

# THE WALL STREET JOURNAL.

D DOW JONES | News Corp

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TUESDAY, NOVEMBER 26, 2024 ~ VOL. CCLXXXIV NO. 126

WSJ.com

★★★★ \$5.00

DJIA 44736.57 ▲ 440.06 0.99%

NASDAQ 19054.84 ▲ 0.3%

STOXX 600 508.78 ▲ 0.1%

10-YR. TREAS. ▲ 1 6/32, yield 4.262%

OIL \$68.94 ▼ \$2.30

GOLD \$2,616.80 ▼ \$93.10

EURO \$1.0498 YEN 154.19

## What's News

### Business & Finance

◆ **Trump said he will slap steep tariffs on Mexico and Canada, two of America's closest allies, as well as China, indicating he plans to follow through on his tough campaign rhetoric.** A1

◆ **Chinese carmaker BYD is completing plans for a factory in Mexico, a push that will test Trump's trade policies and the Mexican government's appetite for conflict with him.** A1

◆ **U.S. stocks rose, with the S&P 500 and Nasdaq both gaining 0.3% and the Dow advancing 1%.** Treasuries rallied, driving the yield on the 10-year note down to 4.262% from 4.409% on Friday. B11

◆ **Walmart will end some of its diversity programs, the latest big company to shift gears under pressure from a conservative activist.** B1

◆ **Macy's delayed its quarterly results after finding that an employee had hidden up to \$154 million in corporate expenses over several years.** B1

◆ **Kohl's named a new chief executive, its third in three years, in hopes that its next leader can reverse the department-store chain's sales slump.** B2

◆ **Federal prosecutors charged bond investor Ken Leech with fraud, alleging he cherry-picked trades to favor some clients, shifting losses to others.** B4

◆ **Quikrete struck a \$9.2 billion deal to acquire Summit Materials, bringing together two of the biggest makers of building supplies in the U.S.** B4

◆ **Kodak prepared to terminate its U.S. pension plan to unlock what could be as much as \$585 million the company would use to cut debt and invest in the business.** B3

### World-Wide

◆ **Special counsel Jack Smith moved to dismiss two landmark criminal cases against Trump on the grounds that longstanding Justice Department policy forbids prosecuting a sitting president.** A1

◆ **Israel's security cabinet will vote Tuesday on a cease-fire agreement with Hezbollah, Israeli and U.S. officials said, a deal that would end fighting that has destabilized Lebanon.** A1

◆ **Berkshire Hathaway said that Warren Buffett will give Berkshire shares valued at about \$1.15 billion to four family foundations, supplementing earlier gifts.** A3

◆ **California plans to offer rebates for electric vehicles if Trump eliminates a \$7,500 federal tax credit for the cars, but Tesla may be excluded from the state's program.** A3

◆ **European allies of Ukraine, struggling to produce enough weapons for Kyiv's war effort, are experimenting with financing government contracts for Ukrainian arms maker to equip the country's forces.** A7

◆ **An aircraft used by DHL and flying from the company's hub in Germany crashed while making a forced landing in Lithuania, killing a crew member and plowing into a residential area.** A6

◆ **The United Arab Emirates named three Uzbek nationals as suspects in the killing of Jewish community leader Zvi Kogan in the Gulf state.** A6

◆ **U.K. authorities said they charged a 43-year-old man in connection with a bomb hoax near the U.S. Embassy in London last week.** A6

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## Special Counsel Drops Trump Cases

Smith cites policy against prosecution of sitting president, ahead of inaugural

By C. RYAN BARBER

Special counsel Jack Smith moved Monday to drop two landmark criminal cases against President-elect Donald Trump—one accusing him of

plotting to overturn the 2020 election, and another alleging he unlawfully retained classified documents—on the grounds that Justice Department policy prohibits prosecuting a sitting president.

"That prohibition is categorical and does not turn on the gravity of the crimes charged, the strength of the government's proof, or the merits of the prosecution, which the government stands

fully behind," Smith's team said in its request to dismiss the election-interference case.

Trump in a social-media post said, "These cases, like all of the other cases I have been forced to go through, are empty and lawless, and should never have been brought."

Though Smith's actions were expected, they formally marked the end of an unprecedented chapter in U.S. history.

Trump was the first former

president to be charged with a crime. He has faced four prosecutions in total, with the federal cases joined by charges in New York and Georgia. Those state-level cases remain alive for now, but both face the prospect of dismissal or indefinite delays.

All of the prosecutions were slow to materialize. Trump had been out of office more than two years before he was indicted. That meant the cases played out while Trump

was campaigning for a return to the White House, with prosecutors fighting tight time frames as well as the former president's defense lawyers, who used an array of maneuvers to prevent the cases from advancing quickly.

"Given that the cases were started late in the Biden administration, and given the likely appeals of any guilty verdicts, we were never going

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## Turkey and Pardons on White House Menu Again



**YARDBIRDS:** Blossom and Peach wait on the South Lawn of the White House on Monday for the traditional Thanksgiving pardon from President Biden. The turkeys will return to Minnesota to live out their days at an agriculture educational center.

## Mexico, Canada, China Face Tariffs

By NATALIE ANDREWS  
AND ANDREW RESTUCCIA

WASHINGTON—President-elect Donald Trump pledged that soon after taking office he will slap steep tariffs on Mexico and Canada, two of America's closest allies, as well as China, the clearest indication since his election victory that he plans to follow through on

the tough campaign rhetoric that helped propel him to the White House.

Posting on his Truth Social platform, Trump said that on the first day of his presidency he will charge Mexico and Canada a 25% tariff on all products coming into the U.S. He added in a separate social-media post that he would impose an additional 10% tariff on all prod-

ucts that come into the U.S. from China, though he didn't specify whether that levy would come on his first day in office. Such a tariff would come on top of existing tariffs the U.S. has already imposed on Chinese goods.

"This Tariff will remain in effect until such time as Drugs, in particular Fentanyl, and all Illegal Aliens stop this Invasion

of our Country!" Trump wrote, referencing his proposed tariffs on Canada and Mexico.

Doing so would likely upset the trade agreement that Trump negotiated with the two neighboring countries in his first term, known as USMCA. U.S. goods and services traded utilizing that trade agreement totaled an estimated \$1.8 trillion

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## BYD Plant Across Border Makes Waves

By SANTIAGO PÉREZ  
AND RAFFAELE HUANG

Chinese electric-vehicle maker BYD is completing plans for a factory in Mexico, a push that will test Donald Trump's trade policies and the Mexican government's appetite for conflict with the president-elect.

BYD officials said the company is aiming to reach a deal

with Mexico state officials to break ground on a factory near one of the automotive hubs in central or northern Mexico.

The plans put Mexico in a dilemma, made worse by Trump's threat Monday to impose a 25% tariff on Mexican goods. The country is a major car-manufacturing center and generally welcomes foreign investment for the jobs it

brings. BYD, which rivals Tesla as the biggest electric-vehicle maker in the world, would normally be a prize catch.

But Mexican officials fear a BYD plant would send the wrong message to Trump and the trade hawks around him by suggesting that Mexico wants to be a backdoor for Chinese companies to sell to U.S. consumers.

Mexico has said it wants no such thing—and it needs to persuade the U.S. and Canada that when talks begin next year on extending the U.S.-Mexico-Canada Agreement on free trade reached during the first Trump administration.

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◆ Heard on the Street: Trade tensions previewed..... B12

## Israeli Cabinet To Vote on Hezbollah Cease-Fire

Israel's security cabinet plans to vote Tuesday on a cease-fire agreement with Hezbollah, Israeli and U.S. officials said, a deal that would end fighting that has destabilized Lebanon and displaced hundreds of thousands of people.

By Adam Chamseddine  
and Jared Malsin in  
Beirut and Alexander  
Ward in Washington

An Israeli official said the cabinet is expected to approve the pact, but the parties warned against counting on a deal before it was done. Israel has launched thousands of air strikes in Lebanon since September and invaded the country on Oct. 1 in an effort to degrade Hezbollah, an Iranian-backed militant group. The offensive has killed many of the group's leaders and wrought destruction throughout Lebanon, though Hezbollah has maintained its ability to fire missiles into Israel.

The deal on the table includes a 60-day implementation period to allow the Israeli military to withdraw and Lebanese armed forces to secure the border area and prevent fighters from Hezbollah from re-establishing a presence there, according to Lebanese officials. An international committee along with United Nations peacekeepers would monitor compliance, they said.

The cease-fire proposal is finalized, there are no further negotiations on any remaining conditions for the time being," said Lebanon's deputy speaker of Parliament, Elias Bou Saab, who nevertheless expressed caution.

"The cease-fire agreement will be effective in the next Please turn to page A6

◆ U.A.E. arrests three over killing of rabbi..... A6

### Young Daters Square Off With Scientists Over Perfume

\* \* \*

Users of 'pheromone' fragrances tout chemical effects; 'like a lion on fresh meat'

By KAYLA YUP

Alannah Gayden was on a date when she decided to spice things up. While her suitor stepped away from their restaurant booth to take a call, the 26-year-old applied Pure Instinct's Roll-On Pheromone Perfume to the inside of her wrists and her neck.

In her account, her date went wild after he returned to the table. He held her close, smelling her and telling her she was beautiful.

"Never seen a reaction like that in my life," said Gayden, of Elizabethtown, Ky., who works in social-media marketing.

Young people, some disenchanted with dating apps and looking for new ways to connect, are giving pheromone perfumes a shot. Many of these products claim to con-

tain synthetic versions of sex pheromones—chemicals some species naturally secrete to attract lovers—that the companies say have very real effects. The claims are debatable. Peoples' willingness to test them is not.

Over the past two years, the number of people talking about pheromone perfume on social media surged nearly 300%, according to social media analytics company Sprout Social.

The idea is nothing new in the animal kingdom. Queen bees use pheromones to lure mates. Boars make a pheromone that seduces sows into a mating position.

But scientists say these pheromone perfumes aren't the love potions they claim to be.

"You're selling hope," said Tristram Wyatt, an evolution-

### INSIDE



JASON GAY

College football changed everything this season. Is the game better? A12



**BUSINESS & FINANCE**  
Restaurant deals lure bargain hunters but don't secure diners' loyalty. B1

## Tesla, a Darling Of Clean Energy, Has A Pollution Problem

Giant Texas factory tried to skirt oversight, former employees say

Elon Musk made big promises to Wall Street about Tesla's new Model Y SUV in 2022, and the company was ramping up its production in Austin, Texas, when environmental problems threatened to derail his plans.

By Susan Pulliam,  
Emily Glazer and  
Becky Peterson

The door to the plant's giant casting furnace, which melts metal to be molded into the Model Y's parts, wouldn't shut, spewing toxins into the air and raising temperatures for workers on the floor to as high as 100 degrees. Hazardous wastewater from production—containing paint, oil and other

chemicals—was also flowing untreated into the city's sewer, in violation of state guidelines.

Tesla left the costly problems largely unaddressed during the critical ramp-up. As a result, the company's 10 million-plus square foot plant—among the largest car factories in the world—dumped toxic pollutants into the environment near Austin for months.

This account of the Austin plant's environmental problems, which haven't been reported previously, comes from emails between Texas regulators and the company obtained by The Wall Street Journal in response to public-records requests, as well as interviews with former

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## U.S. NEWS

# Bessent's To-Do List: Taxes, Tariffs, Spending

BY PETER RUDGEIR AND GREGORY ZUCKERMAN

Scott Bessent spent the past 40 years studying economic history. Now, as Donald Trump's choice to lead the Treasury Department, he has the chance to make his mark on it.

As a hedge-fund manager, first at George Soros's firm and later at his own, Bessent specialized in macroinvesting, or analyzing geopolitical situations and economic data to wager on big-picture market moves. He generated billions of dollars in profits betting on and against currencies, interest rates, stocks and other asset classes around the world.

He was motivated to get involved with Trump's campaign in part because of a view that time is running out for the U.S. economy to grow its way out of excessive budget deficits and indebtedness.

Around 4:30 p.m. on Friday, the president-elect called Bessent at his Palm Beach, Fla., hotel, telling him he was Trump's choice. In his first interview following his selection, Bessent said his policy priority will be to deliver on Trump's various tax-cut pledges. Those include making his first-term cuts permanent, and eliminating taxes on tips, social-security benefits and overtime pay.

Enacting tariffs and cutting spending will also be a focus, he said, as will be "maintaining the status of the dollar as

the world's reserve currency."

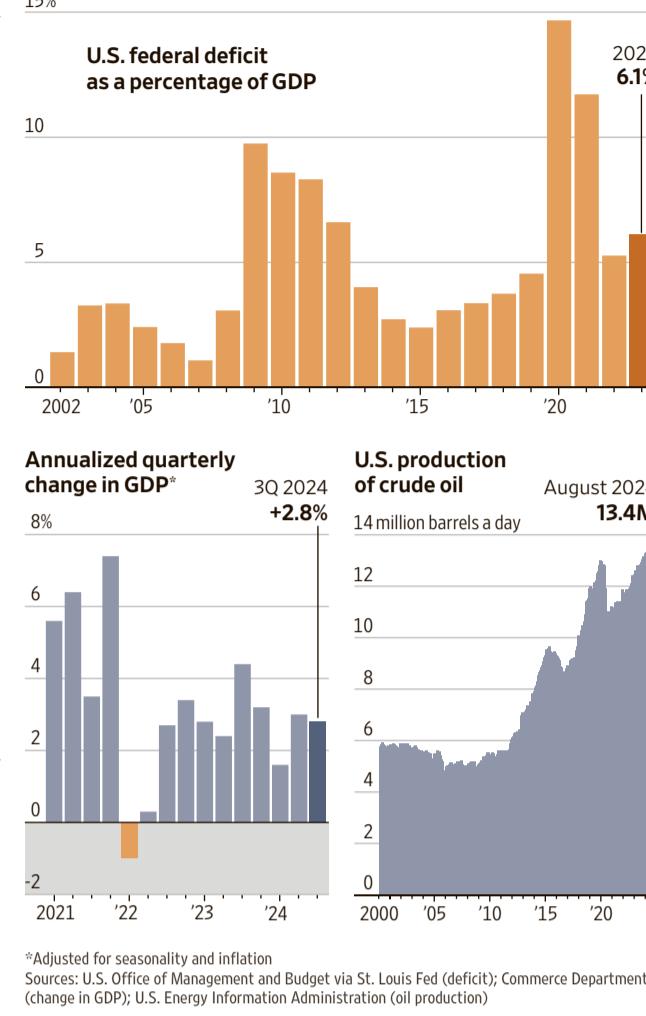
Bessent became one of Trump's closest advisers by adding depth to his economic proposals and defending his plans for more-activist trade policies. He has argued that the president-elect's plans to extend tax cuts and deregulate parts of the U.S. economy would create an "economic lollapalooza."

Trump selected him from several candidates jockeying for the job partly because he trusted him to execute the administration's policies more than the other contenders, The Wall Street Journal has reported. The decision came after Elon Musk criticized Bessent as a "business-as-usual choice" while lobbying for Canon Fitzgerald Chief Executive Howard Lutnick. (Trump later nominated Lutnick to lead the Commerce Department.)

Many on Wall Street, including hedge-fund managers Daniel Loeb and Bill Ackman, applauded the selection of Bessent. Investor Kyle Bass said on X that Bessent was "the single best choice."

People who have worked with Bessent describe him as reserved and professorial. He once taught economic history at Yale University, his alma mater, and, as an investor, he would often research forgotten financial analogues to inform views on current events.

"We are going to have to have some kind of a grand global economic reordering,"



\*Adjusted for seasonality and inflation  
Sources: U.S. Office of Management and Budget via St. Louis Fed (deficit); Commerce Department (change in GDP); U.S. Energy Information Administration (oil production)

Bessent said at a June event. "I'd like to be a part of it. I've studied this."

He joined Soros Fund Management in 1991, where his re-

search on weakness in the U.K. housing market was a catalyst behind the firm's enormously successful bet that the British pound would collapse.

From 2011 to 2015, Bessent served as Soros's chief investment officer, earning more than a billion in profits for successful bets in Japan, including a wager against the yen. He left to launch his own hedge-fund firm, Key Square Capital Management, which he still manages.

Key Square's hedge fund had years of unremarkable performance until it gained about 31% in its main fund in 2022.

In 2023 and so far this year, the fund has gained more than 10%, according to an investor. November has been the best month for the fund, in part because it bet that a Trump victory would bolster the market. By comparison, the S&P 500 is up around 25% so far this year, though macro-hedge funds haven't done nearly as well.

Since 2020, Bessent and his husband, former New York City prosecutor John Freeman, have primarily lived in Charleston, S.C., near Bessent's childhood home. They have two children.

Bessent, should he be confirmed at Treasury, will oversee the sale of trillions of dollars of U.S. government bonds of the type he used to trade. His other responsibilities will include advising on fiscal policy, handling tax collection, enforcing sanctions and more.

Bessent has long been worried about the U.S.'s heavy debt and thinks the main way it can be reduced is by boosting growth, which

increases tax revenues.

He has advised Trump to pursue a policy he calls 3-3-3, inspired by former Japanese Prime Minister Shinzo Abe, who revitalized the Japanese economy in the 2010s with his "three-arrow" economic policy. Bessent's "three arrows" include cutting the budget deficit to 3% of gross domestic product by 2028, spurring GDP growth of 3% through deregulation and producing an additional 3 million barrels of oil or its equivalent a day.

Bessent has advocated extending the 2017 Tax Cuts and Jobs Act but with what are called pay-fors to lower its cost. That would involve either reducing spending or increasing revenue elsewhere. He also proposed freezing nondefense discretionary spending and overhauling the subsidies for electric vehicles and other parts of the Inflation Reduction Act.

Earlier this year, Bessent thought about tariffs as a negotiating tool, telling investors in a letter that the "tariff gun will always be loaded and on the table but rarely discharged." He has since argued for them more forcefully, especially as a source of tax revenue.

In a speech last month titled "Make the International Economic System Great Again," Bessent argued for increasing tariffs on national-security grounds and for inducing other countries to lower trade barriers with the U.S.

largest oil producer, sends most of its oil to the U.S. It also has an auto industry that is tightly integrated with its American neighbor. Economists at the Business Development Bank of Canada said the Canadian economy would suffer steep drops in output and employment if Trump imposed tariffs on Canadian imports.

Trump has said he wants to renegotiate the USMCA under provisions of the trade deal allowing for a review of the agreement in 2026. Canada has said it is deploying a team of Canadian government ministers and provincial leaders to court lawmakers in U.S. states and Washington as part of a lobbying effort to protect its \$900 billion trade relationship with the U.S.

—Anthony DeBarros,  
Santiago Perez,  
Greg Ip, Hannah Miao, Brian  
Spegele, Vipal Monga and  
Jon Kamp  
contributed to this article.

## Trump Pledges New Tariffs

*Continued from Page One*  
in 2022, according to the office of the U.S. Trade Representative, which oversees U.S. trade agreements.

Various laws empower the president to impose tariffs without authorization from Congress but most require an economic, commercial or national-security justification. It wasn't immediately clear what legal authority Trump plans to invoke. Economists have warned that Trump's plan to impose sweeping tariffs could lead to higher prices on goods for consumers.

Trump faulted the two border countries and China for, in his view, not doing enough to

stem the flow of drugs or migrants into the U.S. He said Beijing hadn't made good on its promise to prevent fentanyl from coming into the country.

"Until such time as they stop, we will be charging China an additional 10% tariff, above any additional tariffs, on all of their many products coming into the United States of America," the president-elect wrote, referring to China.

### No one will win

Liu Pengyu, a spokesman at the Chinese Embassy in Washington, said: "China believes that China-[U.S.] economic and trade cooperation is mutually beneficial in nature. No one will win a trade war or a tariff war."

Canada's government said that Ottawa buys more from the U.S. than China, Japan, France and the U.K. combined and provides about 60% of all the oil the U.S. imports from foreign countries.

Representatives at the embassy for Mexico didn't respond to a request for comment.

One pro-tariff group applauded the announcements. "It shows that Trump is absolutely serious about the agenda that he's been campaigning on," said Nick Iacovella, spokesman for Coalition for a Prosperous America, which represents domestic manufacturers, farmers and workers.

Democratic Sen. Brian Schatz of Hawaii posted on social media: "Trump tariffs are going to raise the price of lots of stuff regular people buy. Republicans are going to raise the price of your Walmart or Costco trip and use the extra money you pay for tax cuts for multinational corporations."

Mexico, China and Canada are the nation's top three suppliers of imported goods, accounting for about 42% of imports to the U.S. this year through September, according to census data. Canada and

Mexico send about 80% of their exports to the U.S., and an across-the-board tariff would hurt their economies.

Trade was at the center of Trump's successful presidential bid. In campaign speeches, he said he would put in place an across-the-board tariff of up to 20% on U.S. imports. Billionaire Elon Musk, a close Trump ally, posted on X that the proposed tariffs "will be highly effective" in stopping illegal migration and drug trafficking.

A caravan of about 1,600 migrants, most of them from Venezuela and Central America, left the southern city of Tapachula near Mexico's border with Guatemala on Wednesday. U.S.-bound migrants said that they decided to march north and reach the border before Trump takes office in January. Trump's tariff threat comes as human smugglers across the region are urging migrants on social media to rush to the border before the inauguration.

So far, six caravans with thousands of migrants have departed from southern Mexico since President Claudia Sheinbaum took office last month. But over the past five years, Mexican authorities have disbanded all caravans before they reach central Mexico.

### Peso weakens

Mexico's peso weakened following Trump's comments, trading at 20.69 to the dollar compared with 20.30 earlier Monday. Trump had made a similar threat when in office in 2019, saying he would impose tariffs of up to 25% on all imported goods from Mexico unless America's southern neighbor took steps to curb the flow of migrants to the U.S. border.

Mexico deployed thousands of National Guard members to contain the migration wave, and the tariff threat was dropped.

Canada, the world's fourth-

## U.S. WATCH



Workers at Charlotte Douglas International Airport in North Carolina went on strike Monday, seeking higher wages. The strike was expected to last 24 hours, a union spokesman said.

### NORTH CAROLINA Airport Workers Strike in Charlotte

Workers who clean airplanes, remove trash and help with wheelchairs at Charlotte's airport, one of the nation's busiest, went on strike Monday during a busy week of Thanksgiving travel, to demand higher wages.

The Service Employees International Union said workers demand "an end to poverty wages and respect on the job during the holiday travel season." The strike was expected to last 24 hours, said union representative Sean Keady.

Employees of ABM and Prospect Airport Services cast ballots Friday to authorize the work stoppage at Charlotte Douglas International Airport, a hub for American Airlines.

—Associated Press

### WASHINGTON, D.C. Democrats to Elect Party Chair Feb. 1

The chair of the Democratic National Committee informed party leaders on Monday that the DNC will choose his successor in February.

Jaime Harrison, in a letter to members of the party's Rules & Bylaws Committee, said the committee will host four candidate forums in January, with the final election Feb. 1 at the party's winter meeting in National Harbor, Md.

Two Democrats have announced campaigns for chair: Ken Martin, chair of the Minnesota Democratic-Farmer-Labor Party, and Martin O'Malley, the former Maryland governor and current commissioner of the Social Security Administration.

—Associated Press

### MASSACHUSETTS Encouraging Signs For Right Whales

Scientists who study a critically endangered species of whale that lives off New England said encouraging early signs suggest the animals could have a strong season for feeding and breeding.

The North Atlantic right whale is one of the rarest whale species in the world.

Scientists with the Center for Coastal Studies in Provincetown, Mass., said they observed the first two right whales of the season in the bay on Nov. 18.

The scientists said the animals were observed feeding on tiny organisms near the surface of the water, a behavior they don't usually exhibit until later in the season.

—Associated Press

rolling out a budget that sets fiscal parameters for the bill—within "days, not weeks" of the new Congress starting Jan. 3. "We ought to be able to unleash growth through tax cuts...and we ought to be able to bend the spending curve," Arrington said.

The 2025 fiscal debate will echo 2017, the last time Republicans had full control. Then, Republicans cut taxes and set major pieces to expire after 2025. The core of the 2025 bill would remove or extend those expiration dates.

In late 2017, beyond their tax policy aims, Republicans faced a political imperative. They had just failed to repeal and replace the Affordable Care Act, and they needed a win heading into midterm elections.

This time around, the pressure is greater. Failure to pass a bill wouldn't just make Republicans look bad. It would mean tax increases for 62% of

households in 2026, because inaction brings higher tax rates, no deduction for closely held businesses and smaller standard deductions and child tax credits.

That is all unacceptable to Republicans and it means they will probably find a way to extend tax cuts, eventually.

Still, the legislative math is daunting. They will have a 53-47 Senate majority. The House will be super-tight, potentially reversing the typical dynamic where the Senate dictates terms.

House Republicans, at most, will have a 222-213 majority. It could be as narrow as 220-215 depending on final votes being tallied. Because of lawmakers leaving to join the Trump administration or for other reasons, House control could be as slim as 217-215 for months. That would empower every single Republican to make demands.

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### THE WALL STREET JOURNAL

(USPS 664-880) (Eastern Edition ISSN 0099-9660)  
(Central Edition ISSN 1092-0935) (Western Edition ISSN 0193-2241)

Editorial and publication headquarters: 1211 Avenue of the Americas, New York, N.Y. 10036  
Published daily except Sundays and general legal holidays.  
Periodical postage paid at New York, N.Y., and other mailing offices.

Postmaster: Send address changes to The Wall Street Journal, 200 Burnett Rd., Chicago, IL 60602.

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## U.S. NEWS

# Buffett Donates \$1 Billion More As He Doles Out Planning Advice

BY KAREN LANGLEY

At age 94, Warren Buffett is reflecting on life, wealth and mortality.

The legendary investor's company, **Berkshire Hathaway**, said Monday that Buffett will again give a portion of his Berkshire shares, in this case worth about \$1.15 billion, to four family foundations. The donations leave him holding 206,363 Class A shares worth about \$148 billion.

As he did last November, Buffett is converting 1,600 Class A shares into 2.4 million Class B shares, which have diminished voting rights, before donating them to the Susan Thompson Buffett Foundation, named for his late first wife, and to foundations led by his children.

The Thanksgiving-time donations supplement annual gifts to the four foundations, as well as to the Bill & Melinda Gates Foundation, that Buffett has made since 2006, when he unveiled plans to make major gifts throughout his lifetime.

In a message accompanying Monday's news of the dona-

tions, Buffett discussed his plans for his three children, Susie, Howard and Peter Buffett, to distribute the Berkshire shares he owns at his death. Buffett told The Wall Street Journal in June that the Gates Foundation had no money coming after he dies.

The three Buffett children, now in their 60s and 70s, will need to decide unanimously which philanthropic purposes their father's money serves. Buffett said in his new comments to shareholders that the requirement will give his children some degree of protection from an expected bombardment of requests.

"Those who can distribute huge sums are forever regarded as 'targets of opportunity,'" Buffett wrote. "This unpleasant reality comes with the territory. Hence, the 'unanimous decision' provision. That restriction enables an immediate and final reply to grant-seekers: 'It's not something that would ever receive my brother's consent.' And that answer will improve the lives of my children."

Buffett wrote that while potential successor trustees have



Warren Buffett again made November share donations.

been chosen, he hopes that Susie, Howard and Peter Buffett are themselves the ones to distribute all of his assets.

"I know the three well and trust them completely," he wrote.

Buffett's huge position in Berkshire means a rapid selling of his stock could jolt the share price. He wrote that his children should distribute his holdings gradually, and in a manner that "in no way be-

trays the exceptional trust Berkshire shareholders bestowed upon Charlie Munger and me."

Buffett offered a suggestion for all parents, wealthy or not: "When your children are mature, have them read your will before you sign it." He said it is better for children to be able to ask questions when a parent is still able to respond.

In discussing his fortune, Buffett, ever the teacher, highlighted the importance of compounding, especially after many years of investing.

"The real action from compounding takes place in the final twenty years of a lifetime," he wrote. "By not stepping on any banana peels, I now remain in circulation at 94 with huge sums in savings—call these units of deferred consumption—that can be passed along to others who were given a very short straw at birth."

Berkshire's Class B shares have rallied 35% this year, compared with a 25% gain by the S&P 500. Earlier this year the company joined a small club of U.S. businesses worth more than \$1 trillion.

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## Newsom Plans EV Rebates to Buck Trump

BY ALYSSA LUKPAT

California plans to offer rebates for electric vehicles if President-elect Donald Trump eliminates a \$7,500 federal tax credit for the cars, but **Tesla** may be excluded from the state's program.

Gov. Gavin Newsom on Monday proposed creating a new version of a program that ended last year, which offered rebates of up to \$7,500 to qualified buyers of EVs or plug-in hybrids. He said he wanted to make it more affordable for people to drive vehicles that don't pollute.

"We will intervene if the Trump Administration eliminates the federal tax credit, doubling down on our commitment to clean air and green jobs in California," he said.

The governor's office said cars made by Tesla, the world's most valuable automaker, and potentially other carmakers may not be eligible for the rebate program, in an effort to encourage market competition. The office said inclusion in the program would depend on negotiations with the state legislature. Bloomberg reported the Tesla news earlier Monday.

Newsom and Elon Musk, Tesla's chief executive, have been at odds in recent years. Musk has criticized California over its stringent regulatory



California Gov. Gavin Newsom said he would offer the EV rebates if Donald Trump eliminates a \$7,500 federal tax credit.

oversight and liberal social policies, and has said he would move Tesla's headquarters to Texas. Newsom has accused the billionaire entrepreneur of bending his knee to Trump, who appointed Musk co-head of a federal department tasked with cutting spending.

Tesla didn't return a request for comment.

Newsom said the EV rebates would be funded by refineries, food-manufacturing

plants and other facilities that pay the state to be allowed to emit greenhouse gases.

Newsom, a Democrat and possible 2028 presidential contender, has positioned California as a main antagonist to Trump. Days after Trump won the election, Newsom called for an emergency special session "to safeguard California values" ahead of Trump's second term.

President-elect Trump has said that on the first day of his

presidency he planned to end California's regulations banning the sale of new gasoline-powered cars and trucks by 2035. His first administration stripped California of its ability to set air-pollution standards; the Biden administration restored that power.

"When he takes office, President Trump will support the auto industry, allowing space for both gas-powered cars and electric vehicles," said Karoline Leavitt, a spokeswoman for Trump's transition team.

California's planned EV rebates are among the first salvos in what could be a long battle with the Trump administration. One of their biggest disagreements may be environmental policy. Newsom has set aggressive targets to address climate change. Trump, during his first term, rolled back environmental regulations and pulled the U.S. from the Paris climate agreement to cut emissions. The U.S. rejoined the agreement under Biden in 2021.

The nation's biggest car market, California has long set emission standards higher than those of the federal government through a waiver granted under the Clean Air Act. More than a dozen states follow California's regulations. Carmakers have followed California's standards to avoid manufacturing different cars for various standards.

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## Hearing Set for January For Menendez Brothers

BY JOSEPH PISANI

A Los Angeles judge has postponed a hearing that could lead to freedom from prison for Erik and Lyle Menendez, brothers who were convicted of the 1989 killing of their parents.

Judge Michael Jesic said a resentencing hearing would be held on Jan. 30 and Jan. 31, according to a lawyer for the Menendez brothers. The hearing was originally scheduled for Dec. 11.

"We're hoping that by the end of that or sometime sooner, we will in fact get the brothers released," said Mark Geragos, a lawyer for the brothers, said after the Monday hearing.

The hearing was related to a petition filed last year by lawyers for the brothers, who said the pair should be freed based on new evidence their father was abusive. Included in the petition was a letter Erik Menendez sent to a friend months before the murder, saying he was scared of his father.

