the

American Association of Port Authorities.

The process is playing out against the backdrop of an election that will usher in a new administration and amid Democratic concerns that a Republican White House might roll back green spending.

The EPA process to finalize the grant agreements is complicated and depends on a federal bureaucracy that isn't known for speed. "Our ports have had complicated and difficult experiences with grant obligations on just about every grant program at federal level," the AAPA's Gansler said. "It's not a given."

President Biden announced the grants last week at the Port of Baltimore, which is getting \$147 million for new handling equipment and trucks.

The awards range from \$412 million for the Port of Los Angeles and \$380 million for the Port of Virginia to the little Port of Hueneme, in Southern California, which was awarded more than \$41 million to convert almost all its cargo-handling equipment to zero-emission technologies.

The awards aren't guaranteed until the EPA formally obligates the money for each project, a senior EPA official said.

To reach that stage, the ports and the EPA must sign off on a work plan, budget and compliance with federal rules and regulations. Several ports that secured less funding than they sought are now drawing up revised plans.

An EPA spokesman said the agency will fund the projects over the next several years "regardless of a change in administration."

The program funding is available through the Inflation Reduction Act of 2022, which among other things aims to boost the renewable energy sector.

Republican presidential nominee Donald Trump has said that if elected he would rescind all of the law's "unspent funds." Billionaire investor John Paulson recently told The Wall Street Journal that if he were to become Treasury secretary in a Trump administration he would reduce federal spending, "particularly by getting rid of the subsidies for

green energy in the Inflation Reduction Act."

Bethann Rooney, director of the Port of New York and New Jersey, which received \$347 million in grants, said any change in administration brings a wave of new leaders across agencies that can disrupt plans and delay funding that often has time limits on how soon it must be spent.

Rooney said the EPA's push to commit funding by the end of this year is part of a push to "oblige the money and get it out the door."

The Biden administration and states such as California have spent the past few years stepping up green incentives and imposing penalties on polluting sectors of the logistics industry.

California is moving to mandate the purchase of heavy-duty trucks powered by batteries or hydrogen. But adoption of the new technologies has been slow. Clean-technology trucks can cost three times as much as conventional diesel vehicles and access to charging and refueling infrastructure is scarce.



Awards ranged from \$412 million for the Port of Los Angeles, above, to smaller awards for smaller U.S. ports.

## Home Listings Stir Dispute

Continued from page B1

market their homes for sale as widely as possible in hopes of getting the highest price. The rule—and the debate—are focused on what options should be available to sellers who don't want to widely advertise their homes because of privacy or safety concerns.

Some industry executives say that if those sellers had more options to privately list their homes, it would be harder for buyers to find all the homes for sale.

The dispute reflects a broader disagreement within the industry about what role NAR should play in setting rules for the housing market.

The powerful trade group has been the main voice of the residential real-estate industry for decades, and it sets rules for most multiple-listing services. But NAR has suffered

through a scandal in its leadership ranks, declining membership and legal turmoil over its commission system.

A jury found NAR and large brokerages liable for about \$1.8 billion in damages last year after determining that a NAR rule kept payments to real-estate agents artificially high.

NAR settled that lawsuit and other similar ones for more than \$400 million in March and agreed to sweeping changes. Large real-estate brokerages also paid tens of millions of dollars in settlements. Now, some brokerages are worried that other NAR rules, such as the clear cooperation policy, could pose similar risks.

"It is reckless to keep clear cooperation, which is subject to an active government investigation," said Robert Reffkin, Compass's chief executive.

The industry is divided. A recent survey by consulting firm WAV Group found that half of brokers and about one-third of MLS leaders wanted to repeal the policy, while the rest were split between leaving it in place and modifying it.

About 1.8% of homes were sold as pocket listings in the second quarter of this year, and the proportion has ranged between about 1% and 3% for

"When private listing networks exist because listings don't have to be in the MLS, then those buyers lose access to a whole bunch of listings," said Susan Daimler, Zillow's president.

The NAR rule currently allows listings to be kept off the MLS if they are only marketed within one brokerage, known as an "office exclusive." That exception can benefit big brokerages, which have more potential buyers for those in-office listings.

"The reason that people want to withhold the listings is so they can get more market power," said Glenn Kelman, chief executive of real-estate brokerage Redfin.

Homes sold on the MLS in five states and Washington, D.C., from the first quarter of 2019 to the first quarter of 2023 sold for 17.5% more than similar homes that sold off-MLS, according to a study released last year by Bright MLS, a Maryland-based multiple-listing service.

About 1.8% of homes were sold as pocket listings in the second quarter of this year, and the proportion has ranged between about 1% and 3% for

the past decade, according to Redfin. Redfin's analysis likely doesn't capture all off-market listings, the company said.

In some markets, most Compass listings start out as office exclusives, Reffkin said in an August earnings call.

"Those homeowners, they want to be able to test the market" before listing their homes more widely, he said. "The reason why private exclusives at Compass are so popular is because they do not have days on market [or] price drop history."

Top Agent Network, a San Francisco-based, members-only platform for real-estate agents, sued NAR in 2020, alleging that the clear cooperation policy hurt its business. The case is scheduled to go to trial next year.

The Justice Department started an investigation into NAR in 2018. The Justice Department resumed its investigation, which includes the clear cooperation policy, this spring after a federal appeals court ruled that the department wasn't bound by a 2020 settlement. NAR asked the Supreme Court last month to review that ruling.

# Private Equity Spends Heavily In 2024 Election

By CHRIS CUMMING

private-equity acquisitions has chilled deal flow, Biden-appointed regulators have sought to check the industry's growth. These efforts have contributed to the most challenging stretch for U.S. buyout managers since the financial crisis of 2007 to 2009.

In the presidential race, Democrat Kamala Harris has raised about \$2.1 million and Republican Donald Trump \$575,000 through Oct. 17 from people in private equity.

But Washington lobbyists say there is little consensus on this contest in discussions with private-equity insiders.

There is optimism Trump could provide regulatory relief, but concern he could raise geopolitical uncertainty, said James Maloney, managing partner of communications and lobbying firm Tiger Hill Partners.

Harris hasn't made public her views on private equity, but she has courted Wall Street donors, and there is a consensus her administration "would potentially consist of fewer reform-minded regulators" than Biden's, Maloney said.

SEC Chair Gary Gensler's focus on reining in private markets is unlikely to continue under his successor, whether appointed by Trump or Harris, said Igor Rozenblit, a former SEC private-markets regulator who leads consulting firm Iron Road Partners. "No matter who wins, I think there is going to be a little less pressure on private equity," he said.

The most significant consequences of the presidential contest will likely be in antitrust enforcement, said Ken Young, a partner at Dechert.

## Vitamin Shoppe Owner Files for Bankruptcy

By ALEXANDER GLADSTONE

business segments in the first quarter, S&P Global Ratings said in July. The company recently sold the Sylvan Learning tutoring centers and held a stake in discount retailer Conn's, which filed bankruptcy in July.

Franchise Group listed over \$1 billion in assets and over \$1 billion in liabilities in its petition with the U.S. Bankruptcy Court in Wilmington, Del., after going private last year in a management buyout arranged by B. Riley, a Los Angeles-based investment bank, which took a minority stake in the company. The soured deal has been problematic for B. Riley, which has been selling assets to shore up its finances after writing down its investment in Franchise Group.

Franchise Group said Sunday that it is entering bankruptcy with a plan backed by 80% of the holders of its first lien debt to swap their claims for 100% of the equity in a reorganized company. The first-lien lender group is providing a \$250 million loan to fund the chapter 11 proceedings, the company said.

