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What's News

Business & Finance

◆ Google backed the construction of seven small nuclear reactors in the U.S., aiming to help feed its growing appetite for electricity to power AI and jump-start a U.S. nuclear revival. **B1**

◆ The U.K. government said it secured a combined investment equivalent to about \$8.23 billion in data centers from four American tech companies. **B4**

◆ The S&P 500 and Dow industrials closed at records, gaining 0.8% and 0.5%, respectively, while the Nasdaq advanced 0.9%. **B11**

◆ OPEC trimmed its forecast for oil-demand growth as it prepares to bring some barrels back into the market despite weaker prices. **B11**

◆ Chinese carmaker BYD maintained its dominant position with record global sales last month, hammering foreign competitors that specialize in gasoline-powered vehicles. **B1**

◆ China's exports grew at a slower pace in September, but extended their streak to a sixth consecutive month. **A7**

◆ Barclays will replace Goldman Sachs as the exclusive issuer of General Motors credit cards in the U.S., boosting the U.K. lender's stateside presence. **B3**

◆ Singapore's government plans to halt a proposed deal by Germany's Allianz to buy a majority stake in Singapore's Income Insurance. **B10**

◆ Christie's confirmed it had been enlisted to sell a famous 1964 Ed Ruscha painting owned by billionaire Sid Bass depicting a gleaming gas station in Amarillo, Texas. **B10**

World-Wide

◆ Hezbollah struck an Israeli military base in central Israel with a drone, killing four soldiers and wounding dozens, highlighting a weak spot in Israel's vaunted air-defense system that military officials say is hard to counter. **A1**

◆ Israel has assured the Biden administration that a planned retaliatory strike on Iran won't target nuclear and oil facilities, according to U.S. officials, a promise sought by the White House. **A6**

◆ Beijing is conducting espionage on what Western governments say is an unprecedented scale in its quest to undermine rival states and bolster China's economy. **A1**

◆ China concluded a day of drills around Taiwan, sending a record number of military aircraft and saying for the first time that it deployed its coast guard to encircle Taiwan's main island. **A7**

◆ The Nobel in economics was awarded to Daron Acemoglu, Simon Johnson and James Robinson for work that advanced the understanding of differences in prosperity between countries. **A1**

◆ Harris and her Democratic allies are rolling out policies, events and outreach in a bid to shore up her standing with Black men three weeks before Election Day. **A4**

◆ The old guard is pushing back on a rising faction within the conservative legal movement that is laying the groundwork for Trump to appoint judges who prioritize loyalty to him if he wins the election. **A4**

◆ Died: Lilly Ledbetter, 86, advocate for equal pay. **A3**

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On Columbus Day, a Celebration of Italian Pride



HERITAGE: A reveler displayed the colors of the Italian flag Monday at the 80th annual Columbus Day Parade in New York City. While some honored the explorer, believed to have been from Genoa, others around the country marked Indigenous Peoples' Day.

Western Spy Agencies Sound Alarms on Chinese Espionage

BY MAX COLCHESTER AND DANIEL MICHAELS

LONDON—Beijing is conducting espionage on what Western governments have said is an unprecedented scale, mobilizing security agencies, private companies and Chinese civilians in its quest to undermine rival states and bolster the country's economy.

Rarely does a week go by without a warning from a Western intelligence agency about the threat China presents.

In September alone, the Federal Bureau of Investigation

said a Chinese state-linked firm hacked 260,000 internet-connected devices, including cameras and routers, in the U.S., Britain, France, Romania and elsewhere.

A Congressional probe said Chinese cargo cranes used at U.S. seaports had embedded technology that could allow Beijing to secretly control them. The U.S. government alleged a former top aide to New York Gov. Kathy Hochul was a Chinese agent.

U.S. officials launched last week an effort to understand the consequences of the latest

Chinese hack, which compromised systems the federal government uses for court-authorized network wiretapping requests.

Western spy agencies, unable to contain Beijing's activity, are raising the alarm publicly, urging businesses and individuals to be on alert in their interactions with China. But given the country is deeply entwined in the global economy, it is proving a Sisyphean task, said Calder Walton, a national-security expert at Harvard's Kennedy School of Government. Western governments "are coming to

terms with events, in many ways, after the events," he said.

The Chinese government's press office, as well as the ministries of state security, public security and defense, didn't respond to requests for comment. Beijing has previously denied allegations of espionage targeting Western countries while portraying China as a frequent target of foreign hacking and intelligence-gathering operations.

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◆ Beijing ends large military drills around Taiwan..... A7

◆ Israel tells U.S. it won't hit Iran nuclear sites..... A6

Countries Fail to Reverse Baby Bust

Yearslong efforts to encourage bigger families haven't found success

BY CHELSEY DULANEY

Imagine if having children came with more than \$150,000 in cheap loans, a subsidized minivan and a lifetime exemption from income taxes.

Would people have more kids? The answer, it seems, is no.

These are among the benefits—along with cheap child care, extra vacation and free fertility treatments—that have been doled out to parents in different parts of Europe, a region at the forefront of the worldwide baby

shortage. Europe's overall population shrank during the pandemic and is on track to contract by about 40 million by 2050, according to United Nations statistics.

Birthrates have been falling across the developed world since the 1960s. But the decline hit Europe harder and faster than demographers expected—a foreshadowing of the sudden drop in the U.S. fertility rate in recent years.

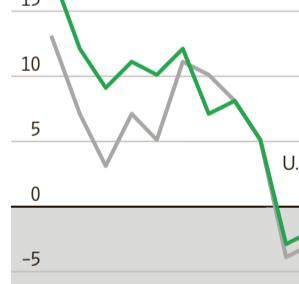
Reversing the decline in birthrates has become a national priority among gov-

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Starbucks Ends Deals

The coffee chain is dialing back the discounts it offered to woo back customers. **B1**

Starbucks quarterly same-store sales, change from a year earlier



Economics Nobel Rewards Study of Nations' Prosperity

BY PAUL HANNON AND JUSTIN LAHART

Why do some nations prosper while others are poor? To boil down this year's economics Nobel to a single sentence: "Institutions matter."

The Nobel Prize in Economic Sciences was awarded to Daron Acemoglu, Simon Johnson and James Robinson for work that advanced the understanding of economic disparities among countries.

Acemoglu, who was born in Istanbul, and Johnson, who was born in the U.K., are professors of economics at the Massachusetts Institute of Technology. Robinson is a professor of economics at the University of Chicago.

Acemoglu and Robinson were co-authors of "Why Nations Fail: The Origins of Power, Prosperity and Poverty," first published in 2012.

Johnson was chief economist of the International Monetary Fund from March 2007 through August 2008.

"I am delighted, it is a real shock and amazing news," Acemoglu said.

The work of the three economists is based on the history of colonialism and the different ways in which na-

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With Tim Walz in the Spotlight, A Nation Searches for Irish Roots

* * *

Experts mobilized to link him to a country that claims the Kennedys and Springsteen

BY JAMES HOOKWAY

COUNTY WEXFORD, Ireland—The race began as soon as Tim Walz was tapped to be Kamala Harris's running mate.

From home offices and libraries, a crack team of experts fired up their laptops and began sifting through images of yellowing family records and old photographs of tombstones. Pots of tea were brewed. Coffee was slurped.

With the election approaching, would they be able to

show that the Minnesota governor, Harris's choice for vice president, was at least a little bit Irish?

Whenever a new politician hits the national stage, Irish and Irish-American genealogists set out to find any connection they can to the old country.

Some ties are obvious. Portraits of President John F. Kennedy still adorn buildings in Ireland.

President Biden's whole thing is being Irish.

But historians have also

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Southwest's Mr. Fix-It Aims to Revamp Airline

BY ALISON SIDER

DALLAS—For more than 30 years, Bob Jordan has been cast as Mr. Fix-It in different roles at Southwest Airlines. Revamping the airline's business model is his biggest challenge yet.

Southwest's battle with activist investor Elliott Investment Management has become a referendum on Jordan, the company's chief executive since February 2022, and whether the ultimate insider can make changes that some investors and passengers say are long overdue.

At an investor event last month, the 64-year-old confidently laid out Southwest's plan to assign seats at booking and sell premium seats with extra legroom for the first time. The

airline is also hitting the brakes on growth in the coming years, slashing unprofitable routes and making plans to sell planes.

"It's a transformational plan. It'll change the airline," Jordan said in an interview. "Now it all turns to executing."

That is if he gets the chance. Elliott, which has a roughly 10% stake in the budget-airline pioneer, said Jordan is part of the entrenched leadership team that oversaw Southwest's strategic stagnation. On Monday, the hedge fund said it called for an investor meeting on Dec. 10 to vote on an overhaul of the airline's board, in a rebuke of management.

"Why is Mr. Jordan—who has delivered years of unacceptable financial results and,

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INSIDE



PERSONAL JOURNAL

Signing credit card receipts is still a thing. There are more useful ways to curb fraud. **A10**

BUSINESS & FINANCE

The hotel industry is getting a boost from corporate retreats and other group travel. **B1**

U.S. NEWS

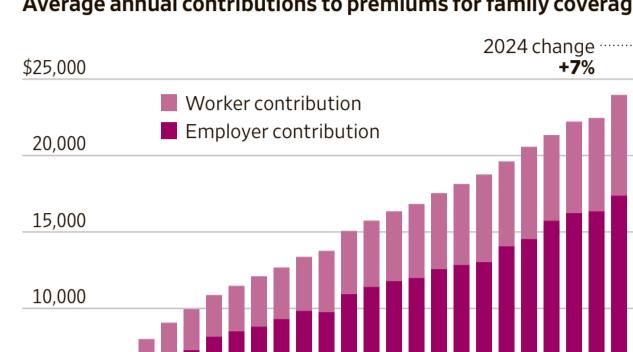
Health Premiums Soar Even as Inflation Is Cooling

Average cost of family coverage reached roughly \$25,500 this year

By MELANIE EVANS
AND JOSH ULLICK

Inflation is easing across much of the economy. For healthcare? Not yet.

The cost of employer health insurance rose 7% for a second straight year, maintaining a growth rate not seen in more than a decade, according to an annual survey by the healthcare nonprofit KFF. The back-to-back years of rapid increases have added more than \$3,000 to the average family...



premium, which reached roughly \$25,500 this year.....

Businesses absorbed this one of several signals in re-

year's higher premium costs.....

cent years that employers are

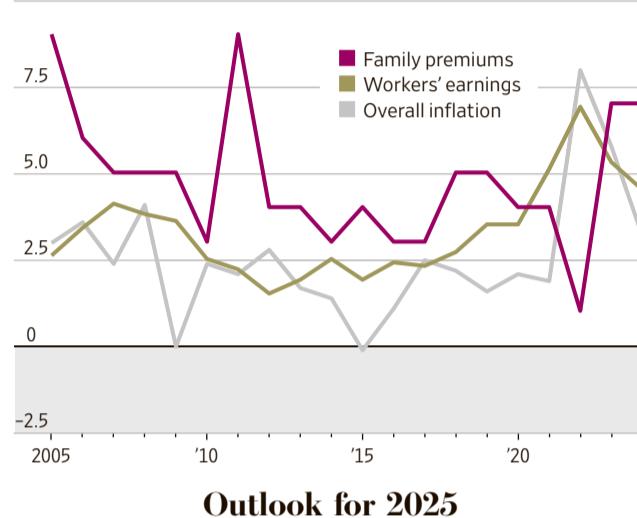
sensitive to the limits of what workers can afford, said Mat-

thew Rae, associate director of the KFF healthcare marketplace program and an author of the survey.

Employers spent about \$1,880 more this year, bringing their average cost for family premiums to \$19,276. Workers' share of the average family premium dropped by roughly \$280 from last year, to \$6,296.

Businesses can't keep that up, said Shawn Gremminger, chief executive of the National Alliance of Healthcare Purchaser Coalitions, an employer group. And workers ultimately bear those higher costs in other ways, he said, including smaller raises or job cuts. "That's adding real stress to the economy," he said.

Average annual change



Outlook for 2025

Stress on the sector is expected to continue, at least for another year. Employers and benefit consultants said health-insurance costs are projected to rise rapidly again in 2025.

Healthcare costs don't change as swiftly as in other sectors of the economy, where

inflation has cooled. Prices for health services are typically locked in under multiyear contracts.

In addition, hospitals have recently won new contracts with bigger price increases, which they said they need to offset raises for their own workers.....

Deductibles edge upward

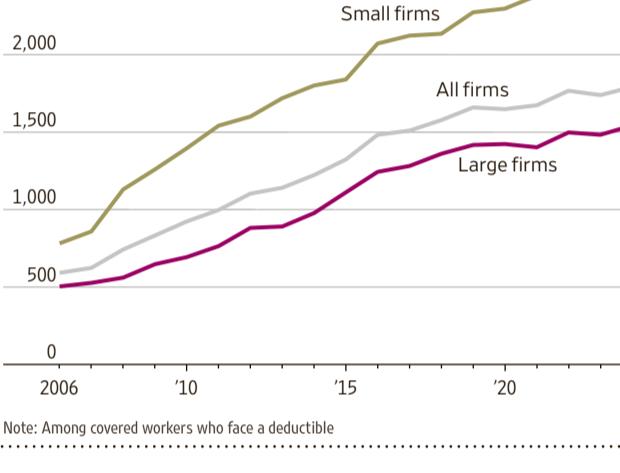
Increases in deductibles—the amounts employees must pay out of pocket before health insurance kicks in—were steep for years but eased more recently because the expense might already have been more than workers could afford, Rae said.

This year, however, the av-

erage deductible for large companies inched higher by 4% for workers with single coverage. Workers in smaller companies were hit harder, with deductibles rising 6%.

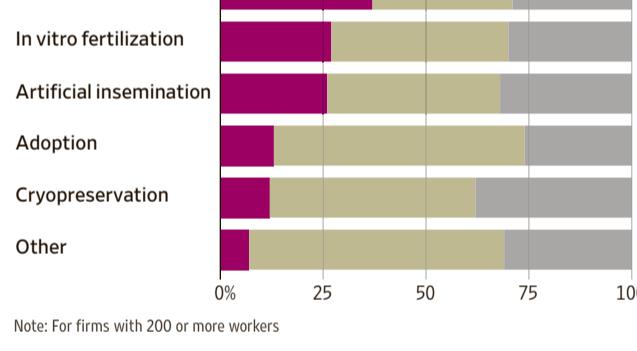
The average deductible for single coverage grew faster than workers' wages in the past decade, according to KFF.

Average annual deductible for single coverage



Note: Among covered workers who face a deductible

Share of firms that cover family-building benefits, 2024



Note: For firms with 200 or more workers

In vitro fertilization, fertility coverage are limited

Across all firms of at least 200 workers, companies that report offering fertility benefits are limited. That isn't the case among the biggest employers.

Roughly half of the nation's largest employers offer health benefits for fertility medications, artificial insemination or in vitro fertilization. Companies added the benefits to recruit workers during the recently tight labor market.

Survey respondents in some cases reported "don't know" to questions about their coverage of the services.

The KFF Employer Health Benefits Survey was conducted in the first seven months of 2024 and included 2,142 employers that responded to the full survey.

Sources for graphics: KFF (employer survey); Bureau of Labor Statistics (inflation, workers' earnings)

Study of Prosperity Wins Nobel

Continued from Page One

tional experiences have affected institutions, such as the protection of property rights or the way in which political decisions are made.

In papers and books written over a quarter-century, the three have documented why some nations, such as Britain, the U.S. and Japan, have thrived, while others, such as Sierra Leone, Uzbekistan and North Korea, haven't. The crux of their work is that these outcomes aren't driven by differences in geography and culture, but are a consequence of the institutions that emerged in those places.

Their broadest conclusion is that democracies are better at delivering prosperity over the long term, although they acknowledge that authoritarian governments can be effective at exploiting existing resources, such as raw materials or workers. Authoritarian

forms of government typically fail to innovate, which is a strength of democracies.

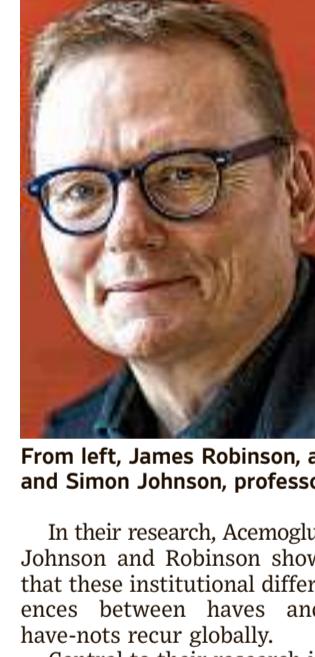
"This sort of authoritarian growth is unstable and doesn't lead to innovation," Acemoglu said on Monday.

Acemoglu said that China's recent economic performance is a "challenge" to that broad finding, and said that democracies have been "going through a rough patch."

"It's essential they reclaim the higher ground of better governance and delivering for the people," he said.

In "Why Nations Fail," Acemoglu and Robinson point to the twin cities of Nogales, on each side of the U.S.-Mexico border. Though the people on either side of the border are broadly the same, sharing the same ancestors, culture, climate and even germs, the people who live on the U.S. side are vastly better off. They argue that the economic differences are driven by differences in the institutions that govern economic activity.

In the U.S., property rights are more secure, as is the ability of residents of Nogales, Ariz., to affect legislation. As a result, they are richer than residents of Nogales in the Mexican state of Sonora.



From left, James Robinson, a professor at the University of Chicago, and Daron Acemoglu and Simon Johnson, professors at MIT, shared the Nobel Prize in Economic Sciences.

CORRECTIONS & AMPLIFICATIONS

The name of the Unified Patent Court was given incorrectly as the United Patent Court in a Technology article and a Page One What's News item on Monday about Seoul Semiconductor's recent patent case against a German online retailer.

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

Institutions ensure that economic power is shared, creating a virtuous cycle.

On the other hand, "extractive" economic and political institutions create an adverse feedback loop, where elites grab economic power, backed up by the state. Under those conditions, people are less willing to engage in the economy, knowing that the fruits of their labor could be arbitrarily taken away.

An awakening experience for Acemoglu occurred when he was a teen in Turkey learning how to drive. With no driving schools, he did what other unlicensed teens did: He went to a secluded place with someone who knew how to drive and practice.

"That day the police decided to do a raid and arrest a bunch of people," he said. "It just showed what arbitrary power can get you, how much insecurity, uncertainty and potential abuse you are apt to suffer." He spent the rest of the night in jail.

Acemoglu went to the U.K. for college, and he entered the doctoral program at the London School of Economics. It was there that he met Robin-

son, at a seminar in 1992. Robinson was presenting. Acemoglu sat in the first row and contradicted more or less everything I said, Robinson recalled. "And then he came out for dinner, and we sat next to each other at this Indian restaurant in Covent Garden, and we've been talking ever since."

The work of the Nobel winners addresses one of the biggest questions in economics, and one of its foundational problems: why some countries have become extremely rich by historic standards over the past few centuries, while others have lagged far behind.

In 1776, Adam Smith laid the groundwork for economics as a field of study with a book titled, "An Inquiry Into the Nature and Causes of the Wealth of Nations."

While Smith and many of his successors focused on the division of labor and openness to trade as key determinants of prosperity, the field of institutional economics has received growing attention over recent decades. Douglas North, a key influence on this year's winners, was awarded the Nobel in 1993 for bringing

a historical perspective to understanding institutional change and its impact on economic outcomes.

Part of what made the three economists' work different was the data and methodologies they brought to bear on these questions.

Acemoglu met Johnson at M.I.T. in the late 1990s, and introduced him to Robinson. Soon, the three set out to understand why some former European colonies, such as the U.S. and Australia, had prospered, while others, such as much of sub-Saharan Africa, had not. The key was to find some variable that could explain the difference in the systems colonists set up.