The brothers, who were sentenced to life in prison without parole, said they were the victims of repeated sexual abuse and shot their parents in self-defense. They have served approximately 35 years in prison for first-degree murder. Both are now in their 50s.

Calls for their case to be re-

examined grew after Netflix released a show and documentary about them this fall.

In October, Los Angeles District Attorney George Gascón asked a court to consider resentencing the brothers, saying he believed they paid their debt to society and wouldn't pose a danger to others.

Gascón, however, lost a re-election bid in November. His successor, Nathan Hochman, who will begin his term as district attorney next week, said in a recent TV interview that he would review the case himself to see if the brothers should be resentenced. Gascón and Hochman didn't respond to requests for comment Monday.

Hochman said in a tweet that the postponement will give him time to review prison records and trial transcripts. He also said he plans to talk to family members and lawyers on both sides. "I look forward to thoroughly reviewing all the facts and the law to reach a fair and just decision," he said.

Democratic California Gov. Gavin Newsom, who has the power to free or pardon those convicted of crimes in the state, said last week that he wouldn't make a decision on granting clemency to the Menendez brothers until the new district attorney has had time to review the case.

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## U.S. NEWS

# Culture Warrior Rufo Has Trump's Ear

Filmmaker intent on ending diversity efforts now carries invite to Mar-a-Lago

By DOUGLAS BELKIN

The first time then-President Donald Trump asked Christopher Rufo to come to Washington for a meeting with his team, the result was a 2020 executive order banning race or sex stereotyping in the federal government.

Now Rufo has an invitation to Mar-a-Lago, where he will present the president-elect's team with a plan to geld American universities by withholding money if they don't pull back on diversity measures. It is the latest chapter in Rufo's quest to end activities that he says divide Americans and foster bias against different groups, including white men.

From his perch outside Seattle, the 40-year-old documentary filmmaker and writer has become one of the country's most influential—and effective—culture warriors, waging public fights against diversity, equity and inclusion efforts in schools, businesses and government.

Rufo exposed plagiarism in the academic scholarship of Harvard President Claudine Gay and in the writings of Democratic presidential candidate Kamala Harris. His reports played a role in Gay's subsequent resignation in January of this year and damaged Harris's campaign. He has also taken aim at diversity practices in large companies, most recently at **Boeing**.

A father of four who relishes throwing rhetorical grenades at the progressive left, he said he isn't pursuing a role in the Trump administration but wants to help shape its agenda.

JD Vance, among many others in the new Trump administration, is listening.

Vance views Rufo as "a leading voice in the movement



Christopher Rufo has helped define critical race theory in the public imagination.

to restore merit and excellence" to universities, a spokeswoman said, adding that the vice president-elect believes Rufo "recognizes schools and universities exist to equip American students to face tomorrow's challenges, not to indoctrinate them with the fringe beliefs of the far left."

Rufo said he is meeting with members of the Trump administration next month. He has said he thinks colleges and universities have been taken over by the left, and he wants

to recapture them by cutting federal money to schools that continue to engage in DEI practices. He also wants to excise race-based affirmative action from any institution with which the federal government does business.

He has a particular animus toward elite universities, which he says traded merit and rigor for neo-Marxism and discrimination against white and Asian people. "It's time to really put the hammer to these institutions and to start with-

drawing potentially billions of dollars in funding until they follow the law," he said.

Universities have said they are legally and ethically responding to the changing demographics of the nation and can no longer offer a great education if their campuses are organized around only white men.

Rufo grew up in Sacramento, Calif., and pins his political awakening on the five years he spent filming "America Lost," about struggling postindustrial cities such as

## Vowed Homeless Crackdown

In 2018, Christopher Rufo was living in Seattle and ran for city council on a campaign promise to crack down on homelessness.

"The political leaders were unwilling to draw a line and say, 'Hey, these are the rules,'" said Rufo. "If you go outside of those, there will be consequences."

He withdrew from the race citing death threats, but his misgivings about the country were growing. He wrote a series of articles for conservative think tanks about what he viewed as progressivism run amok.

That work led to a tip about a training program for Seattle city employees called "Interrupting Internalized Racial Superiority and Whiteness."

Rufo traced the ideas behind the training workshop back to critical race theory, a concept developed by legal scholars in the 1970s.

The theory holds that racism is embedded in American laws and institutions, and not only a result of individual bias.

Youngstown, Ohio. He said he came to believe that antipoverty programs such as welfare were destroying families and undermining community organizations. He said he began the film as a libertarian but finished as a conservative.

Rufo's writing from his well-read newsletter and his perch at conservative think tanks including the Manhattan Institute, as well as his appearances on cable news, helped define critical race theory in the public imagination. He cast it as a vil-

lain fueling the Black Lives Matter protests and the extended pandemic school closures.

In 2020, Tucker Carlson invited him on his Fox News show, where Rufo ended a four-minute riff about CRT with a brash appeal to Trump to ban it from the federal government.

The next morning at 7 a.m., Rufo said, his phone rang. Trump's chief of staff Mark Meadows was on the line. He asked Rufo to come to the White House to help design a plan to abolish CRT, Rufo said. Meadows didn't return a call for comment.

A few weeks later Trump signed the executive order.

In Trump's second term Rufo sees an opportunity to finally excise the ideology that has animated his campaigns. His stated goal: make America a colorblind society by eliminating rules that mandate behavior or special treatment according to race.

The American Civil Liberties Union and other organizations say Rufo's work promotes denial about racism and contend that the wider Republican push against DEI practices undermines racial equity and stifles free speech.

Rufo dismisses that characterization and says current diversity practices justify discrimination and devalue individual merit. "An organization can prioritize excellence or diversity, but not both simultaneously," he said.

Rufo's tactics rile people who say he is more interested in spectacle. A former professor at New College of Florida, a once progressive public liberal-arts college where Rufo is a trustee, described him arriving on campus with a film crew in tow. "He was there to create a narrative," said Aaron Hillegass, the professor. "His team filmed everything and released clips that made him seem professional and everyone else seem a little unhinged."

◆ Walmart diversity programs ended..... B1

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# Former Banker Carves Out Powerful Role

GOP Rep. Hill wants to lead key House panel, turn his crypto bill into law

By CORRIE DRIEBUSCH

President-elect Donald Trump's pledge to make cryptocurrencies mainstream might rest on a former community banker from Arkansas who is seeking to become the most influential congressman in the financial world.

Rep. French Hill, a Republican, is vying for the chairmanship of the powerful House committee that governs Wall Street and oversees financial regulators such as the Securities and Exchange Commission and the Treasury Department. The House Financial Services Committee calls bank executives to testify, investigates financial blowups and has for years been trying to draft the laws that would bring comprehensive regulation to cryptocurrencies.

Unlike many of the financiers in Trump's orbit who are jostling for power, Hill didn't build his credentials working for a large Wall Street bank or private-equity firm. He started a small community bank, speaks with a Southern drawl and says he wants to "Make Community Banks Great Again."

Hill is considered an underdog in the race to chair the Financial Services committee against close Trump ally Rep. Andy Barr of Kentucky. But whether Hill is chair or not, it is his bill on how to regulate cryptocurrencies that has emerged as likely to pass the

Republican-controlled Congress and make it to Trump's desk. His grasp of the technological details and intricacies has impressed crypto land and won bipartisan support.

He is an advocate for crypto to be considered its own asset class, not trying to shoehorn it into existing rules for stocks and bonds. And he thinks Congress should investigate Biden administration agencies for targeting the industry.

Hill wants Washington to stop being afraid of crypto, or, as he would rather talk about it, "digital assets."

"My whole career I've been interested in technology and finance and how technology and finance cuts costs," Hill said in an interview.

## Little Rock roots

Hill, 67 years old, whose Arkansas district includes parts of Little Rock, grew up in a financial family. His paternal grandfather started an investment firm in the middle of the Great Depression. His maternal grandfather was a receiver for the Federal Deposit Insurance Corp. the year it was founded in 1933.

Early in his career, Hill was a staffer on the Senate Banking Committee and worked on President George H.W. Bush's Economic Policy Council and in the Treasury Department.

He then returned to Little Rock, founding Delta Trust & Bank in 1999. His banking foray was successful; but, in 2014, Hill put the bank up for sale and ran for Congress.

"I don't think he ever got Washington out of his blood," said George Makris Jr., the executive chairman of Simmons



Rep. French Hill, a former community banker, wants to lead the Financial Services Committee.

First National, which bought Delta Trust.

Hill has quietly built his influence in Washington and says he avoids the spotlight. He is far from a firebrand. While his two children were still in high school, he traveled home every weekend to be with them and his wife.

House Majority Whip Tom Emmer called Hill a "good friend and an outstanding legislator."

## Red-tape blues

The sale of Delta Trust helped formulate Hill's views on banking regulation.

The deal ran into red tape over a single branch in Eudora, Ark. Simmons couldn't purchase the branch because of regulations about banking concentration. The tedious process was about a branch serving the catfish capital of Arkansas with a population of about 2,000.

"French understands firsthand some of the antiquated

rules and regulations that are preventing community banks from thriving, especially in rural areas," said Makris, the Simmons chairman.

In 2015, Hill joined the Financial Services Committee, where he is now vice chairman and looking to put those views into action.

A deposit crisis in banks last year renewed criticism that some banks are "too big to fail" and enjoy implicit government support, while small banks are left vulnerable. Attempts by regulators to fix the problem by imposing higher capital requirements are now in flux after industry and GOP push-back.

"What is required to properly regulate JPMorgan Chase is not true for a \$50 billion bank headquartered in Little Rock or Dallas," said Hill.

## Crypto fan

In 2023, Hill became chair of the subcommittee on digital as-

ssets. With Republicans now poised to control the Senate and Trump promising to back the industry, Hill's bill now seems more likely to pass.

The finance committee chairmanship will be determined in early December by a group of Republicans who decide who will lead each committee.

Hill's main competition is Barr of Kentucky. Around the halls of the Capitol, chatter swirls about both candidates' hurdles.

For Hill, some wonder if his decision in October 2023 to vote "present" in an early roll-call vote during Louisiana Rep. Mike Johnson's bid for House speaker might come back to haunt him. He ultimately supported Johnson as speaker later that month.

For Barr of Kentucky, speculation that he might run for Sen. Mitch McConnell's Senate seat if the Kentucky Republican retires in two years might hurt his chances, some say.



Special counsel Jack Smith discussing his election-interference indictment against Donald Trump in August 2023.

## Trump Prosecution Dismissed

*Continued from Page One*  
to have the final word on these cases before the election," University of Virginia law professor Saikrishna Prakash said.

Trump also used the charges as a centerpiece of his presidential campaign, arguing his opponents were using the justice system to target him unfairly. He vowed to fire Smith "within two seconds" of taking office.

A Trump-appointed federal judge in Florida already dismissed the classified documents case earlier this year, ruling that Smith was unlawfully appointed. The special counsel's office had appealed that decision, but on Monday dropped its bid to revive that prosecution against Trump.

Smith moved to dismiss the election-interference case "without prejudice," leaving open the theoretical possibility that some future prosecutor could attempt to bring charges anew. Judge Tanya Chutkan granted the request.

Attorney General Merrick Garland appointed Smith as special counsel in November 2022, just days after Trump announced he would make an-

other bid for the presidency. The move to appoint an independent prosecutor, Garland said, was designed to prevent the appearance of political influence at a Justice Department overseen by Trump's then-opponent, President Biden.

Following the election, the special counsel's team began evaluating how to wind down the federal cases. Smith is expected to step down as counsel before Trump's inauguration.

The fates of the two state cases could be determined soon.

In New York, Trump was convicted of 34 state felonies earlier this year for covering up hush money paid to a porn star. His sentencing, which had previously been scheduled for Tuesday, is now on hold.

Trump, a Republican, has asked the presiding judge to toss the conviction. Manhattan District Attorney Alvin Bragg, Democrat who brought the case, has said Trump's conviction should stand, but he has signaled a willingness to delay additional proceedings until after the president-elect completes his next term in office.

Lawyers for Trump and Bragg are expected to file additional arguments early in December, leaving the matter in the hands of the judge.

In Georgia, a state-level election-interference case against Trump is on shaky ground. It has been on hold for months as a state appeals court weighed a bid to disqualify the Fulton County district attorney, Fani

Willis, over a revelation that she had a romantic relationship with a lawyer she hired to manage the prosecution. Aside from that drama, the case is imperiled by Trump's election, as well as a Supreme Court ruling in July that granted presidents significant immunity for actions taken as part of their official duties.

Smith's election-interference case, originally filed in August 2023, was arguably the most ambitious of all the prosecutions. His team offered sweeping allegations that Trump pulled the levers of power to pressure state officials, along with Vice President Mike Pence and the Justice Department, to advance his baseless claims of election

fraud and help him remain in power, in a chain of events that culminated in the Jan. 6, 2021, attack on the Capitol.

The Supreme Court's immunity decision appeared to be a significant blow to the special counsel's work, but Smith held his ground with a reworked indictment that left in place the same charges Trump originally faced.

The Justice Department's policy against prosecuting a sitting president rests on the notion that doing so would interfere with his ability to fulfill his constitutional role.

Smith noted on Monday that the Trump situation was unprecedented because he was a private citizen when he was indicted. But after inter-

nal consultations, the department concluded that the policy applied and that the cases had to be dismissed before Trump's inauguration.

In the classified documents case, prosecutors charged Trump with deliberately retaining sensitive documents related to U.S. intelligence and defense plans, even after government officials demanded their return. Trump and two aides, Walt Nauta and Carlos De Oliveira, were also accused of seeking to have security footage from Mar-a-Lago—where the documents were being held—deleted so it couldn't be turned over to a grand jury.

The Justice Department appeal involving the two aides remains ongoing.

Smith is set to prepare a report on his investigation, which the attorney general could then make public.

—Corinne Ramey

and Mariah Timms

contributed to this article.

## Watch a Video: Why Trump's Promise To 'Defeat Inflation' Is Harder Than It Sounds



President-elect Donald Trump vowed on the campaign trail to lower inflation. Scan this code for a video with a former Federal Reserve vice chair on the inflation-fighting tools that Trump will have at his disposal.



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# WORLD NEWS

## Plane Used by DHL Crashes While Landing in Lithuania

BY BOJAN PANCEVSKI  
AND DOMINIC CHOPPING

An aircraft used by DHL and flying from the global shipping company's hub in Germany crashed while making a forced landing in Lithuania, killing a crew member and plowing into a residential area.

Footage from the scene showed a large fireball moments after a plane came into land close to Vilnius International Airport in Lithuania. A spokesman for DHL said the plane was making a forced landing just more than half a mile from the airport when the accident happened. The cause was unknown and an investigation is under way.

The incident comes months after Western security officials said people alleged to be working for Russian intelligence planted incendiary devices on airplanes belonging to DHL in what they said was a test run for an attack against U.S.-bound jets.

No evidence of wrongdoing or any link to Russia has emerged, said Lithuanian authorities and a senior European official familiar with the preliminary investigation. But Lithuania's prime minister said such events now took on a different light. With the threat of Russian sabotage looming amid Moscow's confrontation with the West, security services are on high alert.

The National Transportation Safety Board said it is leading a team of U.S. investigators, including officials from Boeing—which made the plane—and the Federal Aviation Administration, that will assist the Lithuanian probe.

The crash, which set a residential building on fire, occurred at 5:30 a.m. Monday. The plane had taken off from Leipzig, a DHL hub in Germany.

"At this stage, based on what we know, it's probably too early to link it to anything or make any attributions," said Darius Jauniškis, head of Lithuania's intelligence agency. "We certainly see Russia becoming more aggressive and foreign partners have also talked about dangers and cases of sabotage or the threat of terrorism," he said. "We cannot rule this out either."

This month, The Wall Street Journal reported details of an alleged Russian plot to set DHL airliners bound for the U.S. on fire by mailing incendiary devices using the carrier.

Investigators and spy agencies in Europe figured out how the devices—electric massag-



The cargo plane went down on Monday near Vilnius International Airport in the capital.

LUKAS BALANS/REUTERS

ers implanted with a magnesium-based flammable substance—were made and concluded that they were part of a wider Russian plot, security officials and people familiar with the probe said.

People alleged to have been working for Russian intelligence services posted the de-

vices, some of which were transported on planes, from Lithuania's capital Vilnius to Western Europe, security officials from Western nations told the Journal. The Kremlin has described the allegations as "traditional unsubstantiated insinuations from the media."

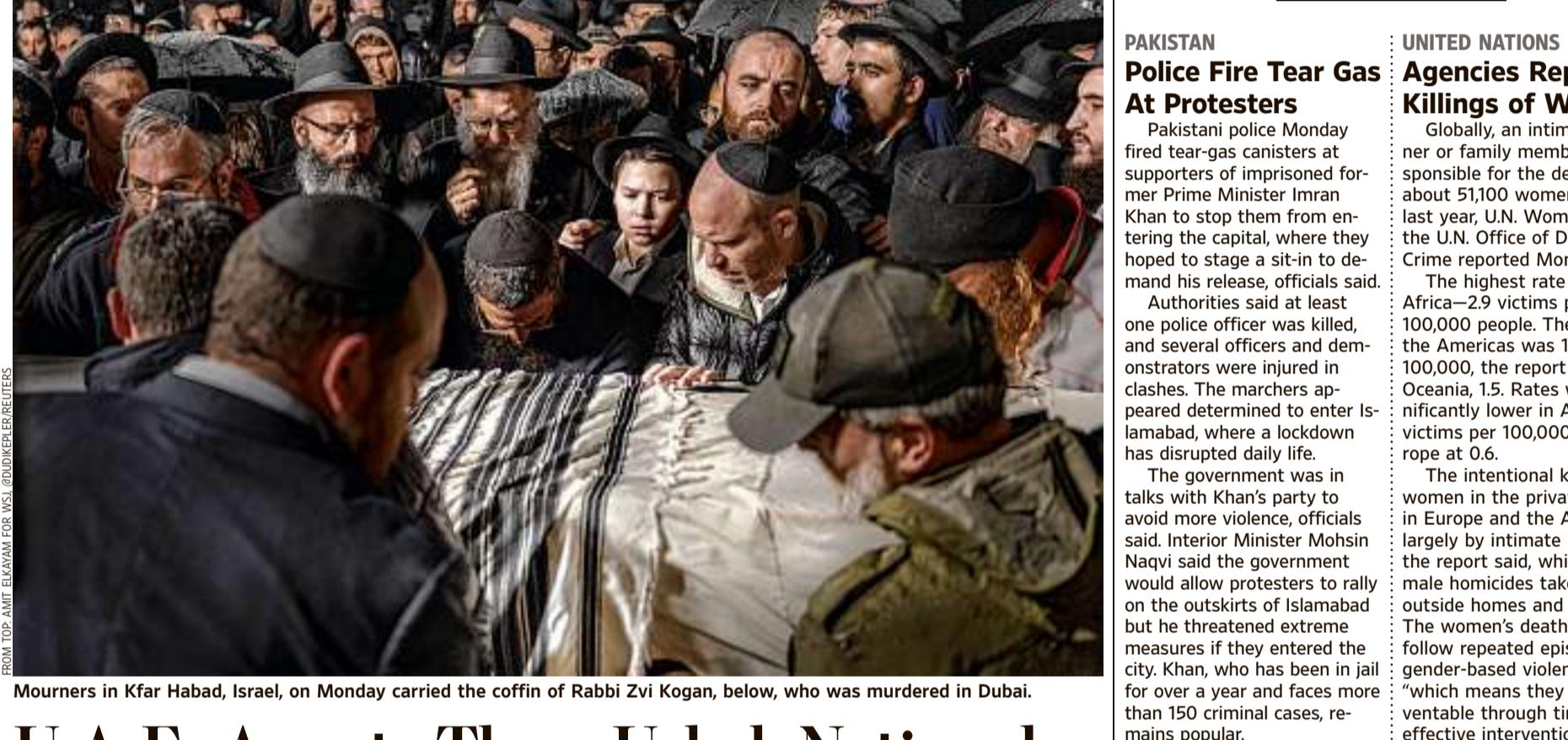
The Boeing 737-400 was op-

erated by Swiftair, a Spanish DHL contractor, and crashed in a residential area of Vilnius during landing, according to the flight-tracking website FlightRadar24. Swiftair said the aircraft experienced an incident as it was about to land.

—BENAS GIRDZIUNAS contributed to this article.

### Watch a Video

 Scan this code for a video on a DHL plane crash near an airport in Lithuania.



Mourners in Kfar Habad, Israel, on Monday carried the coffin of Rabbi Zvi Kogan, below, who was murdered in Dubai.

## U.A.E. Arrests Three Uzbek Nationals In Killing of Jewish Community Leader

BY RORY JONES  
AND DOV LIEBER

The United Arab Emirates named three Uzbek nationals as suspects in the killing of a Jewish community leader in the Gulf state, an incident that has raised concerns about security for Jews in the Arab world.

Israel described the killing of Israeli-Moldovan citizen Zvi Kogan, whose body was found on Sunday, as an "act of anti-semitic terrorism." The 28-year-old was a rabbi and an emissary of the Jewish Chabad movement to Abu Dhabi, where he lived with his wife.

Emirati authorities on Sunday said three individuals had been arrested in connection with Kogan's death. On Monday, they named the three suspects as Olimpi Tohirovic, 28, Mahmudjun Abdurrahim, 28, and Azizbek Kamilovich, 33.

Emirati authorities said



they had begun a legal process to charge the individuals. The U.A.E. statement included pictures of the suspects in handcuffs and blue prison clothes, their faces each covered by a black mask.

It wasn't clear if lawyers

were first arrested in Turkey, after fleeing there from the U.A.E., a person familiar with the matter said. The Journal previously reported Israel had evidence at least some of those responsible for the killing had fled to Turkey.

The U.A.E. foreign ministry didn't respond to a request for comment on whether the suspects were first arrested in another country.

Kogan disappeared in Dubai on Thursday afternoon, prompting an investigation by Israel's Mossad spy agency. Israeli investigators believe the Uzbek suspects were guns for hire, though it isn't clear yet who directed the killing and no direct connection has been found to Iran, an Israeli official said. Israeli officials initially suspected the Uzbek nationals were tied to Iran,

The three suspects were first arrested in Turkey, after fleeing there from the U.A.E., a person familiar with the matter said. The Journal previously reported Israel had evidence at least some of those responsible for the killing had fled to Turkey.

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## WORLD NEWS

# Europe to Pay Kyiv to Make Its Own Arms

'Danish model' of funding cuts costs, delays, corruption, say its boosters

KYIV, Ukraine—European allies of Ukraine, struggling to produce enough weapons for Kyiv's war effort, are pioneering a new method: giving Ukrainians money to do it themselves.

By Daniel Michaels,  
Sune Engel Rasmussen  
and Jane Lytvynenko

In this approach, Europeans are financing Ukrainian government contracts with cash-strapped Ukrainian arms makers to produce equipment for the country's armed forces, including long-range missiles and drones that can strike Russian territory. Kyiv tells its allies which companies to work with and armaments to buy, and the Europeans vet the producers independently before agreeing to deals.

Ukraine will still rely on Western allies for advanced weapons such as Patriot surface-to-air interceptor missiles. But officials say the new approach will allow Kyiv to acquire weapons faster and in greater number than waiting for European arms to be produced. Ukraine can do this because its arms industry is operating far below its production capacity—30% of its potential, by some estimates—because of insufficient funding.

Proponents of the approach say Ukrainian defense firms can churn out many systems faster and less expensively than Western suppliers. Ukrainian firms also tailor

equipment more specifically to the country's ever-changing front-line needs, while bolstering its defense industry for the future.

Dubbed the "Danish Model" after Copenhagen developed the approach with Ukraine this year, the system is drawing growing participation and interest from other countries. Norway, Sweden and Lithuania have provided money, and other nations have expressed interest, said Danish Defense Minister Troels Lund Poulsen. Germany has applied a similar approach, and the Netherlands, in parallel, is contracting directly with Ukrainian companies.

Denmark developed its approach because it, like many allies, had donated to Kyiv almost all of its available weaponry, officials said. The Netherlands, Sweden, Norway and the Baltic states also are in this group.



The Russian army launched ballistic missiles at Odesa, Ukraine, on Monday morning, damaging homes and vehicles.

VIALESAV ON SHCHENKO/SOPA IMAGES/ZUMA PRESS

The model is part of a broader effort by northern European and Baltic countries to consolidate cooperation to boost Ukraine. It emerged after France, Germany and other big countries failed to unite the Continent behind a coherent plan, and as Europe braces for the incoming Trump administration, which could reduce U.S. engagement across the Continent.

Ukrainian President Volodymyr Zelensky singled out the Danish Model while marking the 1,000th day since Russia's full-scale invasion, alongside Danish Prime Minister Mette Frederiksen. He said it let Ukraine produce artillery, missiles, long-range drones and howitzers. "It allows us to unite other countries around investments in weapons-manufacturing in Ukraine," he said.

Funding so far is limited. Denmark has secured about 650 million euros, or \$680 million, including more than \$400 million coming from confiscated interest on Russian financial assets frozen in Europe, say Danish and European Union officials. Copenhagen aims to deliver those funds by year-end.

Denmark has contributed more than \$180 million of its own funds to the total, Norway more than \$42 million and Sweden, which last week

## 'They Have a Lot of Know-How'

Ukraine has well-established arms-production capacity and is developing technology to meet its needs—particularly for drones—faster than foreign companies can, said Eric Ciaramella, senior fellow at the Carnegie Endowment's Russia and Eurasia Program.

"Ukraine was the heart of the Soviet defense in-

dustrial base, so they have a lot of know-how when it comes to manufacturing complex systems," Ciaramella said. Supporting Ukraine's defense industry lets the West help ensure Ukraine's long-term self-sufficiency, he said.

Many of its weapons makers say they could increase capacity if they had

more production contracts, but they are caught in a wartime bind. The government has forbidden arms exports, and the military is the sector's only customer, but has limited resources. This year it will have spent \$6 billion on weapons purchases, Oleksandr Kamyshin, Ukraine's minister of strategic industries, said this year.

ning fans because integrated audits and oversight limit potential corruption in arms acquisition, a problem that has plagued Ukraine's defense efforts. Copenhagen inspects recipients before releasing funds and defense attachés from the Danish Embassy follow up to ensure companies deliver as agreed. So far, no company has failed the control.

The approach also could reduce pressure on allies to pull weaponry from their own arsenals. "If you increase the capacity in Ukraine, then we have to give less weaponry ourselves and can build our capacity again," said Dutch Admiral Rob Bauer, who chairs the North Atlantic Treaty Organization's committee of military leaders.

"With the Danish model, we can ensure that the donated funds will go to the production of arms that Ukraine needs the most," Swedish Defense Minister Pál Jonson said in an email. "Ukrainian wishes and Ukrainian needs on the battlefield can more easily be met."

Bojan Pancevski contributed to this article.

announced financing for long-range drones and missiles, more than \$20 million.

Poulsen hopes to funnel at least \$1.4 billion through the system next year.

"This is an example of how to ensure faster delivery while also strengthening the Ukrainians' own arms production and eventually make them less dependent on donations," Poulsen said in an interview.

Zelensky in October said the investment has allowed Ukraine

to produce nearly 20 Bohdana howitzers monthly. Last December, Ukraine produced six.

"Last year, we faced the reality that the technical capabilities of Ukraine's military-industrial complex significantly exceeded the financial capacity of the Ukrainian budget," said Vladislav Belbas, the general director of Ukrainian Armor, an arms maker that has been subcontracted to produce parts for the Bohdana howitzer.

The Danish approach is win-

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### AUCTION

Friday, December 6 at 10am EST

### EXHIBITION

Monday, December 2, Noon – 5pm EST

Tuesday, December 3, Noon – 5pm EST

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## FROM PAGE ONE

## Mexico Reconsiders EV Plant

*Continued from Page One*

"At this time, investments from China have to be analyzed with extreme caution," said Eduardo Solis, a consultant who previously led Mexico's automotive-industry association. "Mexico has to present itself with a business card that says: reliable partner of North America."

Trump, a Republican, earlier threatened to impose a 200% tariff on Chinese companies' cars if they are manufactured in Mexico. Mexico's concern

over Chinese investment is another example of how Trump's election is forcing governments and companies to rethink their strategies. Canadian officials are trying to isolate Mexico to align themselves more closely with Trump.

BYD has long dreamed of bringing its vehicles to the U.S. as Asian carmakers such as Toyota and Hyundai did before it. But each possible avenue has run into barriers.

Exporting from China is nearly impossible after the Biden administration imposed roughly 100% tariffs on Chinese-made EVs this year. Trying to build a car plant in the U.S. like those of Japanese and South Korean automakers would undoubtedly meet stiff resistance, given anti-China sentiment in the U.S.

BYD has had an electric-bus

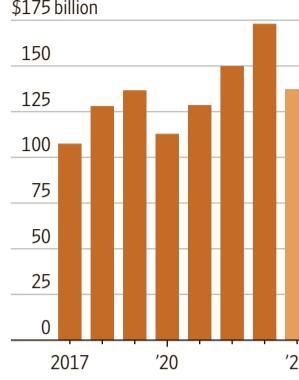
factory in Lancaster, Calif., for a decade, and it is North America's largest electric-bus manufacturer, with annual production capacity of about 1,500 vehicles. But that area is less politically sensitive than cars sold to consumers.

BYD's most recent thinking, people at the company said, is to build a plant in Mexico, initially to serve Mexican and other Latin American car buyers, while awaiting a shift in the political winds that would allow exports to the U.S. Now even this strategy is uncertain.

Building a plant in Mexico would require buy-in from both the state in which it is located as well as the federal government, and that is where problems have emerged.

Several Mexican states have dialed back the incentives they are offering to BYD to attract

### U.S. imports of vehicles and parts from Mexico



Note: 2024 figure is through September. Source: Census Bureau

the plant, such as local tax benefits and cheaper water, people familiar with the matter said.

The federal government isn't happy with BYD's timing

and doesn't want to provoke Trump, a Mexican official said. Federal consent would be essential for any BYD project in Mexico because the company would need environment and import permits.

The USMCA, signed by Mexico, the U.S. and Canada in 2018, propelled Mexico to become the world's fourth-largest exporter of light vehicles, shipping nearly 2.6 million vehicles to the U.S. last year. While the pact tightened regional-content rules—meaning Mexican factories couldn't merely assemble cars made from Asian parts—carmakers adapted the use of parts from Mexico, the U.S. and Canada.

Mexico's increased share of the U.S. import market means greater scrutiny, and the main point of contention in USMCA talks will be "how to shield the

North American trade bloc from China's influence," J.P. Morgan said in a note to investors.

Mexico has said the U.S. and Canadian concern about a Mexican backdoor is misplaced and lacks evidence. Mexican officials also point out that far more Chinese investment goes to the U.S. and Canada than to Mexico. Any measures to block China should be equitable among the three USMCA members since U.S. carmakers operating in Mexico are also heavy importers of parts and vehicles from China, Mexican officials said.

BYD has become the top Chinese EV maker, and it has started expanding around the globe. It has a car factory in Thailand and is building its first Latin American plant in Brazil.

—Ryan Felton contributed to this article.

## Tesla's Pollution Problem

*Continued from Page One*

employees and other documents, including a memo sent by a whistleblower to the Environmental Protection Agency.

A Journal investigation shows that Tesla bosses were aware of the problems but sometimes chose short-term fixes to avoid slowing production. Former employees said they feared they might lose their job if they drew attention internally to potential environmental hazards, because senior managers didn't consider such issues to be mission critical. As head of the company, Musk set the tone, these people said, pushing employees to move fast and complaining frequently in public statements that unnecessary regulations are strangling the U.S.