Franchise Group has been affected by weaker consumer spending on discretionary items and posted a 12% decline in total revenue across its

## THE TICKER | MARKET EVENTS COMING THIS WEEK

### Monday

#### Factory orders

Aug. prev. down 0.2%

Sept. exp. down 0.5%

#### Earnings expected

Estimate/Year Ago

Constellation Energy 2.66/2.26

Marriott 2.31/2.11

NXP Semiconductors 3.43/3.70

Palantir Technologies 0.09/0.07

Vertex Pharmaceuticals 4.08/4.08

Zoetis 1.46/1.36

### Tuesday

Int'l trade deficit in billions

Aug. previous \$70.43

Sept. expected \$84

#### Earnings expected

Estimate/Year Ago

Apollo Global Management 1.73/1.71

Coupage 0.01/0.05

Cummins 4.82/4.76

Emerson Electric 1.47/1.29

Marathon Petroleum 0.98/8.14

Microchip Technology 0.43/1.62

### Wednesday

Fed two-day meeting starts

#### EIA status report

Previous change in stocks in millions of barrels

Crude oil down 0.5

Gasoline down 2.7

Distillates down 1.0

#### Mort. bankers indexes

Purch. prev. up 5.0%

Refinan. previous down 6.0%

#### Earnings expected

Estimate/Year Ago

CVS Health 1.52/2.21

Gilead Sciences 1.51/2.29

McKesson 6.88/6.23

MercadoLibre 10.59/7.16

Qualcomm 2.56/2.02

Williams Cos. 0.42/0.45

### Thursday

#### Fed rate-policy meeting

Target rate 4.75%-5.00%

#### Freddie Mac Mortgage Survey

Previous weekly averages

30-year fixed 6.72%

15-year fixed 5.99%

#### Initial jobless claims

Previous 216,000

Expected 220,000

#### Unit labor costs

2nd qtr. prev. up 0.4%

3rd qtr. prelim. exp. up 1.5%

Productivity 2nd qtr. prev. up 2.5%

3rd qtr. prelim. exp. up 2.5%

#### Wholesale inventories

Aug. previous up 0.1%

Sept. exp. down 0.1%

#### EIA report: natural gas

Previous change in stocks in billions of cubic feet

up 78

#### Consumer Credit

Aug. prev. up \$8.9 bil.

Sept. exp. up \$14.0 bil.

#### Earnings expected

Estimate/Year Ago

Air Products 3.48/3.15

Arista Networks 2.08/1.83

Duke Energy 1.70/1.94

EOG Resources 2.78/3.44

Motorola Solutions 3.37/3.19

TransDigm Group 9.29/8.03

### Friday

#### U.Mich. consumer index

Oct. final 70.5

Nov. preliminary 71

#### Earnings expected

</div

# HEARD ON THE STREET

FINANCIAL ANALYSIS &amp; COMMENTARY



7-Eleven owner Seven &amp; i has yet to decide whether to accept a sweetened buyout offer from Circle K's owner.

## Convenience-Store Consolidation Looms

Historically fragmented industry will likely see lots of M&amp;A in years ahead

The second-largest convenience-store owner in the U.S. wants to buy the largest. Whether or not the deal goes through, there will likely be many convenience-store mergers in the years ahead.

The industry is so fragmented in the U.S. that the 10 largest chains still hold less than one-fifth of market share. In recent years, consolidation has been slow and steady, but that could be set to change.

Single-store operators dominated in the early 2000s, and the share of those mom-and-pop stores rose through 2017 as oil majors sold off their gas stations, according to data from the National Association of Convenience Stores. Since then, however, the share of single-store operators has steadily declined as larger chain owners actively pursued mergers. Still, about 60% of convenience stores in the U.S. are currently mom-and-pop owned.

A gradual roll-up would surely be the most palatable path for antitrust authorities, but the second-largest convenience-store owner—Circle K owner **Alimentation Couche-Tard**—wants to expedite the process by acquiring the top dog, 7-Eleven's Japanese owner **Seven & i**. So far, Seven & i has been unmoved by Couche-Tard's bids; it rejected the initial offer for being too low and has yet to accept or reject the second, sweet-

ened deal. In an October investor day, Seven & i outlined its stand-alone path to growth.

Even if combined, 7-Eleven's and Couche-Tard's market share wouldn't be overwhelming at roughly 12%. Antitrust authorities are still likely to take a skeptical view of the deal, which involves the politically sensitive food and fuel categories. Around half of Circle K stores have a 7-Eleven within a three-mile radius, according to Anthony Bonadio, equity analyst at Wells Fargo. The Federal Trade Commission already wasn't happy with Seven & i's acquisition of Speedway in 2021; the companies reached a settlement at the time and agreed to divest 293 stores, out of a combined total of around 13,000. 7-Eleven now has around 12,600 stores in the U.S.

M&A is central to convenience-store giants' growth plans, partly because building gas stations from scratch involves a lot of extra permitting and time. Meanwhile, same-store revenue growth from fuel and food are tricky to achieve. Fuel is a low-margin business and a category that is set to decline over the long term. Food is more promising and comes with higher margins, but it is also an area where only a few chains have excelled—such as **Casey's General Stores** with its pizza and privately owned Wawa with hoagies. This is an area where 7-Eleven might have an edge over Couche-Tard. It

can draw on lessons from its wildly popular food business in Japan.

Seven & i said in its investor day last month that M&A would be pivotal to its growth strategy in the U.S.; the company has acquired more than 7,000 stores in the country since 2006. The company has about \$10 billion of cash and has been willing to pay steep multiples on larger deals such as Speedway and Sunoco. Meanwhile, M&A is integral to Couche-Tard's DNA. More than 70% of its stores stem from acquisitions. Couche-Tard has about \$1.6 billion of cash, but has said it has capacity to spend \$10 billion on purchases.

If Couche-Tard fails to bag Seven & i, the two giants are likely to each go on their own acquisition sprees. That would likely involve shelling out big premiums for larger chains, or else risk falling short of their growth targets. Outside of Couche-Tard and Seven & i, there are only six other convenience-store owners that operate more than 1,000 stores; these aren't the types that will accept lowball offers. Seven & i says it wants to grow its revenue by nearly 70% through 2030. Couche-Tard has set a target of increasing its earnings before interest, taxes, depreciation and amortization by more than 70% through 2028.

For these chains, the road to growth is anything but convenient.

—Jinjoo Lee

## FINANCE & MARKETS

# Fastest-Growing Startups Have Some Things in Common

By STEVEN ROSENBUCH

While good luck always seems to be present on the deck of the Good Ship Success when startups strike it big, that is never the whole story. There are many patterns that can be discerned from the experience of top venture-backed companies, according to Index Ventures partner Martin Mignot, who led a research project on 200 examples.

"We kept on getting asked the same questions and the main topic was the team. 'Who do I hire next and at what level and in what role and how do I organize them?'" said Mignot, who joined Index in 2010 and has invested in companies such as fintech upstart Revolut and food-delivery company Deliveroo.

Index addressed those questions in a 300-plus page volume of data and anecdotes titled "Scaling Through Chaos: The Founder's Guide to Building and Leading Teams From 0 to 1,000," which is meant to be used as a reference guide for startup founders.

One takeaway is how much time the best founders spend on internal people-related matters.

"Regardless of the size of the team—it can be 10 employees or 1,000—founders will spend the same amount of time, just about 50%, on people," Mignot said.

There are only a few hundred startups at any one time that have the potential to grow from zero to 1,000 people in five years, but every one



Index Ventures partner Martin Mignot led a research project on startups.

that does will experience chaos, according to Mignot. Companies growing that rapidly can wind up with more employees who have worked there for less than a year than who have been there longer, so there are challenges with communications and process.

"The takeaway was really around the importance of valuing performance over loyalty," Mignot said. The skills needed to launch a startup aren't the same skills needed to scale it, let alone optimize a full-blown enterprise, should it emerge from that process.

Take cloud-security startup Wiz, which already employs more than 1,200 people and aims to achieve \$1 billion in annual recurring revenue

within the next year, on the way to its goal of an initial public offering. Google was in discussion earlier this year to acquire the company for \$23 billion, although the talks fell apart.

Wiz Chief Executive Assaf Rappaport and his co-founders sold their first startup, Adallom, to Microsoft and worked there for a time. They left to launch Wiz in early 2020—just in time for the pandemic.

Rappaport, speaking earlier this year at an Index event, said his mother couldn't understand why he had traded a leadership role at Microsoft to launch a new company in a crowded market. But the abrupt shift to remote work during the pandemic was providential for a company focused on cloud security.

Unlike many startups, Wiz was built from the start to be a global company, according to Rappaport. "We didn't invent cloud security," he said.

There were dozens of companies in the field, including unicorns. Wiz's technology and products were in flux, "but basically we knew that we're going to build an infrastructure to scale to support the Fortune 100, the Fortune 500 and it was very beneficial for us," Rappaport said.