After six months of searching, Johnson hit on one: The difference in mortality rates Europeans experienced in different colonies.

The paper the three wrote, published in 2001, argued that where fatal disease was less prevalent, such as in the U.S. and Australia, more colonists settled and were more likely to develop inclusive institutions that gave them an incentive to work and invest in shared prosperity. Where fatal diseases were prevalent, the few colonists who took that risk concentrated on extracting the greatest return in the shortest period.

"That was our first paper together, and that's the paper that really launched us," Johnson said.

Their research has focused on the historical roots of poverty and prosperity, but Acemoglu said he believes that institutions are even more important today.

"I'll be very happy if this prize contributes to having more awareness of the importance of building better institutions, building better democracy," he said. "I think those are urgent challenges for us."



ALIKS KONSTANTIN/REUTERS

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U.S. NEWS

Senate Race Tests Texas' Purple Drift

Cruz mixes red meat with bipartisanship in contest GOP sees as too close for comfort

By ELIZABETH FINDELL

PLANO, Texas—In the suburbs north of Dallas, as in most of America, everyone has an opinion on Ted Cruz.

"He's a man of integrity and intelligence," 86-year-old Plano resident James Guthrie said of the junior GOP senator from Texas.

Local tech worker Cory Lewis, 40, had the opposite reaction. "I would vote for anything over Ted Cruz—a rock or a potato," Lewis said. "He's a terrible person."

This year, amid a re-election race Republicans consider too close for comfort, the fiery Cruz is trying to move past his reputation for being unlikable and convince voters he is a substantive statesman. Democrats have poured money into the coffers of Cruz's challenger, Rep. Colin Allred, former NFL football player and civil-rights attorney.

Cruz has been a household name since running for president in 2016. In Texas, he is known to fans for his staunchly conservative bona fides and to detractors for fleeing to Cancún, Mexico, during a 2021 freeze that crippled the state. In Washington, he has long had a mixed reputation with colleagues. Sen. Lindsey Graham (R., S.C.) once joked at a dinner with journalists: "If you killed Ted Cruz on

the floor of the Senate, and the trial was in the Senate, nobody would convict you."

The race won't just turn on Cruz's popularity. It is also the latest test of whether Texas is becoming a purple state or still leans red. Recent polls from Marist College and the New York Times/Siena College found Cruz leading Allred among likely voters by 5 points and 4 points, respectively. Both surveys showed Donald Trump leading Kamala Harris in the presidential race in the state by 7 points.

Austin-based Republican strategist Matt Mackowiak has been raising alarms about the race being unacceptably close. He said Cruz is consistently running behind Trump, who won Texas by less than six points in 2020. If this year's margin is two or three points tighter, Cruz could lose, Mackowiak said.

Still, Mackowiak doubts that will happen. He said appealing to crossover voters is a challenge for Allred. "Who are these voters who are Trump-Allred voters?" he asked. "What does that person even look like?"

Allred, who ranked in the top half of House members for bipartisanship and flipped a GOP district in 2018, has built a political career on moderate pragmatism. He has tangled with President Biden on border issues and refrained from linking himself much to Harris.

The matchup comes six years after former Rep. Beto O'Rourke came within three points of beating Cruz, indicating Texas is potentially competitive. O'Rourke thrilled Dem-



Sen. Ted Cruz addressed his supporters at a campaign event in Allen, Texas, last week.

ocrats as he rallied supporters in all 254 counties, live-streamed his every move and appeared on the cover of *Vanity Fair*. (O'Rourke lost his 2022 race for governor by 11 points.)

Allred has been running what might be considered the opposite of an O'Rourke campaign. He has focused on TV ads over rallies, has been less prominent in the media and made many of his in-person events small gatherings centered on professional or industry groups. The soft-spoken former athlete elicits little excitement and mostly talks about his reputation as a centrist. At times, some fellow

Democrats have questioned whether he is trying hard enough.

Allred has eclipsed Cruz in fundraising, in the past three months adding more than \$30 million to the \$38 million he had earlier raised. Cruz has reported a cumulative \$47 million.

The race's competitiveness should be no shock, said University of Houston political-science professor Brandon Rottinghaus, who noted that Texas is becoming younger and more urban, factors more favorable to Democrats. Cruz, whose approval rating has never gotten above 50%, is an obvious target. Allred's

strong fundraising advantage allowed him to define himself to voters early with expensive statewide TV ads.

Cruz has sought to portray himself as bipartisan, taking the lead on widely supported efforts such as continued funding of the Federal Aviation Administration and speaking often of bills he has passed. Trying to rebrand midcycle, as Rottinghaus said Cruz is seeming to do, is a challenge. "He's trying to resaddle his horse while he's riding it," he said.

Adelfa Reyna, a retired educator and Democratic volunteer in San Antonio, said she feels

good about most of the party's candidates but uncomfortable with Allred's approach, which she believes isn't focused on grassroots voters. Still, she and others will vote for him because of what she calls a lack of respect for Cruz, citing his denigration of immigrants while he himself is the Canadian-born son of a Cuban refugee.

Cruz's effort to burnish a more bipartisan brand is a tall order for a senator long known for right-wing flame-throwing and legislative obstruction. During the past two-year Congress, Cruz was the fourth-most-partisan member of the Senate, according to the Lugar Center, a nonprofit that compiles data on how often officials work across parties.

Most often, Cruz serves up red meat for his base. As he recently rallied supporters at a Tex-Mex restaurant north of Dallas, the crowd of nearly 800 roared as the two-term Republican used Democrats as his punchlines in jabs about inflation and border security and transgender issues.

Allred's campaign has heavily pushed messaging about the loss of abortion rights in Texas, after the overturn of *Roe v. Wade* and passage of one of the nation's strictest abortion bans. Cruz celebrated both the Supreme Court decision and the state law, having previously said he opposes abortion exceptions for rape or incest. On the trail, he has generally refused to discuss abortion, saying only that it is a matter for the state legislature and governor.

How Harris Tackled Her Immigration Assignment

Kevin Artiga never thought he could go to college, and his parents once thought the 16-year-old would have to leave El Salvador to avoid losing his life or be forcibly recruited to a gang.

By Santiago Pérez
in San Salvador, El
Salvador; Tarini Parti
and Michelle Hackman
in Washington,
and Lauren Weber
in New York

For Artiga and the 400 other students at his high school, the risk of death was palpable on their way to class, where criminal gangs also harassed girls. Today, Artiga volunteers with two science clubs at the school and meets safely in the few public plazas to practice sports on weekday evenings.

"My family was on the verge of leaving the country," said the tall and affable Artiga, who said he now hopes to study engineering in El Salvador. "Now we are less afraid,

and we decided to stay."

Part of Artiga's newfound security is thanks to programs from the Glasswing Foundation, a Salvadoran nonprofit that has received some \$60 million in funding as part of Vice President Kamala Harris's assignment from President Biden. The idea: Put money in El Salvador and other northern Central American countries so that it is more attractive for young people to stay home.

Political liability

Harris has recruited nonprofits and companies, including Microsoft, Nestlé and PepsiCo, to invest \$5.2 billion in the region to improve employment, education and living conditions. The effort was the vice president's most direct involvement in the Biden administration's immigration efforts, offering a glimpse into her record on an issue that has become a top concern for voters and vexed GOP and Democratic administrations.

Harris's border assignment

has become a political liability, as Republicans exaggerated her role to label the vice president as "border czar," though her initiative was much narrower. Harris rarely mentions how she brought private investments to Central America to try to curb migration, more often saying she supports stricter border enforcement measures instead.

Trump has centered his campaign on cracking down on illegal immigration, as he did in his two prior campaigns. Republicans have said Harris is responsible for the record number of illegal border crossings that occurred after she and Biden took office.

"Kamala's not going to protect anyone," Trump said at a recent rally in Scranton, Pa. "They've allowed this country to be poisoned at our border."

Ricardo Zúñiga, former U.S. special envoy to the Northern Triangle countries, comprising Guatemala, Honduras and El Salvador, said the Biden administration thought of its border strategy in two parts:

"a home game and an away game." Most of the immigration officials were focused on immediate border enforcement while Harris focused on engaging investors, nonprofits and local governments.

Biden handed his No. 2 the politically charged role in 2021. The majority of migrants seeking asylum in the U.S. were coming from the Northern Triangle countries. In July 2021, more than 90,000 Central Americans were detained at the southwestern border, representing almost half of total migrant apprehensions that month.

Complicated picture

But migration from the Northern Triangle has been steadily declining since then, even as illegal crossings from other countries soared. In July 2024, about 13,000 migrants were apprehended at the border from the three countries.

It is impossible, at this point, to directly attribute the drop in immigration from

Northern Triangle countries to Harris's work. The impact of the money spent there may not be known for years. In Artiga's case, for example, a crusade against gangs in El Salvador, launched by the administration of President Nayib Bukele, transformed the country. And several U.S.-based companies were already weighing or expanding their presence in the region before Biden and Harris took office.

Harris has sought to take credit for a drop in migration from the Northern Triangle. "The root causes work that I did as vice president...actually resulted in a number of benefits, including historic investments by American businesses in that region," Harris said in a CNN interview in late August. "The number of immigrants coming from that region has actually reduced since we began that work."

Experts say other factors likely contributed to a slowdown in migration. Following Bukele's security crusade in El Salvador, new businesses have

been opening without the threat of gang extortion. In the slums of the country's capital, parents now say their children can play outside.

Illegal migration has also fallen dramatically in Guatemala and Honduras, though the reasons are less clear, analysts say. In both countries, elections have provided a measure of hope after ousting corrupt leaders.

Mexico has stepped up arrests of migrants en route to the U.S. The number of deportation flights the U.S. sends to northern Central America are also higher than those under the Trump administration.

Economists and immigration experts also believe there is a simpler explanation for the drop in migration from the Northern Triangle. "The number of people who have left has been so large that it has actually diminished the size of the labor force in those countries," said Manuel Orozco, an immigration expert at the Inter-American Dialogue, a Washington-based think tank.

Equal-Pay Advocate Spurred Law in Her Name

By JOSEPH DE AVILA

Lilly Ledbetter, who took her fight for equal pay all the way to the Supreme Court and later saw a law bearing her name signed into effect, has died, according to her family. She was 86.

"Our mother lived an extraordinary life," the family said, noting she died Saturday from respiratory failure.

Ledbetter, who retired in 1998, had worked for Good-year Tire & Rubber for nearly

two decades when she discovered she was paid less than male co-workers. She

filed a formal charge with the Equal Employment Opportunity Commission and later filed a lawsuit.

Her lawsuit against Good-year made it to the Supreme Court, which ruled 5-4 in 2007 that she didn't file the complaint within 180 days of when the discriminatory pay decisions were made.

After the Supreme Court defeat, Ledbetter continued to push Congress to address wage discrepancies between women and men. Congress in 2009 passed the Lilly Ledbetter Fair Pay Act, which relaxed time restrictions for the filing of wage discrimination lawsuits.

It was the first piece of leg-

islation that then-President Barack Obama signed into law.

"Lilly Ledbetter never set out to be a trailblazer or a household name. She just wanted to be paid the same as a man for her hard work," Obama said Monday on social media. "Lilly did what so many Americans before her have done: setting her sights high for herself and even higher for her children and grandchildren."

She is survived by her daughter Vickie Ledbetter Saxon and her son Phillip C. Ledbetter, and several grandchildren. Her husband Charles J. Ledbetter died in 2018.

Ledbetter was born and raised in the rural community of Possum Trot in Calhoun County, Ala. After graduating from high school, she started

working at General Electric.

In 1979, she went to work at Goodyear, where she encountered a raft of disparaging comments and harassment from male co-workers, according to her memoir published in 2012 called "Grace and Grit: My Fight for Equal Pay and Fairness at Goodyear and Beyond."

Ledbetter in 1998 found an anonymous note in her mailbox alerting her that she was being paid significantly less money as a supervisor than her male counterparts. Learning this bit of information was the spark that led her to file the lawsuit against Good-year.

The American Federation of

labor and Congress of Industrial Organizations—the AFL-CIO—said Ledbetter was a

hero for her work pushing for fair pay.

"For her fight against pay discrimination and for justice for our daughters and granddaughters, Lilly Ledbetter's name is synonymous with courage, opportunity and progress," Democratic Rep. Nancy Pelosi, who was House speaker when the Fair Pay Act of 2009 was passed, posted on social media.

Ledbetter spoke at the Democratic National Convention in 2008 and 2012.

Actress Patricia Clarkson plays Ledbetter in the film "Lilly," which made its world premiere earlier this month.

Federal data shows pay disparities between genders persists. Women who were full-time wage and salary workers had median earnings that were 84% of those for men in 2023, according to a report released in August by the Bureau of Labor Statistics. That figure was 80% in 2009 when the act passed, and in 1979 it was 62%.

In a 2008 interview with The Wall Street Journal, Ledbetter encouraged women to advocate for themselves to get fair pay at work.

"Women need to be alert to what they're paid compared with [their] male counterparts. They need to have a mentor, someone who is guiding them. And listen carefully to what is said around them—don't let anything drop by the wayside," she said.



Lilly Ledbetter in 2016. Her namesake law passed in 2009.

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U.S. NEWS



Kamala Harris greeted people Monday at a Black-owned business in Erie, Pa. Below, a sign at a July rally for Donald Trump.

Harris Reaches Out to Black Men After Obama Speech, Polling Worry

WASHINGTON—Vice President Kamala Harris and her Democratic allies are rolling out a blizzard of policies, events and outreach in an attempt to shore up her standing

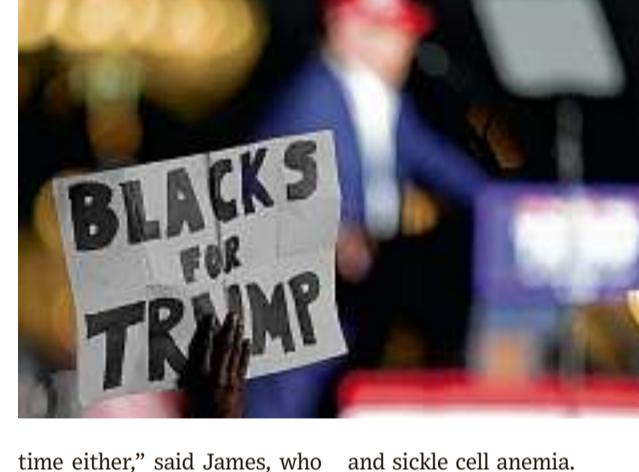
By Tarini Parti,
Ken Thomas
and Vivian Salama

with Black men with just three weeks to go until Election Day.

Harris on Monday night stopped by a Black-owned business in Erie, Pa., to discuss her new economic plan for Black entrepreneurs ahead of a rally there. At the same time, actor Don Cheadle and NFL defensive tackle Thomas Booker headlined a “Monday Night Football” watch party in Detroit in an attempt to use celebrity surrogates to connect with voters. Her strategy is emerging less than a week after former President Barack Obama admonished Black male voters who he said were reluctant to back a Black woman, stern remarks that some in the party say risk making matters worse for Harris.

Quentin James, founder and president of the Collective PAC, a pro-Harris group, said it was important for Democrats to use policy to persuade Black men to vote for Harris over Republican former President Donald Trump. James said Obama’s remarks last week suggesting Harris’s support with Black men is somewhat soft because they are “not feeling the idea” of a female president weren’t helpful.

“While I understand the sentiment of having a desire to see increased engagement, chastising voters has never worked, and it won’t work this



time either,” said James, who gave the Harris campaign feedback on the new set of policies rolled out Monday aimed at improving the economic position of Black men.

Asked if it would be helpful for Obama to reiterate those comments at future campaign stops, James said: “If the goal is to increase Black male engagement, hell no.”

The new policies and football meetup are part of Harris’s latest efforts to reach out to Black men, a core constituency for the party. Polling shows a potential lack of enthusiasm among those voters, with early voting already under way in some states. Securing the support of Black men could prove decisive in key battleground races, particularly as Harris attempts to drive up turnout in places like Detroit, Philadelphia and Atlanta.

The vice president wants to offer one million forgivable business loans for Black entrepreneurs to start businesses, create more training and apprenticeship programs, and study diseases such as diabetes

and sickle cell anemia.

The Harris campaign’s self-described “opportunity agenda for Black men” would regulate cryptocurrency and digital currencies to protect Black investors, promote more Black men into the teaching profession and reiterate the vice president’s support for legalizing marijuana.

In the process of doing that, not only are you directly dealing with the injustices and the legal and procedural barriers that have been focused on Black voters, but by eliminating those barriers everyone actually benefits,” Harris said of her economic policies in an interview with “Roland Martin Unfiltered” released Monday.

Khalil Thompson, co-founder and executive director of Win With Black Men, said he is supportive of Harris’s proposed agenda, but he wishes she had put it out earlier. “What I find is that far too often Black men...are left to be engaged at the tail end of an electoral cycle, and it’s frustrating,” he said.

Harris and Trump are vying

for the support of Black men this week. The former president is appearing Tuesday in Atlanta at the start of early voting in Georgia, and Harris will seek to reach Black men during a Tuesday appearance in Detroit with radio and podcast host Charlamagne the God.

During Monday’s episode of “The Breakfast Club,” Charlamagne said Harris’s outreach and conversations with Black men wasn’t new.

As part of the push, the Harris campaign released an ad featuring Anton Moore, a Black community activist from Philadelphia, who describes Harris’s work on small businesses and affordable housing. “She’s had our back since Day One,” he says in the ad, which is airing on broadcast television in the Philadelphia market, according to tracking firm AdImpact.

Polling has shown Trump receiving a higher percentage among Black voters, particularly among men, than in past campaigns, raising the possibility he could disrupt Democrats’ voting coalition.

A Wall Street Journal poll of battleground states released last week found a disparity among male and female Black voters. Among Black women, Harris was at 83% and Trump at 11%; among Black men, Harris received 68% and Trump was at 24%.

The Harris campaign noted a CBS News national poll during the weekend that showed Harris with 87% and Trump at 12% among Black voters overall, a margin that would be in line with President Biden’s performance among Black voters in 2020.

—Natalie Andrews contributed to this article.

Should Revamp Be Inside Job?

Continued from Page One until very recently, was dismissive of the actions announced today—the right leader to execute on these ‘transformative’ changes?” Elliott said after Jordan’s presentation to investors. “The answer is clear: He is not.”

Southwest said its board would discuss the process for setting a special meeting with Elliott and reiterate its support for Jordan.

Becoming a fixer

Jordan didn’t know much about Southwest when he applied for a job as a programmer at the Dallas-based airline in 1988. He wanted to move his

young family back to Texas after a brief stint at Hewlett-Packard in California.

During his interview at the airline’s headquarters, someone ran by needing help with a computer system. “I walked in and clickety, clickety, fixed it and flew home,” Jordan said. The next day, he had a job offer.

Jordan developed a knack for problem solving. Gary Kelly, the airline’s longtime CEO, called on him to tackle thorny changes such as overhauling the airline’s frequent-flier program, overseeing the acquisition of AirTran in 2011 and implementing a new flight-reservation system in 2017.

Most of the time, there was no application process, just Kelly, who has been Jordan’s mentor, telling him to figure it out. Jordan said it came as a surprise when the board picked him as CEO over two other executives.

People who have worked with Jordan said he is curious and has an instinct for when he isn’t getting a straight answer. He is known for piping up with a fast answer to a tough question, mental processing that coworkers call “Bob math.”

Jordan played a central role when Southwest debated ditching its all seats equal, first-come, first-served boarding arrangement nearly two decades ago. In 2007, Jordan and his team implemented a middle-ground solution it has used since: lining up customers by their assigned boarding groups.