### Bigger megaphone

The world's richest man now has an even bigger megaphone. Musk, who aligned himself closely with President-elect Donald Trump during his campaign, was named Nov. 12 as co-head of a new Department of Government Efficiency, or "DOGE." Musk has said he thinks he can chop "at least \$2 trillion" from the federal budget, including by cutting government jobs at regulatory agencies. How that will play out for the EPA is unclear, but some people who have worked with him for years expect that Musk will attempt to curb environmental regulations—including those that affect his companies.

"We finally have a mandate to delete the mountain of choking regulations that do not serve the greater good," Musk tweeted after Trump's announcement.

Tesla and Musk didn't respond to requests for comment.

### Pattern of violations

Musk is considered a champion of the environment for his role in pioneering the electric car industry. He has said the mission of Tesla, which is the largest maker of electric cars in the U.S., is to "protect life on Earth." Yet across his business empire, Musk's companies show a pattern of breaking environmental rules again and again, federal and state government filings and documents show.

Tesla's Fremont, Calif., facility has accumulated more warnings for violations of air pollution rules over the past five years than almost any other company's plant in California, according to a Journal analysis of informal enforcement actions in the EPA's compliance database. It is second only to refinery owned by oil-and-gas behemoth Chevron, which is in nearby Richmond.

This year, California regulators said Tesla violated air-pollution permits at its Fremont factory 112 times over the past five years and alleged it repeatedly failed to fix equipment designed to reduce emissions, releasing thousands of pounds of toxic chemicals in excess of permissible limits into the surrounding communities. "Even after extensive discussion," Tesla's efforts "have not been enough to stem the violations," the abatement order from the Bay Area Air Quality Management

District read. Tesla denied the allegations in the state proceeding. Since the order was filed, the regulator has issued 75 additional notices of violations to Tesla, according to a spokesperson.

Musk's rocket company, SpaceX, has also had run-ins with regulators in Texas and community pushback in Florida, including over the impact of its launches on local plants and animals. Federal regulators recently fined the company for dumping about 262,000 gallons of wastewater from launches into wetlands in Texas without a permit. SpaceX has denied the allegations.

Complying with environmental rules isn't usually the top priority for Tesla management, people familiar with the company's officials said. Tesla brought to the auto industry a Silicon Valley ethos to move fast and break things, and Musk views regulations as a hindrance to innovation because they slow down the work, the people said.

At the factory in Austin, managers sometimes ignored workers who raised warnings about environmental issues, former employees say. Some employees feared they would be fired if they slowed down production.

### Memo to the EPA

One environmental-compliance staffer in the Austin plant claimed that "Tesla repeatedly asked me to lie to the government so that they could operate without paying for proper environmental controls," according to a 2024 memo from the employee to the EPA that was reviewed by the Journal.

The staffer sent the detailed memo alleging environmental violations at Tesla to the EPA. The memo, including hundreds of pages of state regulatory documents, as well as photos and videos, was reviewed by the Journal. The EPA's criminal-enforcement division and the Texas Commission on Environmental Quality earlier this month opened a preliminary inquiry related to the former Tesla staffer's allegations, according to people familiar with the matter.

Tesla has continued to



Elon Musk was named Nov. 12 as co-head of a new Department of Government Efficiency, or 'DOGE.'

Austin Water said in a statement that it later issued a notice of violation in connection with the pond to Tesla through email and required the company to meet monthly to "avoid further violations," and that it works to develop a "working partnership with our industrial customers" to protect the city's wastewater treatment facilities.

For months, the door yawned open as car production churned up. Such a defect would typically cause the furnace to use more fuel and to emit higher levels of pollutants from its smokestack, according to former employees. A constant haze enveloped the factory floor and temperatures reached 100 degrees, they said.

When a TCEQ regulator arrived for a site visit in early fall 2022, Tesla employees employed an "elaborate ruse" to hide the issues, adjusting the amount of fuel going into the furnace and temporarily closing the door, the memo sent to the EPA alleged. These actions allowed Tesla to pass the important emissions test, according to the memo.

The staffer's memo said managers were aware the regulator's tests didn't represent "actual operating conditions," but the gambit worked, and the factory received a passing grade. Afterward, the fuel levels were put back to their regular settings, the memo said. Former employees say the furnace door wasn't permanently fixed for several more months.

In August 2024, TCEQ issued notices of violation to the company related to fuel use. By the time the regulator

Austin Water said in a statement that it later issued a notice of violation in connection with the pond to Tesla through email and required the company to meet monthly to "avoid further violations," and that it works to develop a "working partnership with our industrial customers" to protect the city's wastewater treatment facilities.

Sometimes during rainstorms, Tesla discharged a sludgy mix of mud and chemicals from occasional spills outside the plant, turning a  $\frac{3}{4}$  mile stretch of the Colorado River into a mucky brown slick, according to pictures and videos viewed by the Journal.

A top civil engineer at Tesla "repeatedly committed to fixing the storm sewer system" in 2022 but "never directed any serious repairs," a former staffer wrote in the memo to the EPA outlining the issue. Instead, Tesla periodically cleaned the storm sewer with pressurized water and vacuum trucks, according to the memo reviewed by the Journal.

### 500,000 gallons

Even when it wasn't raining, the Gigafactory generated vast amounts of industrial wastewater as it built cars—about 500,000 gallons a day, currently according to the water utility—and like most companies it was required to obey certain rules in disposing of it.

The company had assured regulators multiple times that its system was working, according to state regulators and emails reviewed by the Journal. But the system wasn't completely separating out pollutants, according to former employees and an April 2022 email reviewed by the Journal.

As a partial stopgap, the company assigned a staffer to manually test the wastewater, according to the memo sent to the EPA and former employees.

But despite their efforts,

the levels exceeded what

Tesla's permit allowed,

and between Sept. 9-11, the company released 259,000 gallons

of caustic water into the Austin sewer system, according to emails from state regulators to Tesla that were reviewed by the Journal.

In a statement, Austin Water said the release didn't pose a threat to fish or other aquatic life, and that Tesla "did not receive a permit to discharge process water until all pretreatment systems were installed and operational."

### Outside lab

On Sept. 20, Austin Water issued two notices of violations to Tesla for exceeding the pH limit in its permit, according to state regulators and emails to Tesla provided by the city of Austin under a public information request.

Problems mounted a few days later when an outside lab that Tesla hired to test its wastewater notified environmental staff that the company had exceeded its permit level for zinc, according to the memo and former employees.

Environmental staff notified Austin Water, but one member refused to comply with a request from Tesla managers to lobby the regulator not to consider the violation as a "significant non-compliance," according to the memo.

In late November, Tesla again urged the environmental staffer to reach out to Austin Water. The staffer refused.

That same week, Tesla fired the staffer for "pushing back on their requests" according to the memo.

wastewater treatment plant vulnerabilities.  
Tesla's Industrial Wastewater Discharge Permit  
process water was diverted  
circumventing the pollutant parameters  
any further violations must be considered for escalation

On Aug. 30, 2024, TCEQ notified Tesla of five violations, including exceeding its permitted emissions limit for certain air pollutants and not disclosing deviations, according to the documents.

Environmental lawyers say state regulators rely on companies to self-report environmental lapses and don't typically levy fines or take other punitive measures against them.

The year before, Tesla sold nearly 500,000 vehicles, and sales were growing rapidly. But Musk had moonshot ambitions for the company to grow sales by more than 50% each year to eventually hit his goal to sell 20 million cars in 2030.

Giga Texas was a vital part of the plan and to get there, Tesla set a goal to manufacture 5,000 Model Ys a week at the factory.

Everything about the nearly mile-long Gigafactory in Austin is outsized, including the casting shop, where the roughly 30-foot-tall furnaces do the old-fashioned work of melting aluminum to be molded into car parts in giant die-casting machines.

The furnace temperature

issued the notices, Tesla had already largely resolved the problems, according to TCEQ documents.

TCEQ disclosed through a public information request from the Journal that there were 15 investigations of the Tesla Austin facility—14 related to air and one to waste.

But behind the scenes, some at Tesla were fretting about a roughly six-acre, triangular-shaped "evaporation" pond

Tesla built to hold wastewater from construction, chemical spills and its paint shop.

The pond was filled with toxins, including sulfuric and nitric acids, and the algae-colored water had begun to smell of rotten eggs, former employees said. At one point, employees found a dead deer in the water, they said. For a time, Tesla discharged untreated pond water directly into the sewer system without permission from Austin Water, the water utility for the city, according to former employees and emails from regulators.

By the time of the party, Tesla had self-reported its actions to Austin Water. To hide the eyesore, it hired a team of contractors to pump most of the pond's water into trucks across the road, after having secured permission to then divert the water from the trucks into the sewer system.



Tesla used a temporary pipeline, left, to drain an unsightly pond, in a photo provided by a former employee, in advance of a 2022 'Cyber Rodeo' held to inaugurate the Texas plant.



SUZANNE CORDEIRO/AP/GETTY IMAGES

# PERSONAL JOURNAL.

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THE WALL STREET JOURNAL.

Tuesday, November 26, 2024 | A9



## TURNING POINTS

CLARE ANSBERRY

**M**ackenzie Thompson struggles with Thanksgiving following her parents' divorce last year after 43 years of marriage.

She's trying to figure out how to handle the holiday, which she often celebrated with them. She considered having dinner with just her husband and four children, but worried her parents would be lonely. Now Thompson, an only child, thinks she'll invite both and let them decide whether to come.

"It will be out of my hands," says the 42-year-old in Cincinnati. "I will have done the fair thing and invited both of them."

Rising divorce rates among people over age 50—so-called gray divorce—are complicating family holidays like Thanksgiving, normally beloved for its simple focus on food, gratitude and togetherness.

Nearly 40% of people divorcing are 50 and older, up from 27% in 2010, according to researchers at the National Center for Family and Marriage Research at Bowling Green State University, in Ohio. That's an estimated 710,000 gray divorces compared with 640,000 in 2010. Researchers based their analysis on the 2022 American Community Survey, the latest data available.

The rise is even steeper among those 65 and older, where the number of people divorcing has increased about 65% since 2010.

"Togetherness at Thanksgiving is no longer certain," says Susan Brown, sociologist and co-director of the center. "Scripts have to be rewritten."

While divorce is hard for any family during holidays, it can be especially jarring after long marriages when expectations, traditions and roles have built over decades.

Highly anticipated rituals of kids' tables, after-dinner walks, and storytelling about heirloom recipes can come to an end. Some adult children celebrate Thanksgiving on Thursday with one parent and Saturday with another. Others try to eat two feasts in one day, gulping turkey and pie at Dad's before going to Mom's with hopefully enough room for more. Other adult kids assume their parents' role as host, welcoming everyone who can get along.

Marlee Blake, 51, is planning her first Thanksgiving after her divorce. To provide a sense of stability and family for her teen sons, she invited both grandmothers and will continue traditions of using family china and watching a Christmas movie after dinner.

She and the boys decided to al-



## Thanksgiving in an Era Of 'Gray Divorces'

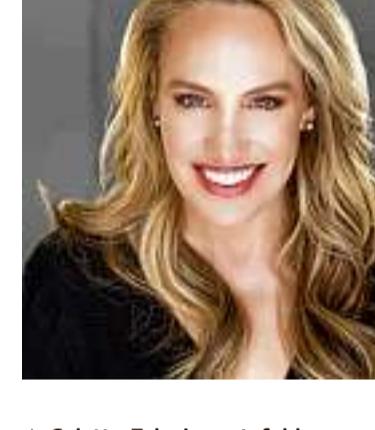
When older parents separate, family holidays can get complicated



▲ Scott Sibley says a parent's late-life divorce is hard on adult children and grandchildren.

ter the menu, though, which had remained unchanged for 20 years. They won't brine the turkey like her ex-husband did, and are adding a new side dish (lima beans!) and dessert.

"Thanksgiving was a really big holiday for us," she says. "I don't



▲ Colette Fehr is grateful her parents never pressured her about holiday plans after their divorce.

think it will be easy."

Carol R. Hughes, a licensed marriage and family therapist specializing in collaborative divorce, helps couples and adult children work out holiday plans. People can be amicable for shorter periods of time, so she suggests limiting gatherings to three hours.

Adult children who host Thanksgiving dinners can set ground



▲ 'Life is way too short to hold grudges, especially when a grandchild enters the picture,' Laura Stassi says.

rules, she says. For example: "If you guys can come and be amicable and not make Thanksgiving about you and your divorce, great. If you can't, please don't come."

After her parents divorced, Colette Fehr spent Thanksgiving with

cousins and extended family on her dad's side, as she did growing up, with her mom's blessing and encouragement. Fehr says she was grateful that her parents, who were in their 50s when they divorced, didn't pressure her to be with one of them. Still, she felt guilty about her mom being alone and would rush to her mom's house for a second meal.

"I would try not to eat too much at the first meal so I would still be hungry," Fehr says.

Now a marriage and family therapist, Fehr encourages parents not to pressure their adult kids and to be flexible, designating another day to celebrate Thanksgiving or creating a new tradition, like going out to dinner or to a movie.

D. Scott Sibley, 43, his wife and four children often flew to Utah from their home in Illinois for a big family gathering with their parents at Thanksgiving. That ended when his parents divorced in 2015 after 39 years of marriage.

"There's a lot of loss, not just of marriage, but of tradition," says Sibley, an associate professor of family sciences at Northern Illinois University.

His parents' divorce was hard on him as well as his kids, who missed being with extended family and cousins. His immediate family will spend Thanksgiving at home this year.

His mom, Mary Christensen, 72, feels a different loss. For decades, she was the one making the plans, preparing food and having people over. Divorce left her feeling on the outskirts.

"You become dependent on someone else to include you," she says. "It becomes a burden every year to wonder where you fit in."

Christensen remarried this year and will spend Thanksgiving with her husband's family in Las Vegas. "I'm excited about it," she says, and looks forward to contributing sides or a dessert.

After her 30-year marriage ended a decade ago, Laura Stassi needed to do something different for Thanksgiving, one of her favorite holidays. She went to Iceland, where her daughter was living, and remembers eating a greasy, delicious breakfast by candlelight, listening to "(I've Had) the Time of My Life" from the movie "Dirty Dancing" on the radio. Stassi, 64, spent subsequent Thanksgivings at an Indian restaurant or eating turkey sandwiches with her son after running a race together.

This year, Stassi is spending Thanksgiving at her son's house. Her daughter, ex-husband and his wife will be there. It's the first Thanksgiving that Stassi, the host of the "Dating While Gray" podcast, will share with her ex-husband and his partner.

"Life is way too short to hold grudges, especially when a grandchild enters the picture," she says.



this before in a Superbird.

Twice, in my white 1970 Superbird, I made the drive alone. In 2024, I asked my son Ryan to come with me. My gas gauge in life was starting to run low, and I wanted my son with me so he could say, "I drove one of these old cars with my dad to the Arctic Ocean."

We left Jeffersonville in July. I drove my black Superbird, and Ryan followed in a 2020 Dodge Ram pickup with a trailer on the back. We switched on and off, driving 7,688 miles round trip in 13 days, taking one day off for a car show in Edmonton, Alberta. To get to the Arctic Ocean, you take the Klondike Highway, the Top of the World

▲ Bob Jennings with a 1970 Plymouth Road Runner Superbird—one of his 11 winged cars.

Highway and the Dempster Highway, which is not a highway at all. It's a dirt-and-gravel path that beat the hell out of the car.

One memory from this last trip sticks out.

For 20 miles along a stretch of Canadian highway a guy followed me, and when I stopped, he jumped out of his car. He had his son with him and the boy was autistic. He didn't verbalize. I watched this boy run his hand along the car's wing and then the nose. I looked at the dad—he was old and grizzled, a subsistence living kind of guy—and I said, "Put the kid in the driver's seat." So the kid gets in. He had this ear-to-ear smile, like he had never been happier. All of a sudden,

all three of us were crying.

The last 550 miles, if you make a mistake, there is no tow truck. There's nothing out there—just one last gas station/hotel, about 230 miles before the ocean. Twice I saw cars that had slid off the road, and they'll probably never be recovered. The Plymouth's seats are uncomfortable. The radio works, but there are no stations up there. I drove the last 500 miles with the window down in 35-degree rain, because I had an ignition short and I'd have to get out quickly if the car caught fire. It all sounds negative, but it was fantastic. I'd do it again in a heartbeat.

When we reached the Arctic Ocean, we put the car on the flatbed trailer and turned for home. We felt euphoric. We felt every adjective you can imagine. Mostly, we felt proud of this old car that had accomplished something special.



MY RIDE | BY A.J. BAIME

## An Arctic-Ocean Trip Made in a Muscle Car

Bob Jennings, 71 years old and owner of an education company that teaches CPAs, on his 1970 Plymouth Road Runner Superbird, as told to A.J. Baime.

I think of my black 1970 Plymouth Superbird as a dream of an earlier era. I realized 10 years ago that no one is going to remember the bald old guy driving this car. But what if I could do something with it that would be remembered? What if I took it somewhere where people would feel incredulous just to see it?

Three times—in 2015, 2022 and 2024—I drove Plymouth Superbirds from my home in Jeffersonville, Ind., to the Arctic Ocean.

The story starts when I was right out of school, working in the service department of a Chrysler dealership. At the time, Chrysler had made these wind-tunnel inspired race cars to win in Nascar with big wings on the back. Powered by a 426 Hemi engine, the Plymouth Road Runner Superbird and Dodge Charger Daytona jumped out in front of the field and won many races, including the championship in 1970.

## PERSONAL JOURNAL.

# Couples Tie the Financial Knot First

Some unmarried home buyers are choosing to commit to a mortgage before a wedding

BY DALVIN BROWN AND PAUL OVERBERG

**T**he big wedding can wait. Couples are deciding they would rather take the plunge into homeownership.

In reshuffling the traditional order of adult milestones, some couples may decide not to marry at all, while others say they are willing to delay a wedding. Buying a home is as much, if not more of a commitment, they reason. It helps them build financial stability when the housing market is historically unaffordable.

In 2023, about 555,000 unmarried couples said that they had bought their home in the previous year, according to a Wall Street Journal analysis of Census Bureau data. That is up 46% from 10 years earlier, when just under 381,000 couples did the same.

Unmarried couples amounted to more than 11% of all U.S. home sales. The percentage has climbed steadily during the past two decades—a period in which marriage rates have fallen. These couples make up triple the share of the housing market that they did in the mid-1980s, according to the National Association of Realtors.

To make it work, couples must look past the significant risk that the relationship could blow up, or something could happen to one partner. Without a marriage certificate, living situations and finances are more likely to fall into limbo, attorneys say.

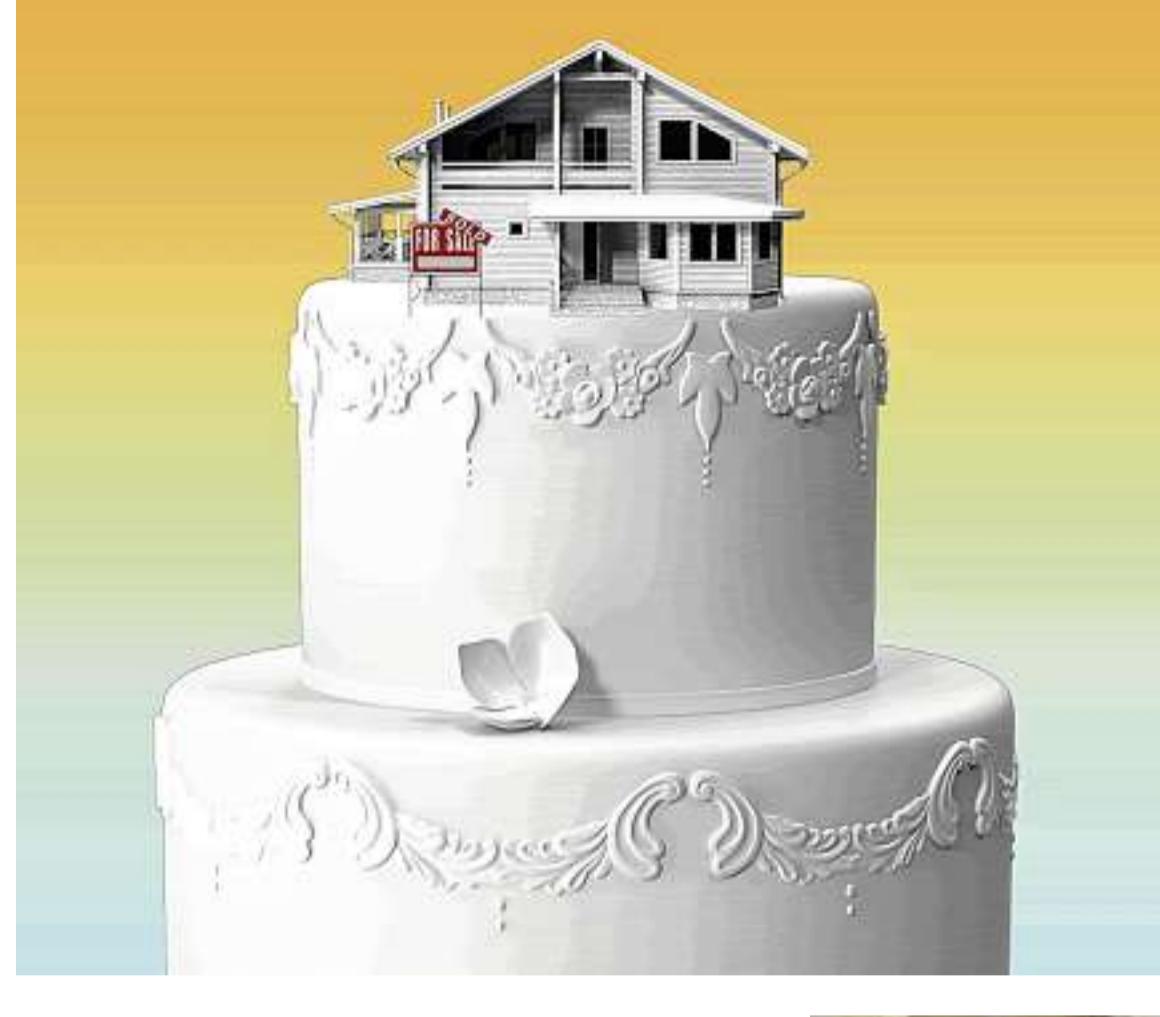
Mark White, 59 years old, and Sheila Davidson, 62, bought a lakeside townhouse together in Newport News, Va., in 2021. But only her name is on the deed. He sometimes worries about what would happen to the house if something happened to her. They have told their children that he should inherit the property, but don't have formal documentation.

"We need to get him on the deed at some point," Davidson said.

White and Davidson both had previous marriages, and decided they don't want to do it again. They also believe tying the knot would affect their retirement benefits and tax brackets.

## Financial foundation

Couples that forgo or postpone marriage say they are giving priority to a financial foundation over a legal one. The median homeowner had nearly \$400,000 in wealth in 2022, compared with roughly \$10,000 for renters, according to the Federal Reserve's



Survey of Consumer Finances.

Even couples that get married first are often focused on the house. Many engaged couples ask for down-payment help in lieu of traditional wedding gifts.

"A mortgage feels like a more concrete step toward their future together than a wedding," said Emily Luk, co-founder of Plenty, a financial website for couples.

Elise Dixon and Nick Blue, both 29, watched last year as the Fed lifted rates, ostensibly pushing up the monthly costs on a mortgage. The couple, together for four years, decided to use \$80,000 of their combined savings, including an unexpected inheritance she received, to buy a split-level condo in Washington, D.C.



► Sonali Prabhu and Ryan Willis closed on a \$425,000 three-bedroom, three-bathroom house.

"Buying a house is actually a bigger commitment than an engagement," Dixon said.

They did that, too, getting engaged eight months after their April 2023 closing date. They are planning a small ceremony on the Maryland waterfront next year with around 75 guests, which they expect to cost less than they spent on the home's down payment and closing costs.

The ages at which people buy homes and enter marriages have both been trending upward. The median age of first marriage for men is 30.2, and for women, 28.6, according to the Census Bureau. That is up from 29.3 and 27.0 a decade earlier. The National Association of Realtors reported this year that the median age of first-time buyers was 38, up from 31 in 2014.

## Legal protections

Family lawyers—and parents—sometimes suggest protections in case the unmarried couple breaks

◀ Mark White and Sheila Davidson bought a lakeside townhouse together in 2021.



up. A prenup-like cohabitation agreement spells out who keeps the house, and how to divide the financial obligations. Without the divorce process, a split can be even messier, legal advisers say.

Family law attorneys say more unmarried people are calling for legal advice, but often balk at planning for a potential split, along with the cost of drawing up such agreements, which can range from \$1,000 to \$3,000, according to attorney-matching service Legal Match.

Dixon said she brushed off her mother's suggestion that she draft an agreement with Blue detailing how much she invested, figuring that their mutual trust and equal contributions made it unnecessary. (They are planning to get a pre-

nup when they wed, she said.)

There are a lot of questions couples don't often think about, such as whether one owner has the option to buy the other out, and how quickly they need to identify a real-estate agent if they decide to sell, said Ryan Malet, a real-estate lawyer in the D.C. region.

The legal risks often don't deter young home buyers.

Peyton Kolb, 26, and her fiancé figured that a 150-person wedding would cost \$200,000 or more. Instead, they bought a three-bedroom near Tampa with a down payment of less than \$50,000.

"We could spend it all on one day, or we could invest in something that would build equity and give us space to grow," said Kolb, who works in new-home sales.

Owning a place where guests could sleep in an extra bedroom, instead of on the couch in their old rental, "really solidified us starting our lives together," Kolb said.

Their wedding is set for next May.

Homes and weddings have both gotten more expensive, but there are signs that home prices are rising faster. From 2019 to 2023, the median sales price for existing single-family homes rose by 44%, according to the National Association of Realtors. The average cost of a wedding increased 25% over that time, according to annual survey data from The Knot.

## Rent vs. buy

Roughly three quarters of couples move in together before marriage, and may already be considering the trade-offs between buying and renting. The cost of both has risen sharply over the past few years, but rent rises regularly while buying with a fixed-rate mortgage caps at least some of the costs.

An \$800 rent increase prompted Sonali Prabhu and Ryan Willis, both 27, to look at buying. They were paying \$3,200 in monthly rent on their Austin, Texas, apartment and felt they had outgrown it.

In October, they closed on a \$425,000 three-bed, three-bath house. Their mortgage payment is \$200 more than their rent would have been, but they have more space. They split the down payment and she paid about \$50,000 for some renovations.

Her dad's one request was that the house face east for good fortune, she said. Both parents are eagerly awaiting an engagement.

"We're very solid right now," said Prabhu, who plans to get married in 2026. "The marriage will come when it comes."

# Daters Try Pheromone Fragrances

Continued from Page One  
ary biologist at the University of Oxford who researches pheromones and animal behavior.

Pheromones are chemical signals between individuals of the same species that trigger a certain behavior. No credible study has identified chemicals that act as human sex pheromones, he said.

You might think otherwise if you search for pheromone perfumes on the internet.

A pheromone cologne from Cupid Fragrances, also known as Cupids, for example, claims it can seduce and arouse women using pheromones backed by 20 years of research. It says it includes three pheromones—androstenone, androstanediene and androstenol—found in male sweat. Pheromone perfumes marketed at women boast chemicals found in female urine and vaginal fluids.

Cupid Fragrances declined to comment.

A representative of Pure Instinct, maker of the product that Gayden used on her date, said scent can "trigger emotional and physical signals in the brain," and those signals can impact mood, emotions and affection.

At Osswald NYC, a fragrance and skin-

care boutique in New York City's Soho neighborhood, young people ask about pheromone perfumes around once a day, said Dustin Lujan, a partner at Osswald. Such inquiries have increased in the past six months.

"Pheromones in perfumes are a myth," he says he tells them. Osswald, who likens pheromone perfumes to a mood ring, said nothing on his shelves includes them.

The interest isn't all that surprising—the placebo effect can make it seem like pheromone perfumes are working, said Valentina Parma of the Monell Chemical Senses Center in Philadelphia.

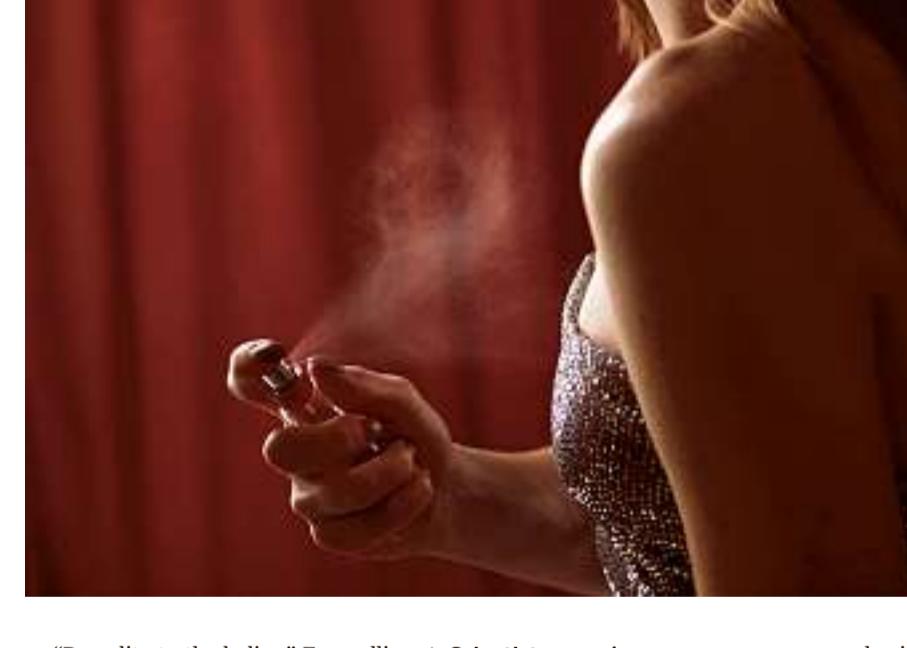
Much of mating and dating is based on projecting confidence, she said. If the pheromone perfumes make you feel confident, that can be attractive. But that's not because of a chemical, she said.

Dr. Johannes Frasnelli, a professor in anatomy at the University of Quebec in Trois-Rivières, said at higher concentrations, alleged pheromones such as androstenone can stink like a male locker room.

She says men sat closer to her and got physical more quickly, and always complimented her smell.

Sometimes it made her uncomfortable. "It was like a lion on fresh meat," she said.

Only one person, she said, seemed immune to its effects: her



▲ Scientists say pheromone perfumes aren't the love potions they claim to be.

boyfriend.

The perfume's ingredients, written in Chinese, are vague: the list includes water, ethanol and a phrase denoting fragrance oils. There's no explicit reference to specific pheromones.

A study from Romania tested twelve perfumes that claimed to include human pheromones and found only seven actually contained synthetic human pheromones.

In 1994, a fragrance company called Erox patented fragrances containing "naturally occurring human pheromones"—specifically, two chemical classes, 16-Androstenes and Estrenes—thought to inspire sexual behavior and attraction.

This was based on a study that reported that two compounds in

these classes could activate a person's vomeronasal organ—a region in the nose other animals use to detect pheromones—Wyatt said.

There's just one problem: the vomeronasal organ doesn't work in humans.

"The thing about pheromones is the scientific evidence doesn't actually have to be that strong," Wyatt said. Erox doesn't appear to be operating and couldn't be reached for comment.

Frasnelli, the anatomy professor in Quebec, believes scientists are unlikely to find a sex pheromone in humans because

our brains are big. It's rare for a stimulus to elicit the same response across the board, he said. "There's nothing stereotypical about humans," he said.

Still, pheromone perfumes have a passionate customer base who believe they boost their chances of romance.

Gayden thinks people are nicer to her when she uses it, she said. The world treats her differently. Her perfume was a secret she never shared with the men she attracted. She did, however, get her friends and her mother, Yona Gayden, in on the hack.