Investors such as Cyberstarts, Index and Sequoia Capital helped Wiz work closely with corporate cybersecurity leaders to develop products and technology.

Wiz pivoted repeatedly until it had the right product market fit with large companies. It quickly expanded the range of capabilities on its platform for large companies.

As CEO, Rappaport has focused on the development of the team, assessing when to step aside from a particular role and bring in new people, so that leadership capabilities can scale along with the company.

Technology and sales came naturally to Wiz, but it quickly became clear that it struggled with marketing, according to Rappaport. Part of the problem, he said, was his own lack of expertise in the discipline. He felt his own efforts at marketing were fluffy, and that "I failed with recruiting and retaining the right people in the marketing team."

His solution was to tap Raaz Herz-

berg, the company's vice president of product, as the next leader of marketing. She might have seemed to some observers like an unconventional choice, because she had previously been in product management at Microsoft, a software engineer at Google and an intelligence and technology analyst in the Israel Defense Forces.

But Herzberg was able to market the company's products in a convincing way precisely because "she's into the details," Rappaport said.

While many startups continually push themselves to grow faster, Rappaport said he faced the opposite challenge. Wiz was growing so rapidly, it was difficult to understand that it actually wasn't at the upper bound of what it could achieve. Reflecting earlier this year on the company's prior 12 months, in which ARR hit its targets and exceeded \$350 million, Rappaport suggested he still didn't fully appreciate the potential for growth. "I hit the brakes in a way without any reason," he said. "I look at it as a lost year."

To avoid such situations in the future, Wiz expanded its C-suite with an outside executive used to operating large companies. It named Dali Rajic, chief operating officer of cyber security company ZScaler, as its first chief operating officer and president.

"He's exactly the sort of person who would know, 'Hey Assaf, you're not at your limit,'" Rappaport said. "You're so far from that. We can continue building, trust me."

## Awful Jobs Report Aside, Economy Is Still Strong

A sharply weaker jobs reading has thrown up some uncertainty about the direction of the U.S. economy. But the preponderance of evidence from official data, company earnings and even consumers points to a strong, if gradually slowing, economy.

There was even more attention than usual on Friday's jobs figure, coming as it did just days before the presidential election and the Federal Reserve's next rate-setting meeting. But no one should panic about the October employment report, which showed the economy adding just 12,000 jobs for the month. There were multiple distortions bringing it down, including a strike at Boeing and two major hurricanes. These affected not only the number of people working but also the survey collection methods of the Bureau of Labor Statistics. Attempting to divine from this figure how the economy is performing at a macro level would be foolhardy.

Perhaps more worrying would be the downward revisions in estimates for job growth in August and September, by a combined 112,000. But even after taking these into account, the trend through September looks mild.

In the three months through September, the economy added an average of 148,000 jobs a month, basically unchanged from 147,000 through June. That is down from an average of 267,000 jobs a month in the three-month period through March, but this pace of deceleration is actually consistent with what the Federal Reserve wants to see to be reassured that inflation pressures will remain on a downward path.

Doubts about the reliability of the October jobs report should lead interested observers to look at other indications of the economy's health. An obvious one is gross domestic product. Data released last Wednesday showed that it grew at a respectable 2.8% annual rate in the third quarter, adjusted for seasonality and infla-

tion, down only slightly from 3% the prior quarter.

Additionally, markets are in the middle of earnings season, when the bulk of publicly listed American companies report their results for the quarter ended in September. They have been highly encouraging. Among S&P 500 companies that had reported through Oct. 31, earnings rose a robust 8.4% from a year earlier, according to an analysis by LSEG I/B/E/S.

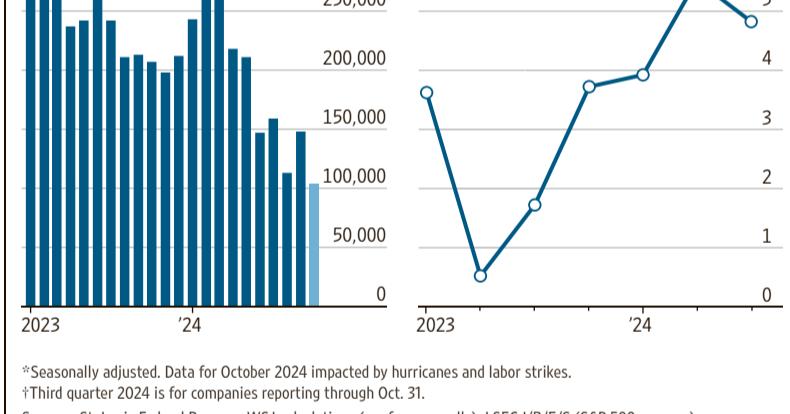
During **JPMorgan Chase's** quarterly earnings conference call, Chief Financial Officer Jeremy Barnum said the bank's analysis of its own clients' spending patterns suggests consumers have cut back some of the splurging they did on vacations and cruises after the pandemic ended. But he added that other discretionary categories like retail spending haven't slowed. This is partly why the bank's "central case" expectation for the economy isn't so much a soft landing but a "no landing scenario" in which strong growth continues, he said.

All this helps explain why long-term interest rates such as the 10-year Treasury yield have been rising in recent weeks and actually ticked higher on Friday. Traders are still pricing in overwhelming chances of two more quarter-point rate cuts this year. But the outlook for next year is getting hazier. The most-likely scenario, according to Fed funds futures markets, is now that the Fed's target rate will be a full percentage point lower by its meeting in June 2025 compared with now, according to the CME FedWatch tool. One month ago, bets centered around 1.5 to 1.75 percentage points of cuts by then. If the economy keeps its recent performance, there may be no need for any rate cuts at all next year.

Don't miss the forest for the trees: A one-off miss in jobs doesn't change the overwhelming message being sent from many sources. The American economy is in good health.

—Aaron Back

**Change in nonfarm payrolls, three-month moving average\***



\*Seasonally adjusted. Data for October 2024 impacted by hurricanes and labor strikes.

†Third quarter 2024 is for companies reporting through Oct. 31.

Sources: St. Louis Federal Reserve, WSJ calculations (nonfarm payrolls); LSEG I/B/E/S (S&P 500 revenue)