Greg Wells, a retired Southwest operations executive, said Jordan often advocated for new



Key investor wants to oust Southwest CEO Bob Jordan

ideas but could have pushed harder for them. And he didn’t have the final say.

Hitting turmoil

Jordan is steeped in the airline’s quirky and offbeat culture. He peppers messages with Southwest lingo such as “Warrior Spirit” and frequently tells employees he loves them, playing on the company ticker symbol LUV in notes.

Kip Tindell, who co-founded the Container Store and tapped Jordan to serve on the company’s board, likened the Southwest boss to George Bailey, the everyman hero of “It’s a Wonderful Life.” Some investors and former Southwest executives are skeptical that is enough and said that Jordan loves the company and its traditions too much to challenge them.

Before he took the helm, Jor-

dan said he hoped to modernize the airline instead of reinventing it. Kelly assured investors that his successor had played a big role in developing the airline’s strategy.

Jordan quickly faced turmoil in the CEO role. He took over during the Covid pandemic, and the airline had an operations meltdown during the 2022 winter holidays. An expansion plan hasn’t gone as hoped and the carrier has struggled to hit its financial targets.

Southwest was once an industry menace, confounding rivals as it lured fliers off the highways into the skies with cheap fares and friendly service. While the airline is still consistently profitable, its profit margins now lag behind those of its biggest competitors. The airline has been slow to adapt as other carriers have boosted revenue by offering

Some on Right Want Trump to Prioritize Judges Loyal to Him

BY JESS BRAVIN
AND C. RYAN BARBER

A rising faction within the conservative legal movement is laying the groundwork for Donald Trump to appoint judges who give priority to loyalty to him and aggressively advocate dismantling the federal government should he win a second term.

The movement’s old guard, including lawyers who helped found the Federalist Society in the 1980s, is pushing back, fearful of discrediting the conservative principles they worked for decades to legitimize within a legal profession that leaned left.

Since losing the 2020 election, Trump has broken with Federalist Society leaders who had eagerly boosted his blitz of judicial appointments during his term but later balked at his efforts to thwart President Biden’s victory and didn’t openly support him as he faced dozens of criminal charges.

Trump has gravitated to more-combative lawyers outside the conservative legal establishment who have said they want to hobble regulatory agencies and concentrate power in the White House.

The shift has

sidelined the old

guard in favor of

groups like

America First

Legal, run by

former Trump

adviser Stephen

Miller, who isn’t

a lawyer.

This ascendant faction wants more judges like U.S. District Judge Aileen Cannon, the controversial Trump-appointed Florida jurist who dismissed one of the criminal cases against Trump, and fewer like U.S. appeals court Judge Stephanos Bibas of the Third Circuit, another Trump appointee, who in 2020 rejected the former president’s bid to overturn his election loss that year.

Future Trump judicial nominees must be “even more bold and more conservative and more fearless,” than those appointed in the first administration, said Republican legal activist Mike Davis, one of the conservative lawyers pushing for a harder line in a potential second Trump administration.

Longtime Federalist Society members said the group was designed not to advocate specific positions but to promote conservative and libertarian thought more broadly—and provide a career network for right-leaning lawyers interested in government and the judiciary.

More combative lawyers have sidelined the conservative legal old guard.

media platforms from policing content including disinformation and hate speech.

Lawyers on the left are watching with concern.

“There are lots of different strains of conservatism, but one of them is now on its way to total domination—and it is not the libertarian, economic, business version,” said University of Oregon law professor Garrett Epps, who sits on the board of the liberal American Constitution Society.

Some of the divisions within the movement are more of style than substance, and both the traditionalists and upstarts are likely to be represented in a future Trump administration.

“They are all in the same church, even if they sometimes sit at different pews,” said Leonard Leo, the longtime Federalist Society leader who advised Trump on judicial nominations.

Which faction is ascendant will likely influence how aggressive the White House is in asserting executive powers and the kind of nominees selected for the federal bench.

U.S. WATCH

FLORIDA

NASA Craft Seeks Life on Jupiter Moon

A historic mission to Jupiter’s icy moon Europa blasted off, the beginning of a decade-long endeavor to find out whether the moon is habitable.

The uncrewed spacecraft is named Europa Clipper. Following a 1.8-billion-mile journey, it is expected to settle into orbit in 2030, where it will spend four years helping scientists assess whether Europa has the conditions necessary to sustain life.

—Aylin Woodward

NORTH CAROLINA

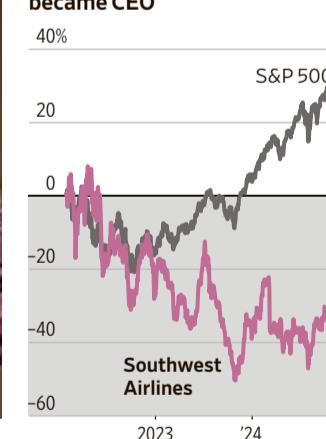
Man Is Accused Of FEMA Threats

A man was arrested after allegedly threatening to hurt federal employees in North Carolina who were helping victims of Hurricane Helene.

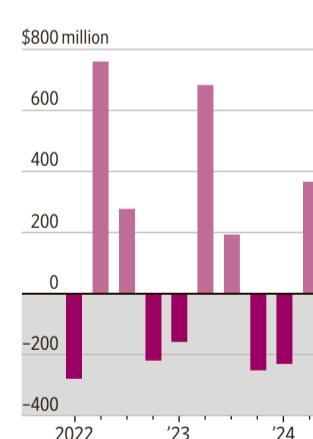
The Rutherford County Sheriff’s Office said it arrested 44-year-old William Jacob Parsons of Bostic, N.C., after receiving a call that a man had made threats against Federal Emergency Management Agency workers. Parsons had a handgun and rifle when he was arrested Saturday and was released after posting a \$10,000 secured bond, the sheriff’s office said. In an email Monday, Parsons said he didn’t threaten anyone and he was helping storm victims.

—Joseph Pisani

Share-price and index performance since Bob Jordan became CEO



Southwest quarterly net profit/loss



Sources: FactSet (performance); S&P Capital IQ (profit/loss)

demand for premium seats.

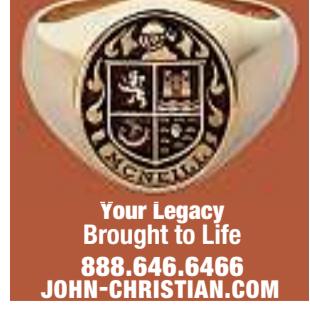
Analysts said Southwest’s plans are a step in the right direction, but some are skeptical that the typically slow-to-change airline can pull it off.

“Southwest has had a history of stumbling on these types of plans,” Melius Research analyst Conor Cunningham wrote last month.

Elliott has argued that the airline’s management is the problem—and only new leaders from outside the company can turn things around.

Jordan said the idea that outsiders could come up with a better plan faster “just makes literally no sense to me.” Some investors have expressed caution about a potential management change without knowing who would succeed Jordan. “My ability to execute across the rest of my 36-year career has not been a question,” he said.

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WORLD NEWS

Kyiv Faces Bleak Winter Battling Russia

President Zelensky pleads for more arms, as Moscow ramps up assaults

BY JAMES MARSON

KYIV, Ukraine—The war in Ukraine is barreling toward the end of its third year, with Russia pursuing relentless offensives despite heavy losses and Western leaders groping for a strategy to end the conflict.

With Western weapons deliveries limited and slow, Ukraine is facing a bleak winter. Its outnumbered and out-gunned military is slowly but steadily losing ground on the main eastern front, trying to exact a heavy toll on Russia, while minimizing its losses.

Russian missile-and-drone attacks targeting Ukraine's energy infrastructure are overwhelming the country's air defenses, forcing rolling blackouts across the country that could worsen in winter.

Ukrainian troops are clinging to important strategic locations in the east, such as the high-lying city of Chasiv Yar, facing waves of Russian infantry and massive glide bombs that pulverize buildings. But in recent weeks, Russia has claimed the city of Vuhledar, advanced toward the logistics hub of Pokrovsk and moved forward in other towns.

Western leaders have said they want Ukraine to prevail, but are providing insufficient support to stop Russia and turn the tide, say Ukrainian



Ukrainian troops last month returned from the battlefield and rested near the front line.

officials and soldiers.

More worrying for Kyiv, former President Donald Trump has said that if he wins the election he would seek a quick peace deal with Russian President Vladimir Putin, who has made clear he wants Ukraine's capitulation. Russia, meanwhile, is planning to increase military spending by one-quarter next year, signaling its long-term commitment to overpowering its neighbor.

On visits to European capitals and the U.S. in recent weeks, Ukrainian President Volodymyr Zelensky requested more weapons and security guarantees as part of what he has dubbed a "victory plan"

aimed at ending the war on terms favorable to Ukraine.

The Biden administration, which has drip-fed weapons to Ukraine, has given a tepid response. U.S. officials have said Zelensky's plan repackages some earlier requests, and noted that members of the U.S.-led North Atlantic Treaty Organization are divided about whether to offer Ukraine a formal invitation to join.

Mykhailo Podolyak, a Ukrainian presidential adviser, said the plan is a detailed strategy encompassing military, economic, political and diplomatic steps necessary to compel Russia to end its war. Among them is a request for more long-range

missiles, known as ATACMS and Storm Shadow, and permission to fire them at military targets deep inside Russia. Podolyak said that could change Putin's calculus by increasing domestic pressure, and weakening Russia's front-line forces. The U.S. has so far declined to grant permission, fearing Russia would view it as a major escalation.

Without more support for Ukraine, Podolyak said, the war could drag on for years and end up eroding Western nations' global standing.

Forcing Ukraine to negotiate from a position of weakness wouldn't end the conflict, he said, but embolden Putin to press on with his goal of total

How far ATACMS and Storm Shadow missiles could reach into Russian territory



Note: Potential Russian military and paramilitary targets within range as of Aug. 26; Russian and Ukrainian forces as of Oct. 10; ranges are approximate.

Source: Institute for the Study of War and AEI's Critical Threats Project ANDREW BARNETT/WSJ

control over Ukraine.

Kyiv has been striving to show it would put more support to good use. In August, it launched a surprise assault on Russia's Kursk region, quickly seizing about 100 towns and villages that it largely has held. Ukraine also has launched long-range strikes in Russia and in occupied Ukraine, destroying ammunition and fuel stores.

Ukrainian front-line units are struggling with a lack of basic equipment and shortages of troops. Kyiv isn't mobilizing anyone under age 25 to prevent demographic collapse and more social turmoil.

Podolyak said the situation is improving, and Ukraine is car-

rying out some troop rotations and increasing the size of its reserves. The French government said last week it is training and equipping a Ukrainian brigade.

On the home front, Ukrainians are exhausted by the war, and polls show a slight increase in the number prepared for negotiations. But that doesn't mean they are ready for concessions.

Fewer than one in 10 would be prepared to surrender any territory to Moscow to end the war, according to an August survey by the Democratic Initiatives Foundation, a Kyiv-based think tank.

—Daniel Michaels contributed to this article.

More Countries See Lasers As Weapon Against Drones

BY ALISTAIR MACDONALD

The U.S. Army shot down a number of hostile drones in the Middle East this year using a weapon long dismissed as more science fiction than reality—the laser.

After decades of costly, problematic development, more countries say they have harnessed the technology for military use.

The role of lasers is likely to be narrow for the foreseeable future because of their large energy needs, limited range and problems with bad weather. But militaries say the new weapons could prove an effective way to shoot down drones, a key task as they look for cheaper ways to counter a proliferation of unmanned aerial vehicles in combat.

Laser weapons shoot highly concentrated beams of light that deliver intense heat to their target. The beams, which travel at the speed of light, cut through metal to destroy engines, fuel tanks, electronics and other key parts of a target or can be used

to "dazzle," or blind, their sensors and cameras.

"The old adage that lasers were five years from being amazing and always will be, that is changing," said Doug Bush, the U.S. Army's assistant secretary for acquisitions, logistics and technology. "Lasers for counter drone [warfare] may have met their moment."

The U.S. has successfully deployed lasers in the Middle East to shoot down UAVs, Bush said. The U.S. Army declined to detail the operations.

Military lasers have gained ground in recent years because of advances in the technology, and a growing need to find more cost-effective weapons amid the increasing threat from drones.

The U.S. and its allies typically shoot down low-cost drones with missiles that can cost hundreds of thousands of dollars each. Lasers are cheaper to operate—energy is the main cost—and don't run out of ammunition provided there is a power supply.

For example, the U.K. government says the cost of operating its DragonFire laser is less than \$13 a shot. Britain announced the weapon to much fanfare this year, lauding its ability to hit a target the size of a coin from a kilometer away.

Militaries also are exploring other new options to counter drones, including high-power microwave devices that can disrupt or even fry the electronics of aerial threats.

The path to laser weapons has been long and costly. Militaries have been experimenting with using lasers since U.S. physicists created them in the early 1960s.

During the past two decades, the U.S. Navy tried a host of different systems without putting any into regular combat.

One challenge was generating the huge amount of energy needed to produce a powerful beam over long distances, said Subrata Ghoshroy, an expert on laser technology who in 1997 presented a critical report to a congressional committee.



A U.S. Marine Corps vehicle took part in a high-energy-laser exercise in Arizona in April.

Any blemish on lenses that the laser passed through also would distort the beam, he said.

Since then, laser technology has improved, making it more viable for militaries.

One significant advancement has been the use of fiber lasers, first developed by the telecommunications industry, said Paul Gray, a business-development executive at QinetiQ, a British company that helped develop the DragonFire weapon.

Fiber lasers amplify and focus light from hundreds of strands into a single beam. Earlier systems often relied on hazardous chemicals or gases to generate lasers.

Systems are also getting more compact.

Despite recent breakthroughs, lasers still have many of the same limitations, Ghoshroy and other experts say.

The Defense Department still spends about \$1 billion annually on developing lasers

and other directed-energy weapons, the Government Accountability Office said. U.S. forces also are working on other systems, including a laser that can deliver more than 300 kilowatts of energy.

Watch a Video

Scan this code for a video on how a laser weapon zaps drones.

Hezbollah Hits a Base In Israel

Continued from Page One

Ukraine, Israel's military has focused on longstanding threats such as rockets and missiles and has viewed drones—or unmanned aerial vehicles, UAVs—as a side issue.

"This was a difficult event with painful results," said Defense Minister Yoav Gallant of Israel, who visited the Golani base Monday. "We are concentrating significant efforts in developing solutions to address the threat of UAV attacks."

The Israeli military said that in response to Hezbollah's drone attack, it had issued a directive to prioritize targeting the Hezbollah drone unit, with the objective of dismantling its capabilities.

Separately, at least four Palestinians were killed in an Israeli airstrike on a tent encampment for displaced people in central Gaza, which Israel said targeted militants.

A large fire broke out inside the encampment near the area of the strike, according to witnesses and footage on social media verified by Storyful,

which is owned by News Corp, the parent company of The Wall Street Journal. Some 40 people were wounded as a result of the fire, including women and children, according to Palestinian health authorities.

Philippe Lazzarini, head of the United Nations Relief and Works Agency, said an agency school, which was planned to be used for a polio vaccination campaign, was hit in the same area, with 20 reported killed.

Lazzarini said the vaccination campaign in the school was canceled.

Asma Aljendeb, 22 years old, was staying with her two children at a tent near the hospital as the fire started to spread. "I had to wake my children up. We left before our tent was set on fire as well," she said.

Israel is believed to be planning an attack on Iran in response to Tehran firing 180 missiles at Israel on Oct. 1. Israel has assured the Biden administration that the attack won't target nuclear and oil facilities, U.S. officials said.

The Hezbollah drone attack on Israel shows how the group has improved its use of

drones since the start of the war, including using surveillance drones, explosive drones and first-person-view drones, or FPVs, that can be navigated by an operator.

Drones have been used successfully by Ukraine against Russia's much larger military. They are cheap compared with costly defense systems. It costs Israel around \$100,000 per interception of a much cheaper drone with its Iron Dome system. Jet fighters are

also considered expensive compared with more cost-effective solutions pioneered by Ukraine such as acoustic sensors.

Since Israel escalated its campaign against Hezbollah last month through intensified airstrikes and a land operation, the U.S.-designated terrorist group has been hit hard, including Israel killing its leader Hassan Nasrallah and other senior commanders. Israel said that it has successfully destroyed a large percentage of Hezbollah's weapons arsenal, which was estimated at around 150,000 missiles, rockets and UAVs before the war.

At the same time, Hezbollah

has continued to fire hundreds of projectiles at Israel daily, including firing missiles at central Israel on Monday that caused no casualties, according to preliminary reports.

It remains unclear how significantly Israel has been able to damage the militant group's arsenal.

"The fact that its capabilities have been significantly harmed doesn't mean that it doesn't have remaining capabilities," said Sarit Zehavi, founder and president of Alma Research and Education Center, a think tank in Israel, referring to Hezbollah.

Hezbollah has been firing large amounts of UAVs and drones at Israel for months, and it wasn't surprising that some have been able to slip through, Zehavi said. Sunday's attack on the military base took place under the cover of a large barrage of rockets that appeared to have been aimed at overwhelming Israeli air defenses, she said.

While Hezbollah's FPVs have so far only been used against military hardware, security analysts fear that their use could expand and improve, as they have in Ukraine and be used for assassinations or by relying on optic fibers which can't be jammed.

—Omar Abdel-Baqi and Abeer Ayoub contributed to this article.

Israel Tells U.S. It Won't Strike Iran Nuclear Sites

BY NANCY A. YOUSSEF
AND ALEXANDER WARD

WASHINGTON—Israel has assured the Biden administration that a planned retaliatory attack on Iran won't target nuclear and oil facilities, according to U.S. officials, a promise sought by the White House to head off further Middle East escalation and to avoid a potential oil-price increase.

The pledges came in a call between President Biden and Israel's Prime Minister Benjamin Netanyahu last week, as well as in conversations in recent days between Defense Secretary Lloyd Austin and his Israeli counterpart, Yoav Gallant, the officials said.

Israel has suggested it would aim for military or intelligence targets, the officials said, but has stopped short of providing the U.S. a list of specific targets. The planned attack is a response to Iran firing 180 missiles at Israel on Oct. 1 after an Israeli airstrike that killed Lebanese militia Hezbollah leader Hassan Nasrallah.