Yona, 52, said the pheromone perfumes make her husband extra nice and flirty.

She bought her own mother, a single 71-year-old, a bottle of the company's pheromone-infused perfume too.

"If you don't try it, I think you'd be a fool," she said.



◀ Alannah Gayden says her date went wild after she applied a pheromone perfume.

FROM TOP: ELENA SCOTT/WIREIMAGE; SONALI PRABHU; SHEILA DAVIDSON

MARSELL GORSKA GAUTIER/STOCK

SIR EDMUND HILLARY AND TENZING NORGY, 1953  
FIRST SUCCESSFUL ASCENT OF MT EVERESTNATIONAL GEOGRAPHIC  
AND ROLEX PERPETUAL  
PLANET MOUNTAIN  
EXPEDITIONS, 2019CHRISTINE JANIN, 1990  
MOUNTAINEER AND  
POLAR EXPLORER

## COME WIND, HAIL OR TEMPESTS

**Its name says it all.** The Explorer was inspired by those who first summited the Earth's highest peaks. Like them, it is able to endure these most strenuous conditions. However sober and smart this watch may be, it is precisely the tool these adventurers need. Amidst the chaos of the unknown, what these men and women require is reliability and above all, simplicity. Something reassuring, efficient and instantly legible, to ground them even if nothing else around or within them does. This watch embodies just that. An unremitting teller of time, come wind, hail or tempests, that will see one's own adventure to its pinnacle. **The Explorer.**

#Perpetual



OYSTER PERPETUAL EXPLORER

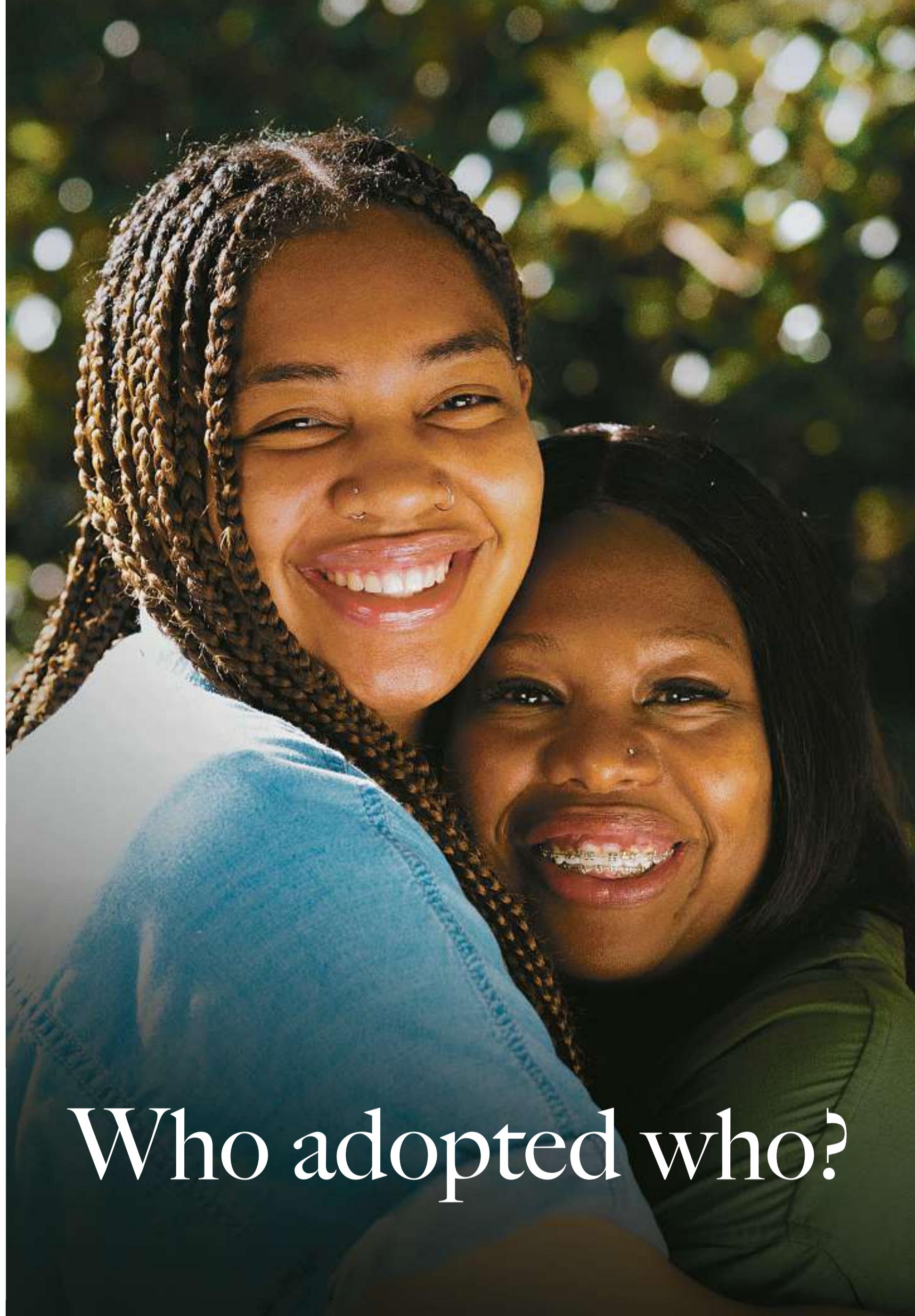
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ROLEX



# Who adopted who?

Adopt a teen.  
You can't imagine the reward.



A D O P T U S K I D S . O R G



## SPORTS

BY ANDREW BEATON

**E**ven the New York Giants' players seemed to understand last week that the team was punting on the rest of the season.

By benching quarterback Daniel Jones to potentially save over \$20 million next season, the team shifted its focus from winning in 2024 to financial flexibility next year and beyond. So it was hardly a shock on Sunday when the Giants, led by third-stringer Tommy DeVito, sank to 2-9 after getting clobbered 30-7 by the Tampa Bay Buccaneers. New York put up its only points in garbage time.

"It just sucks," star defensive lineman Dexter Lawrence said after Jones was benched. "But at the end of the day, it's business."

If misery loves company, though, at least the Giants have their co-tenants at MetLife Stadium: The New York Jets might be the only team in the NFL having a more wretched go of it. They fired their coach after five games and then last week jettisoned their general manager. There is no question that a campaign that began with Super Bowl aspirations and has now gone completely off the rails.

Together, the Jets and Giants have somehow put the 2024 NFL season in contention for the worst in New York history—which takes some doing. Both franchises have been stuck in a brutal stretch for years.

Their combined record of 5-17 means that they have won 25% or fewer games in three of the past five seasons. The Jets haven't earned a single playoff berth since 2010, the longest drought in the league by five years. The Giants have only one post-season appearance in the last eight seasons.

And both the Jets and the Giants have reached similar states of disrepair after following the blueprints that have so often defined their respective franchises. When No. 2 overall draft pick Zach Wilson struggled over his first couple seasons, the Jets sought a quick fix by going all-in on Aaron Rodgers. The more even-handed Giants stuck to their plan with Jones for too long only to scrap that plan midyear, leading Jones to ask the team to release him.

The Giants had initially selected Jones sixth overall in the 2019 draft as a potential heir to Eli Manning after the franchise struggled to move on from the aging legend. With Jones's first three seasons hampered by injuries and middling play, the Giants appeared ready to move on from him too and declined the fifth-year

# New York Teams Sink to New Lows

After Week 12 of the season, both the Giants and Jets have reached similar states of disrepair



Above: Tommy DeVito and the Giants fell to 2-9. Below, the Lions' Jahmyr Gibbs rushed for two touchdowns.



option on his rookie deal.

But in 2022, Jones proceeded to have the best season of his career and led the Giants to a playoff berth, including a wild-card win when he threw for over 300 yards and ran for 78 more. At that point, the team decided this one-year sample outweighed the other three and locked him up with a lucrative long-term extension.

That's now the same deal the Giants scrambled to escape by benching him after he was hurt most of last year and struggled this season with a limited supporting cast. Had Jones injured himself in what remains of the season, he'd be guaranteed tens of millions in additional money. But by making sure he stays as far as possible from the field by granting his release, the team got rid of him with a far less burdensome fi-

nancial penalty.

On the other hand, an overabundance of patience isn't a problem the Jets have ever been accused of having. Wilson's poor play over two seasons, combined with the talent they had accumulated elsewhere on the roster, convinced them to acquire Rodgers from the Packers last year.

But it hasn't gone any better than the previous

time the Jets acquired a future Hall of Fame quarterback from Green Bay in his twilight years—Brett Favre missed the playoffs in his only season in New York. In 2023, Rodgers tore his Achilles on the opening drive of his debut. And this year, the Jets are 3-8 despite team owner Woody Johnson declaring this the most talented team since he bought the franchise nearly 25 years ago.

Now, both New York teams face uncertain futures as they challenge their worst season since the merger, when they had a combined 21.4% winning clip in 1976. The Jets will have to decide if they want to run it back with Rodgers again. The Giants are positioning themselves to have a chance at nabbing one of the top quarterbacks in the draft. It hasn't made it easier on their fans watching

running back Saquon Barkley star for the rival Eagles—the former Giants first-round pick, who the team let walk in free agency after last year, just ran for 255 yards on Sunday night.

In the meantime, the one NFL team that actually plays in the state of New York is in an entirely different situation: the Buffalo Bills are among the Super Bowl favorites.

## An Electric Finish

The ending of Sunday's Dallas Cowboys-Washington Commanders game was sheer mayhem.

First, Washington quarterback Jayden Daniels tossed a touch-down pass, and then ran for a 2-point conversion, with 3:02 to play to narrow the lead to 20-17. On the next play, the Cowboys' KaVontae Turpin pulled off a dizzying 99-yard kickoff return. A minute later, Washington cut the deficit down to seven again with a field goal. Once Daniels got the ball back with under a minute to play, he hit Terry McLaurin for an 86-yard touchdown on the first play of the drive. It looked like that would tie the game—until kicker Austin Seibert missed his second extra point of the game.

That wasn't even the end of it. When Washington attempted a desperation onside kick, Dallas returned yet another kick for a score. All of this was incredibly rare. The 31-point flurry in the final 3:30 of the game marked the second most points scored in that window since the merger, trailing only the 36 points the Vikings and

Ravens put up in 2013. Additionally, according to Stats, it was the first game in NFL history with two kickoff returns for touchdowns in the final five minutes of the fourth quarter.

## Lions' Running Bet

Taking a running back early in the draft is typically derided these days—and with good reason. It's using a premium pick on a position that can typically be filled pretty cheaply. Look no further than this past offseason when teams such as the Eagles and Ravens built Super Bowl contenders around free-agent backs Saquon Barkley and Derrick Henry, respectively, without breaking the bank.

But one exception to the rule might just be Jahmyr Gibbs, selected by the Detroit Lions with the 12th pick last year. He was a Pro Bowler as a rookie and has continued to be quite efficient out of the backfield this year, adding two touchdowns in Sunday's 24-6 win over the Indianapolis Colts.

Gibbs, who's averaging 5.8 yards per carry and has 10 rushing scores this year, is also a key reason why Detroit is now 10-1 and the favorite at sportsbooks to win the Super Bowl. That's because he's one of many weapons that can beat defense in numerous ways. On top of Gibbs and his backfield mate David Montgomery, they have one of the game's best receivers in Amon-Ra St. Brown and a bright young tight end in Sam LaPorta.

## Chiefs Panic?

After the Kansas City Chiefs lost their undefeated season with a loss to the Buffalo Bills, they had a golden opportunity to get back on track against the lowly Carolina Panthers. But this year's Chiefs make barely anything feel easy—and they needed some vintage Patrick Mahomes magic to come out on top Sunday.

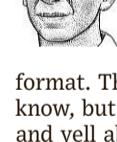
With under two minutes to play, Carolina marched through Kansas City's defense to score a touchdown and nailed a 2-point conversion to tie the game at 27. Only that left plenty of time for Mahomes to get back to work. He scampered 33 yards to bring the Chiefs within range for a game-winning field goal that gave them a 30-27 victory.

It was hardly confidence inspiring, though, and that's been the trend this year. It's fair to start wondering whether they can live up to the Kansas City teams that won the past two Super Bowls.

Then again, the Chiefs didn't look quite like themselves for much of last season—and it still ended with Mahomes hoisting the Lombardi Trophy.

JASON GAY

# College Football Changed Everything. Is the Game Better?



College football went kaboom this season, in a radical, dollar-chasing reframe of the sport's conference geography and playoff format. There's still a lot we don't know, but...it's time to check in and yell about stuff, because that's what college football lunatics do best.

**The 12-team playoff fever:** I think I like it. So far, I was worried that expanding from four teams to a dozen would diminish regular season showdowns, because a loss—or even two or three losses—wouldn't be so devastating. The sport risked sucking the tension out of the best part of college football—crisp rivalry Saturdays in October and November—for yet another made-for-TV postseason cash grab.

Instead, it feels like there's actually more chatter about the regular season, and deeper into it, because a larger number of teams have a crack at the playoff dance, which begins on Dec. 20. Rivalries appear sturdy, surprise powers are emerging, and ratings are robust.

Plus: chaos! College football fans love chaos almost as much as they love seeing a rival choke, and there's been plenty. We have some clarity on the Big Ten (likely four teams) and the SEC (two or three teams) but we don't know how the ACC (SMU!) or Big 12 (currently in a four-way tie for first, wild) is going to figure in, or where to install Notre Dame. Boise State has an edge to represent the "Group of Five," but that's not a lock, either, nor are the answers to probing questions like whether or not three-loss Alabama should be left

at home. (Actually on that question, we do: yes. Sorry, Tide.)

Adding spice has been the weekly Tuesday update of the "projected" 12-team playoff bracket, a mostly meaningless exercise until conference championship games are resolved and the bracket gets locked in on Dec. 8. The projected bracket may be silly, but it stirs the pot, ticks off coaches, irritates fan bases, and provides endless playoff content for media beasts.

College basketball has to be asking: Why didn't we think of a crazy idea like that?

We have no idea how the actual playoff games will shake out—how many cold weather games there will be (as many as possible, I hope); if a first-round bye will disadvantage the top four seeds (maybe!); if even the most dedicated college fans will be up to travel to potentially four playoff games. Also unknown: What it means for the athletes who are being made to play these additional games.

Yes, you just caught me thinking that college football was still marginally about students—I know it's a quaint suggestion, but even in the player-compensated name, image, likeness era, it's worth keeping in mind, as the adults rearrange the furniture for maximum bucks.

**Conference expansion:** To refresh: the SEC swore in Texas and Oklahoma; the Big Ten added Washington, Oregon, UCLA and USC; SMU, Stanford and California fled for the ACC; and the Big 12 pinned on Utah, Arizona, Arizona State, and Coach Prime. (The Pac-12, meanwhile, is downsized to

a romantic table for two, Washington State and Oregon State.)

It's far too early to assess the full impact.

An obvious reading is that the college football's gravitational field is now tilted even further in the direction of the Big Ten and the SEC, which dominate much of the marquee television coverage and yapping about the playoff.

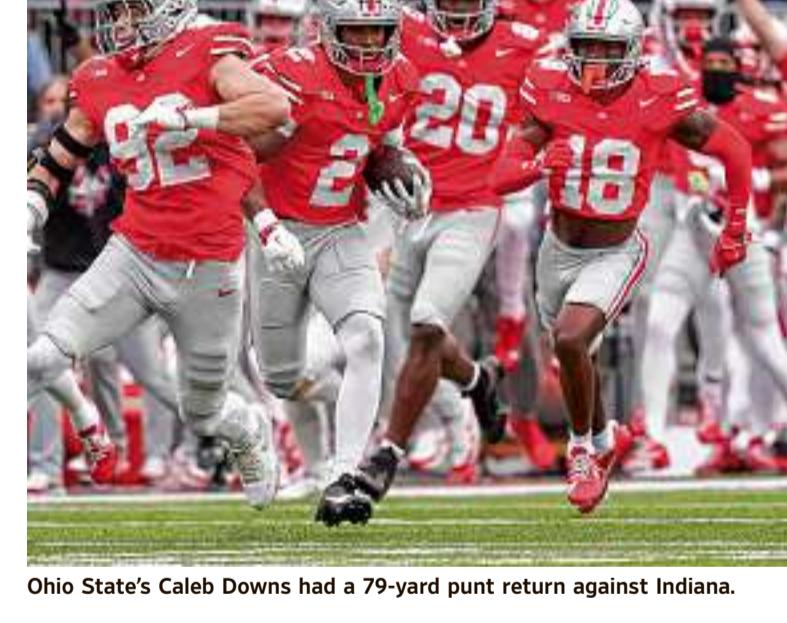
You can already sense what these twin behemoths must be thinking—*why do we have these other conferences, why don't we just create our own super league?*—which would be another continent-shifting change to the landscape and business of college football.

Is super-consolidation inevitable? Or do the sport's haves appreciate the value of the have-less?

There have certainly been some fun twists—Ohio State and new Big Ten buddy Oregon played an early season humdinger in Eugene; Georgia piled it on unbeaten SEC newbie Texas soon after; and there's the aforementioned craziness in the Big 12, where Deion Sanders's Colorado had an inside track until getting thumped by nightmare spoiler Kansas, the nation's best 5-6 football team.

There's also the chance of some real cockamamie happenstance, like current national No. 1 Oregon and No. 2 Ohio State possibly playing each other two more times—in the Big Ten championship (quite likely) and (possibly) in the 12-team playoff.

Then again, 6-5 Michigan could derail that by beating Ohio State in Columbus this Saturday, and I'll pause for you to fall over and laugh here. The woes of my nemesis



Ohio State's Caleb Downs had a 79-yard punt return against Indiana.

ses are all my pathetic soul has left, after my 5-6 Wisconsin Badgers somehow gave up 44 points and got crushed by Nebraska.

**Zombie Bowls, NIL, etc:** The playoffs haven't completely eliminated the bowl parade—a handful of marquee bowls are stuffed inside the 12-team playoff like a John Madden turducken. Outside is a graveyard assortment of Zombie Bowls to amuse the nation's compulsive gamblers and the hopelessly obsessed.

For how much longer? Unclear. A successful 12-team playoff will prompt immediate speculation about expansion. If organizers bat off the suggestion, remember: they did the same thing about a 12-team playoff.

As conference realignment showed: Television is what sets the course in college football, and if TV wants (and more importantly, college football knows it will pay \$\$\$ for) an expanded playoff, TV will get what it wants. If that prediction makes you feel angry and

protective of hallowed annual traditions like the Pop-Tarts Bowl, I understand.

This is the track college football set itself on, quite long ago, when it decided to be a big business. You may lament the era of name, image, likeness deals and collectives tempting prospects (and transfers) with multimillion-dollar assurances, but those developments are mere cousins of the private-flying eight-figure coach, the seven-figure assistant and the 10-figure television deal.

Players getting a chance to share the pile actually makes the system fairer. We haven't even gotten to the NCAA's plan to allow schools to pay athletes directly. More change is surely coming, and the side effects, especially upon Olympic sports, will be plentiful and unpleasant.

There will be successes and failures, winners and losers, and probably sooner than anyone expects, more playoffs. That's business. And that's what college football chose.

# OPINION

## The Absurd Trial of Jimmy Lai



**MAIN STREET**  
By William McGurn

Apple Daily founder Jimmy Lai's trial resumed last week in Hong Kong. Among the questions asked by the defense was about someone the prosecution characterized as a "U.S. anti-China propagandist." That would be me. Jimmy answered that we are the "closest" of friends, and that when he became a Catholic, I became his godfather.

All innocuous stuff. But a Chinese friend of Jimmy's told me the word "godfather" may carry more sinister connotations for the Hong Kong government. Cue the theme song from Francis Ford Coppola's film epic about the Corleone family.

It's absurd. But no more absurd than Jimmy's whole trial, which paints him as Hong Kong's Osama bin Laden—"mastermind" of a national security threat to China. To drive this home, the Hong Kong government has pulled out props that rival Hollywood's: the chains they put on a then-72-year-old Jimmy when he was arrested, the massive police presence at his trial as though he might bust out, not to mention the solitary confinement imposed for most of Jimmy's four years in prison.

With all this, the trial is only showing what everyone in Hong Kong already knows: Jimmy was an incredibly en-

gaged publisher whose journalism proved highly popular.

On Friday Jimmy was asked about an Oct. 27, 2019, interview with him headlined, "What the Americans are telling Us." The piece called for "continuous lobbying" to gain foreign support for Hong Kong. Asked to explain, Jimmy said "lobbying" meant emphasizing the peaceful and nonviolent nature of the protests.

"All I said in this article was the true reflection of the facts I perceived," Jimmy said according to Reuters. "And the true thoughts of my heart, without any sense of hostility or intention to be seditious. And this goes for all my other articles."

He added: "For truth prevails in God's kingdom, and that's good enough for me."

Official transcripts aren't publicly available. But each day a website called the Witness—founded by a group of former court reporters—publishes an unofficial account.

The public can also follow the reporting of media outlets in the courtroom.

The moderating nature of Jimmy's voice shines through the testimony. Apple Daily staffers were forbidden to advocate for Hong Kong independence. Jimmy also opposed the violence by some of the younger protesters, recognizing immediately that it "scared away" the peaceful Hong Kong citizenry.

Likewise he denied that calls for "resistance" were really calls for violence. The core of the government's case is that Jimmy is anti-China

and anti-Hong Kong. As he's made clear from the first day of his testimony, all his activities were pro-freedom and pro-Hong Kong.

Specifically, he was trying to hold China to its promises to honor the values and freedoms that transformed Hong Kong from a barren rock into a global center for trade and finance. On the stand, he listed these Hong Kong values:

**All prosecutors have proved is that the Apple Daily founder is guilty of journalism.**

"rule of law, freedom, pursuit of democracy, freedom of speech, freedom of religion, freedom of assembly." Apple Daily, he said, "aligned" itself with them.

As for the U.S., the Hong Kong government can't seem to make up its mind whether Jimmy was carrying out an American plot or directing America to carry out his. Probably the most substantive allegation is that at meetings with senior officials including Vice President Mike Pence, Jimmy lobbied them for sanctions.

In the courtroom he denied it. "I would not dare to ask the vice president to do anything," he said. "I would just relay to him what happened in Hong Kong when he asked me." And encourage Mr. Pence to lend his voice to Hong Kong's cause.

Mr. Pence confirms Jimmy's account. In a text Sunday, he called Jimmy a "hero." "During our meeting at the White House in July of 2019," he said, "Jimmy Lai and I discussed his stand for democracy and his hope that we would continue to speak out on behalf of the rights and autonomy promised to the people of Hong Kong."

On sanctions Mr. Pence was unequivocal: "Jimmy Lai did not ask for US sanctions or any action against Hong Kong or China."

John Bolton, then national security adviser, says the same. "I've known Jimmy for many years," he said in an email, "and I was glad to visit with him about what was actually going on in Hong Kong."

Those who know Jimmy say it's dangerous for the government to have him on the stand. They say that after all that time in solitary, he's back to his old, charismatic self. And that watching him testify can seem like watching an Apple Daily editorial meeting, with Jimmy holding forth on truth and freedom.

Mark Clifford is a former Hong Kong newspaperman and board member of Jimmy's media group. He is also author of Jimmy's biography, "The Troublemaker," which will be published Dec. 3. He sums up the trial this way:

"Jimmy Lai's testimony shows that he was guilty only of practicing good journalism. The idea that he was somehow driving U.S. policy on Hong Kong is laughable."

*Write to mcgurn@wsj.com*

## U.S.-India Relations From 15,000 Feet



**GLOBAL VIEW**  
By Walter Russell Mead

Tawang, India Tawang, the regional center of a tiny slice of India wedged between Bhutan and China in a far-flung corner of India's northeast state, is off the beaten track for foreign visitors. But from here the promise and complexity of the U.S.-India relationship are easy to see.

Our local host was the India Foundation, which has close relations with the ruling Bharatiya Janata Party. Thanks to the foundation, a small delegation organized by the Hudson Institute (my think tank base in Washington) had been cleared to visit this sensitive border region. After about a three-hour flight from New Delhi, we boarded a helicopter for a 70-minute flight over Bhutan before landing at Tawang.

Disembarking, we were greeted by dignitaries bearing wooden bowls brimming with the locally produced alcoholic spirit. While four people performed an energetic and surprisingly lifelike yak dance around us, our hosts gave us some basic facts about the region. The predominant ethnic group, the Monpa, has about 50,000 members who are subdivided into six smaller groups each with its own language.

Monpa, we were told, means "lowland dwellers." With Tawang a mere 11,500 feet above sea level, the real

mountain dwellers consider the Monpas the next thing to flatlanders. Even so, life in Tawang can be rugged. Fermented yak cheese is a challenging condiment to wrap your tongue around, yak meat is both tough and on the gamey side, and yak butter tea is an acquired taste that I, sadly, failed to acquire. Happily, non-yak options abound.

It was to Tawang that the current Dalai Lama came as a refugee in 1959. Over these same roads in 1962 came Chinese invaders, not stopping until they reached the fertile plains of Assam. The invasion shocked then-Prime Minister Jawaharlal Nehru into asking the U.S. for military aid, and although the Chinese returned to Tibet after several weeks of occupation, the attack still resonates across the Northeast and in the ministries in faraway New Delhi.

From Tawang it was about a two-hour jeep trek up the rocky Himalayas to the contested India-Tibetan frontier at Bumla. Along the way we passed mix of pre-1962 fortifications and sturdier, more modern facilities from which the Indian Army prepares to defend the region against renewed Chinese aggression. Once at Bumla, where the mountains yield to the outer reaches of the Tibetan Plateau, we were shown around the facilities at a border post 15,200 feet above sea level. In the thin, clear atmosphere, we could see Chinese troops—said to outnumber the Indian defenders 2 to 1—manning the border post and

snow-capped peaks in the distance. The frontier is closed now, though a path across the hills showed where merchants, monks and animal herders once made the trek to Lhasa.

China, our briefers told us as we shivered around the kerosene-burning space heaters in the border post, has invested heavily in new infrastructure on its side of the border. India is doing its best

nation of 1.4 billion-plus people. Religion is one issue. Arunachal Pradesh's population was 10% Christian 30 years ago, we were told. Today there are more Christians than any other religious group in the state. The official estimate is that 30% of the population is Christian, but the real figure may be higher. Hindu India, conquered successively by proselytizing Muslims from Central Asia and British Christians, wants the proselytization to stop, and those wishes often clash with American ideas about religious freedom.

Then there is Bangladesh. India's northeast is nearly indefensible without access to Bangladeshi airspace. The former ruler Sheikh Hasina worked closely with India. Many Americans cheered when a student-led protest movement forced the increasingly autocratic Ms. Hasina from office in August. Many Indians believe an equally authoritarian but less pro-India government will ultimately emerge from the chaos and blame American meddling for Ms. Hasina's fall.

As seen from Tawang, a strong U.S.-India relationship is both necessary and problematic. Only America can help India keep China on its own side of the border, but America is a difficult friend.

In New Delhi and Tawang, Indians mostly cheered Donald Trump's election. They hope he will give India the support against China it seeks without making a lot of noise about human rights.

We shall see.

agencies choose to keep them. Starting on Inauguration Day, each federal agency should issue a sunset rule modeled after the Health and Human Services Department's sunset rule from Donald Trump's first term. These rules would insert expiration

sometimes requires that regulators admit mistakes, but a sunset provision means rules expire without having to point fingers or face criticism.

Idaho has proved deregulation is possible. The state repealed and revised its administrative rules code through a sunset review process in 2019. The results were dramatic.

Since then, 95% of state regulations have been eliminated or simplified. The sky didn't fall. Most regulations, when subject to genuine scrutiny, fail to justify their existence.

The federal government should learn from Idaho's success. The result would be a regulatory system that is leaner, more efficient and responsive to 21st-century needs.

*Mr. Broughel is a senior fellow with the Competitive Enterprise Institute.*

dates into all Code of Federal Regulations sections under an agency's purview, with authority grounded in the periodic review provisions of the Regulatory Flexibility Act.

The first sunset deadline should be set about three years out—long enough for a thorough review but timed to

**BOOKSHELF** | By Tunku Varadarajan

## Rise of the New Machines

### Genesis

By Henry A. Kissinger, Eric Schmidt and Craig Mundie  
*Little, Brown, 288 pages, \$30*

John McCarthy, the computer scientist who coined the term "artificial intelligence" in 1955, defined it as "the science and engineering of making intelligent machines." Nearly 70 years later, AI—as we now call it in almost jaded shorthand—is present in every facet of life. It can be used (to name but a few applications) to cheat on a college essay, treat cancer, play chess and design spaceships. It can also be used to wage war and sabotage elections.

AI is an invention that has the capacity to revolutionize human life, on a par with fire, electricity, the printing press and atomic power. Its profound importance can be gauged from the fact that the late Henry Kissinger focused more intently on AI in the last years of his life than on any other subject. In 2018, at age 95, he startled everyone by writing an essay on artificial intelligence in the Atlantic magazine. In 2021, he co-authored "The Age of AI" with Eric Schmidt (a former chief executive of Google) and Daniel Hutmacher (an MIT professor), a book that compared the advent of AI with the 18th-century Enlightenment for its ability to shape the human mind.

And now, almost a year after Kissinger's death, we have in our hands another book, titled "Genesis," about "artificial intelligence, hope, and the human spirit," which Kissinger co-authored with Craig Mundie (a former chief research officer at Microsoft) and (again) Mr. Schmidt.

Henry Kissinger was one of the great statesmen-sages of his time, and the brief but moving "In Memoriam" section at the start of the book describes him as a "student of the nine-

teenth century, master of the twentieth, and oracle of the twenty-first," the last accolade referring in part to his drive to educate us on the complexities of AI. In "Genesis," the Kissingerian imprint—that elegant mix of idealism and realism—is evident everywhere. The tone and thrust of the book, write its three authors, is one of "sober optimism," which, in fact, encapsulates Kissinger's outlook on life.

If there is a key question that animates "Genesis," it is this: Should AI become more like humans, or should humans become more like AI? Put another way: Should we control, or be controlled by, AI? The authors stress that, when it comes to artificial intelligence, the worst thing we could possibly do as a civilization—or species—is to drop our guard: "to declare too early, or too completely, that we understand it."

If Messrs. Kissinger, Mundie and Schmidt sound resigned, in places, to the primacy of artificial intelligence in human life, it is because of the irrefutable computational and problem-solving superiority of AI—or "AIs," as they often pluralize it, acknowledging that "there will not be just one supreme AI but rather multiple instantiations of superior intelligence in the world." How could it be otherwise when the average AI supercomputer is (as the authors tell us) already 120 million times faster than the processing rate of the human brain?

"Genesis" is as much a philosophy book—drawing on all that is best in the Western tradition—as it is a book that grapples with a techno-scientific phenomenon. It raises tough, often disconcerting, sometimes harrowing questions. The authors point out that AI allows humans "to know new things . . . but not to understand how the discoveries were made." The internal processes of the machine are beyond our grasp, so we must resort to a kind of faith in the machine's logic and authority. Will the age of AI, the authors ask, "catalyze a return to a premodern acceptance of unexplained authority?" Are we, they ask, on the verge of a "dark enlightenment"?

The development of ever more sophisticated forms of AI, we're told, is "a project led almost exclusively by private corporations and entrepreneurs." Could corporations form alliances to compound their already immense clout, even accruing military and political power in the process? What impact would that coup have on diplomacy, global stability and the Westphalian order of sovereign nation-states?

### Will the age of artificial intelligence see a return to a premodern acceptance of unexplained authority? Can human dignity be safeguarded?