JOURNAL REPORT

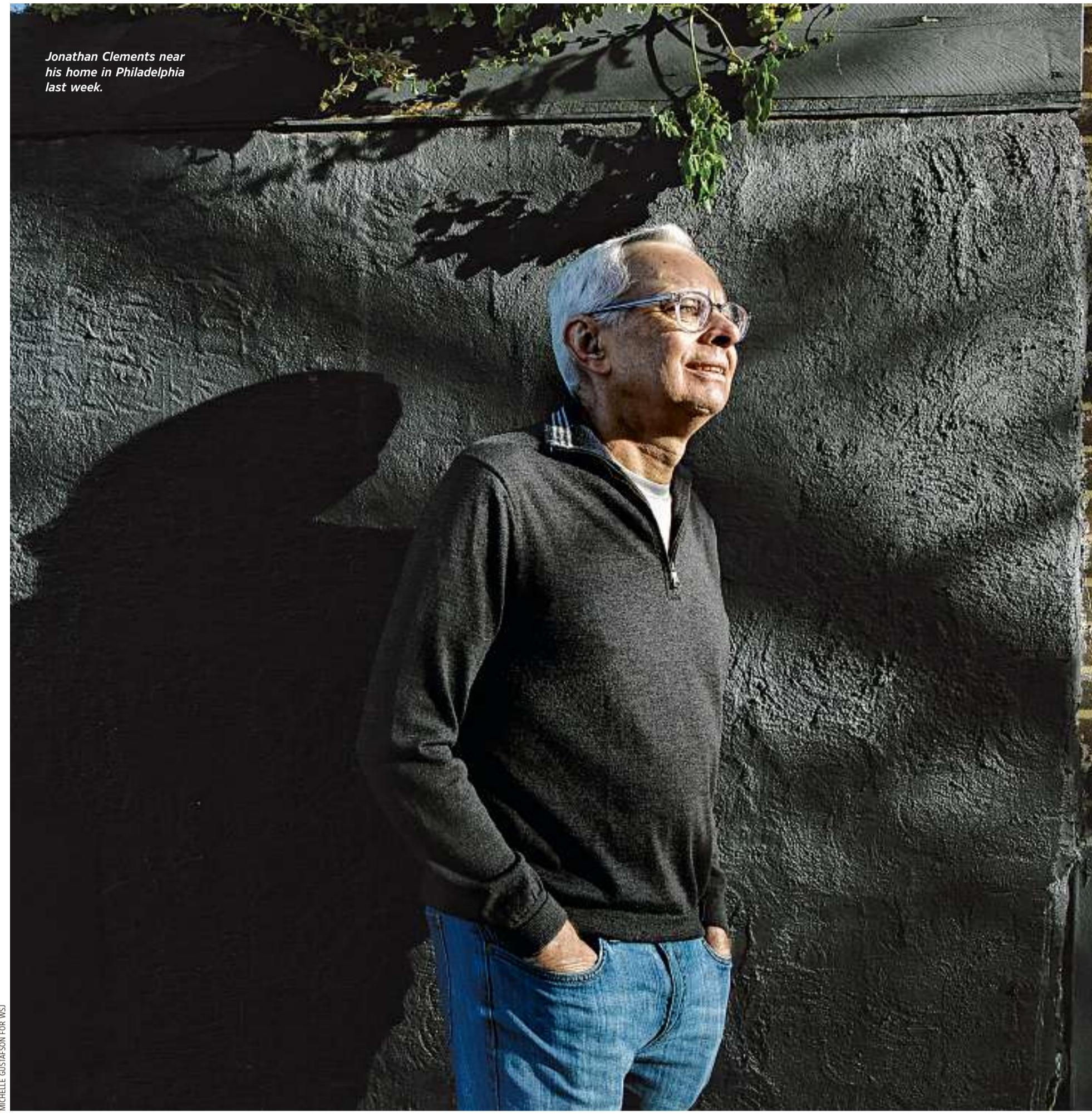
# INVESTING MONTHLY

© 2024 Dow Jones &amp; Company. All Rights Reserved.

THE WALL STREET JOURNAL.

Monday, November 4, 2024 | R1

*Jonathan Clements near his home in Philadelphia last week.*



MICHELLE GUSTAFSON FOR WSJ

## Some Final Personal-Finance Advice From Jonathan Clements

The former Wall Street Journal columnist faces a terminal cancer diagnosis the only way he knows how—with practical suggestions about family finances

BY JONATHAN CLEMENTS

**STARTED WRITING** A personal-finance column, *Getting Going*, for The Wall Street Journal in 1994, and soon earned a reputation as a relentless proponent of indexing. In 2024, at age 61, it seems I'm becoming renowned all over again—for dying.

Yeah, this is a little weird.

Ever since I learned I had cancer and might have just a year to live, I've been working like crazy to make sure I bequeath a well-organized estate and leave my family in good financial shape. I'm determined to have as good a death as possible, not least from a financial

*Please turn to page R2*

### The Best Way to Start Investing in Commodities

Market experts say a small allocation can provide diversification and a hedge against uncertainty

BY DEBBIE CARLSON

**F**IGURING OUT the right allocation for commodities in a portfolio can be tricky. Too big an allocation leaves average investors subject to missed opportunities in other assets, since commodity investments don't pay dividends or have earnings. Too little or no exposure means not taking advantage of the diversification that commodities offer, and missing out when

these assets rally during supply shocks.

Picking individual commodities is also tough since they don't move in lockstep, as what causes cocoa or copper prices to rally often doesn't matter to corn or crude oil.

The best strategy for investors, experts say: having a small, long-term position in a broad-based commodities exchange-traded fund.

#### Stake size

Investors need only a small commodity position to enhance a tra-

ditional portfolio. Using a portfolio of 60% stocks and 40% fixed income as a baseline, portfolio strategists historically have suggested carving out between 2% and 10% from the stock allocation for commodities, depending on macroeconomic conditions.

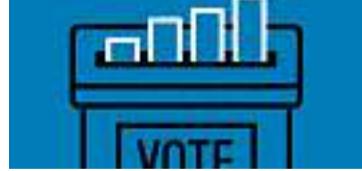
In the current macro environment—with inflation still over 2%, persistent geopolitical uncertainty, and climate change causing more extreme-weather events, according to scientists—some commodities experts say a 5% broad-based allocation may be appropriate for individual investors.

Conversely, market pros say, investors should be mindful that commodities may underperform during deflationary cycles or periods when geopolitical risks abate or commodities supplies spike.

A 5% stake in commodities in a \$1 million portfolio is only

*Please turn to page R4*

### Inside



#### MONTHLY MONITOR

Stock funds are up 14.9% in 2024 as investors look past the election uncertainty. **R2**



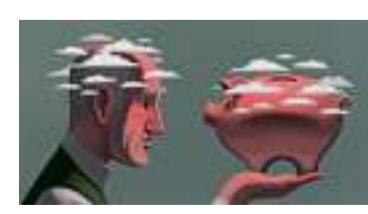
#### CURRENCY COLLECTING

Rare banknotes can be worth more than their face value. Here's what to know. **R4**



#### RETIREMENT ROOKIES

Our columnists look to exterminate a variety of parasitic expenses. **R5**



#### MIND YOUR MONEY

How undiagnosed cognitive decline can eat into your retirement savings. **R5**

## JOURNAL REPORT | INVESTING MONTHLY



## • Financial Flashback

## A look back at Wall Street Journal headlines from this month in history

## 25 YEARS AGO ▶

**It was a long time** coming, but 25 years ago this month the "New Economy" joined the Dow Jones Industrial Average. The change, as of trading on Nov. 1, 1999 (pictured above), came in the form of adding chip maker **Intel**, **Microsoft** and **SBC Communications**, which cemented the role of both tech and communications sector in the index. A fourth stock, retailer **Home Depot**, was also added that day.

As those four stocks joined, out went four old-economy stalwarts: **Chevron**, **Goodyear Tire & Rubber**, Sears Roebuck and Union Carbide.

The changes, announced the week before the new lineup began trading, were the first time that stocks from Nasdaq (Intel and Microsoft) joined the Dow. Up until then, all 30 Dow industrials had been listed on the NYSE.

The Wall Street Journal dubbed the changes in the index "one of the most important overhauls in its 103-year history."

"If that change didn't happen, there would have been a big discrepancy between that index and it would have been a big oversight," says Susannah Streeter, head of money and markets at U.K.-based investment company Hargreaves Lansdown. The index is designed to reflect the major sectors of the U.S. economy—excluding transportation and utilities, which have their own Dow indexes. And by then, the New Economy was well under way and here to stay.



The Wall Street Journal, Nov. 2, 1999

The switch came more than a decade after American corporations began embracing desktop computers. "The index components are carefully chosen to avoid including stocks that are a bubble," Streeter says.

(Now, 25 years later, the Dow is evolving again. On Friday, it was announced that Intel will be replaced by AI-chip darling **Nvidia**.)

—Simon Constable

## 40 YEARS AGO ▶

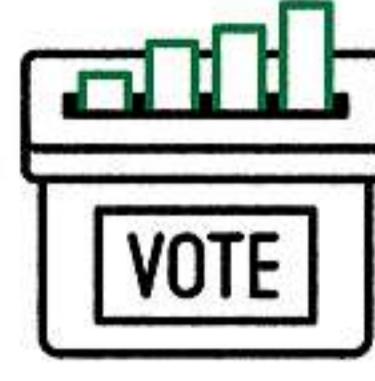
**Concerns Over Deficit Again Start to Chill Investors' View of Stocks**

## 50 YEARS AGO ▶

**Defeat of Casino Gambling in New Jersey Is Biggest Surprise in Referenda Voting**

## Monthly Monitor • William Power

## Stock Funds Are Up 14.9% in 2024



**One of the oldest** investing maxims is that investors hate uncertainty. And there could be just a *little* of that ahead of Election Day.

But no matter what happens at the ballot box, the stock market is holding on to solid gains so far in 2024. And history has shown that just getting past the election is helpful for the market, no matter who wins.

"Election-driven volatility has historically been short-lived—even if the results of the election were not immediately known, as in 2000," says Saira Malik, chief investment officer at Nuveen.

The average U.S.-stock fund eased 1.0% in October, to trim the year-to-date return to 14.9%, according to data from LSEG, formerly Refinitiv Lipper.