"We listen to the opinion of the U.S., but we will make our final decisions based on our

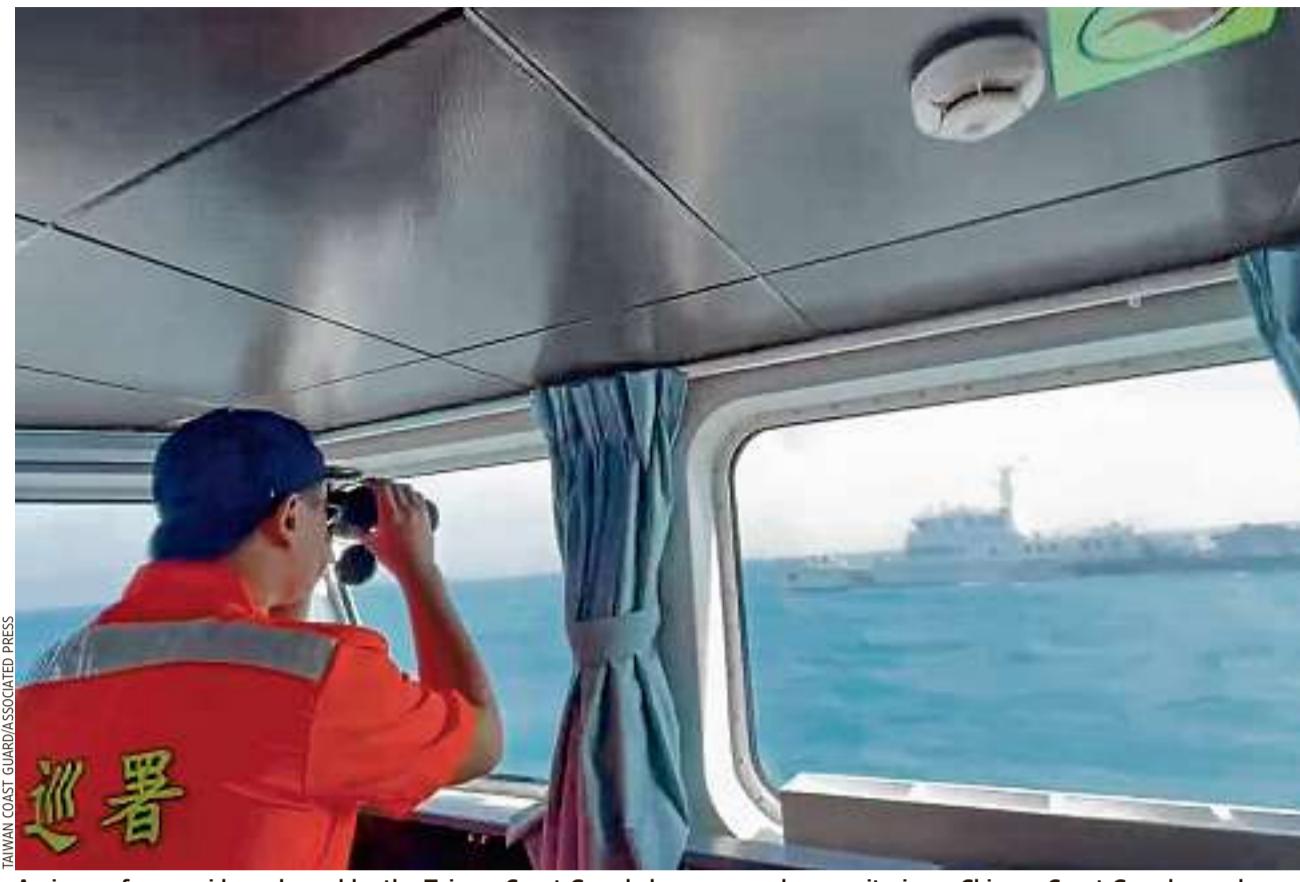
national interests," Netanyahu's office said.

Israel's response, which Washington officials say is likely to come before the Nov. 5 U.S. presidential election, could resemble a previous attack in April that hit an Iranian military base after Tehran launched 300 missiles and drones at Israeli territory. But Israeli officials have said their operation could hit unexpected targets.

For the White House, limiting the Israeli counterattack in hopes of heading off a wider Middle East war that could further draw in U.S. forces has been a critical goal with less than a month before the presidential election.

The National Security Council, Defense Department and Israeli Embassy in Washington declined to comment on the Israeli assurances, which were earlier reported by the Washington Post. Iran's mission to the United Nations didn't respond to a request for comment. Some of the Iranian missiles in the Oct. 1 attack, which targeted Israeli military and intelligence sites, penetrated Israel's antimissile defenses, causing minor damage.

WORLD NEWS



An image from a video released by the Taiwan Coast Guard shows a member monitoring a Chinese Coast Guard vessel.

Beijing Ends Taiwan Drills

Military exercises come after president reaffirms the island's sovereignty

By JOYU WANG

TAIPEI—China said it concluded a day of “round-the-clock” drills around Taiwan, sending a record number of military aircraft and saying for the first time that it deployed its coast guard to encircle the self-ruling democracy’s main island.

Beijing’s military response came days after Taiwan’s new president, Lai Ching-te, delivered a speech reaffirming Taiwan’s sovereignty. Beijing claims the island as part of its territory despite having never ruled it.

On Monday morning, China’s People’s Liberation Army Eastern Theater Command said it launched joint sea and air drills around Taiwan’s main and outlying islands, involving the army, navy, air force and rocket force, effectively simulating a blockade. Some 14 hours later, it said it had “fully tested the integrated joint operation capabilities of its troops” and had wrapped up the exercises.

“This is a stern warning to

the secession forces advocating ‘Taiwan independence,’ ” said Li Xi, a spokesman for the PLA’s Eastern Theater Command, which oversees the forces positioned closest to Taiwan.

In Washington, officials expressed concern about the Chinese actions, saying that launching military drills in response to “a routine annual speech is unwarranted and risks escalation.”

“We call on the PRC to act with restraint and to avoid any further actions that may undermine peace and stability across the Taiwan Strait and in the broader region,” said State Department spokesman Matthew Miller, referring to the initials for the formal name of the government in Beijing, the People’s Republic of China.

Taiwan’s Defense Ministry said it sent “appropriate” forces in response to the Chinese drills, describing them as an “irrational provocation” and reaffirming its determination to defend the island democracy’s sovereignty.

As of midafternoon Monday, the ministry reported that the PLA sent a record 125 military aircraft near Taiwan’s main island, including jet fighters, helicopters and drones. Military officials called it the largest such

single-day deployment, with 90 of the aircraft entering what it called its “response zone,” although the ministry didn’t specify the parameters of that zone.

Seventeen Chinese warships and 17 other coast-guard vessels also were spotted, with four of them part of the Chinese Liaoning aircraft-carrier fleet to the southeast of Taiwan’s main island.

The presence of that fleet has “created a certain level of military pressure on us from both the east and west,” said Taiwan intelligence officer Lt. Gen. Hsieh Jih-sheng. China “wanted to create an impression that it has the capability to enter our response zone from the sea, not just from the west.”

State broadcaster China Central Television published footage showing the PLA deploying soldiers, naval vessels and aircraft in exercises focused on maritime and air-combat readiness. Video showed the units rehearsing moves to take control of strategic ports and conducting strikes at sea and on land. As day broke on Monday, the Chinese military also dispatched an antiship cruise-missile launcher and sent out jet fighters from an aircraft carrier, according to one clip.

Fu Zhengnan, a researcher at the PLA’s Academy of Military Sciences, said in a video posted to a state-media affiliated social-media account that the drills were being held in an “around-the-clock” manner to better reflect actual wartime conditions. Fu said the exercises began in the early morning, demonstrating that the PLA can escalate a drill into a war at any moment.

“It’s like a sword hanging over their heads and a heavy hammer ready to drop, making the Lai administration feel the looming threat of war,” Fu said. Meanwhile, China’s coast guard said it had deployed four of its fleets to conduct “law enforcement patrols and controls” in the waters surrounding Taiwan, marking the first time the coast guard has claimed to fully encircle the island. An image posted by the coast guard showed a map with its ships ringing Taiwan in a heart-shaped formation, comparing the encirclement of Taiwan to “an act of love.”

Watch a Video
 Scan this code for a video on China's military drills around Taiwan.
 However, that strength comes as trade restrictions from other countries tighten, threatening to damp China's export growth in the long run, she said.

“We think shipments will stay strong in the near term, supported by gains in export competitiveness,” said Zichun Huang, an economist at Capital Economics. Huang estimated that after accounting for changes in prices and seasonality, China’s export volumes softened slightly in September but still were up more than 10% from a year ago.

“We think this increase in fiscal expenditure will boost construction activity and drive higher demand for industrial commodities, at least for a quarter or two,” she said in a note.

As trade tensions escalate, it will be tough to sustain the remarkably strong pace of Chinese export growth seen so far this year, which has helped offset weak demand at home, said Zhiwei Zhang, president and chief economist at Pinpoint Asset Management. But the change of fiscal-policy stance indicated by the finance ministry over the weekend could shape up to be a critical pillar of growth next year, Zhang added.

Neighbors Hope China Applies Right Stimulus

Asia is scrutinizing China’s unprecedented efforts to get its economy humming. If Beijing doesn’t succeed, the fallout will ripple across the region, just as economies there

By Fabiana Negrin Ochoa, Kimberley Kao and Amanda Lee

get onto firmer ground.

China has been an engine of regional growth for three decades, but its mounting economic woes have cast a shadow over its neighbors. Beijing’s next policy steps could determine whether it will again be a regional tailwind.

Rather than splashy stimulus that delivers a “sugar hit” to get to 5% annual growth, what the rest of Asia really wants is support that targets structural challenges in China’s economy, said Harry Murphy Cruise, economist at Moody’s Analytics.

Chinese officials have made the right noises about sagging domestic de-

Beijing’s policy steps could decide whether it will again be a regional tailwind.

central governments, putting a floor under property prices and ensuring households have the confidence to spend, Cruise said. That sort of demand-side stimulus can ensure China continues to buy from the region, and reduce the risk that its economy will be knocked off course by the likes of tariffs or a global shock, he added.

Chinese companies’ sale of excess inventories at thin margins overseas have posed intense competition for Southeast Asian manufacturers on their home turfs, said Erica Tay, an economist at Maybank Investment Banking Group. Manufacturers in Thailand have complained, she said.

But trade flows both ways. Fiscal stimulus for the property sector, such as direct funding for presold and delayed residential projects that sparks investment, could broaden Asia’s exports recovery and lift commodity prices, Nomura said.

Financial markets also feel China’s policy wins and misses. Wild swings in equities over the past weeks tied to policy announcements show how high-strung markets are.

Still, while it is clear China’s policymaking has consequences beyond its borders, regional players can and have managed to cushion the impact of its slowdown. Regional growth is at or near prepandemic levels, and inflation has been largely wrestled into submission. Countries like Indonesia, Malaysia, the Philippines and Singapore have confounded expectations, Maybank’s Tay said.

“The package fell short of bold policies to prop up consumption, the property and private sectors,” CreditSights analysts Zerlina Zeng and Karen Wu said in a note.

Asia’s wish list includes better balancing budget responsibilities between local and cen-

Espionage Rattles The West

Continued from Page One

Chinese leader Xi Jinping since taking power in 2012 has increasingly emphasized the importance of national security, calling on officials and ordinary citizens alike to ward off threats to China’s interests. The result is a sweeping information-gathering effort whose scale and perseverance dwarfs that of Kremlin espionage during the Cold War and has jolted Western spy agencies.

China-backed hackers outnumber all of the FBI’s cyber personnel at least 50 to 1, the U.S. agency said. One European agency estimates China’s intelligence-gathering and security operations might comprise up to 600,000 people. “China’s hacking program is larger than that of every other major nation, combined,” FBI Director Christopher Wray said this year.

Complicating the West’s response: Unlike with autocracies such as Iran or Russia, trade with China has for decades supported Western economic growth, which in turn underpins the West’s long-term security.

Most countries simply can’t afford to slap China with sanctions and throw out its diplomats. “China is different,” said Ken McCallum, the head of the U.K.’s domestic-intelligence agency, MI5.

The malign-activity risks intensifying as China’s economic growth slows under Xi’s increasingly authoritarian leadership. Beijing’s intelligence apparatus will come under pressure to pilfer the innovation needed to bolster the economy and silence critics at home and abroad, officials said. “It all boils down to the security of the regime,” said

Nigel Inkster, a former director of operations at the British foreign-intelligence agency MI6.

Chinese activity ranges from the absurd to the hair-raising.

In September, U.S. prosecutors alleged that five Chinese University of Michigan graduates were found in the middle of the night taking photos just feet away from military vehicles in a U.S. National Guard training exercise that included Taiwan military personnel. The men claimed to be stargazing.

This year, the U.K. government said Chinese-linked hackers had accessed the nation’s voter-registration records, which include around 40 million people’s home addresses.

The U.S. government is investigating whether a Chinese state-linked hacking group burrowed into major U.S. broadband providers, potentially accessing U.S. law-enforcement wiretaps. Intelligence officials fret China is stealing swaths of private data to train advanced artificial-intelligence models.

As China becomes more assertive militarily, including increasing support for Russia in its war in Ukraine, its covert action also poses greater threats. Xi has ordered his military to be

ready to invade Taiwan by 2027, the centenary of the founding of the People’s Liberation Army, Western officials said. A war over Taiwan could draw China into conflict with the U.S., which is committed to ensuring the democratically self-ruled island can defend itself.

The FBI said this year that China had hijacked hundreds of routers and used them to infiltrate U.S. water and energy networks, raising concern of a pre-emptive attack on U.S. infrastructure if Washington were to intervene in a Chinese attempt to claim Taiwan.

Congress in December banned the Pentagon from using any seaport worldwide that deploys the Chinese cargo-data platform Logink, out of fear classified information could be disclosed.

China also prepositioned malware on Indian power grids amid a border dispute in 2021 and on telecommunication networks in Guam, home to a large U.S. air base, analysts and officials said.

Central Intelligence Agency Director William Burns recently said he had visited China twice in the past year “to avoid unnecessary misunderstandings and inadvertent collisions.”

There is worry of a dangerous mishap. Spy agencies in authoritarian states often tailor information to meet their bosses’ world views. If Xi received faulty information, or didn’t believe the information he was given, China could preemptively strike at vital foreign infrastructure.

China doesn’t play by the old-school spy rulebooks, intelligence officials said. It doesn’t seem to care if it is caught red-handed and, unlike Russia, it rarely makes efforts to swap its spies when they are arrested.

Another factor hampers a Western intelligence response: It is hard to spy on China. Beijing’s intelligence operations are decentralized, stretching across myriad agencies and private-sector companies. They operate largely autonomously, making the system difficult to penetrate, and their methods appear haphazard, with a mix of private and state actors seemingly loosely guided by overarching aims laid out by senior officials.

China also purged a whole cadre of officials working as U.S. spies a decade ago.

Underpinning China’s activity is Xi’s desire to consolidate his grip on power. He has cited the Soviet Union’s sudden collapse in 1991 as a warning of what could befall communist rule in China if ideological controls are loosened. He created a national-security commission to centralize control over security work, and set an expansive definition of national security.

“Security is the prerequisite for development, and development is the guarantee of security,” Xi told officials. “Security and development must be promoted simultaneously.”

—Chun Han Wong and Bertrand Benoit contributed to this article.

Growth Pace Slows For Chinese Exports

China’s exports grew at a slower pace in September, but extended their positive streak to a sixth consecutive month, driven by Beijing’s efforts to cement its dominance in global manufacturing.

Outbound shipments in September were up 2.4% from a year earlier, decelerating from August’s 8.7% pace, according to data released on Monday by the General Administration of Customs.

Economists surveyed by The Wall Street Journal had expected exports to be up 6% in September.

Lv Daliang, a spokesman for China’s customs bureau, said in a briefing on Monday that the deceleration in September was mainly because of bad weather, including two typhoons that hit China’s Yangtze River Delta, an export hub.

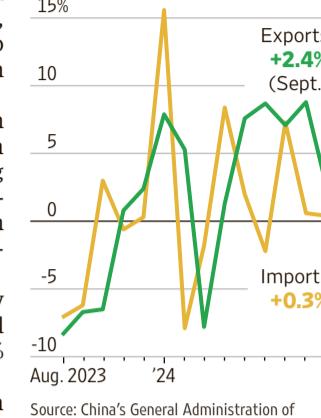
China’s shipments to its major trading partners slowed in September, according to calculations by The Wall Street Journal based on the official data. Exports last month to the Association of Southeast Asian Nations, the country’s top trading partner, were up 5.5% from a year earlier, cooling from a 9% jump in August.

“It’s like a sword hanging over their heads and a heavy hammer ready to drop, making the Lai administration feel the looming threat of war,” Fu said.

Meanwhile, China’s coast guard said it had deployed four of its fleets to conduct “law enforcement patrols and controls” in the waters surrounding Taiwan, marking the first time the coast guard has claimed to fully encircle the island.

An image from a video released by the Taiwan Coast Guard shows a member monitoring a Chinese Coast Guard vessel.

China’s imports and exports, change from a year earlier



Source: China’s General Administration of Customs

showed September imports up 0.3% from a year earlier, slowing from August’s 0.5% rise and undershooting the 1% growth expected by economists in the WSJ poll.

That put China’s trade surplus at \$81.71 billion in September, narrower than August’s \$91.02 billion and the \$89.8 billion projected in the WSJ survey.

Sluggish domestic demand continues to drag on import demand, and the narrowed surplus is likely to contribute less to third-quarter growth in gross domestic product, which will be reported this week, said Lynn Song, chief economist for Greater China at ING.

But China’s recent barrage of stimulus to boost the economy could soon start to be felt. Huang at Capital Economics said China’s imports may recover soon because of the fiscal measures announced over the weekend by the nation’s finance ministry.

“We think this increase in fiscal expenditure will boost construction activity and drive higher demand for industrial commodities, at least for a quarter or two,” she said in a note.

As trade tensions escalate, it will be tough to sustain the remarkably strong pace of Chinese export growth seen so far this year, which has helped offset weak demand at home, said Zhiwei Zhang, president and chief economist at Pinpoint Asset Management. But the change of fiscal-policy stance indicated by the finance ministry over the weekend could shape up to be a critical pillar of growth next year, Zhang added.



Xi Jinping has emphasized the importance of national security.

KYODONEWS/ZUMA PRESS

Continued from Page One

Chinese leader Xi Jinping since taking power in 2012 has increasingly emphasized the importance of national security, calling on officials and ordinary citizens alike to ward off threats to China’s interests.

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WORLD WATCH



NIRANJAN SHRESTHA/ASSOCIATED PRESS

CLIMB EV'RY MOUNTAIN: Nima Rinji Sherpa, 18, who is now the youngest person to scale the world's 14 highest peaks, celebrated with family upon arriving in Kathmandu, Nepal, on Monday.

CANADA

Dispute With India Leads to Expulsions

Canada and India each expelled diplomats from the other country in an escalating dispute over the killing of a Sikh activist last year. The Canadian government said the expulsion Monday, including of India's top official in the country—High Commissioner Sanjay Kumar Verma—was over allegations that the officials gathered intelligence on Sikh separatists, who were then targeted for violence. India, which said it withdrew its diplomats out of concern for their security, responded by expelling six Canadian officials, including the top diplomat, Stewart Wheeler.

—Vipal Monga

POLAND

Leader Defends Suspending Asylum

As dozens of human-rights and civil-society organizations expressed concerns, Polish Prime Minister Donald Tusk on Monday defended a plan announced Saturday to suspend the right to asylum.

Successive Polish governments have accused neighboring Belarus and Russia of organizing the mass transfer of migrants from the Middle East and Africa to the European Union's eastern borders to destabilize the West. They view it as part of a hybrid war that they accuse Moscow of waging against Western countries as it continues its invasion of Ukraine.

—Associated Press

LITHUANIA

Opposition Party Tops First Round

The opposition Social Democratic Party emerged as the leader after Sunday's first round of national elections and says it will start negotiations to form a government with left-leaning parties and oust the center-right coalition that has ruled for four years.

With 100% of votes counted, the Social Democrats won 18 of the first 70 seats to be decided in the 141-seat Seimas, one seat more than ruling Homeland Union party. In a second round Oct. 27, single-member constituencies will vote to choose between the two leading candidates from the first round.

—Associated Press

FROM PAGE ONE

Benefits Don't Boost Birthrates

Continued from Page One
ernments worldwide, including in China and Russia, where Vladimir Putin declared 2024 "the year of the family." In the U.S., both Kamala Harris and Donald Trump have pledged to rethink the U.S.'s family policies. Harris wants to offer a \$6,000 baby bonus. Trump has floated free in vitro fertilization and tax deductions for parents.

Europe and other demographically challenged economies in Asia such as South Korea and Singapore have been pushing back against the demographic tide with lavish parental benefits for a generation. Yet falling fertility has persisted among nearly all age groups, incomes and education levels. Those who have many children often say they would have them even without the benefits. Those who don't say the benefits don't make enough of a difference.