While celebrating the role that could be played by AI in the curing and prevention of disease, and talking up its potential to be an almost heaven-sent "library of pharmaceuticals" for the benefit of mankind, Messrs. Kissinger, Mundie and Schmidt address moral questions that should make us squirm. Just as we have begun to use AI to "correct" congenital disease, might we not start using it to "install congenital advantages" in our offspring, "advantages that may not belong to either biological parent or, in the extreme, to any other human"? Would we redesign the human race? "What does the perfect human look like?" they ask. "Should we attempt to find out?" Would such genetic alterations cause the human species to "split into multiple lines"?

AI even raises theological questions. If humans come to believe that they've been replaced by machines as the foremost intellectual entities on earth, might not some people "attribute a kind of divinity to the machines themselves, thereby potentially spurring further human fatalism and submission"? While the authors don't offer answers, it is quite right that they have prompted us to search for them.

"Genesis" is a wise and deeply sane book. But it's at its least convincing in its expressions of belief that our political and scientific leaders must—and therefore will—find a way to act in a coordinated global fashion to instill into machines the core values of human "dignity." Machines, the authors write, must be "compelled to build from observation a native understanding of what humans do and don't do." They must, in other words, learn how to be human from the examples that humans set.

Therein lies the problem. Messrs. Kissinger, Mundie and Schmidt call for "the inscription of globally inclusive moralities onto silicon-based intelligence." These moralities include some—Communist Chinese, Putinist Russian and Islamist Iranian—that fall far short of our own standards. Our definition of dignity is quite unlike theirs. So much so that our machines may one day be benign and merciful, while those of our foes may be exactly the opposite.

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

## Recipe for a Regulatory Spring Cleaning

By James Broughel

Despite bold promises from Elon Musk and Vivek Ramaswamy, skeptics doubt that the Department of Government Efficiency can deliver sweeping changes. The scope of federal regulation makes traditional reform efforts exercises in futility. But the sunset-review approach offers a solution.

Don't ask agencies to identify every regulation they'd eliminate—a process that would take years and would get bogged down in bureaucratic procedures and legal challenges. Instead require them to justify the rules they'd keep. As things stand now, regulations will stay on the books unless someone acts to remove them, but a sunset rule would have them expire automatically unless

agencies choose to keep them. Starting on Inauguration Day, each federal agency should issue a sunset rule modeled after the Health and Human Services Department's sunset rule from Donald Trump's first term. These rules would insert expiration

### Idaho did it. Why can't the federal government?

dates into all Code of Federal Regulations sections under an agency's purview, with authority grounded in the periodic review provisions of the Regulatory Flexibility Act.

The first sunset deadline should be set about three years out—long enough for a thorough review but timed to

avoid vulnerability to the Congressional Review Act, which can be used to overturn regulatory actions by a future administration. As the deadline approaches, agencies will choose what to retain through the re-codification process. Each agency would have to issue a final Federal Register notice, containing every regulation to be retained. Agency rules would continue to be subject to a sunset provision every 10 years.

Critics will claim this method is too aggressive or risks eliminating vital protections, but they misunderstand the process. Agencies retain authority to preserve necessary regulations—including those mandated by Congress. The difference is now they must make a case for doing so. Regulators will be forced to focus on keeping rules that deliver value. Deregulation

dates into all Code of Federal Regulations sections under an agency's purview, with authority grounded in the periodic review provisions of the Regulatory Flexibility Act.

The first sunset deadline should be set about three years out—long enough for a thorough review but timed to

## OPINION

## REVIEW &amp; OUTLOOK

## Scott Bessent's Treasury Gauntlet

**I**nvestors cheered Monday after Friday's late news that Donald Trump will nominate Scott Bessent as the next Treasury secretary, and we hope the hedge-fund manager enjoys his political honeymoon. He'll face heavy weather once he's in the job, not least from the policy contradictions of today's Republican Party.

Wall Street denizens were relieved that Mr. Trump chose one of their own for the new Administration's top money post. Mr. Bessent is a legendary stock trader who understands financial markets. He's also a student of financial history, which may help him steer away from some policy blunders that have undone more than one Presidency.

He'll be tested from the start. Republicans have to rewrite the tax code in 2025 with the narrowest of margins in the House and the loss of pro-growth allies since Mr. Trump's first term. Most of the 2017 tax reform expires at the end of next year, and Mr. Bessent is known to believe that extending it more or less as it is now would be a victory. He's right given the legislative maze he'll have to run.

But he'll be besieged by demands for changes, not least from the Oval Office. Mr. Trump wants new tax exemptions for tipped income, overtime pay, and Social Security benefits. That's in addition to the \$3.9 trillion static-revenue cost over 10 years of extending the expiring provisions of the 2017 reform. Good luck making that math work.

Vice President-elect JD Vance may want to expand the child tax credit, which does nothing for growth, and pay for it by raising the 21% corporate rate. That would be a revenue and growth loser. Mr. Trump and others in the White House may want to add tariffs to the tax bill, which would amount to raising taxes on goods to pay for cutting taxes elsewhere. That would complicate the legislative task.

Mr. Bessent will need to be a pro-growth voice because this Administration may not have many others. In Mr. Trump's first term, Treasury Secretary Steve Mnuchin had allies in Larry Kudlow, chairman of the national economic council (NEC), and Kevin Hassett at the

**The nominee reassures markets, for now, but there are many pitfalls ahead.**

Council of Economic Advisers (CEA).

They were voices of restraint against bad ideas, such as the 44% top marginal-income tax rate that Mr. Trump floated in 2017 at the urging of Steve Bannon. Cooler heads prevailed. But Mr. Trump hasn't named his NEC or CEA choices, and if economist Peter Navarro fills either chair, watch out.

Mr. Bessent will also have to watch his back for the knives of Howard Lutnick, the nominee for Commerce Secretary, who lobbied hard against Mr. Bessent for the Treasury role. Mr. Lutnick could have more power than most Commerce chiefs because Mr. Trump inexplicably also gave him responsibility for the U.S. Trade Representative's shop. Typically the trade role fights for open markets, but in Trump II it might be another lobby for tariffs.

Mr. Bessent campaigned hard for the Treasury job himself, including in op-eds that tried to show he's come around to the virtue of tariffs. His theory is that the threat of tariffs will cause countries to reduce their trade barriers—escalate to de-escalate. That diminishes the benefit of freer trade for Americans in lower cost consumer goods and higher incomes from jobs created by making goods for export. It is also a fraught gamble that other countries won't dare retaliate because they can't lose the U.S. market.

Another early test will be whether Mr. Trump follows through on his desire, often stated privately, to fire Jerome Powell before the Federal Reserve Chairman's term expires in 2026. That would cause a market ruction, even if Mr. Trump nominated a safe pair of hands to replace him. Mr. Powell has said he wouldn't step down even if asked, and the case would probably go to the Supreme Court. Mr. Bessent will have to persuade Mr. Trump that the dismissal isn't worth the market cost.

Mr. Bessent's campaign conversion on tariffs raises the question about how willing Mr. Bessent will be to tell the President when he's making a policy mistake. If Mr. Bessent won't, it's not clear who on the economic team will. But if his lodestar is growth, he'll do well for the President and the country.

## COP29, Climate Groundhog Day

**T**he United Nation's COP29 climate summit in Baku, Azerbaijan, ended this weekend with a promise by wealthy countries to spend \$300 billion a year by 2035 to help poorer ones adapt. Was this the ransom for letting high-flying emissaries escape on their private jets?

Like the movie "Groundhog Day," each U.N.'s annual climate confab is a repeat of the last. Poor countries lambaste wealthier nations for their CO<sub>2</sub> emissions. Wealthy countries self-flagellate and promise to atone by financing climate projects in developing countries. That sums up the blowout in Baku.

The U.S. and Europe are hailing the \$300 billion deal for climate transfer payments. But like previous commitments, this one isn't legally binding, and almost any international assistance counts toward the goal. As India's emissary noted, it's an "optical illusion."

In 2009 wealthy countries pledged to spend \$100 billion a year as penance for their climate sins. The Organization for Economic Cooperation and Development took a victory lap in 2022 when wealthy countries supposedly hit that goal, though general development projects backed by multilateral financing agencies accounted for much of the spending.

Poorer countries led by India tried to shame their wealthier counterparts into offering up

**Shale fracking does more to reduce CO<sub>2</sub> than all the talk in Baku.**

\$1.3 trillion in grants. But rich countries rightly balked at asking their taxpayers to finance climate largesse in low-income countries, especially when they are spending hefty sums trying to meet their own pointless emissions goals.

The West's self-defeating climate policies have failed to reduce global emissions and may increase them by driving more manufacturing to China, India and other countries that rely heavily on coal. Global emissions are set to hit a new peak this year, though U.S. CO<sub>2</sub> emissions are expected to decline 0.6% and Europe's by 3.8%.

U.S. emissions are declining as cheap and abundant natural gas replaces coal in power production. America's coal emissions are the lowest in more than 120 years. Increasing renewable production has reduced Europe's emissions but also raised its energy prices and driven more manufacturing to China.

The reality is that U.S. shale fracking has done more to reduce emissions than the West's climate mandates and subsidies. This may be why Biden climate envoy John Podesta said he expects U.S. emissions to continue to decline under Donald Trump. By accelerating U.S. liquefied natural gas export projects, Mr. Trump could also reduce global emissions.

But don't expect this to stop the same climate movie from replaying next year.

## The IRS Wants to Prep Your Tax Return

**F**or a study in runaway government, take a look at Direct File, the tax-filing experiment from the Internal Revenue Service. In two years the program has grown from a \$15 million study to a \$114 million behemoth, despite no additional backing from Congress. The IRS wants to persuade more Americans to let the government prepare their taxes—that is, determine for you how much you owe.

The agency announced last month that it will expand Direct File to 12 new states for the coming filing season, including Pennsylvania, New Jersey and North Carolina, adding to the 12 states where it launched earlier this year. IRS staffers are working with state governments to advertise the program to taxpayers, hoping to expand on the 140,000 who used Direct File last year. Commissioner Danny Werfel called it a "critical tool in the IRS' effort to meet taxpayers where they are." Yes, at their bank accounts.

The agency is moving quickly to outrun the law. The legal basis for Direct File is in the 2022 Inflation Reduction Act, which gave the IRS \$15 million to study whether a government filing program would be feasible. The agency was supposed to report its findings to Congress before seeking additional funding.

Instead, it's funding the program on its own by siphoning cash from its other operations. That includes \$50 million from its moderniza-

**It's expanding a file-for-you program without signoff from Congress.**

tion effort and \$38 million from a fund meant to help taxpayers with their claims.

The IRS has also declared that it won't turn back. The agency announced in May that it will make Direct File "permanent" beginning next year. Thus a new program is born by bureaucratic fiat.

President Biden and Congressional Democrats have let the IRS off-leash in the hope that government filing will spread quickly, competing with low-cost tax preparers. Sen. Elizabeth Warren says she wants Direct File to draw customers from "shady tax prep giants like TurboTax and H&R Block." Anyone in private business is "shady" to Ms. Warren.

Meanwhile, she also wants to lower barriers against fraud for taxpayers who file through the IRS. She sent a letter to Mr. Werfel last month asking him to stop requiring that Direct File users prove their identity through ID.me, which requires a photo ID or video chat with an agent. Ms. Warren argues that the public filing option shouldn't be more stringent than its private competitors.

The move to expand the program is a classic example of unaccountable spending and rule-by-bureaucracy. Direct File deserves scrutiny in the next Congress, when lawmakers might claw back \$60 billion that Democrats added to the IRS budget in 2022. Left alone, the program has already far outgrown its mandate.

## OPINION

## LETTERS TO THE EDITOR

## Will Quiet Conservatives Begin to Speak Up?

Regarding John Masko's op-ed "Shy Conservatives Keep the Left in Its Bubble" (Nov. 21): I have no problem, as a liberal, hearing the views and arguing with true conservatives. I have a problem with Trump supporters who call me an "enemy," "evil" and curse at Vice President Kamala Harris. The Madison Square Garden rally was a frightening testosterone orgy.

I would also like to call Mr. Masko's attention to the emerging Trump cabinet, even without Matt Gaetz as attorney general. And Mr. Masko asks why liberals are sick at heart?

I hope he is right and we remain a thriving democracy, governed by the rule of law. Trump supporters are welcome to express their views to me as long as they respect mine.

PAMELA FINKELMAN  
Greenville, Del.

the only things that will be persuasive in most cases. The consequences of open borders, no cash bail, profligate federal spending, underfunding the military, loan forgiveness, federally funded sex-change surgery for imprisoned illegal immigrants, etc., will serve not only as the best, but the only, teacher.

JOHN REDMOND  
Greensboro, N.C.

I am a conservative who has always spoken politely and openly about my political beliefs. As a result, I no longer have any friends from my Connecticut high-school class, I lost my childhood best friend and my circle of friends now is almost totally Republican.

Oh, and there are also relatives who have ghosted me.

SUSANNA HOFMANN MCSHEA  
Orlando, Fla.

Mr. Masko's op-ed mirrors much of my own sentiment as a right-leaning centrist in a work and social sphere populated almost exclusively by associates with panicked leftist views of the election. It may be true that even "shy conservatives" have a responsibility to speak up or risk adding to the polarization that silos our discourse, but how can we be expected to do so when ostracization and further social corrosion are the consequences?

My postelection takeaway is that meaningful engagement is necessary and valuable, but only when those being engaged are also interested in honest introspection. Speaking into an unwilling echo chamber amplifies the rage.

NATE MALLORY  
Plano, Texas

## DOGE Could Get Bogged Down in the Swamp

With all my heart I wish Elon Musk and Vivek Ramaswamy luck; they'll need it if the past is any guide ("The Musk-Ramaswamy Project," Review & Outlook, Nov. 16). Both the Grace and Simpson-Bowles commissions failed to effect even marginal change.

All those years ago, President Reagan entreated the Grace Commission to "drain the swamp." Its report predicted that failure to implement its recommendations would lead to a national debt in the trillions. Its recommendations were ignored, and today we owe some \$36 trillion.

The Simpson-Bowles Commission

fared worse. It was created under an executive order requiring a supermajority of 14 of its 18 members to agree on its recommendations before being sent to Congress. Only 11 of 18 commissioners agreed to support its path to fiscal responsibility.

Unfortunately, the Manhattan Project comparison is inapoposite. I fear Messrs. Musk and Ramaswamy will spend more time fending off legal challenges than making breakthroughs to the benefit of the public fisc. I hope I'm wrong, because America is lost in a financial dream.

STEPHEN G. MASON  
Woodbridge, Conn.

## From Strangers to Roommates to Pallbearers

Rich Cohen's "Luck of the Draw: Why I'm Glad I Didn't Choose My Freshman Roommate" (Review, Nov. 16) could well have been the title of my own story. In May 2017, I was honored to serve as a pallbearer at the funeral service for Rick, my freshman and sophomore college roommate.

Forty-nine years earlier, Rick and I met when we were assigned to be freshman roommates in Graham Hall at the University of Missouri in Columbia.

Rick, from a small high school in Missouri, and I, from a large high school in Colorado, likely wouldn't have selected each other as roommates had we the opportunity. During the two years we roomed together, we certainly spent a fair amount of time with each other, studying (or not), keeping our room in a condition not always acceptable to dorm "mom" Frazier, surreptitiously popping popcorn in our room (a no-no at the time), disagreeing about who was entitled to the last piece of pizza, and other equally significant issues.

In the years that passed after we graduated and went our separate ways—but still stayed in touch—our friendship grew, such that I considered Rick my best friend, the two of us in sync with our Christian faith,

## Memories of Chickening Out

"Are You Brave Enough to Pick Up Your Rooster?" (Review, Nov. 16) reminds me of the terrifying experience I had coming face to face with a life-size rooster. To that two-year-old, it looked like a monster.

My mother and I were visiting my uncle and aunt in Clinton, Ill. We were out walking in the country, when we came across the rooster. I screamed, it squawked, and my mother laughed. Finally, she picked me up. I don't know who was more frightened—the noisy rooster that was darting back and forth or the screaming child? This was 82 years ago, but I still remember it vividly.

ALICE MARCUS SOLOVY  
Highland Park, Ill.

## Ranked Choice's Unfairness

Ranked-choice voting seems a sensible method for high-information voters with informed opinions of multiple candidates ("Blank-Choice Voting in Maine," Review & Outlook, Nov. 19). But what about more typical voters who don't follow politics so closely? For them it is a confusing and off-putting process to rank candidates they know little about. It also slows down the count, which can create the suspicion that something underhanded is going on—the last thing we need.

JAMES G. RUSSELL  
Midlothian, Va.

## Pepper ... And Salt

THE WALL STREET JOURNAL



"What has the urgency of a text without the desperation of a call?"

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

## OPINION

# How Trump Can Rid Washington of Wokeness

By Mike Gonzalez  
And Armen Toolooe

**T**hat the electorate has rejected wokeness should be obvious by now. Donald Trump's most effective campaign ad featured the tagline, "Kamala is for they/them. President Trump is for you." Even liberal New York Times columnist Maureen Dowd wrote after the election that "woke is broke."

But celebrating the end of peak woke and burying it completely are two different things. What will it take to kill wokeness once and for all?

We first have to define it. Woke means believing America is riddled with inequities, where not only its people but the system itself is racist and in need of systemic overhaul;

## End DEI, take control of museums, eliminate Census racial categories and defund public media.

where society is divided between the "oppressors" and the "oppressed"; where history must be expunged and rewritten. This is a world of make-believe. But for the woke elite, it colors everything from climate policy to the Israel-Hamas war.

This elite has spent years infusing every institution with policies, procedures and mandates aimed at transforming society. Diversity, equity and inclusion measures, particularly in government and academia, have cre-

ated an identity-based system in which people's immutable characteristics, not their choices, determine whether they are worthy of awards or punishment.

To put a spike through the heart of woke, Mr. Trump and the new Congress must reverse these policies. Some of the following proposals will be easy to implement, others harder. But all will help restore sanity.

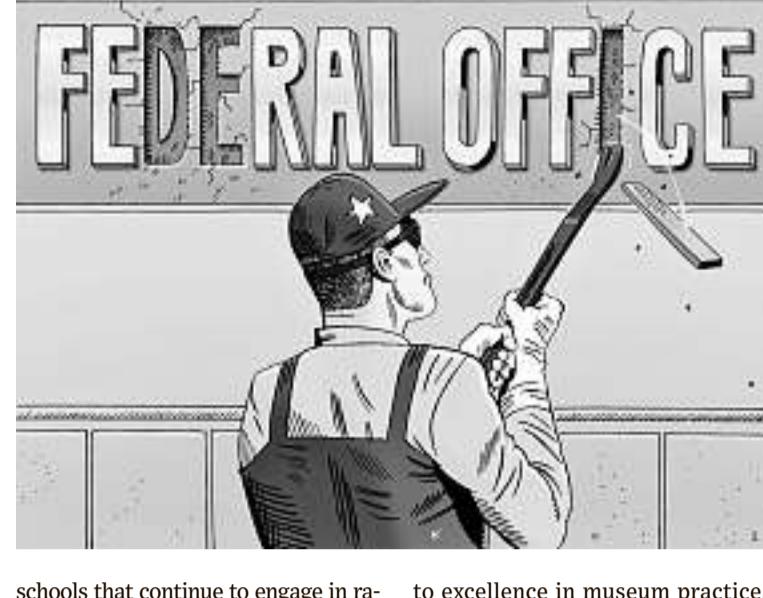
- Rescind and reverse all of Mr. Biden's executive orders implementing DEI and gender theory, including Executive Order 13985, which advanced a "whole-of-government equity agenda."

Mr. Biden also signed executive orders supporting "gender-affirming" medical interventions on minors, including puberty blockers, cross-sex hormones and surgeries. These too must go.

Mr. Trump should then sign two executive orders. The first should reinstitute his 2020 ban on DEI training for federal workers and contractors. The second should define "male" and "female" in precise biological terms, which would clarify what the Biden Title IX rule has destructively muddled, and preserve the intent of Title IX.

Congress should then pass and Mr. Trump sign the Dismantle DEI Act, currently working its way through the House, which would eliminate DEI practices throughout the federal bureaucracy.

- End woke university practices. Mr. Trump's plan, which he announced last summer, would change the accreditation system, protect free speech, eliminate wasteful administrative positions, and use the Justice Department to file lawsuits against



members of these groups have voted for Mr. Trump in large numbers, particularly this year. They're assimilated. It's time to stop dividing Americans into ethnic and racial groups.

Mr. Trump should issue an executive order directing OMB to rescind the 1977 directive (and subsequent revisions) and ordering the Census Bureau to abandon these faux categories. If the government is truly interested in disparities, it should ask questions that have real bearing on people's backgrounds and perspectives, such as, "Is there a father in the house?"

- Dissolve the Corporation for Public Broadcasting, or CPB, which funds public media organizations that are responsible for spreading the woke mind virus. Mr. Trump can't control private companies, but NPR, PBS and other public broadcasters collectively receive millions in taxpayer dollars. The CPB distributes more than 70% of its annual \$500 million congressional appropriation to public media. This must stop. Broadcasters will do fine relying on paying members.

Congress must then pass legislation undoing the Public Broadcasting Act of 1967, which established the CPB. It's time to shut it down.

This isn't an exhaustive list—much else could be on it—but everything here is vital to pull America out of the swamp of wokeness.

*Mr. Gonzalez is a senior fellow at the Heritage Foundation and co-author of "NextGen Marxism." Mr. Toolooe is chief of staff to conservative activist and author Christopher Rufo.*

schools that continue to engage in racial discrimination.

- Retake control of museums, starting with the Smithsonian Institution. Smithsonian museums have forsaken their mission of spreading knowledge and instead are trying to "decolonize" society. The National Museum of African American History and Culture, for instance, has an entire web page deriding "white fragility" and a "white dominant culture."

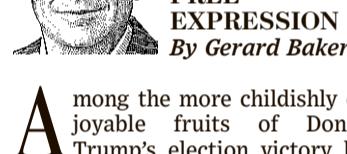
Mr. Trump should ask Congress to restore ideological balance by appointing real conservatives willing to stand up to progressive views to the Board of Regents, which governs the Smithsonian. This board is responsible for appointing the Smithsonian's secretary, or chief executive officer. The current secretary, Lonnie Bunch, says DEI "is integral

to excellence in museum practice."

- Eliminate the Census's racial and ethnic categories. These categories form the lifeblood of identity politics and are often synthetic—some were added to the Census only recently. The ethnoracial pentagon—American Indians or Alaska natives, Asian or Pacific Islanders, blacks, Hispanics and whites—emerged in the U.S. Office of Management and Budget's Statistical Policy Directive No. 15 in 1977 and was first used in the decennial Census in 1980.

Activists were banking on what sociologist Cristina Mora called "collective amnesia," expecting Americans to believe these identity groups had been defined forever. The idea was to balkanize the nation, foster resentment among groups and allow the left to gain power. But many

## The U.S. and Europe May Be Headed for a Divorce



FREE EXPRESSION  
By Gerard Baker

**A**mong the more childishly enjoyable fruits of Donald Trump's election victory has been watching the spectacular gymnastic contortions of political leaders in Europe, where I have spent time recently, as they try to reconcile their previously expressed revulsion toward him with the political reality of his renewed status as the most powerful man on the planet.

Gold medal for the back flip with full twist and 180-degree turn goes to David Lammy, the British foreign secretary, who congratulated Mr. Trump and said he looked forward to finding "common ground" with the newly re-elected president. "I felt in my bones that there could be a Trump presidency," he cheerily told the BBC the day after the election.

These were the same bones, presumably, that told the aspiring young Labourite during Mr. Trump's first term that the then and future president was "a woman-hating, neo-Nazi sympathizing sociopath," and "deluded, dishonest, xenophobic and narcissistic."

Ah well. Times change. In any case, all is forgiven, apparently. When Mr. Lammy was at Trump Tower for dinner in September the two got on famously, with the foreign secretary gleefully recounting later how Mr. Trump had even offered him "a second portion of chicken"—crown, we can assume, having been served as the starter.

European distaste for Mr. Trump is partly aesthetic, as Mr. Lammy's now no-longer-operative remarks indicate. But it is also substantive. And, despite their best efforts to suppress what they really think, they know the substance is even more serious this time around than in 2017.

In fact the next four years will almost certainly see serious and sustained breaches in trans-Atlantic comity, in ways that will irreparably impair the alliance that has, for all its fractious tendencies, been the cornerstone of civilizational progress in the world for a century.

On at least three main fronts, the second Trump administration will strain relations with Europe to the breaking point.

The first is the war in Ukraine. European leaders realize now that U.S. assistance to Kyiv stops next year and that some form of peace deal will be struck; they are convinced it will

leave Russia strengthened and emboldened.

The second is trade, where an already fragile European economy could be hammered by tariffs on exports to the U.S. and where broader global economic strife threatens the continent's creaking stability.

### Trump's re-election has exposed aesthetic and substantive divisions within the alliance.

The third is a bucket of global tensions, all likely to worsen: from climate change, where Mr. Trump's fossil-fuel-driven, go-for-growth strategy is apostasy for the European climate religionists; to the Middle East, where a staunchly pro-Israel Washington will create domestic and international tensions for the Palestinian-sympathetic Europeans; to China where an intensified U.S. effort to decouple the West from Beijing's economy will deprive Europeans of crucial export markets.

No doubt Mr. Trump's style will deepen the fissures, but there is no escaping that the Europeans have es-

sentially themselves to blame for their plight.

On Ukraine, the European Union and Britain have gone along with the Biden administration's increasingly feckless policy of what some wise heads in Europe have called "self-deterrence"—arming Ukraine enough to keep the war going but not enough to have any chance of winning it. Realization of how flawed this approach has been is dawning in European capitals. A handful of public and private sector figures last week told me they now don't know whether to be more alarmed by the prospect of a stronger Vladimir Putin in four years under Mr. Trump, or the possibility of all-out war in President Biden's remaining two months as his administration escalates in its waning days.

On the wider question of their own security within the North Atlantic Treaty Organization, Europeans are finally acknowledging that the days of free riding on American military spending are at an end.

On trade, Europe has pursued its own protectionism in a number of sectors. It also has severely constrained its economic performance with regulatory measures that have suppressed innovation and dynamism, condemning the EU to fall further and further behind the U.S.

Trade wars seldom produce good economic outcomes for anyone. But Europe is in a much worse condition to deal with the consequences than other parts of the world.

On the compendium of global issues, Europe has created its own messes. Its obsession with reducing its carbon footprint at the cost of growth has done little to "save the planet" from warming while dramatically undermining the European economy. In the Middle East, the embrace of the Palestinian cause has led Europe to growing hostility to Israel, the only democracy in the region. Witness last week's ludicrous indictment of Benjamin Netanyahu at the International Criminal Court and the earnest pledges by European leaders to arrest him if he sets foot on their soil. On China, reckless European pursuit of economic relations has created a dependency that will prove hard to break and has increasingly negative implications for Europe's own security.

It was inevitable, given the rise of the Indo-Pacific, that the trans-Atlantic relationship would diminish in significance. It is regrettable too, since that relationship has proved so beneficial to the world for a century or more. The U.S. can survive the fraying of those ties. It isn't clear Europe can.

## Trump's Economic Plan Has Inflation Written All Over It

By Alan S. Blinder

**A**mong the many ironies in the recent election is this: One of the main reasons why Donald Trump defeated Kamala Harris was the high inflation of 2021-23. Yet almost every economist will tell you—as many did before Nov. 5—that Mr. Trump's proposed policies are inflationary.

Three such policies received the most attention during the campaign: tariffs, tax cuts, and the mass deportation of illegal immigrants. I'll take those up first, before turning to what poses the biggest inflationary danger: the threat to the Federal Reserve's independence.

No matter how many times Mr. Trump denies it, tariffs are (discriminatory) sales taxes. Discriminating against imported goods is their purpose. Sales taxes, of course, raise prices for consumers, and research says American consumers have paid for almost 100% of recent tariff hikes.

How much inflation can we expect from another round of tariffs? Well, imports are about 14% of U.S. gross domestic product, though a lot of that is inputs used by American firms, not consumer goods. If the average tariff rate is 10% to 20% (I'm guessing here—tariffs on Chinese goods will be higher) that's about 1.4% to 2.8% higher prices. Most important, this is likely a one-shot price increase. Not even Mr. Trump would raise tariffs every year. Would he?

What about the tax cuts? Readers with long enough memories will recall that many economists in 2017 worried about the inflationary effect of the tax cuts because fiscal stimulus boosts spending. That inflation never happened. Ironically, however, Republicans successfully blamed the inflationary surge of 2021-23 on President Biden's American Rescue Plan—a different sort of fiscal stimulus. Probably, only a little inflation stemmed from that law. Likewise, only a little inflation is likely to

come from more Trump tax cuts.

Then there is the potential 800-pound gorilla in the room: the threatened mass deportation of illegal immigrants. That will be inflationary by restricting the supply of U.S. labor. But we can only guess the magnitude. What will the second Trump administration actually try to do? How many will they round up? With what timing? In terms of inflation, which is certainly not the most important way to judge the policy, it's anybody's guess. My own is on the low end, but I could be wrong.

So if you put all this together, the new Trump policies might add 2% to 3% to total inflation over two to three years, a percentage point a year.

This brings me to the Federal Reserve, which Mr. Trump will try to bully—or worse. If the new president eliminates, or even seriously undermines, the Fed's independence, that could prove more inflationary for much longer.

During his first term, Mr. Trump berated Chairman Jerome Powell

and the Fed constantly as they lifted interest rates gently off the floor. He even inquired whether he could fire Mr. Powell, and was told he couldn't. The Fed chair serves a four-year term and can be removed only for cause. The post was designed to be nonpolitical, not to turn over when the presidency does.

### Tariffs, tax cuts and deportations could all drive prices higher. So could firing Powell.

But that was Trump I, when there were still some guardrails in the form of sensible people in the administration. What about Trump II with no guardrails? Mr. Powell has said he won't resign if Mr. Trump asks him. Good for Mr. Powell, who has already shown more backbone than the Republican caucus.

What happens then? Can we really imagine Pam Bondi as attorney general telling her boss that he can't fire Mr. Powell? It's easier to imagine the issue going to court. If it goes all the way to the Supreme Court, it's all too easy to imagine the 6-3 conservative majority siding with Mr. Trump. If so, Federal Reserve independence goes out the window.

What could stop this awful scenario from playing out? Good judgment on the part of the president-elect? Please stop laughing and read on.

Or Congress, which created the Fed in 1913, refusing to enact the changes in the Federal Reserve Act that Mr. Trump might request? Not unless there are mass backbone transplants on Capitol Hill.

Or the Supreme Court ruling in favor of Mr. Powell and the Fed? Maybe there's a prayer. But remember, the Federal Reserve—not to mention its independence—is nowhere to be found in the Constitution. And these same six justices ruled that Mr. Trump, while president, has a lot of immunity for official acts.

That brings me to the last—and likely most effective—line of defense: the markets. At the first sign that Mr. Trump will seriously undermine, or even subjugate, the Fed, the stock and bond markets will tank. Thousands of points off the Dow might be what's needed to dissuade Mr. Trump.

We know that the president-elect keeps score by watching the stock market, which isn't a method I'd normally recommend. But this may be one case in which we're glad he does.