"The market seems to be shaking off any election results," says Rob Kantor, CIO and co-founder of XML Financial Group. Still, he says stocks are showing the effects of the recent run to record highs: "Overall, the market is a bit over its skis on an average historic P/E level and stocks that are not hitting their estimates are getting pounded, even in the tech sector."

Meanwhile, bond funds, which have been drawing in record amounts of cash from yield-hungry investors, took a pause during the month. Funds focused on investment-grade debt (the most common type of fixed-income fund) fell 2.5% on average, to trim the year-to-date return to 2.4%.

Behind the bond weakness for the month: Some investors are seeing the prospect of a rising postelection budget deficit, which has triggered a rise in bond yields (bond prices fall as yields rise).

International-stock funds, meanwhile, were down an average 4.7% for the month, to leave them with a 7.7% gain for the year so far. (See funds-data tables including Mutual-Fund Yardsticks at WSJ.com/investingmonthly.)

**William Power** is deputy section editor of *Journal Reports* in South Brunswick, N.J. Email him at [william.power@wsj.com](mailto:william.power@wsj.com).

HENRY RAY ABRAMS/AP/GETTY IMAGES; GIACOMO BAGNARA

**'The stock market will welcome either presidential candidate so long as power is split between Congress and the executive branch. A divided government means little will change. Leaving things alone works best for the economy and the markets.'**



**George Ball**  
Chairman, Sanders Morris

## Final Advice

Continued from page R1  
point of view.

Here are some steps I'm taking:

## So much talking

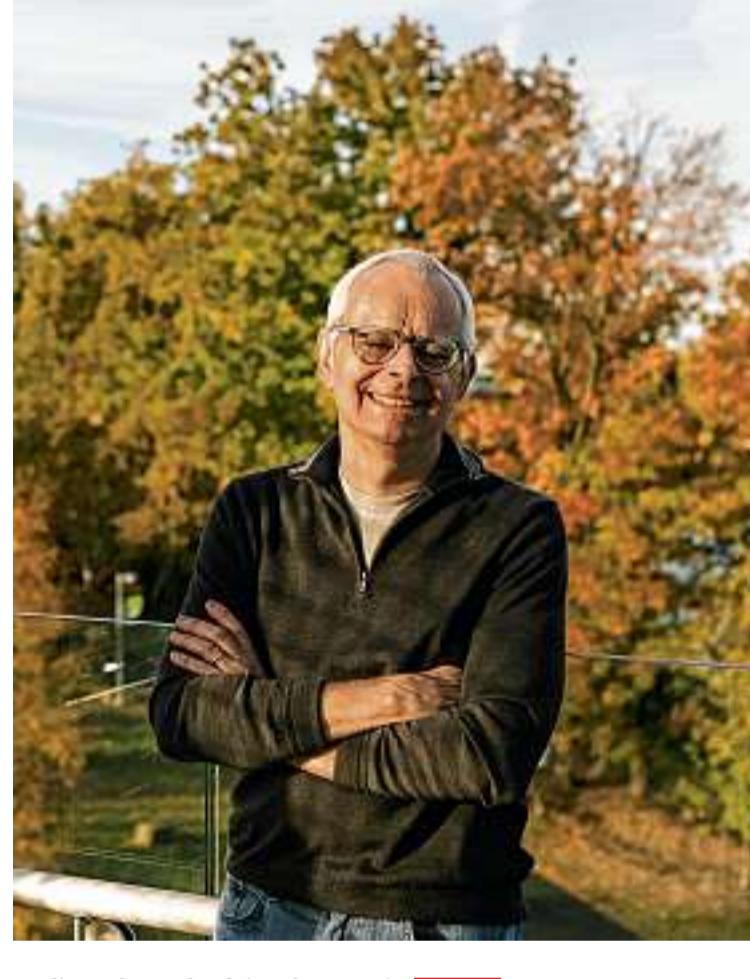
Two days after my diagnosis, I sat down with my wife, Elaine, and my two children, Hannah and Henry, and told them what they could expect from my estate. I'm glad I did. Countless conversations have followed. All the stuff that seems so straightforward to me—the different sorts of retirement accounts, which assets will go through probate, what will be subject to taxes—can be baffling to others.

I'm more than happy to talk about such things. I'm not sure Elaine, Hannah and Henry are quite so happy. I've been endeavoring to approach these final months as a cheerful warrior, making the most of each day and avoiding anger over my grim prognosis. But that also means I'm not grieving my own demise, while others around me clearly are. As I've discovered, my unwillingness to join in my family's distress makes it harder for them. How so? It seems my cheerfulness leaves a void that they then fill with even greater grief.

## Death is hard work

I thought my finances were well-organized and pretty simple. Yet, since my diagnosis, I've spent endless hours trying to simplify them even further.

I've closed a small inherited IRA, canceled two of my four



credit cards, made Elaine the joint account holder on two bank accounts, and rolled my solo Roth 401(k) into my Roth IRA. This should save my family a bunch of work after I'm gone. I've also revised my will, had financial and medical powers of attorney drawn up, and updated the beneficiary designations on various retirement accounts.

There's still more to do. For instance, if time allows, I'd like to move various utility bills and insurance policies into Elaine's name. All this might seem rather tedious. But at a time when I'm losing control over my life's trajectory, it feels good to have control over something, even if it's just humdrum financial matters.

## Built for ease

It's important to be financially resilient, with enough set aside to carry us through rough times. But it's also important to be financially flexible, able to get our hands on money without worrying about, say, retirement-account restrictions or the difficulty of selling real estate and other illiquid investments.

Ever since I learned I had cancer and might have just a year to live, I've been working like crazy to make sure I bequeath a well-organized estate and leave my family in good financial shape.

Even though most of my money is in retirement accounts, I haven't had any issues accessing cash because the money is in IRAs, rather than an employer's plan, and because I'm over age 59½, so tax penalties aren't an



Scan this code to see what playing poker can teach us about trading stocks on Wall Street.

issue. It would be a different story if, say, much of my wealth was in real estate, private partnerships or tax-deferred annuities with hefty back-end sales commissions. As I've come to appreciate, financial flexibility is a virtue that doesn't get nearly enough attention.

## Giving it all away

Even before my diagnosis, I'd been making regular financial gifts to Hannah and Henry, limiting those gifts to that year's gift-tax exclusion. In 2024, the exclusion is \$18,000. If you give more than that sum to any one individual, you need to file a gift-tax return, with the sum over \$18,000 reducing your federal estate-tax exclusion, which is \$13.61 million in 2024.

I won't be bequeathing anything close to \$13.61 million—he, I spent most of my career in journalism—so eating into my lifetime estate-tax exclusion isn't a big deal. That realization prompted me to forgive the private mortgage I wrote for Hannah in 2015, when she bought her home. One result: I'll have to file a gift-tax return for 2024. But forgiving the loan now, rather than as part of my will, should make settling my affairs that much easier.

## Taxing matters

There's another reason to forgive the loan now. If I manage to live another year after making the gift, Hannah won't have to pay Pennsylvania's 4.5% inheritance tax on the sum involved.

Hannah and Henry will, however, owe that 4.5% on the Roth and traditional IRAs I'll be bequeathing to them. I briefly thought about emptying part of the Roth—which I could do at no tax cost—and passing the money to them now, in hopes of sidestepping the inheritance tax. But I realized the Roth's tax-free growth, which Hannah and Henry could milk for another 10 years after my death, would more than compensate for the 4.5% inheritance tax. Indeed, I've encouraged the children to leave the money in the Roth until year 10, so they squeeze the most out of the tax-free growth.

**Hanging on**  
If I manage to live another year

or so, that won't just ease the tax bite on Hannah's forgiven mortgage. Hanging in there could also mean a larger Social Security check for Elaine.

We got married on May 25, four days after I got my cancer diagnosis. We'd already planned to get married, but moved up the date. One financial advantage: If I live nine months after our wedding date—until Feb. 25, 2025—Elaine will be eligible for Social Security survivor benefits based on my earnings record.

## Emptying the basement

I've moved four times over the past 13 years—yes, you read that right—and with each move I've unloaded more stuff. Yet there's still paperwork I need to throw out, including old insurance policies and financial account statements, as well as tax returns that go back to 1986. When I'm gone, my family may struggle to figure out what's important and what's not, and the best way to avoid that confusion is for me to throw away the unimportant stuff now.