Cultural shift

Two European countries devote more resources to families than almost any other nation: Hungary and Norway. Despite their programs, they have fertility rates of 1.5 and 1.4 children for every woman, respectively—far below the replacement rate of 2.1, the level needed to keep the population steady. The U.S. fertility rate is 1.6. Demographers suggest the reluctance to have kids is a fundamental cultural shift rather than a purely financial one.

"I used to say to myself, I'm too young. I have to finish my bachelor's degree. I have to find a partner. Then suddenly I woke up and I was 28 years old, married, with a car and a house and a flexible job and there were no more excuses," said Norwegian Nancy Lystad Herz. "Even though there are now no practical barriers, I realized that I don't want children."

Both Hungary and Norway spend more than 3% of GDP on their different approaches to promoting families—more than the amount they spend on their militaries, according to the Organization for Economic Cooperation and Development.

Hungary says in recent years its spending on policies for families has exceeded 5% of GDP. The U.S. spends around 1% of GDP on family support through child tax credits and programs aimed at low-income Americans.

Hungary's subsidized housing loan program has helped almost 250,000 families buy or upgrade their homes, the government says. Orsolya Kocsis, a 28-year-old working in human resources, knows having kids would help her and her husband buy a larger house in Budapest, but it isn't enough to change her mind about not wanting children.

"If we were to say we'll have two kids, we could basically buy a new house tomorrow," she said. "But morally, I would not feel right having brought a life into this world to buy a house."

Promoting baby-making, known as pronatalism, is a key plank of Prime Minister Viktor Orbán's broader populist agenda. Hungary's biennial Budapest Demographic Summit has become a meeting ground for prominent conservative



'For me, the decision is not about money. It's about my life,' said Ewa Sapiezyńska in Norway, above left, who has one son. Top right, Vice President Kamala Harris in Raleigh, N.C., in August. Above right, in Hungary, Eszter Gerencsér said she and her husband always wanted a big family.



CLOCKWISE FROM LEFT: SIGNE FLUGESTED FOR WSJ; JIM LO SCALZO/EPA/SHUTTERSTOCK; AROS STILLER FOR WSJ

National duty

Orbán portrays having children inside what he has called a "traditional" family model as a national duty, as well as an alternative to immigration for growing the population. The benefits for child-rearing in Hungary are mostly reserved for married, heterosexual, middle-class couples. Couples who divorce lose subsidized interest rates and in some cases have to pay back the support.

Hungary's population, now less than 10 million, has been shrinking since the 1980s. The country is about the size of Indiana.

"Because there are so few of us, there's always this fear that we are disappearing," said Szuzsanna Szelényi, program director at the CEU Democracy Institute and author of a book on Orbán.

Hungary's fertility rate collapsed after the fall of the Soviet Union and by 2010 was down to 1.25 children for every woman. Orbán, a father of five, and his Fidesz party swept back into power that year after being ousted in the early 2000s. He expanded the family support system over the next decade.

Hungary's fertility rate rose to 1.6 children for every woman in 2021. Ivett Szalma, an associate professor at Corvinus University of Budapest, said that like in many other countries, women in Hungary who had delayed having children after the global financial crisis were finally catching up.

Then progress stalled. Hungary's fertility rate has fallen for the past two years. Around 51,500 babies have been born there this year through August, a 10% drop compared with the same period last year. Many Hungarian women cite underfunded public health and education systems and difficulties balancing work and family as part of their hesitation to

have more children.

Anna Nagy, a 35-year-old former lawyer, had her son in January 2021. She received a loan of about \$27,300 that she didn't have to start paying back until he turned 3. Nagy had left her job before getting pregnant but still received government-funded maternity payments, equal to 70% of her former salary, for the first two years and a smaller amount for a third year.

She used to think she wanted two or three kids, but now only wants one. She is frustrated at the implication that demographic challenges are her responsibility to solve. Economists point to increased immigration and a higher retirement age as other offsets to the financial strains on government budgets from a declining population.

"It's not our duty as Hungarian women to keep the nation alive," she said.

Big families

Hungary is especially generous to families who have several children, or who give birth at younger ages. Last year, the government announced it would restrict the loan program used by Nagy to women under 30. Families who pledge to have three or more children can get more than \$150,000 in

subsidized loans. Other benefits include a lifetime exemption from personal taxes for mothers with four or more kids, and up to seven extra annual vacation days for both parents.

Under another program that's now expired, nearly 30,000 families used a subsidy to buy a minivan, the government said.

Critics of Hungary's family policies say the money is wasted on people who would have had large families anyway. The government has also been criticized for excluding groups such as the minority Roma population and poorer Hungarians. Bank accounts, credit histories and a steady employment history are required for many of the incentives.

Orbán's press office didn't respond to requests for comment. Tünde Fűrész, head of a government-backed demographic research institute, disagreed that the policies are exclusionary and said the loans were used more heavily in economically depressed areas.

Government programs weren't a determining factor for Eszter Gerencsér, 37, who said she and her husband always wanted a big family. They have four children, ages 3 to 10.

They received about

\$62,800 in low-interest loans through government programs and \$35,500 in grants. They used the money to buy and renovate a house outside of Budapest. After she had her fourth child, the government forgave \$11,000 of the debt. Her family receives a monthly payment of about \$40 a month for each child.

Most Hungarian women stay home with their children until they turn 2, after which maternity payments are reduced. Publicly run nurseries are free for large families like hers. Gerencsér worked on and off between her pregnancies and returned full-time to work, in a civil-service job, earlier this year.

She still thinks Hungarian society is stacked against mothers and said she struggled to find a job because employers worried she would have to take lots of time off.

The country's international reputation as family-friendly is "what you call good marketing," she said.

Norway's incentives

Norway has been incentivizing births for decades with generous parental leave and subsidized child care. New parents in Norway can share nearly a year of fully paid leave, or around 14 months at 80% pay. More than three months are reserved for fathers to encourage more equal caregiving. Mothers are entitled to take at least an hour at work to breast-feed or pump.

The government's goal has never been explicitly to encourage people to have more children, but instead to make it easier for women to balance careers and children, said Trude Lappgard, a professor who researches demography at the University of Oslo. Norway doesn't restrict benefits for unmarried parents or same-sex couples.

Its fertility rate of 1.4 children per woman has steadily fallen from nearly 2 in 2009. Unlike Hungary, Norway's population is still growing for now, due mostly to immigration.

tion.

"It is difficult to say why the population is having fewer children," Kjersti Toppe, the Norwegian Minister of Children and Families, said in an email. She said the government has increased monthly payments for parents and has formed a committee to investigate the baby bust and ways to reverse it.

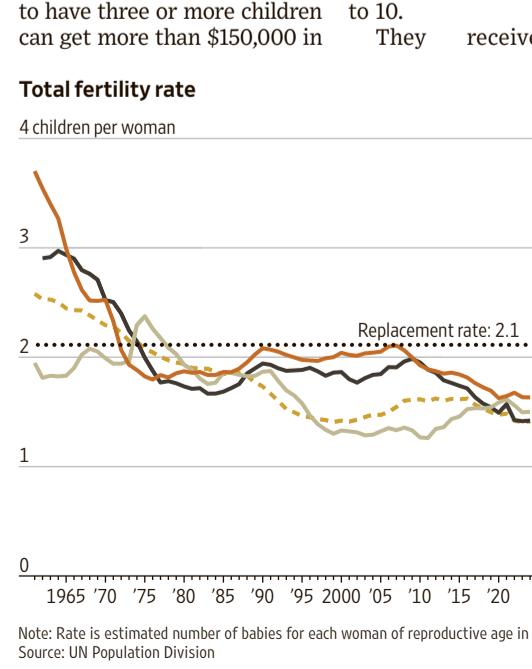
More women in Norway are childless or have only one kid. The percentage of 45-year-old women with three or more children fell to 27.5% last year from 33% in 2010. Women are also waiting longer to have children—the average age at which women had their first child reached 30.3 last year. The global surge in housing costs and a longer timeline for getting established in careers likely plays a role, researchers say. Older first-time mothers can face obstacles: Women 35 and older are at higher risk of infertility and pregnancy complications.

Gina Ekholt, 39, said the government's policies have helped offset much of the costs of having a child and allowed her to maintain her career as a senior adviser at the nonprofit Save the Children Norway. She had her daughter at age 34 after a round of state-subsidized IVF that cost about \$1,600. She wanted to have more children but can't because of fertility issues. She receives a monthly stipend of about \$160 a month, almost fully offsetting a \$190 monthly nursery fee.

"On the economy side, it hasn't made a bump. What's been difficult for me is trying to have another kid," she said. "The notion that we should have more kids, and you're very selfish if you have only had one...those are the things that took a toll on me."

Her friend Ewa Sapiezyńska, a 44-year-old Polish-Norwegian writer and social scientist with one son, has helped her see the upside of the one-child lifestyle. "For me, the decision is not about money. It's about my life," she said.

—Borbála Máríás contributed to this article.



PERSONAL JOURNAL.

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THE WALL STREET JOURNAL.

Tuesday, October 15, 2024 | A9



Health Costs and Flat Raises Are Set to Squeeze Paychecks

Tips for how employees or job seekers can haggle to try to offset dwindling take-home pay

By RAY A. SMITH

Paychecks are set for a big squeeze next year. Merit raises in 2025 are projected to remain largely flat, with an average bump of 3.3%, according to a new survey of more than 1,100 companies by benefits advisory firm Mercer.

Meanwhile, the cost of employer-provided health insurance, which rose 7% in 2024 for a second straight year, is likely to rise again. Companies' total health-benefit cost for an employee is ex-

pected to increase an average of 5.8% in 2025, according to a separate Mercer survey.

Some companies that had been absorbing higher costs for drugs and doctor visits now say they will start passing on those prices to workers in the form of higher deductibles and, in some cases, higher healthcare premiums, said Beth Umland, Mercer's director of research for health and benefits.

Stalling raises and rising health costs matter whether you are looking for a new job or trying to figure out how to ask for more money at your current one. Many workers

say it feels tougher than ever to figure out what their take-home pay will be in the coming year.

The lack of clarity is particularly striking as open enrollment season for next year starts this fall. Recruiters and human-resource professionals say employees and job candidates need to ask more-direct questions of their employers about the true out-of-pocket costs of their benefits.

Kara Washington, 31 years old, said she makes a point of asking nitty-gritty questions about health plans and benefits when evaluating job offers. She failed to do so

earlier in her career and had a wake-up call when she realized how quickly the costs could add up, especially for an unexpected medical expense.

"That experience made me more diligent about evaluating the full scope of benefits, including copays, deductibles, and employer contributions, when considering job offers," she said.

Now a human-resources professional at Kraft Heinz in Chicago, Washington said she learned how to unearth details about other benefits, too, such as flexible work arrangements, tuition assistance and paid time off, rather than breezing through lists of company perks. Getting mentored by other HR peers helped, she said, as did watching men boldly ask for things such as stipends to set up home offices.

Five minutes or less
Job seekers tend to fixate on negotiating salary. But when they don't ask detailed questions about the cost of benefits, they could find their new paychecks fall short

of their expectations, said Raheela Gill Anwar, chief executive of Group 360 Consulting, a talent advisory firm based in Chicago.

It is common for new hires to take a job that pays 10% more than their last role only to find that their paychecks barely budged up because their benefits were so much more expensive at the new employer, she said.

"A company or recruiter should be able, in less than five minutes, to send you everything related to its healthcare plan," Anwar said. "You should be able to know exactly what it's going to cost."

Career coaches recommend that people meet with HR to find out, say, what the specific deduction for benefits from your paycheck will be and how much of your salary will go to healthcare costs, whether you are single, married or have children.

Some people staying in their current roles will probably see higher healthcare costs passed on to them in the form of higher deductibles for their medical plans, said Mercer's Umland. Roughly half of 1,800 employers surveyed by Mercer said they would make changes to their health plans that include more expensive deductibles in 2025.

Offsetting perks

Job seekers say they have felt the white-collar labor market cooling off and salaries start to stagnate, following years of frenzied hiring and lavish pay.

The salary boost that people who switch jobs get recently fell to its lowest rate since the spring of 2021, said Nela Richardson, chief economist at payroll provider ADP. Job changers got an average 6.6% boost in pay in September, down from 7.3% in August.

Job stayers, by contrast, got an average 4.7% more money.

"The payoff for job changing is not quite as robust as it was earlier in this year," she said.

Employees and job seekers typically can't negotiate medical benefits because the policy options and terms are the same for everyone. But they can haggle in other ways to help offset higher costs. For instance, a job candidate can ask for an upfront signing bonus if the new health plan premium or deductible will exceed what they paid in their previous job, said Tessa White, a career consultant and a former HR executive.

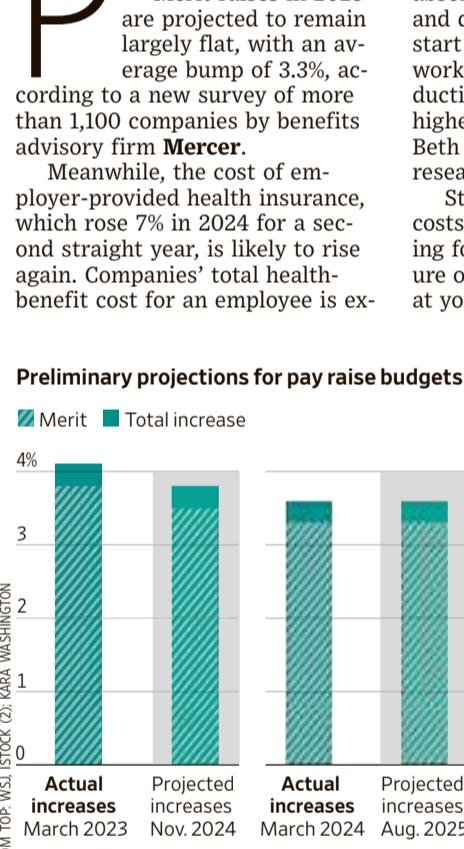
"You won't get it year after year, but making a run at a makeup payment can be effective," she said.

If the company won't budge on salary to help defer additional health costs, push for wellness and lifestyle benefits, such as annual gym membership, said Alexandra Carter, director of the Mediation Clinic at Columbia Law School.

"If you're not sure what benefits are possible, ask your network," she said.

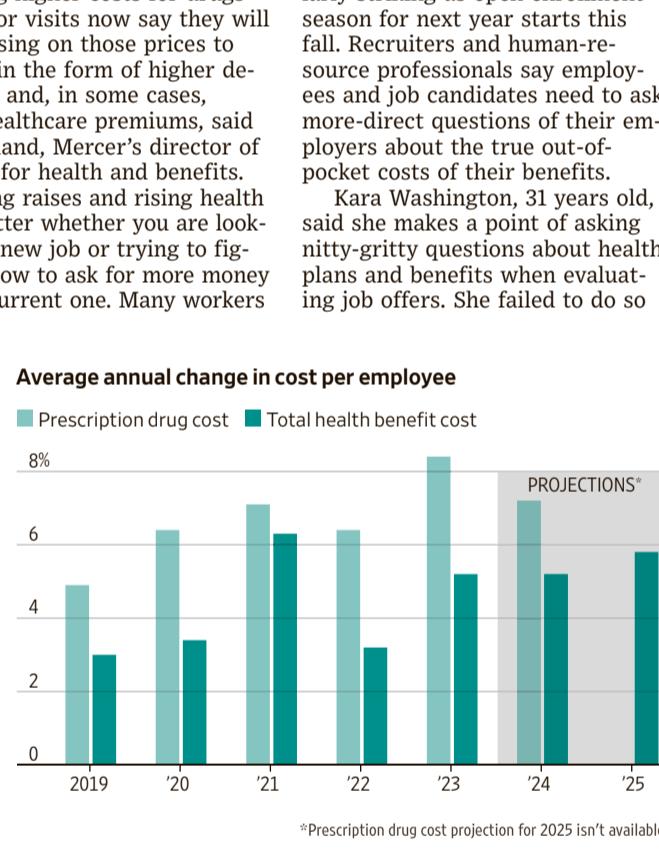
Preliminary projections for pay raise budgets

■ Merit ■ Total increase



Average annual change in cost per employee

■ Prescription drug cost ■ Total health benefit cost



Sources: Mercer survey of more than 1,100 U.S. corporations conducted in August 2024 (pay raises); Mercer survey of 1,800 U.S. corporations conducted June 12-Aug. 12, 2024 (costs)



A Retirement Pro Still Made Mistakes

By ANNE TERGESEN

Alicia Munnell spent decades trying to improve how Americans retire. Even she made mistakes in her retirement planning.

The 82-year-old economist announced Thursday that she will step down at year-end as director of Boston College's Center for Retirement Research, a think tank she founded in 1998.

Munnell also served as an assistant secretary at the Treasury Department under President Bill Clinton, following 20 years at the Federal Reserve Bank of Boston. When she made that transition, she took her pension early. That decision is now one of her major regrets.

Like many people, she lacks the time and interest to manage money, she says. She relies on occasional advice from her son, who works at a financial firm.

"Every now and then, he tells me to send him my asset allocation and then he tells me how to adjust it. If I had to figure out what to invest in, I'd have no clue," said Munnell. "People have busy lives. Retirement planning should not be something they have to put a lot of effort into."

Her work covers everything from improving the 401(k) to whether the U.S. faces a retirement crisis. (Answer: Probably yes, since she

and her colleagues calculate about 40% of the working population isn't saving enough to maintain their lifestyle throughout retirement.)

The Wall Street Journal spoke with Munnell about her personal and professional retirement journey. Here are edited excerpts from the conversation:

WSJ: How did you know the time was right?

Munnell: This is not a premature retirement. You want to stop while you're at the top of your game, rather than have people rolling their eyes when you start to make a point. My children said, "We thought you'd work forever." My response was, "I did."

WSJ: Do you have a plan for how you want to spend your time?

Munnell: For the first year, I will work some as a senior adviser to the center.

I play bridge competitively and would like to go back to tournaments. If I have a chance to attend lectures or learn ballroom dancing or how to be a better cook, I'll do it and see what I like.

One thing I didn't plan well is to think about whether we want to live in a retirement community. I always thought the idea of commu-

ning between a retirement community and a job didn't make sense.

WSJ: Are there financial decisions you regret?

Munnell: When I left the Federal Reserve at age 50, I listened to someone who said I should take my monthly pension benefit early because I'd be so much better at investing the money than the Fed. So I took my monthly checks starting at 50 and didn't invest a penny. Very quickly, my pension check became part of my spending. The monthly payment would have been

▲ Alicia Munnell is stepping down as director of Boston College's Center for Retirement Research.

meaningfully higher had I not taken it early.

Another bad decision is that I didn't move any of my money from a traditional 401(k) to a Roth 401(k). Neither did my husband. So we have to take more withdrawals than we need right now and pay the taxes. Someone should have said, "If you're going to work until 82, you might not want to put all your savings into a traditional 401(k). Put some into a Roth."

Years ago, I also took some after-tax money out of a retirement account to help with a child's wedding, which was probably not a smart thing to do.

WSJ: What decisions worked especially well for you?

Munnell: One good thing I did was to look at our budget in the 1990s. My husband and I were going to retire at 65, but the house we owned was too big and too expensive. We downsized to a co-op. Working longer helped, too, both financially and because I love what I do.

WSJ: The center estimates many Americans are at risk of ending up with a savings shortfall in retirement. Have you done the math on your own situation?

Munnell: Yes. We can maintain our lifestyle in retirement. But if we had retired at 65, we would have had to be more careful.

WSJ: How should the U.S. improve its retirement savings system?

Munnell: The whole debate about pensions versus 401(k)s is not very productive. For one-third of the population who have continuous access to a retirement plan, it seems like the 401(k), with automatic enrollment into target-date funds, works fine.