*Mr. Blinder is a professor of economics and public affairs at Princeton. He served as vice chairman of the Federal Reserve, 1994-96.*

## THE WALL STREET JOURNAL.

PUBLISHED SINCE 1889 BY DOW JONES & COMPANY

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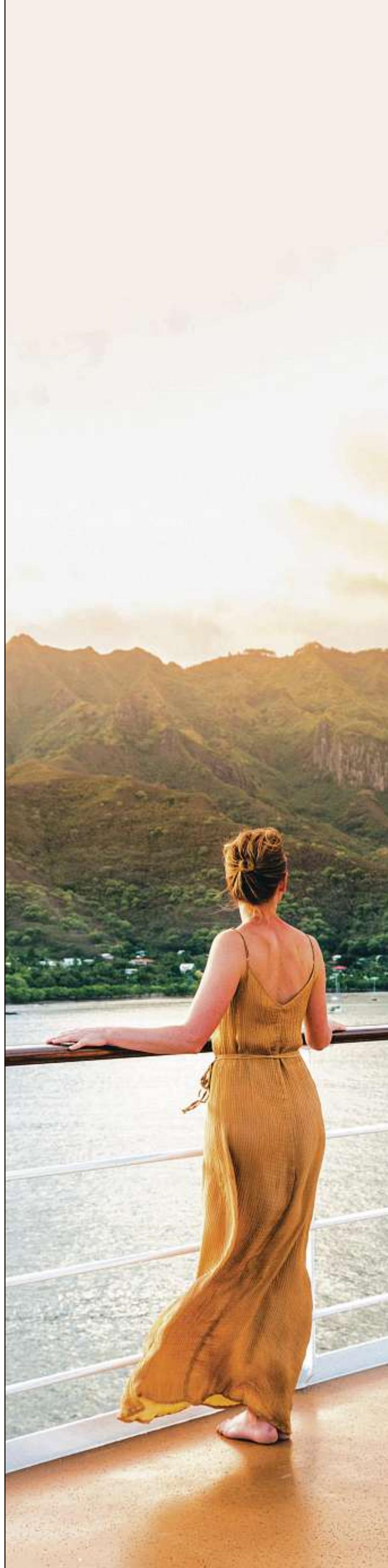
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# BUSINESS & FINANCE

THE WALL STREET JOURNAL.

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## Stores Adapt to an Online World

T.J. Maxx, PetSmart, other retailers grow even as e-commerce hits records

By KATE KING

Online shopping is at a record high. For a change, shopping center owners aren't threatened.

Americans bought \$300 billion in retail goods online last quarter, with e-commerce accounting for 16.2% of all retail sales, according to data from the U.S. Census Bureau. That proportion is nearly back to peak levels in 2020, when many stores were closed and cash-flush Americans ordered Peloton bikes and sourdough starters from their couches.

Still, after years of worrying that e-commerce would decimate bricks-and-mortar stores, retail landlords now say the sector is stronger and more insulated from online competitors than even a few years ago.

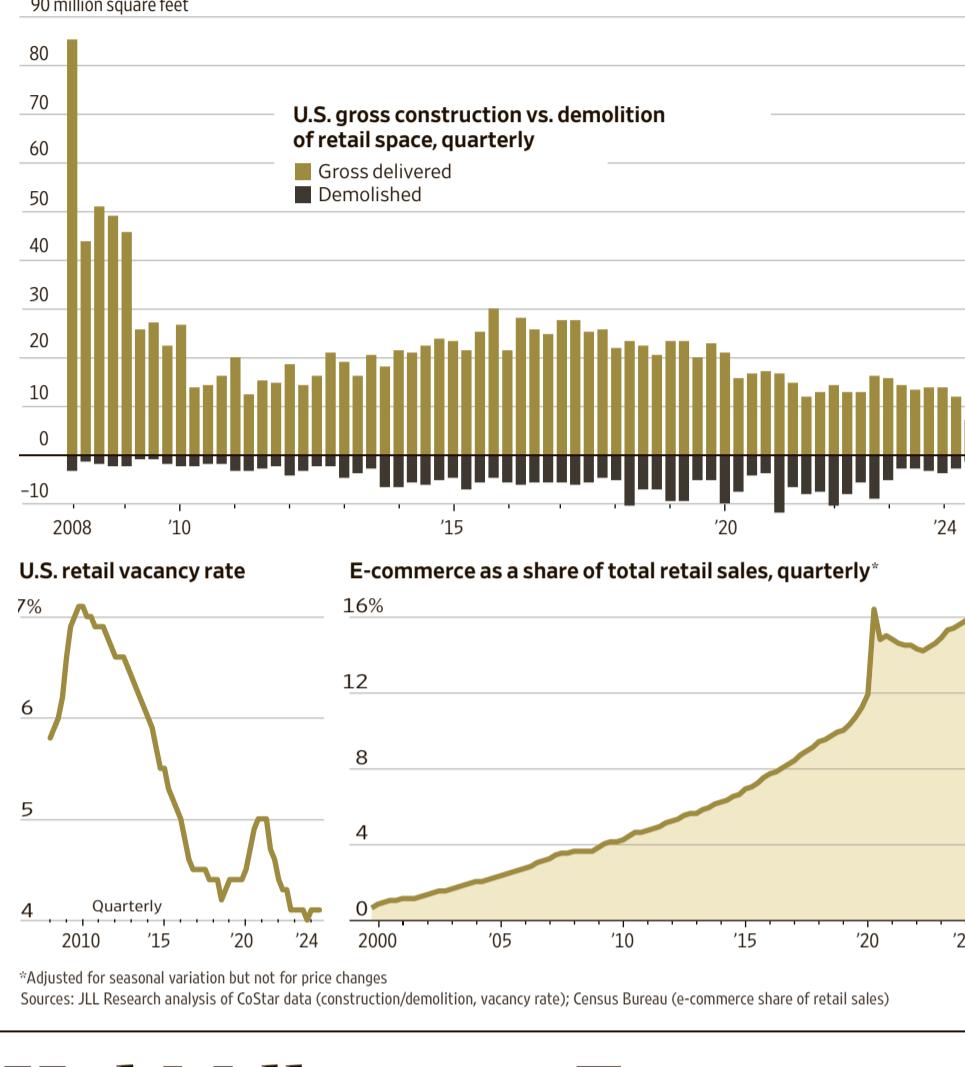
A sharp slowdown in retail construction is driving vacancies to near-record lows. While Americans stayed home during the height of the pandemic, they flocked back to stores and restaurants as infection concerns faded.

"E-commerce was thought of as this existential threat," said Jahan Mosheli, chief executive of the real-estate investment firm **Bridge33 Capital**, which has spent \$574 million acquiring 13 shopping centers this year. "In the past few years, we've seen this resilience of bricks-and-mortar retail."

Retailers are figuring out how to adapt to e-commerce's continued growth. The most successful offer their customers experiences that they can't find online, such as indoor rock climbing at Dick's House of Sport and eyebrow waxing at **Sephora**, and make it easy for customers to buy from them both in-person and online.

Less than 2% of **TJX**'s total sales occurred online in 2023 and through the first six months of this year, according to a spokesman. The company, which owns several brands including T.J. Maxx, Marshalls and HomeGoods, attracts shoppers from across the income spectrum by creating a "treasure hunt" experience. It sources merchandise in limited quantities from 21,000 vendors in more than 100 countries. The strategy prompts hardcore shoppers to time their visits with the arrival of new shipments in the hopes of snagging both in-person and online.

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## Macy's Employee Hid Millions in Expenses

By BEN GLICKMAN AND SUZANNE KAPNER

**Macy's** delayed its quarterly results after the company discovered that an employee had hidden up to \$154 million in delivery expenses over several years, prompting an investigation.

The retailer said Monday that a single employee, responsible for small-package delivery expense accounting, had intentionally made erroneous bookkeeping entries since late 2021.

The individual didn't pocket the amounts in question and

the company declined to say how it uncovered the erroneous entries or how it went undetected by the company's auditor, **KPMG**.

Macy's said it would provide details on its investigation when it reports quarterly results on Dec. 11.

"While Macy's cannot control the actions of every employee, it is worrying that these are intentional accounting errors that go back to 2021," said Neil Saunders, managing director of research firm GlobalData. "It also raises the question as to the

competence of the company's auditors."

A KPMG spokesman declined to comment. The accounting firm has served as Macy's auditor since 1988.

The disclosure came the day before Macy's had been scheduled to report its third-quarter results, though the company released preliminary sales figures on Monday that were in line with forecasts. Shares of Macy's closed down 2.2% Monday.

The department-store chain said its internal investigation found that the employee had

hidden \$132 million to \$154 million cumulatively from the fourth quarter of 2021 through the most recent period. The company said it had recognized about \$4.36 billion in delivery expenses over the same period.

Macy's said there was no evidence the accounting errors had affected its cash management or payments to vendors. The company hasn't identified involvement by any other employees, and the person who was responsible for the errors is no longer employed by the company.

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Macy's is the latest company to report issues in financial statements amid a deepening shortage of qualified accountants in the last several years. Fewer students have pursued accounting degrees, leading to more openings that remain unfilled for longer, and experts say the problem might worsen as more accountants retire.

The delayed results come as Macy's looks to turn around slumping sales. Chief Executive Tony Spring has taken aim at revamping the company's business.

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## Walmart Diversity Programs Ended

By SARAH NASSAUER

**Walmart** is ending some of its diversity programs, the latest big company to shift gears under pressure from a conservative activist.

The retailer will wind down the Center for Racial Equity, a nonprofit Walmart funded with \$100 million in 2020 for five years, and programs that provide assistance to suppliers that are 51% owned by women, minorities, veterans or members of the LGBTQ community.

Walmart will also stop allowing third-party sellers to offer some LGBTQ-themed items on Walmart.com, including items marketed to transgender children like chest binders and some books, a spokeswoman said.

Walmart has more than two million global employees and typically tries to stay neutral on hot-button social issues to appeal to a spectrum of shoppers and workers.

On Monday Walmart also said it would continue to phase out the term "diversity, equity and inclusion," or DEI, in company documents, as well as stop sharing data on its LGBTQ corporate policies with the Human Rights Campaign, an organization that has become a target of conservative activists.

Anti-DEI provocateur Robby Starbuck posted a video Monday on X taking credit for Walmart ending some of its diversity efforts. Starbuck has successfully nudged other companies including retailer Tractor Supply and manufacturers Ford and Deere to back away from diversity efforts and other topics.

Starbuck said in an interview that he had spoken with Walmart recently to let them know he planned to criticize Please turn to page B2

## Drake Takes His Beef With Lamar Into Court

By ANNE STEELE

Rap's biggest beef is moving from the recording studio into the courtroom.

Superstar artist Drake has filed court documents alleging that **Universal Music Group** used deceptive business practices to turn rival Kendrick Lamar's "diss track" into a megahit. Both rappers are signed to the label.

Drake is claiming Universal employed tactics including bots and pay-for-play to artificially inflate streams of "Not Like Us," an eviscerating track in which Lamar calls Drake a pedophile.

The spat between Drake and Lamar, whose beginnings date more than a decade, escalated earlier this year. The stars took turns releasing incendiary songs with increasingly dark lyrics in quick succession. "Not Like Us" was the most commercially successful song of the feud and, in music circles and among fans, cemented Lamar the "winner" of the beef.

Drake, whose legal name is Aubrey Drake Graham, denies the allegations in the song.

Rap beefs have long been part of hip-hop music. Big names go after each other in "diss tracks," sometimes with facts, sometimes with fabrications. But the feud between Lamar and Drake turned into an especially captivating spectacle, given the disturbing allegations each side hurled at each other in songs released at a dizzying pace.

Adding to the intrigue is that Universal, the world's largest music company, is the



## Restaurant Deals Draw Diners But Don't Secure Their Loyalty

By ROSHAN FERNANDEZ AND HEATHER HADDON

Robert Sroka is the steady customer that the restaurant industry wants right now, dining out several times a week.

In another way, the 35-year-old Maryland resident is a problem: He often chooses his destination based on the biggest discount offer.

Promotions and discounts have become the U.S. restaurant industry's go-to lure for lapsed customers. Restaurant prices are up around 30% from pre-pandemic levels, according to the Labor Department, and chains are struggling to keep diners coming.

Sroka, an assistant professor of sport management at Towson University, said he goes to **Shake Shack** some Sundays, when the chain offers free chicken sandwiches with a minimum \$10 purchase. He swooped when **Domino's Pizza** offered half off on parts of its menu and, after that deal disappeared, pivoted to its carryout promotion for a \$7.99 one-top-

Monthly traffic at quick service restaurants, change from a year earlier



ping pizza.

"I get the deal that I want, and that's usually all they'll get out of me," Sroka said.

An estimated 81% of North American consumers have ordered a fast-food value meal in the past three months, according to a September survey of 1,793 diners by market-research firm Intouch Insight. Around

half said the promotions prompted them to eat out more often or switch chains.

But deals aren't always translating to profit and don't necessarily keep customers coming back, companies and analysts said, leading restaurant-chain executives to gut-check whether discounts and

Please turn to page B2

## MicroStrategy Flies High With Bitcoin as Its Fuel

By VICKY GE HUANG AND ALEXANDER OSIPOVICH

Bitcoin prices have surged more than 30% since Election Day. MicroStrategy has climbed even faster.

The software company turned itself into a bitcoin buying machine in 2020 and now holds some \$36 billion worth of tokens. For many individual investors, the stock is a more popular bitcoin play than the cryptocurrency itself, and they are willing to pay up for it.

With a \$91 billion market value, MicroStrategy is trading at more than twice the value of its underlying bitcoin. The shares have soared more than sixfold this year and 77% since Nov. 5, with traders betting that the digital-assets industry will flourish under President-elect Donald Trump. Bitcoin prices are hovering below \$94,000 after trading near \$100,000 last week.

"MicroStrategy found a way to outperform bitcoin," Michael Saylor, the company's founder and executive chair-

man, said. "The way that we outperform bitcoin, in essence, is we just lever up bitcoin."

Saylor said he is just getting started. He unveiled an audacious plan just days before the election to hire investment banks to raise \$42 billion in capital over three years through stock and bond offerings to buy more tokens.

His company had \$4.3 billion in convertible debt outstanding as of Oct. 29.

MicroStrategy's mix of bitcoin maximalism and Wall Street-style financial engineering has paid off for its investors, but skeptics question whether it is sustainable.

Saylor's heavy use of leverage, or borrowed money, to buy bitcoin backfired during the 2022 crypto-market melt-down when the collapse of Sam Bankman-Fried's FTX dragged bitcoin prices below \$16,000. Quarter after quarter, MicroStrategy incurred mounting losses tied to bitcoin and Saylor stepped down as CEO, a position he had held

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## Kohl's Names New CEO, Its Third in Three Years

BY STEPHEN NAKROSIS  
AND SUZANNE KAPNER

**Kohl's** named a new chief executive, its third in three years, in hopes that its next leader can reverse the department-store chain's sales slump.

Ashley Buchanan, the current CEO of crafts store Michaels, will take over Jan. 15, succeeding Tim Kingsbury. Kingsbury joined the Kohl's board in 2021 as part of an activist investor group's campaign, and replaced Kohl's

CEO the following year. Kohl's has struggled with sluggish sales and its shares have fallen nearly 30% during Kingsbury's tenure. Kohl's announced the leadership change a day before the company was slated to report earnings results. Analysts expect a year-over-year sales decline.

Buchanan joined Michael's in 2020. He was previously chief operating officer for U.S. e-commerce at Walmart.

Kingsbury will stay on at the company in an advisory role through his retirement in May.

customers. And most retailers have accepted that customers want to buy items online, have them delivered quickly and return what they don't want in store. After years of investing heavily in warehouses, many retail chains have turned to their own fleet of stores as a more cost-effective way of delivering to customers' homes.

PetSmart, which has nearly 1,700 locations across the U.S. and Canada, now ships more than 90% of online orders to customers' homes from its stores. The company has formed partnerships with third-party delivery services such as **DoorDash** and Uber Eats to expand its same-day delivery capabilities and acquire new customers.

"We've really focused our digital offerings on being able to have many different ways that

customers can shop," said Cherise Ordlock, senior vice president of digital for PetSmart.

Long known

as a takeout de-

livery service,

DoorDash now

has more than

115,000 nonres-

taurant retailers

on its platform,

including beauty-retailer **Ulta**,

home-improvement chain **Lowe's** and electronics-retailer **Best Buy**.

"Really good retailers are re-

thinking the purpose of the store," said Fuad Hannon, a vice president at **DoorDash**.

**Costco** member Jan Focke

said she likes to browse the big-

box retailer's monthly coupon

mailers as well as the smart-

phone app for deals before mak-

ing her purchase in person.

"I like to not have to buy

something sight-unseen online,"

said Focke, 61 years old, who

works in banking and lives in a

suburb of Cleveland. "I can

check it out first in the ware-

# \$300B

Amount of money  
U.S. shoppers spent  
on retail goods online  
last quarter

Discount chains are among the fastest-expanding retailers in the U.S., and **TJX** has opened 342 net-new stores since 2019.

Outside of the discount sector, most retailers have learned from trial and error that integrating the online and in-person shopping experiences is crucial to survival.

Retailers such as home-furnishings and department stores that closed physical locations in favor of their e-commerce operations found customers in those markets forgot about them. Brands such as eyewear maker **Warby Parker** that started online to avoid real estate expenses discovered they needed physical stores to acquire new



A new deal to broadcast the annual Macy's parade could cost \$60 million a year, up from about \$20 million a year now.

## NBC Ready to Spend to Keep Thanksgiving Parade Rights

By JOE FLINT

Millions of Americans will spend Thursday morning watching the **Macy's** Thanksgiving Day Parade, a majestic mix of balloons, floats, high school and college marching bands and big stars.

A tradition that started a century ago, the parade remains one of the few spectacles that still draws a big audience to broadcast television, with nearly 30 million people tuning in last year.

Airing it is about to get a lot more expensive.

**NBC**, which has had the broadcast rights since 1953, is trying to hammer down a new deal with **Macy's** to keep the event on the network and its Peacock streaming service for the next decade, according to people familiar with the talks.

Under the terms being discussed, a new deal would kick in next year with an average

annual fee of more than \$60 million, up from around \$20 million now, the people said.

The price increase is indicative of the value of live programming to media companies as viewers flee traditional television for streaming services. Certain events—from football games to awards shows—still draw people to old-school TV.

Last month, **Disney** paid a roughly 20% premium to lure the Grammy Awards away from **CBS**, people with knowledge of the matter said.

The Thanksgiving Day parade is a slice of Americana—cartoon characters and commerce marching hand-in-hand from Central Park in New York City to **Macy's** flagship store in Herald Square. The event celebrates both the spirit of the holiday and the Christmas shopping season that commences after the last piece of pumpkin pie has been devoured.

Snoopy still has a balloon, as

does **SpongeBob SquarePants**. New floats this year include **Netflix**'s "Wednesday's Feast" promoting the streamer's hit show "Wednesday."

Last year, **NBC** took in \$52 million in advertising for the parade, with the average commercial costing \$865,000, according to Guideline, an advertising research and data firm.

This year, the average price per spot is almost \$900,000.

The cost of production, which **NBC** outsources, has increased from under \$4 million a few years ago to close to \$7 million for this year's broadcast.

A factor in the increase is higher celebrity appearance fees,

which often run six figures.

The rising rights fees and growing production costs will likely reduce the profits the parade generates for **NBC**. Still, the event is too important as a lead-in to the rest of **NBC's** lineup to risk losing.

Immediately following the

parade is "The National Dog Show," which last year averaged nearly 11 million viewers and is becoming almost as big a Thanksgiving morning tradition as the parade.

The 2023 dog show took in \$14 million in ad revenue with a commercial going for \$372,000, Guideline said. Because "The National Dog Show" is produced by **NBC** and is relatively inexpensive compared with the parade, it is also very profitable.

**Macy's** broke with tradition

for these negotiations and hired powerhouse talent agency WME to handle the deal, rather than negotiate for itself. The retailer's new chief marketing officer, Sharon Otterman, had previously worked at **ESPN** with Mark Shapiro, the president of WME parent **Endeavor Group**. At **NBCUniversal**, Media Group Chairman Mark Lazarus has been directly involved in the negotiations.



The retailer said strength in fragrances, dresses and active apparel was offset in part by weaker sales in digital channels.

## Macy's Worker Hid Expenses

Continued from page B1  
ness by closing underperforming locations and improving customer experience.

Those efforts have clashed with continued wariness from shoppers, who the company says have been more value-conscious and have spent more time browsing aisles.

The company said that based on preliminary results, sales fell 2.4% to \$4.74 billion in the quarter ended Nov. 2. Sales exceeded the \$4.72 billion expected by analysts polled by FactSet.

Comparable sales were down 2.4% in company-owned stores. The retailer said strength in fragrances, dresses and active apparel was offset by weaker sales in its digital channels and in cold-weather categories. **Macy's** said that its comparable sales in November were on pace to exceed results in the third quarter.

—Mark Mauer contributed to this article.

## Restaurant Discounts Lure Diners

Continued from page B1  
freebies are paying off. **Starbucks** earlier this year dabbled with a coffee and breakfast item bundle starting at \$5, but months later yanked it, saying the new discounts weren't working.

**KFC** parent **Yum Brands** and Popeyes owner **Restaurant Brands International** both said

falling further, the firm said, and contributed to a 2.8% increase in October versus the same period last year. But RMS expects restaurant traffic to continue to decline this year.

Beth Ann Kaminkow, global chief commerce officer at brand marketing agency VML, said the most effective and memorable promotions—such as new limited-time offerings, brand collaborations and "secret" menus—offer intrigue and novelty. "You have to really turn somebody more into a loyal customer, not just somebody who's voting on price, who's selecting and coming to you for the one price deal," Kaminkow said.

Many chains are leaning on their apps to cultivate repeat customers. Williams said **El Pollo Loco** aims to reengage lapsed customers—including those who chase other chains' deals—through app-based promotions, including three tacos for \$5 on Tuesdays.

Sit-down chain **B.J.'s Restaurants** said that a loyalty program offering a free serving of its signature cookie dessert for \$4.99 a month has boosted traffic, but hurt sales and profit while complicating operations for staff. "We're still in kind of this discovery and learning phase," B.J.'s President Lyle Tick said on a quarterly conference call last month.

Promotions are delivering some success at **McDonald's**. The fast-food giant said last month that its \$5 meal bundle, which was introduced in June, boosted traffic with lower-income consumers in the U.S. for the first time in roughly a year.

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## BUSINESS NEWS

## Disney Settles Suit Alleging Pay Bias

By ROBBIE WHELAN

**Disney** agreed to pay \$43.3 million to settle allegations that it systematically paid female middle managers less than men in similar roles over the course of a decade, avoiding a potentially costly and distracting jury trial.

The settlement agreement, which was filed Monday in a California state court, still requires approval by a judge. It represents a major step toward resolving a legal tussle that began in 2019, when LaRonda Rasmussen, a product manager who still works at Disney, sued the company.

Lawyers for the nine female plaintiffs in the suit, which was granted class certification last December, had argued that Disney paid women at least \$151 million less than men in comparable positions across several divisions of the company, in violation of California workplace sex-discrimination laws.

Disney has disputed the allegations and in Monday's proposed settlement agreement continued to deny any wrongdoing.

"We have always been committed to paying our employees fairly and have demonstrated that commitment throughout this case, and we are pleased to have resolved this matter," a Disney spokesperson said.

As part of the settlement, Disney would need to retain an organizational psychologist to train its compensation team on benchmarking jobs to external market data.

For the next three years, the company would also agree to have an outside labor economist perform a pay-equity analysis for full-time, non-union, California employees below the level of vice president.

## Kodak Looks to Tap U.S. Pension Windfall

The move could bring the company \$585 million in cash to cut debt, reinvest

By KRISTIN BROUGHTON

the plan is significantly overfunded and the company feels the squeeze from high interest rates, executives said.

Kodak would book an after-tax cash gain of between \$530 million and \$585 million following a series of moves that involve selling illiquid assets held by the plan, settling liabilities, terminating the plan, and then replacing it with a new one for employees. It could take more than a year for the company to complete the process, the company said.

"The intent is to strengthen the health of the business," said Chairman and Chief Executive Jim Continenza.

Kodak operates a defined-benefit plan, in which retirees receive payouts that have been funded by the company. Such plans, once a staple of corporate benefits, have dwindled in popularity over recent decades in favor of defined-contribution plans, in which employees contribute to their own retirement accounts.

After photography largely moved from print to digital, Kodak struggled to find its footing. The company in 2012 filed for bankruptcy, and sold assets and exited from unprofitable business lines. It later took detours, such as moving into cellphones and digital currency. Kodak now generates revenue by selling commercial printing products; film, including for motion pictures; and specialty industrial chemicals.

Kodak had \$214 million in cash on its balance sheet as of Sept. 30. Its pension plan has \$3.5 billion in assets, boosted by market performance and contributions made by previous executive teams, and \$2.3 billion in liabilities, according to the company. Kodak paid \$14 million in interest expenses during the latest quarter; by comparison, it generated a profit of \$18 million.

All liabilities under the plan would need to be settled for Kodak to terminate the plan. The company's U.S. pension

plan covers about 2,000 current employees. The company has roughly 4,000 employees worldwide.

Retirees would receive an annuity from an insurance company. Current employees, as well as former employees who haven't yet reached retirement, could either receive a lump sum of their balance or an annuity once they retire.

Plan participants wouldn't see a change in the value of the benefits that have been promised to them, executives said.

"It really won't look different to them," Continenza said.

Kodak expects to put a new retirement plan in place for current employees if it terminates the pension. It hasn't yet determined whether it would provide a defined-benefit or defined-contribution plan.

In a significant step toward a termination, Kodak agreed to sell private-equity and other illiquid assets held by the pension plan, according to a regulatory filing Monday. The

largest buyer, Mastercard Foundation, a philanthropic organization established by the credit-card company, agreed to purchase interests with a net asset value of \$764.4 million, while four additional unnamed buyers agreed to purchase \$87.3 million, the filing said.

Kodak's pension plan also holds hedge-fund investments with a net asset value of \$917.2 million, according to the filing.

A replacement retirement plan would have assets totaling between \$220 million and \$245 million, according to the filing.

Kodak expects to put a new retirement plan in place for current employees if it terminates the pension. It hasn't yet determined whether it would provide a defined-benefit or defined-contribution plan.

The company has \$460 million in long-term debt. Under the terms of the credit agreement, the company is required to reduce its principal balance to \$200 million if it receives cash proceeds of this size from its U.S. pension plan.

## Thyssenkrupp Steel Plans to Cut 40% of Workforce

By NINA KIENLE

**Thyssenkrupp Steel** plans to shrink its workforce by around 40%, reducing 11,000 positions as it braces for a more challenging market.

The steel business of the German industrial group on Monday outlined a series of measures—including job cuts, outsourcing and business sales—to boost its competitiveness, which the company sees as under threat from industry overcapacity and the rise of cheap exports, particularly from Asia.

The move comes as parent company Thyssenkrupp is seeking to reduce its ownership in the steel unit, which has weighed on the group's earnings lately, by forming a 50-50 joint venture with Czech billionaire Daniel Kretinsky's EP Corporate Group.



The German company will cut 11,000 jobs by 2030, citing weak demand, energy costs and imports.

The plan is the company's response to structural changes in the European steel market, it said. Thyssenkrupp and peers Salzgitter and **Voestalpine** have cut their respective

outlooks several times in recent months. Larger rival ArcelorMittal's recent results also showed an earnings hit from lower steel prices and shipments amid a subdued

economic environment.

Thyssenkrupp Steel said it wants to cut 5,000 of its current 27,000 jobs in production and administration by 2030 and shed an additional 6,000 positions through outsourcing to external service providers or the sale of businesses.

The company also plans to close its Kreuztal-Eichen processing site in Germany and is targeting a reduction in personnel costs by an average of 10% in the coming years.

The cuts are a result of the company's plans to lower its annual production capacity to between 8.7 million and 9 million metric tons in the future, down from the current 11.5 million tons a year.

Thyssenkrupp Steel had warned of job and production cuts in April, citing challenging market conditions, with weak demand, high energy costs and

rising competition from Asia hurting the business. Nevertheless, the company said at the time it was targeting a reduction in its annual production capacity to between 9 million and 9.5 million tons a year.

"In terms of operational efficiency and profitability, we still have some catching up to do in key competitive areas," Thyssenkrupp Steel Chief Transformation Officer Marie Jaroni said.

The company said it needed to take urgent measures to improve productivity and to achieve a competitive cost level. The plan will be fleshed out in the coming weeks in dialogue with supervisory bodies and employee representatives.

EP Corporate, which already acquired a 20% stake in the business earlier this year, supports the plan, Thyssenkrupp Steel said.

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## TECHNOLOGY

WSJ.com/Tech

# Novonix Seeks New Graphite Plant

Move comes after company secured battery-supply deal with Volkswagen

By RHIANNON HOYLE

**Novonix** will look at funding options for a new synthetic graphite plant in the Southeast U.S. after winning a supply deal with Volkswagen's battery business, its third customer for the ingredient in batteries that power electric vehicles and store renewable energy.

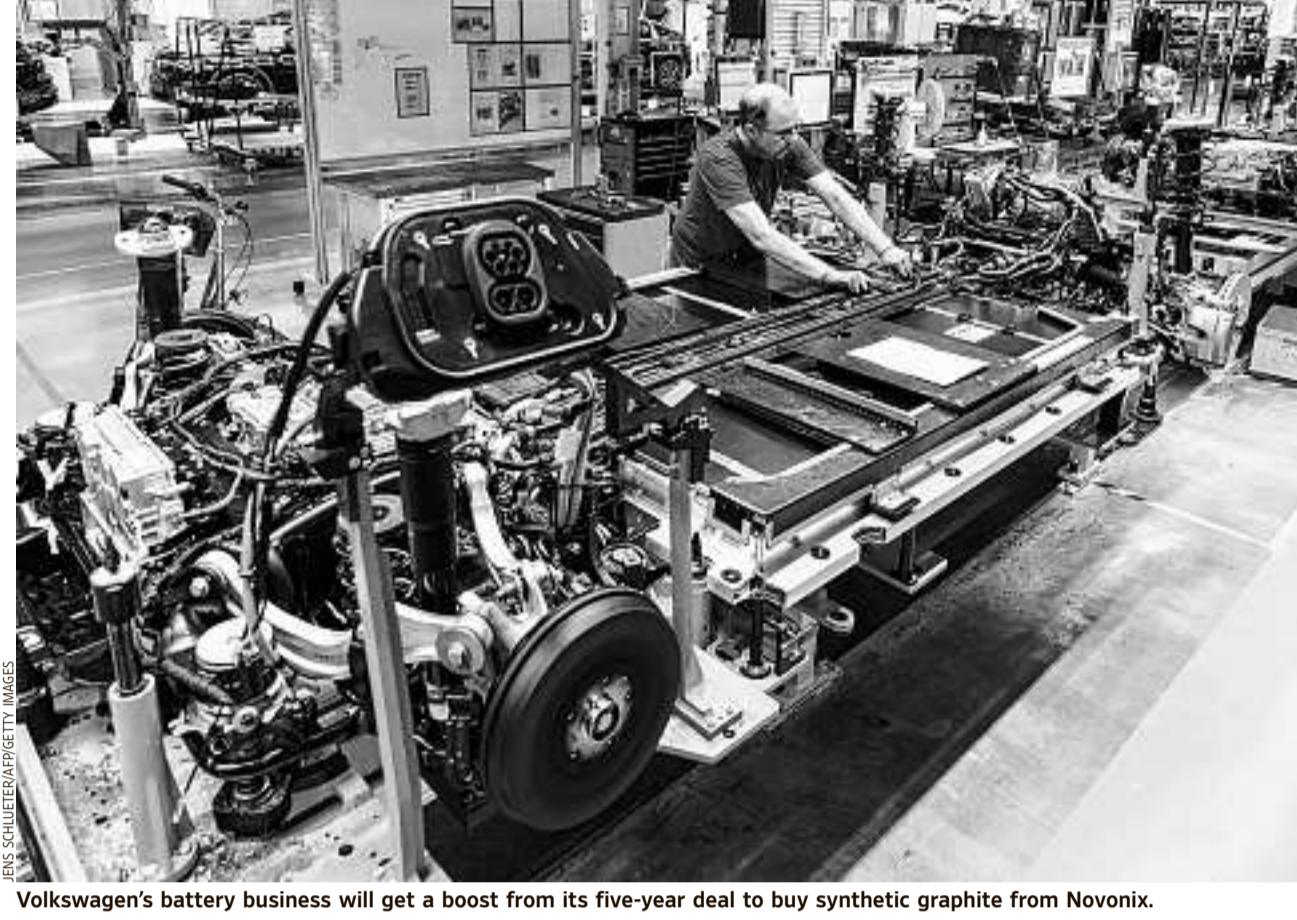
The Australian company is betting American-made graphite will be in demand as battery makers seek to reduce their reliance on China for materials essential to the energy transition. Most lithium-ion batteries use synthetic graphite, the majority of which is produced in China from a petroleum byproduct.