## Opening my wallet

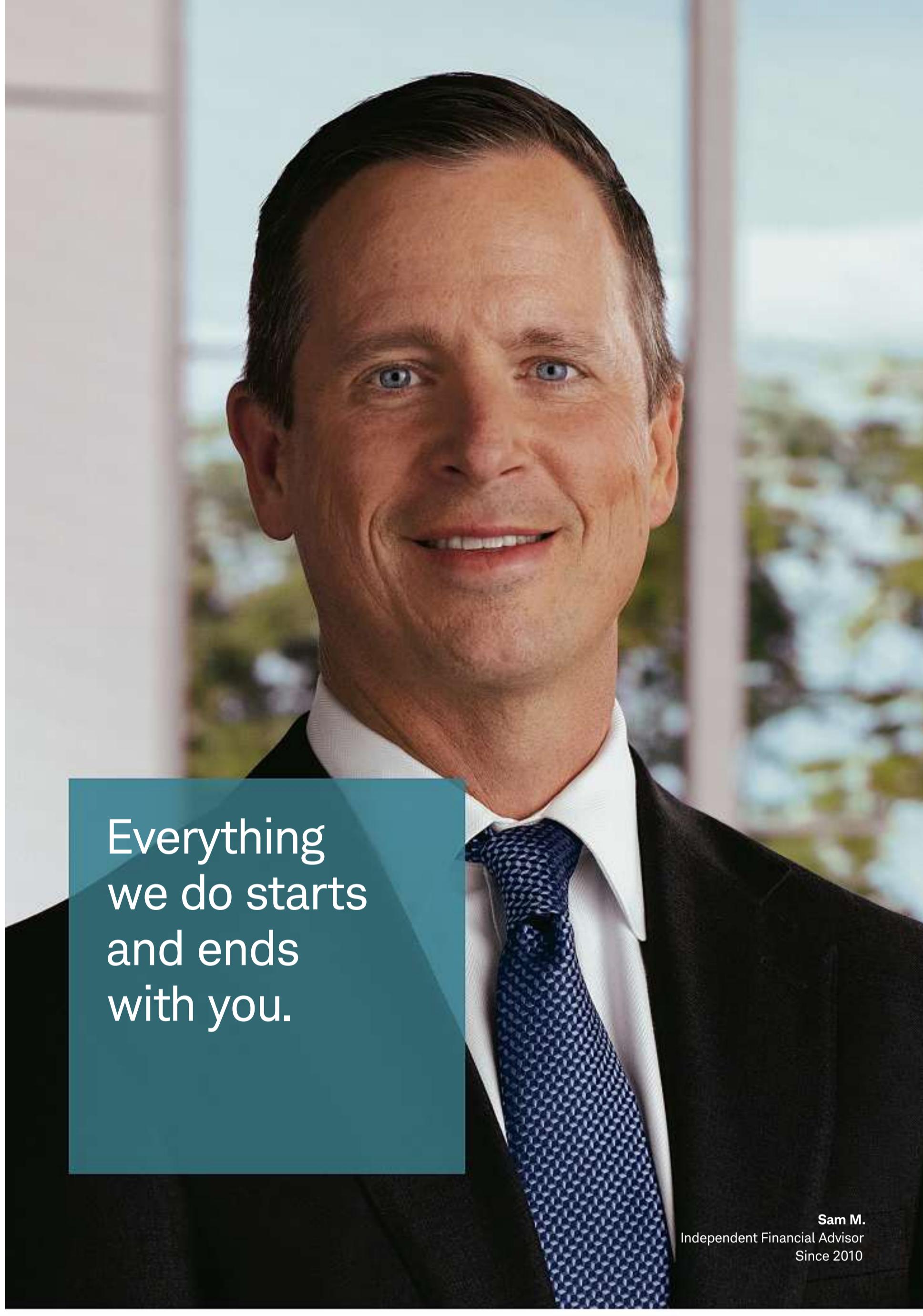
Even as I get things in good shape for my family, I'm looking to do a little spending myself. But the emphasis is on the word "little."

In theory, I could live in the lap of luxury in the months ahead, flying first class, staying at the finest hotels, eating at the best restaurants and purchasing the most desirable concert seats. After all, I now have no need for all the retirement savings I've amassed over the past four decades.

And yet I can't bring myself to spend with wild abandon. Partly, it's because every dollar I spend is a dollar that Elaine, Hannah and Henry won't inherit and that won't go to charity. But also, after decades of frugality, living large would be deeply uncomfortable. Even at this late stage, I can't bring myself to throw out the values I've lived by for my entire adult life.

**Jonathan Clements** is the founder of [HumbleDollar.com](http://HumbleDollar.com) and a former personal-finance columnist for The Wall Street Journal. He can be reached at [reports@wsj.com](mailto:reports@wsj.com).

MICHELLE GUSTAFSON FOR WSJ



**Everything  
we do starts  
and ends  
with you.**

**Sam M.**  
Independent Financial Advisor  
Since 2010

Putting clients first – that's the power of independence. For us, it's not transactional. It's personal. Every day we invest the time it takes to build long-term relationships that focus on your bigger picture, not just your portfolio. We bring all the financial pieces together to help you live a more fulfilling life.

**FindYourIndependentAdvisor.com**



*Own your tomorrow.*

Scan to find a local advisor.

**These advisors custody with Schwab Advisor Services™ and were not compensated for their comments.  
Schwab paid travel-related costs.**

Schwab Advisor Services™ provides custody, trading, and the support services of Charles Schwab & Co., Inc. ("Schwab"), to independent investment advisors and Charles Schwab Investment Management, Inc. ("CSIM"). Independent advisors are not affiliated with or employees of Schwab unless otherwise noted. Mention should not be construed as a recommendation, endorsement of, or sponsorship by Schwab. The views expressed are those of the third party and are provided for informational purposes only. Clients should evaluate an RIA based on their own particular needs.

©2024 Charles Schwab & Co., Inc. All rights reserved. Member SIPC. (1124-208G)

## JOURNAL REPORT | INVESTING MONTHLY

# For These Collectors, It's All About the Cash

Rare banknotes can yield big bucks, if you know what to look for

BY VIKRAM BARHAT

**E**VEN AS the world increasingly moves toward digitized commerce, where transactions are conducted with the tap of a credit card and billions of dollars are moved electronically between banks, there is one group of people for whom hard cash is still king: collectors.

As an alternative asset class, collectible banknotes offer significant potential value to investors, and the market for these paper artifacts is thriving. Aris Maragoudakis, director of world currency auctions at Stack's Bowers Galleries in Costa Mesa, Calif., estimates the hobby sees annual trade of well over \$500 million globally.

In fiscal year 2016, the World Paper Money department at Stack's recorded about \$4 million in sales. By fiscal year 2024, this figure had risen to \$14.5 million. The company reported an 18% increase in sales for world paper money (which doesn't include U.S. paper-money numbers) in fiscal year 2023, followed by 25% growth in fiscal year 2024.

Elsewhere, the Noonans Mayfair London realized £5 million, or about \$6.5 million, in world banknote sales in 2023, up from £2.5 million the previous year, a representative said.

The rise of digital technology has helped broaden the base of collectors. Online auctions, forums and databases have made it easier for collectors to connect, trade and research. Greater access to information about collectible money, as well as to collectible banknotes themselves, have transformed the hobby from a game of chance to a strategic pursuit where enthusiasts can actively search for and acquire valuable pieces.

"The advent of social media such as Instagram and WhatsApp have brought in a spate of new collectors, especially youngsters," says Rezwan Razack, a specialist in vintage banknotes and chairman of the Indian chapter of the International Bank Notes Society, or IBNS.

While social media has made more people aware of older paper currencies and their histories, the declining use of physi-

cal banknotes has made them even more alluring and fascinating to collectors.

## Where is the value?

Banknotes routinely become obsolete due to political shifts, security upgrades, monetary policies and technological advancements. The question is: Which ones are worthy possessions?

A plethora of factors underpin the desirability of collectible paper money. The major ones are:

- **Condition:** The condition of a piece can have a significant impact on its value. "There are bills that sell for \$1,000 with a fold or two, but finding one free of any folds, stains, or tears could be worth several times that," says Maragoudakis.