The biggest issue is that a lot of workers aren't covered by a retirement plan. We need to design a nationwide system where all workers are automatically enrolled, so the system provides universal coverage.

PERSONAL JOURNAL.

By OYIN ADEDYOIN

The big financial moments in life used to be marked with a flourish of a pen. Buying a house. A car. Breakfast. Not anymore. Visa, Mastercard, Discover and American Express dropped the requirement to sign for charges like restaurant checks in 2018. They don't look at our scribbles to verify identity or stop fraud. Taps, clicks and electronic signatures took over the heavy lifting for many everyday purchases—and many contracts, loan applications and even Social Security forms. The John Hancock was written off as a relic useful mainly to inflate the value of sports memorabilia.

But signatures didn't die.

We continue to be asked to sign with ink on paper or using fingers on touch screens at many restaurants, bars and other businesses. And people keep signing card receipts out of habit—even when there is no blank space for it—because it feels weird not to, payment networks and retail groups say.

"Traditions have this odd way of sticking around," said Doug Kantor, general counsel of the National Association of Convenience Stores.

Sign of the times

Signatures had been used to verify identity and agree to financial terms for centuries. Banks kept records of customer signatures to check against, but the sheer number of transactions and advancements in technology eventually made that impractical.

By the 1980s, charges could be processed electronically. Signatures were still used in cases of fraud or stolen cards. Banks could call merchants and ask them to present a signed receipt. Yet given how easy signatures are to forge, they proved limited as a fraud prevention tool.

Now there are more sophisticated ways to determine whether cards are stolen or misused, according to Mark Nelsen, global head of consumer payments at Visa.

Every Visa transaction is compared with the buyer's normal spending patterns. If anything seems out of the ordinary about that purchase, it may be flagged as potential fraud. "Risk scoring really helped replace the need for that manual signature comparison," Nelsen said.

Visa doesn't look at whether or what people sign, but leaves it to individual merchants to decide if they want to include the line.

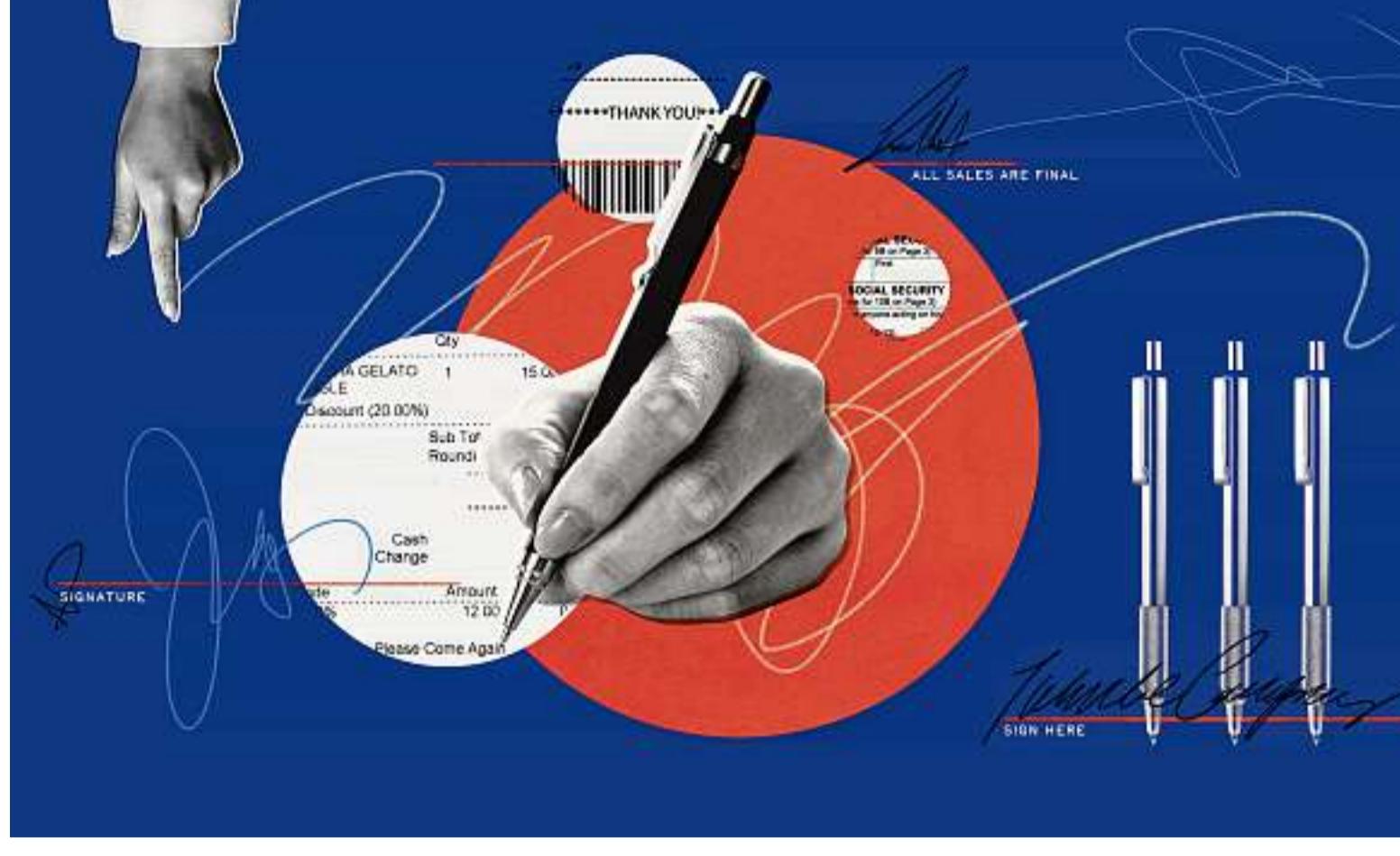
Why we scribble

Businesses that keep the signature line either don't want to alarm customers who expect to

► Stephen Dupree and his mother, Betty Dupree, who died in 2022.

Signing Credit Card Receipts Persists Despite Being Irrelevant

The practice has been optional since 2018, with more sophisticated ways to detect fraud



sign, or they still use older point-of-sale systems that print the line by default, said John Drechny, chief executive of Merchant Advisory Group, a retailer advocacy group. Businesses that ditched signatures found that it speeds transactions, he added.

There is no available data on the share of purchases still including a signature line, but payment tech companies say it extends beyond restaurants and bars. For

▲ Signatures have grown less useful and readable, partly because fewer schools teach cursive writing and penmanship.

contractors and healthcare businesses, roughly a quarter of their in-person transactions included a signature line last year, according to Square, a payment and point-of-sale company.

The U.S. is an outlier here, since

in Europe and other parts of the world signatures aren't generally required for credit-card purchases.

Anything goes here

Our signatures are irrelevant and increasingly illegible, now that fewer schools teach cursive writing and penmanship.

When Jacob Lew became Treasury Secretary, his loopy signature was deemed unfit to appear on U.S. currency. He crafted a clearer version for the purpose.

Jane Tierney, a notary in California, said people put less effort into their signatures. Some don't know how to sign their names, she said. Others have to practice to match what is on their driver's license.

On receipts there is more room for creativity.

James Green, a forensic document examiner who verifies the authenticity of signatures for a living, said he once signed his name as "Santa Claus" at a Home Depot checkout. The roughly \$200 purchase went through.

Daphne Makris, a 25-year-old waitress and bartender in Maryland, said customers often skip signing. Younger customers put smiley faces, draw lines or place stickers where their signatures are supposed to go.

However, Makris feels uneasy when customers don't sign receipts that contain tips, even if it

isn't required. She doesn't want angry customers saying they didn't authorize the extra charge.

"It makes me nervous," she said.

Checks and balances

Signatures are still required on checks, but they aren't scrutinized as much as other factors used to detect fraud such as the size of the transaction, the age of the account or the customer's past behavior.

The recent rise in check fraud has caused some banks to step up security, said Kerry Cantley, vice president of digital banking strategy for **Mitek Systems**, a fraud-detection company.

When Stephen Dupree's mother, Betty Dupree, died in 2022, he was in charge of selling her home. Dupree opened up a new account with Fidelity where he deposited roughly \$300,000 in proceeds so he could divide the money with his siblings.

When he wrote a check of about \$4,000 to himself, Fidelity flagged the payment because the signature on the check didn't match the one he had used to open the account. A representative told him to try again.

"I took a pad of paper and I was just writing my signature over and over," said Dupree, a 47-year-old software engineer in Washington state. "I felt like a kid trying to forge my parent's signature."

Genealogists Hope for a Lucky Break

Continued from Page One

linked Ronald Reagan to the town of Ballyporeen, where his great grandfather once lived, and traced Barack Obama to the village of Moneygall, from whence his great-great-grandfather hailed.

Tracking down these relationships is almost a sport. Genealogists sift through birth certificates and smudged baptismal papers to establish an ancestral bond.

Proving a connection is like finding the proverbial pot of gold.

It could strengthen trade. It could bring a surge of tourism. There is a highway rest stop just outside Moneygall hopefully called Barack Obama Plaza, complete with a statue of Barack and Michelle Obama and a Papa John's pizza joint.

In New Ross, Co. Wexford, a bigger project includes an immersive exhibition tracking the journey of Irish emigrants that was built on Kennedy's connections to the town. The prime attraction is a full-size replica of the Dunbrody, a ship that carried hordes of Irish away from the horrors of the famine in the mid-19th century to build new lives in America.

"It brings people from all over the world to see where they came from," said Marie Moore, one of the period re-enactors who act as guides, dressed in her costume of a

brown woolen shawl and a black apron.

"These connections also help the peace process," said Malcolm Byrne, an Irish senator who is one of the leaders of the U.S.-Ireland Parliamentary Friendship Group. He was talking about the Good Friday Agreement, brokered by President Bill Clinton, which ended decades of conflict in Northern Ireland.

"It's important for the island that we're able to maintain those links as much as we can. If there's a connection, then we look to develop that," Byrne said.

There isn't anything particularly Irish about the surname "Walz," but this didn't discourage Megan Smolenyak, a St. Petersburg, Fla., genealogist who works with the U.S. military in tracking missing soldiers lost in places such as Korea and Vietnam.

Of half-Irish heritage herself, Smolenyak connected Obama's forebears to Moneygall and also found Irish antecedents for Bruce Springsteen and Barry Manilow.

Her first move was to trace Walz's family tree in the U.S., where she found that one of his great-grandmothers was named Laura Ellen Sullivan—a name clearly denoting some Irish ancestry and making him one-eighth, or 12.5%, Irish. Then she found Laura's father, a James Sullivan, who emigrated from Ireland.

For weeks it wasn't entirely clear where this James Sullivan came from. Smolenyak knew it was somewhere in County Wexford, south of Dublin.

One possibility was the village of Ferns. Baptismal records seemed to show a James Sullivan born there on Nov. 12, 1840, a possibility that

An image of a tombstone provided a big clue in the search.

got the locals buzzing. But Smolenyak later surmised the name could also be a reference to the Diocese of Ferns, a larger area to the south.

"It drives me nuts when there's an unanswered question," she said.

Local genealogist John Nangle also concluded that people in Ferns were getting overexcited about the prospect of Walz having some roots there.

"They were hoping they'd get some of the benefits that New Ross saw from the Kennedys and all that," he said.

Nangle instead suspected Sullivan's father, Walz's great-great-great grandfather Daniel, moved to Wexford to work on a new pier in the southern port of Kilmore during the height of the famine in the 1840s. When the work dried up, the young family left for America like so many others.

There's no guarantee of what a genealogist might find when they begin. Records can go missing, family memories obscured.

Kamala Harris's father sparked a flurry of interest in 2018 when he



descended from a 19th century slave owner from what is now Northern Ireland. Genealogists consider the connection unproven and Harris hasn't spoken publicly about it.

Sometimes the trail just goes cold.

Smolenyak retraced her steps and looked up the godparents of James Sullivan and his siblings on a hunch that some might be relatives of his parents, Daniel and Ellen Sullivan. All of them were Doyles, Ellen's maiden name.

This suggested the young family might have lived among Ellen's relatives—perhaps in Tomhaggard village, where there was a high concentration of Doyles and which was also near Kilmore.

Smolenyak then caught a break: She found an image of the tombstone in Dane County, Wis., for John Sullivan, the brother of Tim Walz's great-great grandfather.

"It takes a little squinting, but you can just make out the text at the bottom saying he was a native of 'Tomhaggard,'" Smolenyak said.

"That picture was brilliant," Nangle said. "She cracked it."

This, of course, was big news in Tomhaggard, population 524.

"We heard about it a couple of days ago," said Sarah McGuire as she set up some candles at the village church. "He should come when we do a novena for St. Anne on the beach. There'll be a real buzz."

If Walz does go, he'll also be expected to perform the time-honored rite of pouring a pint of Guinness in the local pub, in this case the Hideout. Walz hasn't commented so far, but owner Tush Lawlor is ready.

"We've always got room for a vice president in Tomhaggard," she said.

FROM TOP: STUDIO TIN FOR WSJ; STEPHEN DUPREE

JADE WANGER

ARTS IN REVIEW

BY LARRY BLUMENFELD

Every now and then a musician arrives on the jazz scene possessed of prodigious talent and brimming with youthful fire, yet also exuding wisdom beyond his or her years. The best of them, after achieving early success, don't follow familiar paths. They seek challenges, sometimes landing at points of transformation.

Trumpeter Roy Hargrove arrived in New York in 1989 at age 20 with an invigorating sound—sweet, bristling, supremely confident yet searching. We'll never know where Hargrove's talent ultimately might have led—he died in 2018, at 49 years old. We do know that the trumpeter—whose bebop-drenched improvisations earned comparisons to Dizzy Gillespie, and whose way with a ballad was praised by Sonny Rollins—demonstrated equal skill and zeal playing familiar repertoire alongside, say, Herbie Hancock, and charting new terrain with the Soulquarians, a loose confederation drawn from the worlds of hip-hop and neo-soul, including Questlove, Erykah Badu and D'Angelo.

Thirty years after Hargrove hit New York, alto saxophonist Immanuel Wilkins generated similar excitement, especially upon the release of "Omega," his 2020 debut, leading the quartet he still maintains. Pianist Jason Moran, that album's producer, described Mr. Wilkins then to me as "playing with a tenderness that speaks beyond his age."

Two new releases document transformative moments for both musicians. "Grande-Terre" (Verve) is a previously unreleased 1998 session from Hargrove's Crisol band, recorded when Hargrove, then 28, was deepening an immer-

sion in Afro-Cuban influences. "Blues Blood" (Blue Note), from Mr. Wilkins, now 27, is an ambitious suite that augments his quartet with vocalists.

"Rumba Roy," which opens "Grande-Terre," sounds ablaze. Horns and reeds play in unison at a furious pace atop syncopated rhythms from Cuban masters: percussionists José Luis "Changuito" Quintana and Miguel "Ángel" Diaz, and drummer Julio Barreto. Soon, Hargrove's terse figures punctuate the beats; his piercing high notes sound squeezed into being. Such intensity and palpable joy were sparked by Hargrove's first trip to Cuba, in 1996, which led to the formation of Crisol, combining his U.S. bandmates with Changuito, Ángel, and the great Cuban pianist Chucho Valdés.

In 1998, two months after accepting a Best Latin Jazz Performance Grammy Award for that group's "Habana," Hargrove gathered a new incarnation of Crisol at a studio in Guadeloupe, the homeland of a new band member, tenor saxophonist Jacques Schwarz-Bart. Here, the pianists were, alternately, Gabriel Hernández, from Cuba, and Larry Willis, an American. Hargrove's close rapport with Willis, who died in 2019, and his indelible flugelhorn tone are showcased in duet, on Willis's "Ethiopia." Elsewhere the full band's playful inventiveness captivates, especially on the fast-grooving "Afreaka," a composition by pianist Cedar Walton that first appeared on "The Sixth Sense," a

MUSIC REVIEW

Turning Points

Two albums reveal jazz artists at pivotal career moments



'Blues Blood' is the new record from Immanuel Wilkins, left; 'Grande-Terre' is a posthumous release from trumpeter Roy Hargrove, above.

1969 album by one of Hargrove's heroes, trumpeter Lee Morgan. With Crisol, Hargrove deepened his notion of tradition and began explorations that would mark the rest of his career.

Mr. Wilkins can play devilishly fluid improvisations and wring affecting emotion from a blues, much like Hargrove did. Yet he's mostly a conceptual thinker—building albums and performances around chant-like vamps and snippets of melody more so than traditional song forms and standard tropes. And he surrounds himself with like-minded artists.

"Blues Blood" begins with "Matte Glaze," on which vocalist June McDoom sings impressionistic texts to spare piano accompaniment. Then, Mr. Wilkins distills its elegant melody into ribbons of improvisation. It's an entry into 14 tracks whose elements simmer, fuse and sometimes boil, as if in a slow-cooked stew. (When this music was first presented at Brooklyn's Roulette in 2021, an actress

cooked a pot of vegetables onstage.) The album's title is drawn from a statement by Daniel Hamm, one of The Harlem Six, falsely accused of attempted murder in Harlem in 1964 and beaten brutally by police: "I had to, like, open the bruise up, and let some of the bruise blood come out to show them." (Composer Steve Reich and artist Glenn Ligon have based important works on that quote.)

Mr. Wilkins's quartet finely calibrates his music's shifting moods and rhythms to evoke a wide range of emotions. The four vocalists here are remarkable and distinct: Ms. McDoom's brightness and clarity on that opening track; Ganavya's mesmerizing meditation, drawn from a South Indian melody

and sung in Tamil, on "Everything"; Cécile McLorin Salvant's balance of joy and wistfulness on "Dark Eyes Smile"; and the starkness Yaw Agyeman brings to Mr. Hamm's desperate words. At times, they become an overlapping chorus. With co-producer Meshell Ndegeocello's guidance, Mr. Wilkins often crafts dense textures, incorporating guitarist Marvin Sewell, drummer Chris Dave, and sampled sounds (a child's voice, Ghanaian drummers, and more).

Mr. Wilkins does his most impassioned playing on "Afterlife Residence Time," stretching long notes until they sharpen, split or become squalls of sound as the melody dissolves into a vamp. That vamp extends to the following track—just the quartet, recorded live, two years earlier in Germany. It's like an X-ray of the previous song's bones. Here and throughout, Mr. Wilkins means to show us what is strong, what is fragile, and how we are connected.

Mr. Blumenfeld writes on jazz and Afro-Latin music for the Journal. He is the 2024 recipient of the Robert Palmer-Helen Oakley Dance Award for Excellence in Writing from the Jazz Journalists Association.

OSUHUA WOODS

ARTS CALENDAR



HAPPENINGS FOR THE WEEK OF OCTOBER 15

By WSJ ARTS IN REVIEW STAFF

Theater

"Sunset Blvd."

(St. James Theatre, New York, opens Oct. 20)

Nicole Scherzinger stars as Norma Desmond in British director Jamie Lloyd's Broadway reimagining of Andrew Lloyd Webber's hit musical, with lyrics and libretto by Don Black and Christopher Hampton, based on the 1950 film.

Music

American Football and Various Artists, "American Football (25th Anniversary Edition)" and "American Football (Covers)"

The classic emo band marks its silver anniversary with a remastered version of its self-titled debut album and a collection of some of its biggest hits covered by artists including Ethel Cain,

which dramatizes the life and work of poet-playwright Federico García Lorca, who was assassinated by fascists at the start of the Spanish Civil War, gets a new production from Brazilian director and choreographer Deborah Colker.

Art

"Get in the Game: Sports, Art, Culture"

(San Francisco Museum of Modern Art, Oct. 19-Feb. 18, 2025)

The largest exhibition ever organized by the museum explores the powerful impact of sports on culture through roughly 200 different objects that consider the way the subject extends beyond competition and diversion into community and identity.