Novonix has one plant, called Riverside, in Chattanooga, Tenn., where it expects to start producing the battery material next year. It has been looking at sites for a second production facility, estimated to cost roughly \$1 billion, and now has enough customer support to start considering financing plans, Chief Executive Chris Burns said.

Novonix on Monday said it has agreed to supply Volkswagen's PowerCo with a minimum 32,000 metric tons of synthetic graphite over five years starting in 2027. Two weeks ago, it struck a deal with Stellantis for as much as 115,000 tons over six years from 2026.

The company in February agreed to a 10,000-ton, four-year deal to supply the battery arm of Japan's Panasonic, for use at its U.S. plants.

"It's certainly significant—significant enough to begin the work on the next facility," Burns said on Monday after announcing the PowerCo agreement. Shares in the company jumped 30% in Sydney.



Volkswagen's battery business will get a boost from its five-year deal to buy synthetic graphite from Novonix.

Those three agreements, at their target volumes, would exhaust all the capacity Novonix intends to have in place through 2028, said Burns.

The Riverside facility has a target capacity of 20,000 tons a year. The proposed new plant, which Novonix hopes to start operating in late 2028, would be designed to produce up to 30,000 tons annually, and could later expand to 75,000 tons, Burns said.

Now, "we'll be working with our customers, strategic partners and investors to understand how to build the financing package to build that site," Burns said. The company is open to all options and hasn't defined what an ideal funding structure would look like, he said.

Novonix is in talks with the Department of Energy for a loan via its Advanced Technol-

ogy Vehicles Manufacturing program to support construction of the proposed new plant. The company was awarded a \$100 million grant and selected for a \$103 million investment-tax credit for the Riverside facility.

"If we're successful in our work with the Department of Energy in their loan program office, that'll provide potentially a significant amount of capital toward the site," Burns said.

Burns said it is unclear how long those talks could take. "But we understand...they're very incentivized to make those announcements or push

things forward that are going to get across the line before the change in administration," he said.

Graphite is the largest component in a lithium-ion battery by weight. China sent

shock waves through battery-metals markets last year when it said it would tighten export controls on graphite, citing national-security concerns. The country is estimated to produce roughly 70% of the world's synthetic graphite.

Novonix bought the Riverside plant in 2021, hoping to quickly start producing and selling synthetic graphite for the battery industry.

But getting into production has taken longer than first anticipated. At that time, plans for U.S. battery-cell production capacity weren't as well defined as they are today, Burns said.

"What we quickly learned is that we needed to adapt to our customers and ensure that we're making the products that they wanted," Burns said. Unlike commodities like copper, graphite products are tailored to meet the specific requirements of each buyer.

Novonix expects to have its first 3,000-ton line at the Riverside facility running in the first half of next year. Deliveries to Panasonic are expected to begin later in 2025.

It will likely take between two and three years to build up production to the 20,000-ton-a-year target for Riverside, Burns said.

**The company is betting American-made graphite will be in demand.**



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## Hackers Hit Tech Provider for Starbucks, U.K. Chains

By LIZ YOUNG AND HEATHER HADDON

A ransomware attack against a major supply-chain technology provider left retailers, including **Starbucks** and U.K. grocery chain Sainsbury's, scrambling to manage operations including scheduling and handling inventories.

Blue Yonder, one of the world's largest supply-chain software providers, on Monday said it was working to restore services after the attack last week disrupted systems it hosts for customers.

Blue Yonder said it didn't have a timeline for when services would be restored. The company said the attack didn't affect systems that run on public cloud-based platforms.

Starbucks on Monday said the ransomware attack affected company-owned stores in its network of around 11,000 sites in North America. It disrupted the coffee chain's ability to pay baristas and manage their schedules, leaving cafe managers to manually calculate employees' pay.

Starbucks for now is paying employees for their scheduled shifts, meaning they could be overpaid or underpaid depending on the hours actually worked. The company said it would ensure baristas are eventually paid for all hours worked.

Automaker Ford Motor said it uses Blue Yonder technology and was investigating whether the outage affected its operations.

Sainsbury's and Morrisons, two of the U.K.'s largest grocery chains, said they have turned to backup plans to keep operations running.

Morrisons, which has about 1,600 convenience stores and 500 supermarkets across the U.K., said the outage affected its warehouse-management systems for fresh foods and produce. "We are currently operating satisfactorily on our backup systems, and we're working very hard to deliver for our customers across the country," a Morrisons spokesperson said.

Sainsbury's, which has 600 supermarkets and more than 800 convenience stores in the U.K., said it is in "close contact" with Blue Yonder and has put contingency processes in place.

Blue Yonder, owned by Japanese conglomerate Panasonic, makes software for retail companies and manufacturers to oversee operations from managing warehouses and transportation to handling returns. Its customers have included grocery giants Kroger and Albertsons, consumer-goods supplier Procter & Gamble and retail pharmacy chain Walgreens. Those companies didn't respond to requests for comment on Monday.

The disruptions at Sainsbury's and Morrisons were reported earlier by CNN.

The incident is the latest cyberattack to disrupt grocery supply chains this month as companies prepare for the busy holiday shopping season.

Dutch supermarket conglomerate Ahold Delhaize, which owns Stop & Shop, Food Lion, Hannaford and other grocery chains, on Nov. 8 reported a "cybersecurity issue" within its U.S. network. The incident caused nearly two weeks of product shortages at Stop & Shop stores across the Northeast U.S.

## Building-Materials Firms to Combine In \$9.2 Billion Deal

By LAUREN THOMAS

**Quikrete Holdings** has struck a \$9.2 billion deal to acquire **Summit Materials**, bringing together two of the biggest makers of building materials in the U.S.

Privately held Quikrete is expected to pay \$52.50 a share for Summit, the companies said Monday. Including debt, the deal values Summit at \$11.5 billion.

Shares of Denver-based Summit closed Monday at \$50.75, giving the company a market value of about \$8.9 billion.

The stock had runup in recent weeks after Summit in late October revealed it received a non-binding acquisition proposal from an unspecified party. A per-share price of \$52.50 is a roughly 30% premium to where Summit shares had been trading ahead of that disclosure.

The deal would combine Summit and Quikrete's cement and concrete businesses to create a large producer of con-

struction materials in North America.

Quikrete, based in Atlanta, is also sometimes recognized as the official jersey-patch sponsor of the Atlanta Braves baseball team.

Summit has been led by Chief Executive Anne Noonan since September 2020. Under Noonan's leadership, the business embarked on a strategy to improve earnings and divest itself of noncore assets, among other things. The stock gained an average of 35% annually over the past four years.

Summit last year said it would combine with the U.S. arm of Colombian concrete-maker **Cementos Argos**, which is now Summit's largest shareholder, in a \$3.2 billion deal. Cementos Argos is expected to be fully supportive of the deal with Quikrete, the companies said.

Deal activity in the building-materials sector has been picking up with more government spending on infrastructure projects.

## Bond Investor Leech Is Charged With Fraud

By JACK PITCHER

Federal prosecutors on Monday charged longtime bond investor Ken Leech with fraud, alleging he cherry-picked a series of trades to favor some clients while shifting losses to others.

Leech, the former chief investment officer and star trader at **Franklin Templeton** subsidiary Western Asset Management, allegedly assigned over \$600 million in gains to favored clients and \$600 million in losses to others, according to an indictment unsealed in Manhattan federal court Monday.

The Securities and Exchange Commission also charged Leech in a separate action. Leech's lawyer called the allegations "unfounded."

The cherry-picking scheme involved placing trades and then waiting until later in the day before allocating them in client accounts, after Leech saw how the trades were performing, the SEC said.

The alleged scheme took place between January 2021 and October 2023, according to the SEC. The regulator said it was seeking a permanent injunction, which would prevent Leech

from managing money again.

Clients have pulled at least \$55 billion from Wamco, as Western Asset is known, since the beginning of August, representing about 15% of its assets. Franklin acquired Wamco in 2020 as part of its broader deal for asset manager Legg Mason.

Franklin is fully cooperating with the government investigations, which are centered on Leech's past actions, a spokeswoman said.

Franklin has also updated its trading policies and practices following a third-party review, she added.



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THE WALL STREET JOURNAL.

## BUSINESS &amp; FINANCE

# Anglo American to Sell Its Coal Assets to Peabody

Deal for \$3.8 billion is part of the mining giant's plan to focus on core segments

By CHRISTIAN MOESS LAURSEN

**Anglo American** signed a deal to sell its remaining steelmaking coal assets to U.S. coal miner **Peabody Energy** for up to \$3.775 billion, in the mining giant's first major step in its large-scale business reshaping.

The global, diversified miner is under pressure to implement the restructuring plan it outlined in May to fend off a nearly \$50 billion takeover bid from rival BHP.

This will see the London-listed company become a solely copper, iron-ore and crop-nutrients producer, as it carves out its coal, diamond, nickel and platinum segments.

The sale of its remaining coal business to Missouri-based Peabody Energy is an important step toward delivering the strategy, Chief Executive Duncan Wanblad said on Monday.

Anglo American said the deal takes the total sales value of its coal business to up to \$4.9 billion, following the \$1.1 billion sale of its stakes in two mines in Australia this month.

The market had estimated the remaining coal business to be worth around \$2.8 billion, according to RBC Capital Markets.

Shares of Anglo American rose 1.4% in London. Peabody stock closed down 5.2% in New York.

The deal comes less than a week before the end of a six-month standstill that would



Operations at Anglo American's Grosvenor mine in Australia are on hold after a fire.

allow BHP to submit a new bid for Anglo.

In May, the Australian mining giant had three bids rebuffed. This spurred Anglo to launch a restructuring to convince shareholders of its prospects and to ward off potential suitors.

"All the transactions to deliver our portfolio transformation are well in train," Wanblad said.

The demerger of its platinum business, Anglo American Platinum, is still expected to happen toward the middle of next year. The unit is the

world's largest producer of platinum-group metals and Anglo's biggest earnings driver just two years ago. However, demand for PGMs have slumped since.

Anglo added that it is seeing strong interest in its nickel business, with the sale process well progressed.

The company expects a sale of its stored diamond

unit, De Beers, to follow.

The agreement with Peabody comprises an upfront cash consideration of \$2.05 billion, a deferred cash consid-

eration of \$725 million, as well as up to \$550 million in a price-linked earnout and a contingent cash consideration of \$450 million linked to the reopening of the Grosvenor mine in Queensland, Australia.

Operations have been suspended at Grosvenor since late June following a fire. Anglo said in October that there seemed to be limited damage in the underground area of the mine.

The deal marks Peabody's biggest acquisition since it emerged from bankruptcy protection in 2017. It had filed for Chapter 11 in April 2016 after a sharp decline in coal prices left it unable to pay its debt.

The upfront cash payment is expected to be completed by the third quarter next year.

# Adani Group Says Its Companies Can Meet Debt Burden

By KOSAKU NARIOKA

ergy company owned by the conglomerate.

Adani Group has denied the allegations, calling them baseless.

Shares of listed Adani companies were mixed on Monday, with the flagship Adani Enterprises up 1.7%. Adani Ports & Special Economic Zone was 2.3% higher, but Adani Green Energy fell 9.2%.

The Indian conglomerate said strong earnings in the first half ended September was led by Adani Enterprises' emerging-infrastructure businesses, which include the renewable-energy, airports and roads sectors.

Its portfolio companies' earnings before interest, taxes, depreciation and amortization rose 1.2% from a year earlier to about 442 billion rupees, equivalent to \$5.24 billion, for the first half, it said.

Adani Group said cash reserves stood at 530 billion rupees, or 20.5% of gross debt.



An employee inspects solar panels at an Adani Group factory.

**5.2%**

Fall in Peabody's shares on Monday on the New York Stock Exchange

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UNITED STATES DISTRICT COURT, NORTHERN DISTRICT OF CALIFORNIA, OAKLAND DIVISION

JONNIE HOMYK, et al.,  
Plaintiffs,  
v.  
CHEMOCENTRYX, INC. et al.,  
Defendants.

Master File No. 4:21-cv-03343-JST and related case, No. 4:21-cv-04357

Judge: Hon. Jon S. Tigar

### SUMMARY NOTICE OF PENDENCY OF CLASS ACTION

**TO:** All persons who purchased or otherwise acquired the common stock of ChemoCentryx, Inc. ("ChemoCentryx") from November 26, 2019 through May 6, 2021, inclusive (the "Class Period"), and were damaged thereby (the "Class").

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Northern District of California that the above-captioned action (the "Action") has been certified to proceed as a class action on behalf of the Class as defined above.

In the Action, Lead Plaintiff Indiana Public Retirement System alleges that ChemoCentryx and its Chief Executive Officer, Thomas J. Schall (together, "Defendants"), made false or misleading statements about the safety and efficacy of ChemoCentryx's proprietary vasculitis drug called avacopan (now TAVNEOS®) and about the application for FDA approval of avacopan, which caused the price of ChemoCentryx common stock to be artificially inflated during the Class Period and caused damages to investors when the market later learned the truth about the alleged misrepresentations. Lead Plaintiff further asserts that Defendant Schall sold ChemoCentryx stock while in possession of material non-public information concerning avacopan in violation of federal securities law, and that Class Members purchased stock contemporaneously with those sales. Defendants deny all of Lead Plaintiff's allegations and deny any wrongdoing or violation of law. Defendants maintain that the trial design was appropriate and that the FDA was fully informed about the trial and approved its design prior to the trial's commencement. Defendants further maintain that the market was aware of the trial design and the risks inherent in drug approval and that in any event the FDA approved avacopan (TAVNEOS®) based on the ADVOCATE trial. **Please note:** at this time, there is no judgment, settlement, or monetary recovery. Trial in this Action is scheduled for September 2025.

**IF YOU ARE A MEMBER OF THE CERTIFIED CLASS ("CLASS MEMBER"), YOUR RIGHTS WILL BE AFFECTED BY THIS ACTION.** Excluded from the Class are Defendants and their immediate families, the officers and directors of ChemoCentryx at all relevant times, members of their immediate families, and Defendants' legal representatives, heirs, successors, or assigns, and any entity in which Defendants have or had a controlling interest. A full printed Notice of Pendency of Class Action (the "Notice") is currently being mailed to persons who have been identified as potential Class Members. If you have not yet received the Notice, you may obtain a copy by downloading it from [www.ChemoCentryxSecuritiesLitigation.com](http://www.ChemoCentryxSecuritiesLitigation.com) or by contacting the Notice Administrator at:

ChemoCentryx Securities Litigation  
c/o Kroll Settlement Administration  
P.O. Box 5013  
New York, NY 10150-5013  
833-522-2606

Inquiries, other than requests for the Notice, may be made to the following representative of Class Counsel:

Abe Alexander, Esq.  
**BERNSTEIN LITOWITZ BERGER & GROSSMAN LLP**  
1251 Avenue of the Americas  
New York, NY 10020  
800-380-8496

If you are a Class Member, you have the right to decide whether to remain a member of the Class. **If you want to remain a Class Member, you do not need to do anything at this time other than to retain your documentation reflecting your transactions and holdings in ChemoCentryx common stock.** If you are a Class Member and do not exclude yourself from the Class, you will be bound by the proceedings in this Action, including all past, present, and future orders and judgments of the Court, whether favorable or unfavorable. Regardless of whether Lead Plaintiff wins or loses the case, you will not be able to sue Defendants—as part of any other lawsuit—regarding the same or similar factual circumstances and legal claims that are the subject of this lawsuit. If you move, or if the Notice was mailed to an old or incorrect address, please send the Notice Administrator written notification of your new address.

If you ask to be excluded from the Class, you will not be bound by any order or judgment entered in this Action, however, you will not be eligible to receive a share of any money which might be recovered for the benefit of the Class. To exclude yourself from the Class, you must submit a written request for exclusion postmarked **no later than January 14, 2025**, in accordance with the instructions set forth in the Notice.

**Further information regarding this notice may be obtained by writing to the Notice Administrator at the address provided above.**

**PLEASE DO NOT CONTACT THE COURT REGARDING THIS NOTICE.**

BY ORDER OF THE COURT:  
United States District Court for the Northern District of California

# Kingfisher Trims Profit Outlook After Sales Missed Expectations

By MICHAEL SUSIN

**Kingfisher** posted worse-than-expected quarterly sales and narrowed down its guidance, while warning that macroeconomic uncertainty could hit performance further ahead.

The home-improvement retailer said Monday that it expects a hit of around 45 million pounds, or \$56.4 million, to retail profit in fiscal 2026 due to higher national insurance contributions in the U.K. and potential tax changes in France.

The company said it anticipates partially offsetting this with structural cost reductions and productivity gains.

For fiscal 2025, Kingfisher said it now expects adjusted pretax profit—the company's preferred metric, which strips out exceptional and other one-off items—to be between £510 million and £540 million compared with the previous guidance of £510 million and £550 million.

Market expectations currently stand at £533 million,

according to a company provided consensus estimate. A year earlier, Kingfisher reported a profit of £568 million.

The company reported sales for the third quarter ended Oct. 31 of £3.22 billion, down 0.6% from a year earlier and missing company-compiled market expectations of £3.27 billion.

The company's sales on a like-for-like basis fell 1.1% compared with market expectations of a 0.2% drop. The company said sales in its big-ticket categories remained soft, but showed early signs of improvement.

Average selling prices for the quarter remained flat when compared with a year ago, while sales volume trends improved from the second quarter.

By region, U.K. and Ireland comparable sales grew 0.4%, missing expectations of 1.0%. The miss was driven by lower B&Q sales, which fell 0.6%, offsetting Screwfix sales growth of 1.8% on a like-for-like basis.

LFL sales in France decreased 4.3%, missing expectations of a 2.6% drop, with lower sales trends observed in October due to weak consumer sentiment and adverse weather. Castorama sales decreased 4.7% and Brico Depot fell 3.7%.

Sales in Poland were down 0.4%.

The company said performance for the fourth quarter to date improved, with like-for-like sales down 0.5% from the same period a year ago.

"We continue to focus our energy on what we can control—delivering further market share gains through our key strategic priorities, and managing our retail prices, costs and cash effectively. As a group, we are strongly positioned to benefit from the inflection to come within home improvement," Chief Executive Officer Thierry Garnier said.

The company's American depositary receipts closed down 13% on Monday. They are up nearly 4% so far this year.



The miss was driven by lower B&Q sales, which fell 0.6%, offsetting Screwfix sales growth.

### BUSINESS OPPORTUNITIES

#### EXCELLENT BUSINESS OPPORTUNITY

**FLOWMASTER, LLC**

Manufacturer of Flexible Water Connectors

INTELLECTUAL PROPERTY, MANUFACTURING & ASSEMBLY EQUIPMENT, AND PROPRIETARY PARTS INVENTORY FOR SALE

TRIPLE-CRIMP TECHNOLOGY

BID DEADLINE: DEC. 2, 2024, 5pm PST

The Assignee is Currently Soliciting Overbids for the Assets of Flow Master, LLC. Interested Parties Should Contact:

Chuck Klaus at chuck@bcservices.group or call 949-922-1211

bit.ly/abcflowmaster

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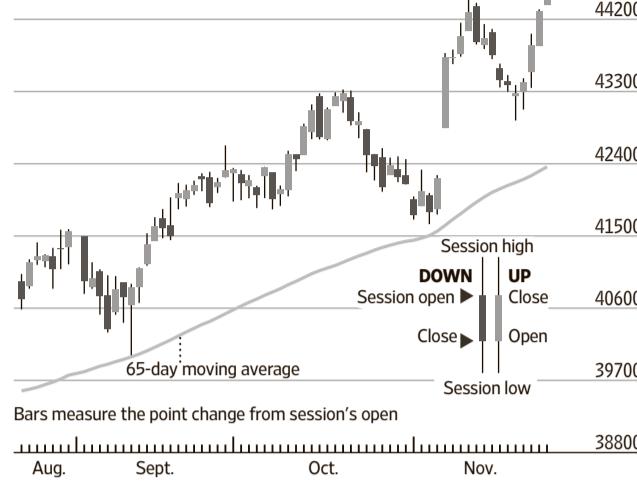
PHILIPPE NOBLE/REUTERS

## MARKETS DIGEST

## EQUITIES

## Dow Jones Industrial Average

**44736.57** ▲ 440.06, or 0.99%  
 High, low, open and close for each trading day of the past three months.



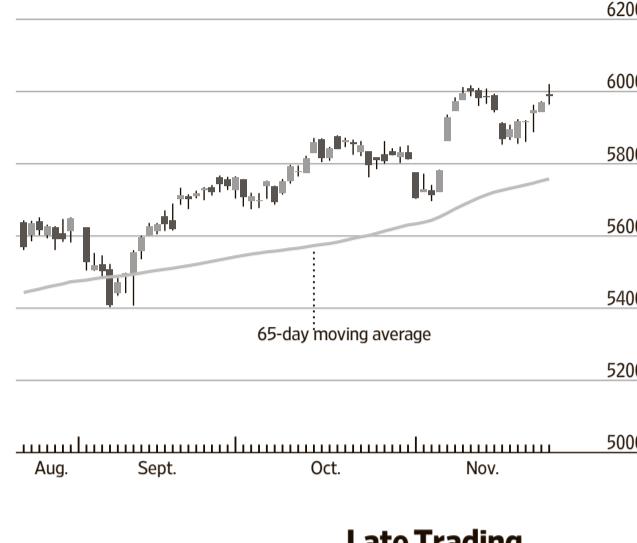
Current divisor 0.16268413125742  
 Bars measure the point change from session's open

Aug. Sept. Oct. Nov.

Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; Based on Nasdaq-100 Index

## S&amp;P 500 Index

**5987.37** ▲ 18.03, or 0.30%  
 High, low, open and close for each trading day of the past three months.

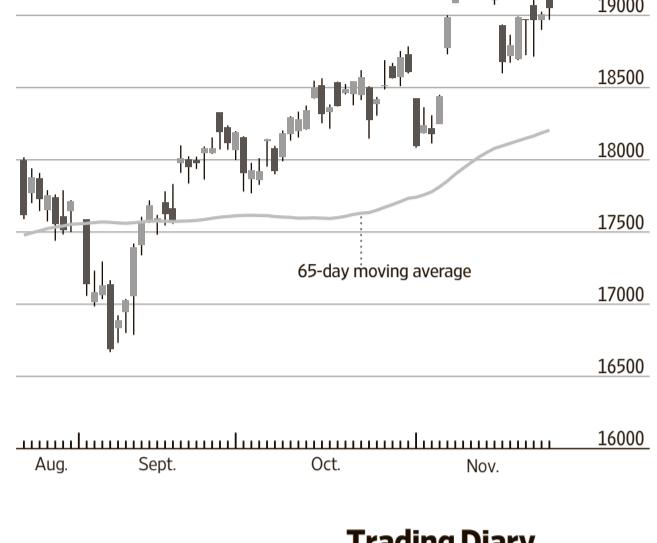


Aug. Sept. Oct. Nov.

Aug. Sept. Oct. Nov.

## Nasdaq Composite Index

**19054.84** ▲ 51.18, or 0.27%  
 High, low, open and close for each trading day of the past three months.



Aug. Sept. Oct. Nov.

Aug. Sept. Oct. Nov.

## Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD % chg	3-yr.ann.
<b>Dow Jones</b>										
Industrial Average	44815.67	44385.49	<b>44736.57</b>	440.06	0.99	44736.57	35333.47	26.6	18.7	7.7
Transportation Avg	17845.72	17457.28	<b>17754.38</b>	387.51	2.23	17754.38	14781.56	19.1	11.7	1.8
Utility Average	1076.86	1059.16	<b>1065.95</b>	-0.96	-0.09	1075.65	829.38	23.2	20.9	4.9
Total Stock Market	60249.73	59732.48	<b>59939.64</b>	257.57	0.43	59939.64	45192.46	32.6	25.4	7.4
Baron's 400	1366.04	1355.36	<b>1356.99</b>	10.23	0.76	1356.99	978.24	37.7	26.5	6.8
<b>Nasdaq Stock Market</b>										
Nasdaq Composite	19208.68	18969.35	<b>19054.84</b>	51.18	0.27	19298.76	14146.71	33.8	26.9	6.3
Nasdaq-100	20998.48	20712.38	<b>20804.89</b>	28.66	0.14	21117.18	15788.05	30.3	23.6	8.3
<b>S&amp;P</b>										
500 Index	6020.75	5963.91	<b>5987.37</b>	18.03	0.30	6001.35	4549.34	31.6	25.5	8.4
MidCap 400	3414.74	3357.73	<b>3390.26</b>	48.49	1.45	3390.26	2539.24	32.6	21.9	5.7
SmallCap 600	1559.69	1527.04	<b>1544.66</b>	27.32	1.80	1544.66	1163.97	32.0	17.2	2.6
<b>Other Indexes</b>										
Russell 2000	2466.49	2419.08	<b>2442.03</b>	35.36	1.47	2442.03	1792.81	35.6	20.5	1.6
NYSE Composite	20300.16	20123.45	<b>20200.36</b>	96.91	0.48	20200.36	15929.15	26.9	20.0	5.9
Value Line	659.65	646.30	<b>656.04</b>	9.74	1.51	656.04	541.52	20.9	10.5	-1.1
NYSE Arca Biotech	5927.33	5824.80	<b>5897.78</b>	72.98	1.25	5897.78	4767.72	23.1	8.8	2.9
NYSE Arca Pharma	968.01	959.92	<b>965.09</b>	5.17	0.54	965.09	875.93	9.4	6.0	7.6
KBW Bank	139.61	138.42	<b>138.78</b>	1.36	0.99	138.78	82.23	68.8	44.5	-0.4
PHLX® Gold/Silver	149.75	148.29	<b>149.14</b>	-4.45	-2.96	149.14	102.94	25.8	18.7	3.8
PHLX® Oil Service	82.68	80.56	<b>81.14</b>	-0.09	-0.11	81.14	95.25	72.67	-2.2	-3.3
PHLX® Semiconductor	5031.24	4955.11	<b>4987.92</b>	32.12	0.65	4987.92	3645.82	33.4	19.5	8.8
Cboe Volatility	15.72	14.54	<b>14.60</b>	-0.64	-4.20	14.60	38.57	11.86	15.1	17.3

©Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

## Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

## Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	% chg	After Hours High	Low
NVIDIA	NVDA	26,344.0	136.24	0.22	0.16	143.83	128.00
iQIYI ADR	IQ	17,172.8	2.10	0.02	0.96	2.11	2.06
Paramount Global CIB	PARA	14,548.1	11.22	0.10	0.90	11.25	11.12
AT&T	T	14,182.9	23.14	0.04	0.17	23.16	23.04
Apple	AAPL	14,173.4	232.12	-0.75	-0.32	232.89	229.25
Intel	INTC	13,253.9	24.89	0.02	0.08	24.98	24.79
Nu Holdings A	NU	11,438.7	14.17	-0.07	-0.46	14.40	14.00
Mueller Industries	MLI	10,820.3	82.20	0.05	0.06	82.65	82.02

## Percentage gainers...

Company	Symbol	Volume (000)	Latest	Session Close	% chg	High	Low
Semtech	SMTC	390.3	60.65	7.21	13.49	60.95	52.99
Woodward	WWD	82.4	200.50	21.21	11.83	204.95	179.29
Defiance Dly Tgt 2x Sh	SMST	554.4	6.50	0.42	6.91	6.52	5.91
Mind Medicine (MindMed)	MNMD	66.6	8.09	0.48	6.31	8.27	7.55
Arrowhead Pharm	ARWR	150.1	19.80	1.01	5.38	19.80	18.71

## ...And losers

Company	Symbol	Volume (000)	Latest	Session Close	% chg	High	Low
Alector	ALEC	1,860.1	2.78	-1.18	-29.80	3.96	2.12
Leslie's	LESL	826.3	2.73	-0.78	-22.21	3.53	2.63
Agora ADR	API	99.6	4.17	-0.59	-12.39	4.88	4.16
Similarweb	SMWB	131.5	11.26	-1.54	-12.03	12.80	11.00
Charter Communications	CHTR	128.7	349.00	-35.47	-9.23	385.82	349.00

## Trading Diary

Volume, Advancers, Decliners

NYSE NYSE Amer.