The condition of a bill is eval-

uated based on a 30-point scale ranging from poor to uncirculated crisp. Within each condition, a bill is given a number grade; a higher number—on a scale typically from 1 to 70—means the banknote is in better shape.

For example, a 10,000-yuan note issued in 1951 by the People's Bank of China, graded Very Fine 20, sold for \$150,000 at a Stack's Bowers auction. Three

rarity.

For instance, high-value banknotes were often printed in limited quantities due to their significant purchasing power, says Hakim Hamdani, director at large and a collector at the Netherlands branch of the IBNS. When these high-denomination notes are discontinued, many people cash them in rather than keeping them as collectibles.

Take the 1921 10,000-shilling note from British East Africa (now Kenya and Tanzania), of which few were printed and issued. At that time, it was equivalent to about \$2,000, a substantial sum in 1920s colonial Africa. When they were demonetized, most were redeemed, making the few remaining in private hands highly desirable.

Dennis Hengeveld, president



cal banknotes has made them even more alluring and fascinating to collectors.

years later at another Stack's Bowers auction, a similar note in better condition, graded Almost Uncirculated 50, fetched \$358,500.

- **Serial number:** Banknotes with striking serial numbers are often worth more to collectors than those without. On eBay, a rare polymer £20 bill with the serial number AA44 444444 received 16 bids and sold for more than £317.

A set of four exceptionally rare Chinese 1953 10 yuan notes from the People's Bank of China recently sold for \$432,000 because in addition to their quality, they were consecutive in serial number.

- **Scarcity:** The appeal and worth of banknotes, as with other collectibles, are often tied to their

Yuan banknotes at the 2024 International Coin Expo in Shanghai.

of World Banknote Auctions in Sacramento, Calif., says that depending on the condition, some of these notes have fetched between \$35,000 and just over \$100,000 at auctions.

A rare \$500 Canadian bill from 1911 brought C\$528,750 (about \$386,400) at a recent auction, the largest sum ever paid for a Canadian banknote. The specimen features the image of Queen Mary and is one of only four of the bills known to exist.

- **Error notes:** Governments often withdraw banknotes from circulation to deter counterfeiting, but also due to printing anomalies such as incorrect signatures, numerical discrepancies,

misprints and typographical errors. Such deviations can elevate their value among enthusiasts.

In the U.S., double denominations—such as a front displaying a \$10 bill and the reverse displaying a \$20 bill—are the most prized error notes. The value of some of these pieces could top \$85,000, according to Heritage Auctions.

## How can I get started?

Despite the potential for a lucrative return, experts say the primary motivation for building a collection should be enjoyment and an appreciation of the history that banknotes provide. It would be best to build a collection with the idea of having fun, says Hengeveld of World Banknote Auctions, which was recently acquired by Stack's Bowers.

Of course, it's essential to do your due diligence to avoid fraud. Always buy notes from established dealers and confirm their authenticity with reputable grading services. Independent grading companies such as Paper Money Guaranty and Professional Coin Grading Service provide authentication and grading to ensure notes are genuine and their condition accurately assessed.

Auction houses and local dealers offer currency notes in different price ranges. Online retailers (eBay, Amazon.com, Collectibles & Currency), dealers and galleries (Certified Coin Exchange, George H. LaBarre), and numismatic shows (the MIF Paper Money Fair and World's Fair of Money) are other useful sources.

As well, there is no shortage of stories where people discovered valuable banknotes in attics, books, dressers and photo frames of deceased family members. In Ontario, a rare Canadian \$500 bill from 1911 was discovered among the personal belongings of a deceased individual. The banknote, one of only three in existence, brought \$322,000 at auction.

Those looking to dip their toes into collectible money may find valuable insights in trade magazines including Bank Note Reporter and the Greensheet, or books such as the U.S. Error Note Encyclopedia and Standard Guide to Small-Size U.S. Paper Money.

**Vikram Barhat** is a financial writer in Canada. He can be reached at [reports@wsj.com](mailto:reports@wsj.com) or follow him on X @VikramBarhat.

CREDIT: DDP/ZUMA PRESS

## How to Get Started With Commodities Investing

Continued from page R1

\$50,000, says John Person, founder of investment-advisory service Persons Planet. "That's not going to tear away that much, but it would certainly offer some exposure to commodity movements that could do well in the next three to five years," he says, pointing specifically to geopolitical worries and extreme weather globally affecting crop production.

### Considering inflation

Kathy Kriskey, commodity strategist at Invesco, says commodities are an efficient hedge in inflationary environments. Inflation is falling, with the September consumer-price index at 2.4%. It remains above the Federal Reserve's 2% target, however, and above a level Kriskey considers key for commodities.

Her research shows since 1998, when the CPI is greater than 2%, commodities broadly had positive returns 74% of the time. When the CPI was less than 2%, commodities had negative returns 84% of the time.

Kriskey says these trends underscore why having broad exposure, versus cherry-picking certain commodities, matters when it comes to owning natural resources as an inflation-fighter. In the most recent bout of inflation, she says energy and agriculture



markets outperformed gold, which traditionally has been seen as the go-to inflation hedge. Gold plays a better role as a safe-haven hedge, she says.

Broad commodity-index-based ETFs that include exposure to the three major commodity sectors—energy, metals and agriculture—can be a way to incorporate commodities into a portfolio, versus directly buying futures or physical products, says Sterling Smith, an independent commodities research analyst.

If you want to be diversified in commodities, and you don't want

to sit and study, say weather patterns over Iowa, or be constantly wired in the markets, something like [a broad-based commodity ETF] will give you a macro exposure to commodities," he says.

### When to buy and sell

Many investors think about commodities only when they make news, such as when cocoa prices rallied to over \$11,000 a ton because of poor weather in top-producing countries, or when several commodities gained following Russia's 2022 Ukrainian invasion. Chasing headlines can be one of

the worst times to start buying commodities since by the time a move makes news, much of the rally has occurred and prices could be turning, commodity experts say.

Trying to buy a specific commodity before the rally occurs is hard, even for professional managers, says Robert Minter, director of investment strategy at asset-management company Abrdn. Commodity markets are dynamic and changes in supply will move them, including weather, politics and other factors that are difficult to forecast.

Market pros recommend dollar-cost averaging, which is buying a set amount at specific intervals until the investor reaches his or her target allocation, or watching for price dips.

Minter says investors researching broad commodity-index-based ETFs should study the underlying index's construction so they get the exposure they want. Comparing two popular indexes as an example, he notes that nearly 60% of the S&P GSCI Commodity Index is composed of energy markets, while energy only makes up about 29% of the Bloomberg Commodity Index. The big difference in weighting will affect the return of those indexes.

He suggests investors dig into the index's sector holdings as well. Some commodity indexes may exclude markets that often have heightened volatility, such as natural gas. Not having exposure to natural gas means investors are missing out on changes in electricity-markets pricing during the summer or home-heating demand in the winter, Minter adds.

Having a commodities allocation isn't a set-it-and-forget it investment. The asset's volatility means allocations can easily grow or shrink beyond the 5% benchmark. Unlike stocks where some investors let their winners ride to compound gains, market pros say rebalancing is necessary.

"If you had a 5% allocation, and it's grown to 7%, then you want to trim the trees a little bit. Because when things change, and they will, you can walk away with a smile and not a frown," Smith says.

**Debbie Carlson** is a writer in Chicago. She can be reached at [reports@wsj.com](mailto:reports@wsj.com).

KERSTEN ESENPREIS

## JOURNAL REPORT | INVESTING MONTHLY

**Retirement Rookies** • Karen Kreider Yoder and Stephen Kreider Yoder

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

• **KAREN:** "Um, Karen?" Steve said without looking away from his computer. He was using the unnaturally neutral tone that means he's trying not to sound judgmental.

"Oh, no," I responded. "What is it?"

His screen showed the month's credit-card statement. "What's this bill for \$28?" he asked. Then, after a few clicks: "Hmm, looks like it's each month since August last year."

We were in the study poring over our spending records to smoke out what we call "parasites"—recurring costs that quietly suck dollars and give little or nothing in return.

I had no idea what the \$28 was for, I said, racking my brain for several minutes. "Oh, wait. Yes, last August was when my sewing machine stopped working." I had found a website that promised advice on how to fix my Bernina Sport 802. It didn't help, I took the machine to an expert and I forgot about the advice site.