"Georgia O'Keeffe and Henry Moore"

(Museum of Fine Arts, Boston, through Jan. 20)

This is the first major exhibition to bring these two hugely influential and popular 20th-century artists into conversation, looking at the similar ways they played with perspective, scale and layering to create their own visually distinctive styles.

*Last Call**"Collecting Inspiration: Edward C. Moore at Tiffany & Co."*

(The Met Fifth Avenue, New York, through Oct. 20)

A show dedicated to America's pre-eminent silver designer in the Gilded Age, a man whose catholic taste and drive for perfection would influence artisans beyond his lifetime, is, in the words of our critic, "an important in-depth study of a major aspect of late-19th-century American design, the wealthy—and often cultivated—society that supported it, and the exceptional craftsmanship behind it."



▲ Denis Ménochet, Rolando Ravello, Nikki Amuka-Bird, Charles Dance, Cate Blanchett, Roy Dupuis and Takehiro Hira in 'Rumours.'

TV

"Brothers"

(Prime Video, Oct. 17)

Josh Brolin and Peter Dinklage are criminal brothers on the lam in the Max Barbakow-directed action comedy. Brendan Fraser, Glenn Close and Taylor Paige also star.

"Woman of the Hour"

(Netflix, Oct. 18)

Anna Kendrick's directorial debut (in which she also stars) tells the true story of an aspiring actress who goes on "The Dating Game" and is paired with a man who turns out to be a serial killer.

Manchester Orchestra, Blondshell and Iron & Wine.

Joe Jonas, "Music for People Who Believe in Love"

(Oct. 18)

The former teen heart-throb is back with his second solo album—the first came in 2011—a confessional pop record that incorporates genres ranging from garage-rock to '90s country.

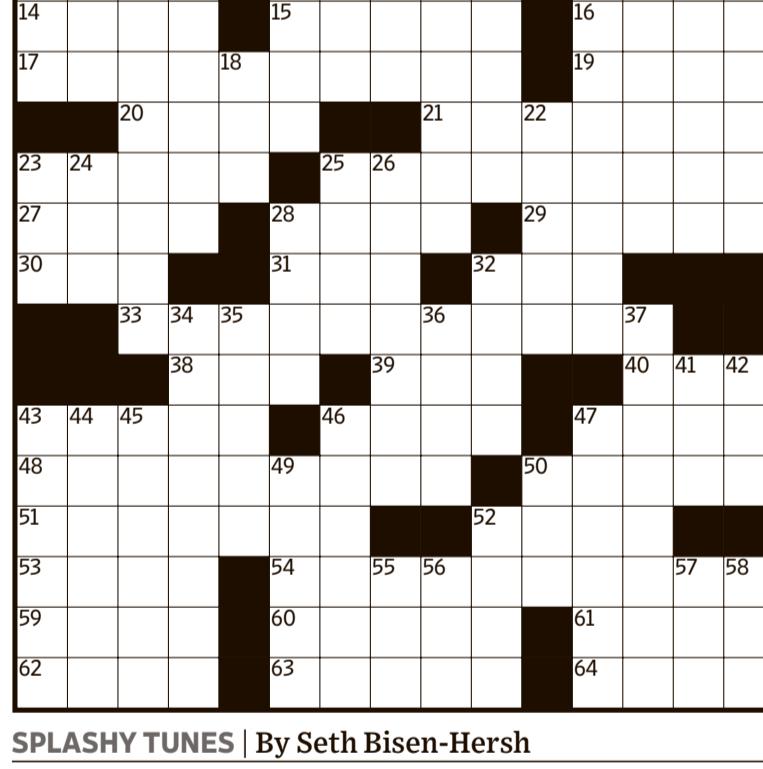
*Opera**"Ainadamar"*

(The Metropolitan Opera, New York, through Nov. 9)

Osvaldo Golijov's Grammy-winning opera,

For additional Arts Calendar listings visit wsj.com. Write to brian.kelly@wsj.com.

The WSJ Daily Crossword | Edited by Mike Shenk



- | | |
|----|---|
| 24 | Letter after sigma |
| 25 | Ill-mannered fellow |
| 26 | Grid pattern |
| 28 | Stew |
| 32 | Stitch up |
| 34 | Withering assessment from a scout |
| 35 | Elder of rock's Allman Brothers |
| 36 | Tilling tools |
| 37 | Mutually accepts |
| 41 | "The Rise of Skywalker" heroine |
| 42 | Nutritional fig. |
| 43 | Voracious eels |
| 44 | Fracking ban, e.g. |
| 45 | Capital northeast of Butte |
| 46 | Play character who nose how to talk to a woman? |
| 47 | Woman with hissing hair |
| 49 | Astronomer Hubble |
| 50 | Type of card in a smartphone |
| 52 | Newspaper section |
| 55 | Danson of "The Good Place" |
| 56 | Before, poetically |
| 57 | "Machines Like Me" writer McEwan |

SPLASHY TUNES | By Seth Bisen-Hersh

Across

- 1 When Romeo meets Juliet
5 Its atmosphere is mostly carbon dioxide
10 Present
14 Investing goal
15 Manila envelope feature
16 Furthest Aleutian island from the mainland
17 "Show Boat" ballad
19 Ilk
20 They give a lot of support
21 Calming words
23 Campaign speech platform
25 Signature song for Linda Ronstadt
27 Sturdy flora
28 Mare's baby
29 Unsuitable

- 30 End for pea or chest
31 Go bad
32 Ryan of rom-coms
33 Oscar-winning song from "The Little Mermaid"
38 Umpire's call
39 Na+ or Cl-
40 Sound of frustration
43 Conductor Zubin
46 Added to an email chain
47 TV's talking horse, of course, of course
48 Triple-platinum 2017 song by Billie Eilish
50 "Gotta go!"
51 Burrito part?
52 Member of a support staff
53 Sheltered, for sailors

- 54 Handel composition, and a description of 17-, 25-, 33- and 48-Across
59 "Life of Pi" writer Martel
60 Like argon and neon
61 Daytime viewing
62 Try for a fly
63 Tissue masses
64 "Frozen" sister

- 6 New Haven alum
7 Like the Annapolis acad.
8 Handy
9 Shopaholic's indulgence
10 Kitchen appliance
11 2017 Margot Robbie movie
12 1960s sitcom set at Fort Courage
13 "For shame!"
18 Fleece feature

- 22 "___ Irish Rose"
23 Junior, to Senior

- 57 "Machines Like Me" writer McEwan
58 Tax pro, for short

Previous Puzzle's Solution

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

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

SPORTS

By ANDREW BEATON

When the Baltimore Ravens needed to kill clock to stave off a potential comeback near the end of Sunday's thriller against Washington, everyone in the stadium knew exactly what they were about to do.

That's because the Ravens boast a weapon unlike any other in the NFL. At 6-foot-2 and 247 pounds, running back Derrick Henry is bigger than most linebackers—and he's made a living trampling all over them. Sometimes, there's no play call that can neutralize his vicious stiff arms or quick bursts through the hole.

Which is why knowing that Baltimore would hand the ball to Henry over and over again didn't help Washington's defense one bit. By the time Henry broke off a 27-yard run late in the fourth quarter, the game was as good as over.

In his ninth season, and first with the Ravens, Henry is still the most terrifying sight in an NFL backfield. The two-time rushing champion once again leads the league in rushing yards—and it isn't particularly close after his latest 132-yard, two-touchdown performance.

Henry's success this season has helped Baltimore rattle off four straight wins after an 0-2 start—he delivered another victory a week ago when he broke off a 51-yard scamper in overtime. It has also made him just the 32nd rusher in NFL history to surpass 10,000 yards.

But for all his success, Henry may be the last of a dying breed in the modern NFL.

These days, NFL teams have decided that running backs are as disposable as those paper Gatorade cups on the sidelines. The thinking goes that once they have been in the league for a handful of years, absorbing hits and laying at the bottom of dog piles, they lose their effectiveness and can be cheaply replaced. Many teams don't even have a workhorse running

back, instead splitting the role between several complementary players.

But at 30 years old, and still at the top of his game, Henry defies that logic. He's a traditional bellcow in an era when players of his ilk are practically extinct.

"We just know he needs a lane, and he's going to do the rest," quarterback Lamar Jackson said. "Every time there's a little crease, he always just goes full force and gets many yards."

As it stands, only one other player is within 3,000 yards of the 10,000-yard mark—and that same player explains why Henry is such an outlier.

Ezekiel Elliott, back for a second

Derrick Henry Is a Throwback Star

The Ravens' running back is an outlier still at his peak at the age of 30. Rookie Caleb Williams has turned the Bears into surprise playoff contenders.



The Ravens' Derrick Henry, above, and the Bears' Caleb Williams, left, had big games in Week 6.



a dent. That old-school, downhill rushing attack is precisely why Baltimore signed him this offseason.

Alongside quarterback Lamar Jackson, the league's premier quarterback at making big plays with his legs, the Ravens can now either rumble through defense or speed right past them. Henry, after Sunday's 30-23 victory, called it the "pick your poison offense." That tandem is why Baltimore has 1,232 rushing yards—the fourth most by any team in its first six games since 1980.

Henry has also proven that even though he'll turn 31 before the season is over, he hasn't lost a step: In fact, he has recorded two of the top-10 fastest speeds by any ball carrier this year.

The Data

Caleb Williams, the quarterback taken No. 1 overall by the Chicago Bears, had a rough start to his NFL career. He completed under 50% of his passes in the season opener, threw two interceptions with no touchdowns in his second game and didn't fare much better his third time out. But the Bears suddenly look like surprise playoff contenders—thanks to his rapid improvement. Chicago is now on a three-game winning streak, including Sunday's 35-16 win over the Jaguars, and the difference in his num-

stint with the Dallas Cowboys, has 9,019 career rushing yards but he faces an uphill climb to reach the milestone. At just 29 years old, after entering the league the same year as Henry (2016), he's already been relegated to reserve duty and has just 115 yards this season. No running back aged 30 or older has even half as many rushing yards as Henry this season.

There was a time not so long ago when this was definitely not the case. Emmitt Smith was hardly at his peak in his 30s, but he still managed three seasons of 1,000-plus yards. Beginning when he was 30, Tiki Barber had his two most prolific rushing seasons for the New York Giants in 2005 and 2006.

Even further back, Walter Payton won two MVPs in his 30s.

But today, running backs are less likely to be afforded the same volume of carries over such a long period. Many teams deploy committees where the carries are less concentrated on one runner. Moreover, many of the top backs get many of their touches through the passing game—Christian McCaffrey led the NFL with 1,459 rushing yards last year on just 17 carries per game, but added 564 receiving yards.

All of that makes Henry an emphatic exception. Including this year, he has now led the NFL in rushing attempts in five of the last six seasons. But when it comes to the passing game, he barely makes

bers is jarring:

Weeks 1-3: two passing touchdowns, four interceptions, 5.3 yards per attempt, 59.3 completion percentage and 13 sacks taken.

Weeks 4-6: seven passing touchdowns, one interception, 8.5 yards per attempt, 74.1 completion percentage and seven sacks taken.

The Bears are now 4-2, and in the Super Bowl era, Williams is the first quarterback taken first overall to win four of his first six career starts.

The Decision

After much clamoring from Patriots fans over the team entering this week averaging a paltry 12.4 points per game, coach Jerod Mayo finally benched quarterback Jacoby Brissett and inserted rookie Drake Maye under center.

It hardly mattered when the defense surrendered so many points to the Texans, but in a small sample, there were flashes that New England might have found its long-term answer to the vacuum left by Tom Brady's departure. While Maye tossed two interceptions, he also threw for three scores—and the team's 21 points marked a season high.

And over the course of the day, Maye sprinkled in the types of throws that show why he was the No. 3 pick in the draft. That included a perfectly placed ball for a 40-yard right before halftime for his first-career touchdown.

The Debate

Russell Wilson, the former Super Bowl champion with the Seattle Seahawks who flamed out over the past couple of years with the Denver Broncos, was supposed to begin this season as the Pittsburgh Steelers starting quarterback before he was sidelined with a calf injury. Will he ever reclaim his job?

The Steelers are 4-2 and coming off a 32-13 win over the Raiders, and Wilson was active as the backup quarterback behind Justin Fields for the first time. Fields has so far done enough to win with one of the NFL's best defenses, but he also hasn't been overly impressive. He hasn't been particularly accurate and completed just 14-of-24 passes for 145 yards on Sunday.

But he can also make plays with his legs, as he showed with his two running scores in the game, and coach Mike Tomlin will have to figure out if he thinks Fields is actually providing enough or if Wilson could rediscover his old magic and take this team to another level.

JASON GAY

The Dallas Cowboys Suffer Another Home Humiliation



Dak Prescott and the Dallas Cowboys have lost three straight home games at AT&T Stadium this season.

Tommy on the call.) Worst of all, they're losing at home, in Jerry-World, where they'd recently won 16 in a row.

Sunday's disaster versus Detroit was Dallas's worst-ever defeat in the House that Jones built (opened 2009) and the worst Cowboys home defeat since 1988.

It was more evidence that despite major paydays for stars like Dak Prescott and CeeDee Lamb—and taking a pass on free agents like Derrick Henry, currently tearing it up for Baltimore—the Cowboys remain underperformers, and perhaps the most maddening fran-

chise in football.

The 4-1 Lions looked unimimidated on Sunday, despite a devastating injury to defensive end Aidan Hutchinson, who broke his leg. They scored early and often, and kept pouring it on, goofing around with gimmick plays when the outcome was no longer in question.

Detroit was hellbent to score on a wacky play with an offensive lineman after losing to Dallas last season on a wacky play with an offensive lineman when a lineman failed to report himself eligible. (They didn't score this time, ei-

ther.)

A petty exercise? Sure. But also a message for the Cowboys. You don't poke an opponent if you fear the opponent. The Lions don't fear Dallas, it's obvious.

Does anyone?

Dallas may have proud championship DNA, but the last generation has been defined by under-achievement. Cowboys haters (you know who you are) wonder why this team still generates so much media coverage, how a franchise can still have the hubris to call itself "America's Team" when it hasn't won a Super Bowl since the

1995 season. Because since then, it's been a big fat...

(You can't see it, but this is me, making a zero symbol with my hand.)

An optimistic Dallas fan (they exist) would say it's still just mid-October, and it isn't as bad as it looks. The Cowboys are fortunately stuck in the middle of another meh season for the NFC East.

Rival Washington will come down to Earth, Philadelphia and its edgy coach look ready to brawl in the parking lot, the Giants are the Giants, and the Cowboys will get healthier, so let's check back with each other in December.

The drama won't stop in the meantime. The Cowboys, of course, simultaneously exist as a long-running soap opera.

Like all soap operas, you have people who love the soap opera, people who can't stand the soap opera, and plenty of people who dislike the soap opera but watch it because it's fun to mock it when it's bad. You have people who wonder if Bill Belichick might get hired to come direct the soap opera.

(There's also a sector of America that tunes into Cowboys games simply to watch Jones sit uncomfortably in his suite amid a loss.)

It isn't enough. Dallas might entertain the die-hards and Schadenfreude addicts, but the on-field product isn't offering anywhere near the expected promise. Neither is the soap opera, honestly—Jones, who's been loyal to head coach Mike McCarthy, is nowhere near as impulsive about hiring and firing as he's treated by the media.

Dallas in distress is good for the hot take machine, but that's not a football team's job.

I mean, think about poor Tom Brady, sitting up there, without a helmet, being forced to watch all of this. Sometimes the money isn't enough.

ROB CARR/GETTY IMAGES; SHAWN BROOKS/ZUMA PRESS

SAM HODDE/GETTY IMAGES

OPINION

Kamala Harris's Catholic Problem

MAIN STREET
By William McGurn

Less than four weeks from the election, Michigan's Democratic governor made an in-kind contribution to Donald Trump's campaign. Gretchen Whitmer

appeared last week in a video featuring her placing a Dorito chip on the tongue of a kneeling social-media influencer. After Michigan's bishops denounced the clip as "specifically imitating the posture and gestures of Catholics receiving the Holy Eucharist," Ms. Whitmer apologized.

The kicker: She was wearing a Harris-Walz campaign hat in the video.

The swing-state governor says she had no idea people might find the post offensive, which speaks to how out of touch Democratic elites are.

That cluelessness may prove costly in an election in which Kamala Harris and Donald Trump are separated by less than half a point in the RealClearPolitics polling average for the seven battleground states. In the most important of these—Pennsylvania—the latest RCP average shows Mr. Trump leads 48.3% to 47.9%. Ms. Harris's problem is that exit polls from 2020 show 30% of the state's voters are Catholic.

It isn't gaffes alone that could hurt the vice president in the Keystone State. "Throughout her career as a public official, Kamala Harris

has long used government power to try to coerce people of faith to violate their consciences, especially regarding abortion and gender ideology," says Kristen Waggoner, CEO of Alliance Defending Freedom, which protects religious liberty.

As California's attorney general, Ms. Harris signed several friend-of-the-court briefs opposing religious exemptions for private employers such as Hobby Lobby and religious nonprofits such as the Little Sisters of the Poor. She said she was "proud" to have co-sponsored California's Reproductive FACT Act, which compelled pro-life pregnancy centers to display notices about where women could get an abortion. The Supreme Court in 2018 rejected the law as a likely violation of the First Amendment.

Today the landscape looks more like 2016 than 2020. A Pew survey finds Ms. Harris trailing Mr. Trump among Catholics nationwide by 5 points, 47% to 52%. That's puts Ms. Harris in Mrs. Clinton's territory.

Mr. Biden may be the last of the big-time Democrats whose base was the white working class. But it confers a sensibility Ms. Harris is conspicuously lacking. It's worth recalling that when the Obama administration was debating the Affordable Care Act's contraceptive mandate, news reports noted he pushed internally for a broader religious exemption.

His argument was that by

backing a plan that forced

day's Al Smith dinner, an election-year staple that has brought Democratic and Republican candidates together in a civil setting for decades.

Though Joe Biden also

found himself crosswise with the Catholic Church on issues

such as abortion and same-sex

marriage, his Scranton, Pa.,

roots and familiarity with the

culture meant he could over-

come that. In 2020 Pew found

he won the national Catholic

Her San Francisco progressive persona isn't a good fit for Pennsylvania.

vote, 50% to 49%, which Hillary Clinton lost in 2016. This helped him flip Pennsylvania and win the election.

But perhaps Ms. Harris's most notorious Catholic moment came after she was elected senator. When Brian Buescher was nominated for a federal judgeship, she grilled him about his membership in the Knights of Columbus, a Catholic men's fraternal organization. Although President John F. Kennedy was also a Knight, Ms. Harris treated the group as though it were the Ku Klux Klan.

She would later co-sponsor the Equality Act, which the U.S. Conference of Catholic bishops said could force doctors and hospitals to perform abortions they oppose. Last month she snubbed New York's Cardinal Timothy Dolan by declining to attend this Thurs-

Catholic institutions to provide contraceptives and other services they morally objected to. Mr. Obama would jeopardize his re-election prospects by alienating working-class Catholics in swing states such as Pennsylvania.

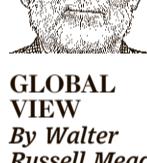
Mr. Obama ignored him and won anyway. But Mr. Biden's argument looks more compelling today, and the press is cottoning on. Politico reports that Ms. Harris's prospects are "considerably dicier" because of a "cultural dissonance" between her progressive San Francisco persona and white working-class Catholics Pennsylvanians.