Total volume\* 1,845,900,200 26,947,507

Adv. volume\* 1,283,341,617 14,274,681

Decl. volume\* 553,376,178 12,483,164

Issues traded 2,871 301

Advances 2,087 144

## COMMODITIES

wsj.com/market-data/commodities

## Futures Contracts

## Metal &amp; Petroleum Futures

	Contract		Open		Contract		Open		
	Open	High	Low	Settle	Chg	Interest	Open	High	
<b>Copper-High (CMX)</b> -25,000 lbs.; \$ per lb.	Open	4.1030	4.0890	4.0915	0.0175	589	March 25	2.5000	
Nov 4.1030	4.1030	4.1030	4.0890	4.0915	0.0175	589	Dec 4.1400	4.1840	
March'25 4.1400	4.1400	4.1365	4.1590	0.0260	111,466		Jan'25 2.5000	2.5000	
<b>Gold (CMX)</b> -100 troy oz.; \$ per troy oz.	Open	2689.40	2689.40	2640.40	2616.80	-93.10	849	Feb 273.00	273.20
Nov 2689.40	2689.40	2640.40	2616.80	2618.50	-93.70	131,763	Dec 2728.00	2735.50	
March'25 2728.00	2735.50	2629.50	2630.60	-94.30	676		Feb 273.00	273.20	
<b>Palladium (NYM)</b> -50 troy oz.; \$ per troy oz.	Open	2640.40	2642.60	2640.40	2616.80	-93.10	849	June 2785.50	2790.50
Nov 2640.40	2642.60	2640.40	2616.80	2618.50	-93.70	131,763	Dec 2785.50	2790.50	
March'25 2785.50	2790.50	2683.70	2685.00	-95.60	29,878		Jan 273.00	273.20	
<b>Platinum (NYM)</b> -50 troy oz.; \$ per troy oz.	Open	1018.00	979.80	979.80	-37.20	1	Nov 1025.00	1040.00	
Nov 1018.00	979.80	979.80	979.80	979.80	-37.20	1	Dec 1025.00	1044.50	
March'25 1025.00	1044.50	985.50	990.50	-35.00	12,875		Jan 273.00	273.20	
<b>Crude Oil, Light Sweet (NYM)</b> -10,000 bbls.; \$ per bbl.	Open	30.185	30.345	30.210	-1.099	13	Nov 30.185	30.345	
Nov 30.185	30.345	30.345	30.210	30.661	-1.115	83,547	Dec 30.185	30.345	
March'25 30.185	31.980	30.530	30.661	-1.115	83,547		Jan 273.00	273.20	
<b>Interest Rate Futures</b>	Open	30.210	30.210	30.210	-1.099	13	Dec 30.210	30.210	
Dec 30.210	30.210	30.210	30.210	30.210	-1.099	13	March'25 30.210	30.210	
Jan 30.210	30.210	30.210	30.210	30.210	-1.099	13	Feb 25.70	25.70	
Feb 25.70	25.70	25.70	25.70	25.70	-1.099	13	March 25.70	25.70	
March 25.70	25.70	25.70	25.70	25.70	-1.099	13	April 25.70	25.70	
April 25.70	25.70	25.70	25.70	25.70	-1.099	13	May 25.70	25.70	
May 25.70	25.70	25.70	25.70	25.70	-1.099	13	June 25.70	25.70	
June 25.70	25.70	25.70	25.70	25.70	-1.099	13	July 25.70	25.70	
July 25.70	25.70	25.70	25.70	25.70	-1.099	13	Aug 25.70	25.70	
Aug 25.70	25.70	25.70	25.70	25.70	-1.099	13	Sept 25.70	25.70	
Sept 25.70	25.70	25.70	25.70	25.70	-1.099	13	Oct 25.70	25.70	
Oct 25.70	25.70	25.70	25.70	25.70	-1.099	13	Nov 25.70	25.70	
Nov 25.70	25.70	25.70	25.70	25.70	-1.099	13	Dec 25.70	25.70	
Dec 25.70	25.70	25.70	25.70	25.70	-1.099	13	Jan 25.70	25.70	
Jan 25.70	25.70	25.70	25.70	25.70	-1.099	13	Feb 25.70	25.70	
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Sept 25.70	25.70	25.70	25.70	25.70	-1.099	13	Oct 25.70	25.70	
Oct 25.70	25.70	25.70	25.70	25.70	-1.099	13	Nov 25.70	25.70	
Nov 25.70	25.70	25.70	25.70	25.70	-1.099	13	Dec 25.70	25.70	
Dec 25.70	25.70	25.70	25.70	25.70	-1.099	13	Jan 25.70	25.70	
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July 25.70	25.70	25.70	25.70	25.70	-1.099	13	Aug 25.70	25.70	
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Sept 25.70	25.70	25.70	25.70	25.70	-1.099	13	Oct 25.70	25.70	
Oct 25.70	25.70	25.70	25.70	25.70	-1.099	13	Nov 25.70	25.70	
Nov 25.70	25.70	25.70	25.70	25.70	-1.099	13	Dec 25.70	25.70	
Dec 25.70	25.70	25.70	25.70	25.70	-1.099	13	Jan 25.70	25.70	
Jan 25.70	25.70	25.70	25.70	25.70	-1.099	13	Feb 25.70	25.70	
Feb 25.70	25.70	25.70	25.70	25.70	-1.099	13	March 25.70	25.70	
March 25.70	25.70	25.70	25.70	25.70	-1.099	13	April 25.70	25.70	
April 25.70	25.70	25.70	25.70	25.70	-1.099	13	May 25.70	25.70	
May 25.70	25.70	25.70	25.70	25.70	-1.099	13	June 25.70	25.70	
June 25.70	25.70	25.70	25.70	25.70	-1.099	13	July 25.70	25.70	
July 25.70	25.70	25.70	25.70	25.70	-1.099	13	Aug 25.70	25.70	
Aug 25.70	25.70	25.70	25.70	25.70	-1.099	13	Sept 25.70	25.70	
Sept 25.70	25.70	25.70	25.70	25.70	-1.099	13	Oct 25.70	25.70	
Oct 25.70	25.70	25.70	25.70	25.70	-1.099	13	Nov 25.70	25.70	
Nov 25.70	25.70	25.70	25.70	25.70	-1.099	13	Dec 25.70	25.70	
Dec 25.70	25.70	25.70	25.70	25.70	-1.099	13	Jan 25.70	25.70	
Jan 25.70	25.70	25.70	25.70	25.70	-1.099	13	Feb 25.70	25.70	
Feb 25.70	25.70	25.70	25.70	25.70	-1.099	13	March 25.70	25.70	
March 25.70	25.70	25.70	25.70	25.70	-1.099	13	April 25.70	25.70	
April 25.70	25.70	25.70	25.70	25.70	-1.099	13	May 25.70	25.70	
May 25.70	25.70	25.70	25.70	25.70	-1.099	13	June 25.70	25.70	
June 25.70	25.70	25.70	25.70	25.70	-1.099	13	July 25.70	25.70	
July 25.70	25.70	25.70	25.70	25.70	-1.099	13			

## BIGGEST 1,000 STOCKS

## How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are consolidated from trades reported by various market centers, including securities exchanges, FINRA, electronic communications networks and other broker-dealers. The list comprises the 1,000 largest companies based on market capitalization.

**Underlined quotations** are those stocks with large changes in volume compared with their issue's average trading volume.

**Boldfaced quotations** highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher.

## Footnotes:

1-New 52-week high; 1-New 52-week low; dd—Indicates loss in the most recent four quarters.

**Stock tables reflect composite regular trading as of 4 p.m. ET and changes in the official closing prices from 4 p.m. ET the previous day.**

Monday, November 25, 2024

Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg								
AACON	AAON	137.59	-0.17	ABX	BXP	82.12	-1.46	ChurchillDowns	CHDN	141.83	-0.04	Honeywell	HON	230.60	-1.49	I Market	MKL	170.16	-11.62	O'ReillyAuto	ORLY	128.76	-11.39				
ACM	ACM	111.08	-0.28	BIDU	BIDU	82.67	-2.34	Embridge	ENB	47.95	-0.31	HormelFoods	HRL	31.43	-0.76	OccidentalPetrol	OKY	50.44	-1.49	RentalKiln	RTO	26.39	-3.99				
AES	AES	13.16	-0.12	BankHolders	BKR	43.35	-0.70	EncompassHealth	EHC	102.00	-0.88	Marriott	MAR	289.00	-3.71	Okta	OKTA	76.50	-0.07	RestMed	RMD	249.56	-5.78				
AFLC	AFLC	112.20	-0.83	BankOneUSA	BK	62.46	-0.60	Endeavor	EDR	172.94	-9.41	OldRepublic	ORI	38.80	-0.20	SuncorEnergy	SUE	40.66	-0.87	RevolutionMed	RUMD	57.50	-4.26				
AGNC Inv	AGNC	8.75	-0.75	BankSouth	BSSB	45.49	-0.06	EnergyTransfer	ET	18.97	-0.10	HoulihanLokey	HLL	100.49	-1.75	OldRepublic	ORI	38.80	-0.20	ReserveMed	RUMD	57.50	-4.26				
AIsys	ANSYS	352.24	-2.14	BankSanBan	BSBR	18.45	-0.01	Enviva	EVVA	115.86	-2.43	HoulihanLokey	HLL	100.49	-1.75	OccidentalPetrol	OKY	50.44	-1.49	RentalKiln	RTO	26.39	-3.99				
APAC	APAC	22.67	-0.11	BankSouth	BSCA	18.95	-0.01	Equinix	EQUIX	974.35	-37.98	HoulihanLokey	HLL	100.49	-1.75	OccidentalPetrol	OKY	50.44	-1.49	RentalKiln	RTO	26.39	-3.99				
ASE Tech	ASX	3.91	-0.02	BankUSA	BVVA	9.67	-0.13	Equitable	EQH	49.01	-1.39	Hubbell	HBL	46.32	-3.05	HoulihanLokey	HLL	100.49	-1.75	OccidentalPetrol	OKY	50.44	-1.49	RentalKiln	RTO	26.39	-3.99
ASML	ASML	689.77	-0.01	BankOneUSA	BK	81.22	-0.27	Entegris	ENTG	152.50	-1.44	Hubbell	HBL	46.32	-3.05	HoulihanLokey	HLL	100.49	-1.75	OccidentalPetrol	OKY	50.44	-1.49	RentalKiln	RTO	26.39	-3.99
AT&T	T	23.31	-0.08	BankOneUSA	BK	81.22	-0.27	Entergy	ETR	152.50	-1.44	Humana	HUMA	304.18	-6.07	HoulihanLokey	HLL	100.49	-1.75	OccidentalPetrol	OKY	50.44	-1.49	RentalKiln	RTO	26.39	-3.99
ATT	AT	60.15	-0.01	BankOneUSA	BK	81.22	-0.27	EnterpriseProd	EPD	32.34	-0.48	Humana	HUMA	304.18	-6.07	HoulihanLokey	HLL	100.49	-1.75	OccidentalPetrol	OKY	50.44	-1.49	RentalKiln	RTO	26.39	-3.99
AbbottLabs	ABT	181.13	-0.13	BankOneUSA	BK	81.22	-0.27	Equifax	EFX	263.89	-10.31	HuntingtonBch	HBNB	18.20	-0.21	HoulihanLokey	HLL	100.49	-1.75	OccidentalPetrol	OKY	50.44	-1.49	RentalKiln	RTO	26.39	-3.99
AbbVie	ABBV	181.13	-0.13	BankOneUSA	BK	81.22	-0.27	Equinix	EQUIX	974.35	-37.98	HuntingtonBch	HBNB	18.20	-0.21	HoulihanLokey	HLL	100.49	-1.75	OccidentalPetrol	OKY	50.44	-1.49	RentalKiln	RTO	26.39	-3.99
Academy	AMZN	377.06	-0.11	BankOneUSA	BK	81.22	-0.27	Equitable	EQH	49.01	-1.39	HuntingtonBch	HBNB	18.20	-0.21	HoulihanLokey	HLL	100.49	-1.75	OccidentalPetrol	OKY	50.44	-1.49	RentalKiln	RTO	26.39	-3.99
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Academy	AMZN	377.06	-0.11	BankOneUSA	BK	81.22	-0.27	Equ																			

## BUSINESS &amp; FINANCE

# UniCredit Bids for Smaller Italian Rival

**Bank pushes back timeline for any takeover of Commerzbank**

By MARGOT PATRICK AND ADAM WHITTAKER

**UniCredit** made a \$10 billion-plus bid for smaller Italian peer **Banco BPM**, shifting its focus away from an attempted takeover of Germany's **Commerzbank** as it seeks to grow through deal-making.

Under Chief Executive Andrea Orcel, UniCredit has been trying to engineer a merger with Commerzbank, but political opposition and pending elections have delayed the process.

On Monday, investors saw a receding chance of that deal going through, as UniCredit pushed back the timeline for any potential acquisition of its German counterpart. They sold down UniCredit and Commerzbank shares.

UniCredit's all-stock offer for BPM would reinforce its position as Italy's No. 2 bank

by assets and give it more market share in the wealthy Lombardy region.

The country's banks have cleaned bad loans off their balance sheets in the past decade, and many smaller lenders have already been absorbed by rivals.

A risk for UniCredit was that it could be bumped out of that No. 2 position in the consolidation.

The BPM bid is valued at 10.1 billion euros, or about \$10.5 billion, and is structured as a voluntary, public exchange. UniCredit has offered

a small premium of about 0.5% over BPM's share price Friday, and 15% more than where the stock traded on Nov. 6. It said it expected to complete the deal by June and would fully integrate BPM within a year.

BPM has also pursued acquisitions, recently bidding for full control of asset manager Anima Holding and taking a stake in the government-backed Banca Monte dei Paschi di Siena.

By shoring up in Italy, UniCredit is appeasing some shareholders who questioned

the possible expansion into Germany, a less profitable market for lenders.

UniCredit had set its sights on Commerzbank to add to its existing German bank and extend into Poland.

It is waiting for approvals to buy up to 29.9% of Commerzbank and has said it could go on to buy all of it. UniCredit disclosed in September it had bought 9% so far. It later said it had bought financial contracts that could more than double the holding to 21%.

But the plan got compli-

cated after Commerzbank and the government reacted negatively.

UniCredit said the process now is being prolonged by Germany's coming elections, which it hopes will result in a better reception.

Orcel told analysts that any potential integration of Commerzbank would only be possible once BPM is fully absorbed, sending the time scale out into 2026.

UniCredit said Commerzbank remains an important investment with significant upside potential.



Drake, top, sued Universal Music, regarding its promotion of music by rival Kendrick Lamar.

## Drake's Beef With Lamar Is in Court

Continued from page B1

parent of both Lamar's label, Interscope Records, and Drake's label, Republic Records.

Both rappers are considered among the top of their generation. Lamar is a Pulitzer Prize-winning rapper from Compton, Calif., known for complex songwriting with biting social commentary. Toronto-born Drake has had commercial success in the streaming era with cross-over appeal and influence in

pop culture and music.

"The suggestion that UMG would do anything to undermine any of its artists is offensive and untrue," a Universal spokesman said. "We employ the highest ethical practices in our marketing and promotional campaigns. Fans choose the music they want to hear."

In filings in New York state court, Drake's lawyers are seeking information to help them build claims of deceptive business practices, civil fraud and racketeering, or RICO, against Universal. Drake hasn't sued Universal, but such requests for information and depositions can lay the groundwork for an eventual suit.

Universal "did not rely on chance, or even ordinary business practices, to 'break

through the noise' on Spotify, and likely other music platforms," Drake's lawyers wrote. "It instead launched a campaign to manipulate and saturate the streaming services and airwaves."

They alleged that Universal manipulated the streaming market on Spotify and possibly other music platforms. "Not Like Us," which debuted at No. 1 on the Billboard Hot 100 songs chart, has more than 900 million streams on Spotify. It was nominated for five Grammy awards.

The filings referenced an unnamed whistleblower who said publicly he was paid by Lamar's label to use bots to help "Not Like Us" achieve 30 million streams on Spotify in the first days of its release.

## Walmart Diversity Plan Ended

Continued from page B1

some of its diversity programs and some of the LGBTQ-themed items marketed on its website. "No retail company wants a story about them from

us ahead of Black Friday," he said.

Some of the changes touted by Starbuck were already in motion as part of a broader turn away from DEI in corporate America, the Walmart spokeswoman said. Some diversity-themed supplier programs were being phased out due to legal challenges of similar practices, she said. The company will fulfill its existing five-year commitment to fund the Center for Racial Equity

and change alongside our associates and customers who represent all of America. We've been on a journey and know we aren't perfect," Walmart said in a statement.

Walmart Chief Executive Doug McMillon has spoken publicly about racial equity, especially in the wake of George Floyd's killing, and about gun violence after a 2019 mass shooting at a Walmart in El Paso, Texas.

In 2020, McMillon announced that Walmart would

fund the Center for Racial Equality. "Slavery, lynching, the concept of separate but equal and the other realities from our past have morphed into a set of systems today that are all too often, unjust," McMillon said at the time in a statement.

Donald Trump's election victory has added to a growing activist movement that put firms in the crosshairs of heated cultural and political debates. Bud Light lost its spot

as the top-selling beer in the U.S. last year after controversy over a social-media promotion with a transgender influencer. It has since recovered some of those losses. Target's sales fell in the summer of 2023 after criticism of its Gay Pride month merchandise displays.

Boeing is a major Pentagon contractor and DEI programs are likely to come under additional fire in the next Trump administration, Orthberg told staff.

"We're going to go through a little bit of a tumultuous period here in terms of things that are called DEI," he said. Boeing will focus on making sure that everybody's got a chance, nobody's being discriminated against."

—Sharon Terlep contributed to this article.

## Mutual Funds

Data provided by LSEG

Top 250 mutual-funds listings for Nasdaq-published share classes by net assets.  
e-Ex-distribution. f-Previous day's quotation. g-Footnotes x and s apply. J-Footnotes e and s apply. k-Recalculated by LSEG, using updated data. p-Distribution costs apply, 12b-1. r-Redemption charge may apply. s-Stock split or dividend. t-Footnotes p and r apply. v-Footnotes x and e apply. x-Ex-dividend. z-Footnote x, e and s apply. NA-Not available due to incomplete price, performance or cost data. NE-Not released by LSEG; data under review. NN-Fund not tracked. NS-Fund didn't exist at start of period.

Monday, November 25, 2024											
Fund	Net NAV	Chg %	YTD % Ret	Fund	Net NAV	Chg %	YTD % Ret	Fund	Net NAV	Chg %	YTD % Ret
AB Funds	11.34	+0.05	6.0	Artisan Funds	39.79	-0.02	27.0	OTC	21.32	+0.05	29.7
MunIncmShare	11.34	+0.05	6.0	US CoreEq1	45.10	+0.26	26.2	EqlCpc	27.47	+0.20	21.4
AB Funds - ADV	116.68	+0.32	25.7	US CoreEq2	40.47	+0.25	25.8	EqlCapGwth	80.04	-0.16	33.1
LgCpGrAdv	116.68	+0.32	25.7	AggBdInst	9.85	+0.09	3.1	GrowthGow	NA	... NA	MuHyAdml
Amcentury Inv	10.20	+0.09	3.6	US Small	53.54	+0.83	21.7	JPMorgan R Class	13.68	+0.03	2.3
Ultra	95.52	-0.04	28.2	CorBdInst	9.01	+0.08	2.6	MidCap	10.97	+0.04	2.9
American Funds CI A	45.87	+0.42	22.6	BlackRock Funds	7.20	+0.02	9.0	R2030	NA	... NA	MulTAdml
AmpcA	88.24	+0.38	25.0	HIVBk Inst	7.19	+0.01	8.8	Putnams Funds Class A	10.89	+0.01	2.9
AMutlIA	60.25	+0.28	19.5	Dodge & Cox	11.70	+0.62	12.9	Putnams Funds Class Y	WellInt	... NA	Windrslr
BalElA	36.76	+0.23	16.0	Balanced	16.51	+0.13	10.7	PrcmpAdml	10.50	+0.01	3.1
BondA	11.30	+0.09	2.2	GblStock	21.09	+0.13	11.7	SGP Sel	15.80	+0.01	3.1
BalPBA	73.04	+0.34	12.5	Income	12.69	-0.12	3.7	TotBdAdml	12.83	+0.01	3.1
CapWGrA	68.56	+0.37	15.4	Int'l Stck	52.84	+0.35	7.5	TotBdAdml r	13.24	+0.01	3.1
EupcaA	57.65	+0.51	7.8	Idx2030InsPre	27.09	+0.13	16.8	TotBdAdml r	13.76	+0.01	3.1
FdnWVA	88.24	+0.38	25.0	Stock	28.50	+0.12	21.3	TotBdAdml r	14.26	+0.01	3.1
GwtbA	82.01	+0.38	29.8	StockLine Funds	8.82	+0.08	4.0	TotBdAdml r	14.76	+0.01	3.1
Hi TFA	9.86	+0.02	9.8	Fidelity Invest	30.50	+0.14	18.0	TotBdAdml r	15.26	+0.01	3.1
ICAA	62.63	+0.37	25.8	Edgewood Growth Insti	23.80	+0.49	36.0	TotBdAdml r	15.76	+0.01	3.1
IncoA	26.19	+0.10	14.1	Fidelity Advisor I	10.37	+0.09	2.5	TotBdAdml r	16.26	+0.01	3.1
N PerA	65.82	+0.20	17.7	Fidelity Selects	16.70	+0.02	11.8	TotBdAdml r	16.76	+0.01	3.1
NEcoA	67.52	+0.57	25.1	Fidelity Freedom	16.44	+0.10	13.8	TotBdAdml r	17.26	+0.01	3.1
NwvRldA	81.22	+0.44	8.3	Fidelity Freedom	16.51	+0.13	10.7	TotBdAdml r	17.76	+0.01	3.1
SmCpA	71.75	+1.10	8.3	Fidelity Freedom	24.35	+0.14	3.5	TotBdAdml r	18.26	+0.01	3.1
TxTxA	12.52	+0.03	3.0	Fidelity Freedom	25.69	+0.14	15.9	TotBdAdml r	18.76	+0.01	3.1
Wsha	65.75	+0.36	21.5	Fidelity Freedom	17.01	+0.13	12.2	TotBdAdml r	19.26	+0.01	3.1
IntSmVa	22.60	+0.04	8.8	Fidelity Freedom	17.01	+0.13	12.2	TotBdAdml r	19.76	+0.01	3.1
IntSmVa	19.88	+0.08	27.0	Fidelity Freedom	17.01	+0.13	12.2	TotBdAdml r	20.26	+0.01	3.1

as the top-selling beer in the U.S. last year after controversy over a social-media promotion with a transgender influencer. It has since recovered some of those losses. Target's sales fell in the summer of 2023 after criticism of its Gay Pride month merchandise displays.

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Fund	Net NAV	Chg %	YTD
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## MARKETS &amp; FINANCE

**STOCK SPOTLIGHT****Peabody Energy**

Anglo American agreed to sell its remaining steelmaking-coal assets to the U.S. mining company for up to \$3.78 billion. Peabody stock declined 5.2%, while Anglo American shares increased 1.4% in London trading.

**Macy's**

The retailer delayed its quarterly earnings after finding that an employee had hidden up to \$154 million in expenses over several years. Shares dropped 2.2%.

**Super Micro Computer**

The server maker's stock jumped 16% after rallying last week on its plan to stay listed on the Nasdaq.

**EchoStar**

DirecTV walked away from its proposed merger with EchoStar's Dish Network, abandoning a tie-up the two satellite-TV companies have attempted several times. EchoStar's stock gained 6.6%.

**UniCredit**

The bank launched a \$10.5 billion bid for smaller Italian competitor Banco BPM, raising questions about the likelihood of a deal with Commerzbank. Shares of UniCredit decreased 4.8% and the German bank's American depositary receipts lost 4%. BPM's stock rallied 5.5%.

**MicroStrategy**

Shares of the bitcoin-buying software company have been volatile since crypto-ally Donald Trump was elected U.S. president. They declined 4.4%, following big swings last week.

**Summit Materials**

Quikrete struck a \$9.2 billion deal to acquire Summit Materials, bringing together two of the U.S.'s biggest makers of building materials. Summit's shares dropped 1.8%.

**Atos**

Shares in the beleaguered French information-technology company soared 99% in European trading after it received an offer from the French government to acquire its advanced computing activities for up to 625 million euros, or nearly \$652 million.

**Company Feeds Off Bitcoin**

*Continued from page B1*

since 1989.

"This stock has become detached from reality," said Andrew Left, a prominent short seller and founder of Citron Research.

Left describes himself as bullish on bitcoin itself and praised MicroStrategy in 2020 when it first began amassing bitcoin. But in a post Thursday on X, Left said he had taken out a bet against MicroStrategy, which caused its stock to tumble.

Some analysts warn MicroStrategy's run-up is part of investor euphoria for speculative assets and will inevitably collapse.

David Trainer, founder of research firm New Constructs, said MicroStrategy is a bad business by conventional metrics—for instance, it has posted a net loss for the past three quarters.

"It's symptomatic of a market that has become obsessed with believing in get-rich-quick schemes," Trainer said. "If you like bitcoin, go buy bitcoin. But don't invest in a company that's losing money and also buying bitcoin, because then you've sort of doubled your risk."

Some traders say a part of the stock's appeal is its volatility, which can help amplify gains over a short period.

Garrett Shirey, a barber in Florence, Ala., bought one share of MicroStrategy at \$436.53 in his retirement account last Tuesday afternoon and sold it at \$472.40 Wednesday morning, notching a quick profit.

Restricted from purchasing bitcoin in his Roth IRA account, the 39-year-old crypto enthusiast has had to settle

# Dow Soars and Treasurys Rally As Tariff, Budget Worries Ease

Treasury secretary pick pushes major indexes higher while the dollar slips

Donald Trump's pick of Scott Bessent for Treasury secretary helped lift the Dow Jones Industrial Average to a record and prompted a major rally in Treasurys on Monday, with investors betting the longtime investor might reduce risks around tariffs and the budget deficit.

All three major stock indexes advanced, building on gains from last week. The rally in Treasurys sent the yield on the 10-year note tumbling to 4.262%, according to Tradeweb, from 4.409% on Friday.

Bessent, whom Trump chose on Friday after markets closed, is viewed on Wall Street as a moderate figure who could temper Trump's more populist instincts on trade and fiscal policies.

"Markets are interpreting Trump's pick as positive for the economy, as he could try to steer policies towards the more growth-oriented matters as opposed to more controversial measures," said Jan von Gerich, chief analyst at Nordea.

Despite worries about tariffs in particular, stock investors have generally cheered Trump's victory, with the prospect of tax cuts and regulatory rollbacks helping lift indexes to records. The Dow led gains Monday, rising 1%, or roughly 440 points, to its 45th record of the year. The S&P 500 and Nasdaq Composite both ticked up 0.3%.

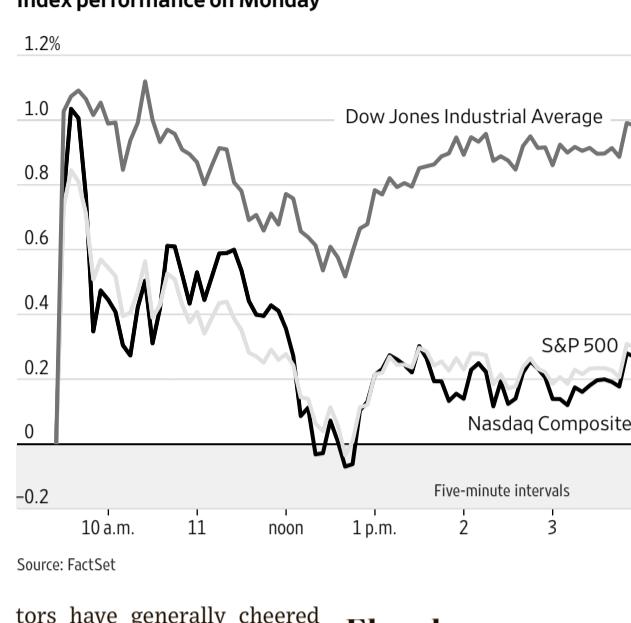
Gains were broad-based, with nine out of 11 S&P 500 sectors finishing in the green.

The decline in Treasury yields—which promises to drag down mortgage rates—provided a big lift to home builders, with PulteGroup shares

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Source: FactSet

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# HEARD ON THE STREET

FINANCIAL ANALYSIS &amp; COMMENTARY

## Food-Sector Selloff Looks Overdone

The industry can handle potential increase in regulation in Trump administration—more inflation pressures, not so much

America's packaged-food industry has been one of the worst performers in the stock market since the election.

The prospect that a Health and Human Services Department led by Robert F. Kennedy Jr. could crack down on things like sugar and artificial additives appears to be driving much of the decline. While his potential impact on the sector shouldn't be exaggerated, it comes on top of a host of other factors that have kept the group out of investor favor for some time.

The consumer-staples sector within the S&P 500 is up less than 3% since Nov. 4, compared with a 4.5% rise for the overall index. But this sector is large and diverse, including major retailers like Walmart and Costco, which are both up since the election. Makers of household

goods like Procter & Gamble and Clorox have also risen. Concern appears to be focused on food: **Kraft Heinz**, **General Mills** and **Campbell Soup** have fallen by an average of nearly 7%. **Coca-Cola** and **PepsiCo** are down around 1.8% and 2.6%, respectively. For most of these names, declines accelerated after Kennedy was unveiled as the HHS nominee.

What could he do as HHS Secretary? The Food and Drug Administration could become less tolerant of the use of artificial flavors, colors and sweeteners, banning some or requiring more prominent labeling on packages. But the industry has been through many cycles like this before and always found a way to adapt, such as the FDA ban on artificial trans fats that began in 2015. The impact on corporate bottom lines from new restrictions wouldn't

be positive, but it would certainly be manageable.

In a September opinion piece in The Wall Street Journal, Kennedy proposed other steps that would be more worrisome to the industry. For instance, he advocated restricting the use of Supplemental Nutrition Assistance Program benefits, known as food stamps, to buy "soda or processed foods."

That could indeed be significant: A reduction in food-stamps benefits in 2023 had a major impact on food-company sales. But, as JPMorgan analyst Ken Goldman points out in a note, food stamps are administered by the Agriculture Department, not HHS. What is more, the definition of what constitutes "processed foods" is highly debatable. A loose definition could hit virtually everything pack-

aged-food companies sell, from pasta sauce to plain Cheerios. Restricting food-stamp recipients to fresh ingredients and forcing them to cook every meal from scratch would hardly be practical.

In his opinion piece, Kennedy proposed overhauling farm subsidies that "make corn, soybeans and wheat artificially cheap, so those crops end up in many processed forms." Good luck with that. Agricultural subsidies for these staple crops have such strong political backing that cutting them would make the food-stamp measure look simple. And this falls even further outside of HHS, likely requiring legislation.

As Goldman points out, the Kennedy freakout over packaged-food stocks comes on top of years of accumulated worries such as a de-

cadeslong shift away from carbohydrates in diets, increasing competition from small brands and private labels, the rise of anti-obesity drugs and reduced pricing power as consumers get fed up with food inflation. The latter could be a particular worry. If there is a resurgence of inflation pressures under the Trump administration—for example from a crackdown on immigrant farm labor—these companies, already the targets of popular anger over price increases, could find themselves with little room to pass on costs.

In short, there are many reasons not to love food stocks at the moment. Cooler heads could soon prevail on the risks that Kennedy actually poses to the sector. That doesn't mean the industry's prospects are bright.

—Aaron Back

## Backlash Against Chinese Steel Gives Preview of Trump Trade Tensions

China's industrial overcapacity became an issue of global concern even before the election of Donald Trump. Now his threat to place tariffs of 60% or more on Chinese exports will elevate the issue even further. There is perhaps no better example than steel to illustrate the problem.

China is by far the biggest steel producer in the world, accounting for more than half of the world's production. The country was able to absorb a big chunk of steel with its booming construction and manufacturing. But with the implosion of its housing market, sluggish domestic demand gave rise to excess supply for the rest of the world.

Because of the sheer size of

China's steel industry—which produced around 1 billion metric tons last year—fluctuations in its domestic demand can send shock waves to the rest of the world.

China's net exports of steel reached a record 10.6 million metric tons in October. In the first 10 months this year, China shipped 92 million metric tons of steel abroad. That is more than 10% of total steel production outside China, or more than what the U.S. produced for the whole of 2023.

Most of this cheap Chinese steel finds its way to the developing world, which is still fervently building up infrastructure or manufacturing industry. Vietnam launched antidumping investigations of some Chinese steel products in June. South Korea, the second-largest importer of Chinese steel, started a similar probe last month. Countries from India to Turkey imposed high tar-

imported 53% more steel from China in the first 10 months of 2024 compared with a year earlier. Exports to Saudi Arabia and the United Arab Emirates, which are undergoing a construction boom, grew nearly 50% year on year.

The Chinese steel was welcomed in these countries—at least initially—because the cheap imports helped satisfy their rising demand. But there is a backlash even from some of these countries. Vietnam launched antidumping investigations of some Chinese steel products in June. South Korea, the second-largest importer of Chinese steel, started a similar probe last month. Countries from India to Turkey imposed high tar-

China's net steel exports, monthly



Source: CEIC

iffs on Chinese steel imports.

Beyond steel, China's exports have been going strong in the past

year, helping to offset the housing woes. But similar pushbacks from other countries might put a dent in its export growth. Europe and the U.S., for example, have already put high tariffs on Chinese electric vehicles, and all this is before Trump's tariff onslaught. Many Chinese goods that can't find their way to the U.S. might start to flood the rest of the world, triggering further backlash.

China had a similar surge in steel exports in 2015 and 2016 when its housing market was in a downturn. When the real-estate market finally turned around, it started to absorb all of the steel supply again. This time around, Beijing looks unlikely to reflate the property market aggressively, which means there won't be a similar demand revival.

If Beijing thinks it can keep exporting its way out of trouble, it will have to recalibrate.

—Jacky Wong

## I Have My Daughter Because of Cancer Research.

Standard treatment for Kelly's cancer would have saved her life but left her unable to have any more children. Because of a breakthrough clinical trial and research funded by SU2C, she is now cancer free and has a beautiful baby girl.

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Andrea Cercek, MD SU2C funded researcher  
Kelly Cancer Survivor  
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