Here it was, much later, leeching a monthly fee. I must have used the credit card thinking it was a one-off.

Parasites like this were also infesting us back when we were working. But ever since our salaries stopped, each dollar seems to have grown in value. And retirement has given us the time to finally ferret out the freeloaders and to analyze what a drain they are on our wallets.

We decided to review every credit-card transaction and bank

## In Retirement, It's Time to Put Our Costs Under the Microscope

We discovered all sorts of things we are paying for that we don't need or use



debit of the past year—and cancel as many recurring charges as we can.

Some parasites are unwitting, like the help-site bill. Others are for services we once wanted and don't use anymore—like our Netflix account, which we'd been talking about canceling for two years. It was just \$15.49 a month, so did we really want to lose it? Yes. We pulled the plug in October. (Sorry, kids, if you were still tapping in.)

Some sponges aren't obvious from our statements alone. I recently realized that boxes of our eco-friendly dishwasher detergent were piling up. I thought I was buying online when we ran out but had mistakenly OK'd a monthly subscription instead.

Even where a service is useful, there are sometimes free alternatives. I was paying \$14.95 a month for audio books. I canceled and now borrow them free of charge from the San Francisco Public Li-

brary. We'll save nearly \$180 a year.

We began looking for leeches more broadly and identified a subspecies: the lost-opportunity parasite. After we retired, we began riding city buses and local rail more often, pulling out adult-rate transit cards we'd accumulated. Then it occurred to us that we were leaving money on the table by not getting half-price senior passes: \$1.25 for the bus instead of \$2.50. Duh!

More lost opportunity awaited in a stack of gift cards I had rubber-banded together in my desk drawer including several from Barnes & Noble bookstores and Peet's Coffee. I took a bus to the nearest Barnes & Noble, learned there was \$30 on the cards and did some early Christmas shopping. All together, the gift cards were storing \$225.

The \$28-a-month parasite tracking to my sewing machine proved easy to exterminate. I called the customer-care number, negotiated

a partial refund of \$84 and canceled the subscription.

That will save \$336 a year, enough to pay an expert to fix my Bernina several times over.

• **STEVE:** There's a parasite down in the garage, it occurred to me after a bill came in the mail from the DMV.

The letter asked for \$162 to renew the registration on my vintage Honda CB750 for a year. I nearly paid it, as I've done annually, each year vowing to tune the bike up and get it back on the road within months.

It's one of two old Honda motorcycles that I've written about before—how they once brought me joy in the restoring but now are mostly garage gewgaws.

Our anti-parasite crusade forced me to get honest with myself last month. I could no longer use the excuse that I'll get to the 750 after I retire. I've had two years, and I'm not likely to get to

it next year.

So I registered the bike for nonoperation at \$27, saving \$15. Now I need to phone our insurer and back out of the \$436-a-year policy on the bike. Between those two parasitic bills, I have probably paid more than the value of the bike over the seven years that I haven't ridden it.

Still, the hardest parasite to face may be the biggest one of all: our house.

We love being retired in San Francisco, and our thriving neighborhood has proved to be the perfect environment for a couple of aging city slickers. We are walking distance to restaurants, shops, libraries, parks and pickleball courts, and a 20-minute bike ride to the beach or nearly any other place in a city full of vibrant districts. Circles of friends are nearby.

Our home is a Victorian museum piece with a classic San Francisco feel that makes us feel even more part of our city.

But it's too big, and it is increasingly becoming a financial and psychological drain. What we dish out in mortgage payments, home and earthquake insurance, utilities and property taxes could rent us a decent house in the Midwest with money left over to travel half the year.

That's not to mention the costs within. A decrepit old breaker box had been nagging at me from the garage wall for years, silently reminding me every time I walked past that we needed to replace it with a higher-amp box that was up to modern code.

I put off the task because of the cost. I could do it myself when I had time, I imagined, and avoided thinking about it—easy to do when life was busy with workplace and family demands.

I finally hired an electrician, who came in September to replace the breaker box and the wiring that fed it. There's still the balky ancient redwood gutter to fix, and some plumbing issues.

We're not ready to sell out and move to the Midwest, which we might eventually do when we're in our slower years. And we can't stomach the pain of looking for a smaller place in San Francisco.

So we'll live with this big parasite for now, the elephant in the room as we hunt down smaller leeches.

*The Yoders live in San Francisco. They can be reached at reports@wsj.com.*

PAUL BLOW



## How Undiagnosed Cognitive Decline Eats Into Seniors' Retirement Savings

**Research finds retirees who suffer severe memory loss face tens of thousands of dollars in lost savings, primarily through bad investments**

BY NICK FORTUNA

**UNDIAGNOSED** cognitive decline can cost seniors tens of thousands of dollars in retirement savings through bad investments or financial scams, according to new research.

Since current retirees are living longer than previous generations, they are more likely to suffer memory loss, according to the economics professors who were co-authors of the study. What's more, current retirees are making more decisions about their finances since relatively few have guaranteed income from pensions

or annuities, the researchers said.

As a result, says Franco Peracchi of Tor Vergata University of Rome, today's seniors face an elevated risk of financial losses that can erode their standard of living, especially if they are active in the stock market and are unaware of their cognitive decline.

"The current literature has been emphasizing the need to educate younger generations about financial literacy," he says, "but too little attention has been paid to people who hold a pretty substantial amount of money and are at

the end of their life cycle."

### Word recall

The researchers studied data collected from 1998 to 2014 by the University of Michigan Health and Retirement Study, which tracks a sample of about 20,000 people ages 50 and up that is demographically representative of the U.S. population.

Every two years during the study period, the Michigan study asked respondents to rate their ability to remember things, ranging from poor to excellent, and to assess whether their memory had changed over the prior two years. Participants were subsequently asked to recall two lists of 10 words apiece, giving them a memory score between 0 and 20.

For this new study, those whose memory scores decreased 20% or more over a two-year period were considered to have experienced a severe memory-loss event. More than 60% of the sample experienced at least one such event during the 16-year window, although in many cases, the memory loss represented typical aging and not a serious condition such as Alzheimer's disease, the researchers said.

Severe memory-loss events can happen at relatively early ages, 67 on average, and sometimes well before retirement, researchers said. Overall, 20% of the sample experienced multiple such events.

### Unaware vs. aware

The findings show that seniors typically are unaware of their cognitive decline: Among those with severe memory loss, only 20% rated their memory as being worse than it was two years prior, while 77% said it was about the same and 2.6% rated it as better.

Participants in the sample had

an average net worth of about \$379,000, with a median of about \$190,000. Those who experienced a severe memory-loss event over the prior two-year period and were unaware of it saw their wealth decrease by about \$31,000 on average.

Meanwhile, those who were aware of their cognitive decline or never experienced memory loss saw their wealth decrease by less than \$5,400 on average over that two-year period, according to the researchers. That modest level of wealth loss suggests that those seniors are spending down their assets rather than losing money to poor investments, the researchers said.

Some of those losses may be from scams, and seniors are indeed more likely to fall victim to swindlers, the researchers said. But the data showed that losses were concentrated among those in the upper 25% of wealth distribution who were unaware of their cognitive decline and reported being active in the stock market, the paper said.

Those who were aware of their memory loss likely avoided large financial hits by delegating decisions to family members or financial advisers or by choosing safer investments, the researchers said.

"A large percentage of the losses that we measure are coming from stocks," Peracchi says. "People participating in the stock market often start with high cognitive abilities, so after losing some memory, they may be overconfident in their abilities. They're not aware that they've lost memory, so they're more susceptible to financial losses."

*Nick Fortuna is a writer in Ocala, Fla. He can be reached at reports@wsj.com.*

# MAKE EVERY

Facility  
Location  
Restaurant  
Hotel  
Plant  
Resort  
Data Center  
Kitchen  
Assembly Line  
Hospital  
Branch  
Building  
Production  
Laundry  
Store  
Hub  
Cafeteria  
Laboratory  
Site  
Operation

**As strong as**

# YOUR BEST ONE.

**ECOLAB®**

Ecolab combines unprecedented data, chemistry and water management to provide a holistic solution that brings out the best in your business.

[Learn More at Ecolab.com/Best](http://Ecolab.com/Best)