CatholicVote, a group that promotes Catholic values in public life, is highlighting this dissonance. In addition to the usual ads, mailings and social-media posts, this Thursday it is hosting a conversation with Robert F. Kennedy Jr. Mr. Kennedy is no one's idea of a staunch Catholic—but on abortion, for example, he departs from Democratic orthodoxy by talking about help for pregnant woman who want to keep their babies as much as those who want an abortion.

"Mr. Kennedy is offering skeptical Democrats social permission to follow his example by leaving the Democratic Party and voting Republican," says CatholicVote president Brian Burch. "Many Catholics in Pennsylvania are Democrats by tradition who might have voted for Joe Biden but have grown increasingly skeptical about their party under Kamala Harris."

Write to mcgurn@wsj.com.

China Falls Into Its Own Trap

GLOBAL VIEW
By Walter Russell Mead

Wars in the Middle East and Ukraine dominate the headlines, but the Indo-Pacific remains the fulcrum of world politics and where the 21st century will take shape. While bombs fall and missiles fly elsewhere, the Chinese Communist Party is wrestling with its greatest challenges since Deng Xiaoping's reforms fueled a generation of blistering growth in the 1980s. Unfortunately, the economic choices China is making look set to promote greater repression at home and increased tension with neighbors and trading partners around the world.

The People's Republic of China is caught in a trap of its own making. The success of China's one-child policy spawned a demographic crisis. The relentless focus on housing created the biggest real-estate bubble since the dawn of time—and locked local governments and hundreds of millions of ordinary Chinese into an unsustainable Ponzi scheme. The success of China's market reforms created wealthy entrepreneurs and an educated, ambitious middle class that must be suppressed and controlled if Communist rule is to survive. Tenacious support for an export-oriented manufacturing strategy and the infrastructure it needs committed China to a development path that offers diminishing returns at home and increasing hostility from abroad.

Globally, Beijing's overreliance on export-driven eco-

nomic growth and nationalist chest-thumping to lend communist rule an air of legitimacy impaled China's communists on the horns of a dilemma. China's massive industrial economy depends on raw materials and energy from abroad, as well as on access to foreign markets. But the geopolitical ambitions of a rising China and the export avalanche from its titanic industrial base combine to

Its economic model is unsustainable, but reform is too risky for the Communist Party.

alienate foreign partners and undermine the free-trade consensus that allowed the country to flourish for so long.

Xi Jinping and his aides are not stupid. They know that overdependence on housing, exports and big infrastructure is an economic dead end. They know that world markets won't absorb continuing Chinese export growth. They know that saber-rattling over Taiwan and the Philippines alienates their closest neighbors and alarms the U.S. But shifting China's economic model onto a more sustainable path is, they fear, too economically expensive and politically risky.

For Mr. Xi and his colleagues, the supreme goal of statecraft is the maintenance of Communist Party control. This partly represents the personal interests of a red aristocracy determined to de-

fend its privileges, and partly a sincere conviction that a country of China's size and complexity requires centralized government control to survive. Unable to address its structural economic problems, the Communist Party is returning to its comfort zone: its abilities to repress and to play the nationalism card. It cannot reform China's economy, but it can force churches to replace images of Jesus with portraits of Mr. Xi. It cannot wean itself from export-dependent growth, but it can accelerate the implementation of high-tech totalitarianism, monitoring citizens at almost every moment of their lives. It cannot return to the era of double-digit economic growth, but it can rally public opinion by whipping up nationalist sentiment.

Meanwhile, Beijing is looking to green tech and information technology for another round of export-led economic development. It already dominates the global solar-panel market and is well on its way to similar success in electric vehicles. Replacing Taiwan as the producer of the world's most advanced semiconductors would, Beijing hopes, cement China's position as a global military and economic superpower.

Other countries are bound to resent and resist China's ambitions in these fields. Trade friction will increase even as nationalist public opinion drives Beijing toward ever more assertive and aggressive policies in its neighborhood.

Twenty twenty-five is going to be an interesting year.

Kamala Harris's Rural Broadband Flop

By Brendan Carr

Kamala Harris lamented recently that "in America, it takes too long and it costs too much to build." She's right. But she failed to mention that those costly delays are a feature, not a bug, of her progressive policies.

Consider Ms. Harris's record. In 2021 she agreed to lead the administration's \$42 billion plan for expanding high-speed internet to millions of Americans. That year, she tweeted that "we can bring broadband to rural America today." Today, nearly three years after Congress passed the infrastructure bill that created the program, not one home or business has been connected through it. The Biden-Harris administration recently confirmed that construction projects won't begin until next year at the earliest,

and in many cases not until 2026.

Instead of focusing on delivering broadband to unserved areas, the administration has used the program to advance a wish list of political goals. It has adopted regulations that include diversity, equity and inclusion requirements, climate-

change rules, price controls, preferences for union labor, and schemes that favor government-run networks. The administration has been handing out wins to favored political groups rather than delivering results.

Other factors have kept Ms. Harris's high-speed program in the slow lane. Testifying be-

fore a congressional oversight committee, one state government official described "a chaotic implementation environment" marked by "dysfunction" and "delays." The administration, she said, "has provided either no guidance, guidance given too late, or guidance changing mid-stream." Associations representing broadband builders in states across the U.S. are sounding the alarm, warning that the "program will fail" absent a course correction.

If only we could be unburdened by what has been. In 2020 Elon Musk's satellite service, Starlink, won an \$885 million award from the Federal Communications Commission to offer high-speed internet to more than 640,000 rural homes and businesses. By a 2023 vote along party lines, the FCC revoked the award. As I noted in my dissent at the

time, the FCC's revocation couldn't be explained by any objective application of the facts, the law or sound policy. In my view, it amounted to nothing more than regulatory lawfare against one of the left's top targets: Mr. Musk. Rural communities stuck on the wrong side of the digital divide are paying the price.

There is time to change course. It isn't too late to get rid of the program's DEI requirements, price controls, technology biases and preferences for government-run networks. Stripping away those regulations would unleash private-sector innovation and save taxpayer dollars. The status quo is unacceptable. Under Biden-Harris policies, it takes too long and it costs too much to build broadband in America.

Mr. Carr is a Republican FCC commissioner.

BOOKSHELF | By Samuel Arbesman

Better Late Than Never

Second Act

By Henry Oliver

John Murray One, 320 pages, \$29.99

One of the ancient rabbis quoted in the compendium offered a rule of thumb for thinking about the ages of life. One's 20s, he wrote, were for the pursuit of livelihood; then: "at thirty the peak of strength; at forty wisdom; at fifty able to give counsel; at sixty old age; at seventy fullness of years." Even if by the age of 90 one can expect "a bent body," this outline suggests that the first chapters of one's personal story are by no means the most significant.

But this rabbi is a bit ambiguous when it comes to one's creative contributions and worldly success: At what point are those best accomplished? Early on in life? Or are they

more likely the product of decades of preparation? In his wide-ranging book, "Second Act," the writer Henry Oliver explores the potential of those later years for something more than reflective wisdom or the giving of hard-earned advice. It is a celebration of late bloomers, a type he defines simply as those who succeed "when no one expects them to."

Combining biographical portraits—some brief, though a select few take up entire chapters—with scientific research, Mr. Oliver tries to understand the nature of the late bloomer and the potential for achievement, or reinvention, or simply continued success, later in life. We learn about Katharine Graham, who took over The Washington Post in her mid-40s and oversaw a fruitful period that included publishing the Pentagon Papers and exposing the Watergate scandal.

We find out how the architect Frank Lloyd Wright overcame a seemingly fallow period in his career and embarked on his great late-in-life accomplishments, beginning with the Pennsylvania house known as Fallingwater (designed when Wright was in his late 60s) and culminating in the Guggenheim Museum in New York City and the Annunciation Greek Orthodox Church in Wauwatosa, Wis. And there's Ray Kroc, who, beginning in his 50s, took McDonald's from a single California burger joint to a globe-spanning empire.

These stories are detailed and carefully researched. Mr. Oliver buttresses them with a dive into scholarly literature relevant to late bloomers, academic work that points to larger shapes and trends. For example, he examines studies on aging and its impact on various aspects of cognition. "Second Act" also explores the importance of social connections, and even the ages at which people start successful businesses.

Mr. Oliver's appealing profiles of individuals flesh out such data-driven studies: Taken together they form a collective illustration of how late-in-life periods of creative flowering are generated. One important factor: The subjects here have certainly not been idle before their successes. There is often a long period of experimentation and learning before success is achieved, or before it is recognized. This is all part of what is—in retrospect—a laying of the groundwork for later achievements. Of course, when it comes to the research and stories Mr. Oliver highlights, there might be selection bias or a tendency to draw too many wide-ranging implications about late-breaking creativity. Nevertheless, Mr. Oliver gratifyingly caveats this and is unwilling to draw too much from anything specific.

The most valuable thing these portraits provide is a set of what we might call existence proofs of second acts. This tangible evidence of late-career greatness feels all the more relevant in a moment in which the speed of technological change can easily foster the illusion that those of us who are no longer young have already been permanently surpassed in the race to develop new ideas. But it is indeed an illusion.

Some of the greatest triumphs in art, business and politics have been accomplished by those who might have been seen as past their prime.

The title of "Second Act" itself proves to be underselling what the book has to offer: Mr. Oliver is really assembling a guide to the broader principles that make a strong career. There is an importance to slow and steady progress, to showing up and doing the work. A chapter on aging explores how an important requirement of a successful career is simply to be consistent: to improve, to try new things, and to keep creating output. Similarly, Mr. Oliver demonstrates that fears about the inevitable cognitive decline that comes with getting older are likely overblown and our capacity for innovation and wisdom later in life is undervalued. Achievement, he suggests, "isn't reliant just on our mental ability staying high but on whether we choose to keep using and adapting the capacity we have."

So too, when we think about our careers—and our lives more broadly—we must imbibe humility: We cannot predict the shape and trajectory of our careers, so we must make space in our lives for chance encounters, various kinds of luck, and nonlinearity to work for us, rather than against us. This embodies the idea of the "chaos theory of careers," formulated by the psychologists Jim Bright and Robert Pryor, according to which small influences can have an outsize and unexpected impact, and so we must be ready and primed to exploit them.

For there is far more unexpectedness in one's career than one might intend. Ray Kroc was an "experimental artist"—to use the term from the economist David Galenson that Mr. Oliver discusses—trying many different businesses and ideas over his career. This served him well when, as a middle-aged milkshake mixer salesman, he undertook to transform a hamburger stand into a nation-spanning business.

Perhaps it is this balance between consistency and a willingness to adapt that is the key to a successful second act: Taking a longer perspective can be a powerful antidote to viewing a career as some kind of binary success or failure. Contemplating a passage by Samuel Johnson on the importance of avoiding indolence and the need to make the most of one's time, Mr. Oliver writes: "Our lives, if they are well lived, are long works." Don't stop writing your story too early.

Mr. Arbesman is the author of *"The Half-Life of Facts"* and *"Overcomplicated."*

OPINION

REVIEW & OUTLOOK

Kamala Harris's Pitch to Black Men

Kamala Harris has a political problem winning the support of young black men, and on Monday she issued a last minute S.O.S. by unveiling an "Opportunity Agenda for Black Men." At least she's not accusing them of sexism as Barack Obama did last week, but her grab-bag of policies isn't likely to pull many from Donald Trump.

Her plan calls for \$20,000 in forgivable government loans for one million minorities to start businesses. These are de facto grants because nearly all are likely to be forgiven. It's better than focusing on wealth creation rather than solely income redistribution. But allocating government loan forgiveness on the basis of race is unconstitutional.

Democrats attempted something similar with a loan forgiveness program in the March 2021 Covid bill for "socially disadvantaged farmers," which were defined as those who are black, American Indian/Alaskan Native, Hispanic, Asian and Pacific Islander. Several judges enjoined the program, and the Justice Department declined to appeal.

Ms. Harris also wants to legalize marijuana and help minorities with drug convictions benefit from the drug's commercial business potential. Her model appears to be New York state, which gave first priority for pot retail licenses to "those most impacted by the enforcement of the prohibition of cannabis or non-profit organizations whose services include support for the formerly incarcerated."

The New York rollout has been a fiasco, as illegal pot shops crowded out those that were licensed. The Vice President claims to follow the science, but she ignores the growing evidence about marijuana's mental, physical and social harms. It is especially damaging to young

Will more pot smoking and forgivable loans peel them from Trump?

people whose brains are still developing. Many black communities in California have opposed pot dispensaries in their neighborhoods because they don't want their young people on dope.

In 2019 Ms. Harris said marijuana should be legalized because it "gives a lot of people joy." But does she really believe that encouraging more

pot smoking is the route to lifelong success? More young people today use pot than cigarettes, but Mr. Obama tried to discourage smoking weed. Alas, Ms. Harris won't follow that good example.

The Veep is also promoting apprenticeships to help black men acquire skills in trade professions. This is a good idea in theory, depending on the kind of apprenticeship and who is doing the training. Most government training programs have poor outcomes.

The Biden Administration has tied green energy subsidies to companies supporting union apprenticeships, but these can restrict employment opportunities at non-union contractors. Private businesses working with community colleges or even high schools provide the best apprenticeship path upward.

Ms. Harris also pitches more government "investment" in black male teachers on the identity-politics theory that minorities learn better when they are taught by people who look like them. Black male mentors for young people are important, but the better way to help black boys would be to break union control over public schools, which disproportionately harms low-income and black students. How about expanding charter schools?

It's good news that Ms. Harris and Democrats are being forced to compete for black voters, who look fondly on Mr. Trump's first-term economy. But she may need a better pitch.

William H. Mellor, 1950-2024

Many young lawyers hope for careers in which they can use the law to promote justice and change lives, but few succeed. One who did was William "Chip" Mellor, who died Friday at 73 years old.

Mellor co-founded and for many years was president of the Institute for Justice, whose causes have often been taken up in these columns. IJ's mission is to help Americans whose rights are being violated by government. This is the opposite of most public-interest legal shops whose goal is to expand government power over individuals and business.

IJ has been a champion for men and women who lack the resources or political connections to fight unjust or bullying bureaucracies. In the 1990s the Institute took up the cause of natural hair braiding salons serving immigrant communities struggling under state licensing regimes. IJ argued that costly licensing requirements violated small business owners' right to earn a living. Today 34 states have removed licensing for hair braiding.

Mellor and IJ also represented Hector Ricketts, who drove jitney vans to provide low-cost commuting in New York. When the City Council blocked van licenses to protect public transportation unions, Mr. Ricketts sued with IJ's support. A state trial court ended the City Council's veto over van licenses.

IJ has fought abuses of civil forfeiture, which is when government seizes property from people who aren't charged with a crime; and eminent

He built the Institute for Justice, which fights government abuses.

domain, when the government seizes property without fair compensation. The Institute lost 5-4 on eminent domain at the Supreme Court in *Kelo v. New London*. But the public backlash from that case has led 47 states to strengthen laws against using eminent domain for private gain.

The firm has brought or intervened in 30 lawsuits to give parents more educational options. Its 2002 Supreme Court victory in *Zelman v. Simmons-Harris* confirmed that school choice programs that include religious options are constitutional, and the group's work has helped make possible programs that have awarded more than 4.8 million scholarships.

IJ has won 10 Supreme Court cases, including both it brought in the 2023 term, *DeVillier v. Texas* on the Fifth Amendment's takings clause and *Gonzalez v. Trevino* on the First Amendment protection against government punishment for unpopular speech.

IJ began in 1991 as a start-up with a few colleagues. It now has 66 lawyers and a budget of \$47 million. As long as there are marauding governments, IJ will be needed, and the firm has doubled its active docket in the past five years. As a force multiplier for social justice, few nonprofits can match IJ's results.

Populists on the right distrust institutions these days, but the left has long understood that institutions are essential to marshal the resources for long battles and transmit principles to the next generation. Chip Mellor built a principled institution that will last.

San Francisco vs. the Biden EPA

Well, well. Look who's asking the Supreme Court for help against overreaching regulators. On Wednesday the Justices will consider whether the Environmental Protection Agency can punish the city of San Francisco for dirty water in the Pacific Ocean.

City and County of San Francisco v. EPA involves a permitting scheme under the 1972 Clean Water Act. The law requires localities and businesses to obtain permits to discharge pollutants into waterways.

San Francisco operates a sewage and stormwater treatment system that experiences overflows during heavy storms, resulting in effluent discharges into the Pacific. The EPA in 2019 imposed conditions on its permits that hold the city's system responsible if its discharges "cause or contribute" to water in the Pacific that violates federal and state standards.

EPA and the environmental group San Francisco Baykeeper then sued San Francisco for sewage discharges since 2013 that they say contributed to dirty water in the Pacific. Each permit violation is punishable with fines of more than \$66,000 a day. San Francisco's potential liability runs into the hundreds of millions.

San Francisco says it's unfair to hold it responsible for the ocean pollution since there are hundreds of other culprits. The city adds that the Clean Water Act lets EPA specify limits only on discharges or technology to control pollution from so-called point sources.

EPA's generic permit conditions makes compliance with the law "elusive, because a waterbody's ability to meet water quality standards at any time depends on pollutants that all sources—not just San Francisco—contribute,"

San Francisco says in its brief. "The City consequently lacks advanced notice of how much it must control its discharges."

While seeking enormous penalties, EPA is leaving the city "in the dark about what it allegedly did wrong," San Francisco says. In short, EPA has set a moving target that the city has no way of meeting,

short of shutting down its sewage system.

EPA cites language in the Clean Water Act that lets it impose permit conditions that set "effluent limitations" and "any more stringent limitation, including those necessary to meet water quality standards." But San Francisco says such unbridled regulatory authority conflicts "with the text, structure, and historical context" of the Clean Water Act.

That law's predecessor, the Federal Water Pollution Control Act, notably applied the same permitting approach as the EPA is trying to apply now. This resulted in endless litigation that failed to improve water quality. Congress repealed the law and replaced it with the Clean Water Act's permitting scheme that directs the EPA to set specific limits on discharges.

Citing the Court's landmark *Loper Bright Enterprises* decision last term, San Francisco parses the text of the Clean Water Act to rebut the EPA. Sundry industry groups warn in friend-of-the-court briefs supporting San Francisco that letting the EPA's expansive interpretation prevail would create enormous uncertainty that harms business.

You have to smile at San Francisco's good liberals howling about regulators and invoking the *Loper Bright* opinion that most of them derided. Maybe they'll tell the Senate Democrats who want to end independent judicial review.

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LETTERS TO THE EDITOR

Why Is CBS News Afraid to Report the News?

Rules for thee but not for me. Matthew Hennessey is right to call out the double standards of CBS News employees ("You Can't Report in Here. This Is the Newsroom!" op-ed, Oct. 10) who protested a tough interview of writer Ta-Nehisi Coates on Israel. I often encounter similar situations in academia, where someone who satisfies all the criteria of our social orthodoxy is held in a position of unimpeachable praise and shielded from even the slightest criticism or questioning.

Are these anointed cultural champions not capable of slaying opponents with their own sword? Mr. Coates is more than capable of defending his beliefs. Let winning arguments win and losing arguments lose. American institutions, stop with the soft bigotry of low expectations.

MICHAEL F. ROYER
San Jose, Calif.

Mr. Coates credits his father, Paul Coates, the publisher of Black Classic Press, for his sense of how white-black American race relations map onto the Israeli-Palestinian conflict. That's notable because the elder Mr. Coates recently decided to republish a discredited antisemitic tract called "The Jewish Onslaught" that blames Jews for the slave trade. Paul Coates, the publisher, has praised the book's author, and his company's website included a laudatory blurb until it was brought to light.

The younger Mr. Coates's book about Israel, for which he was being interviewed by CBS, contains no mention of Hamas, Hezbollah, Palestinian Islamic Jihad or even Iran. It hardly presents a balanced view. Tony Dokoupil questioned the author about these omissions, which is his role as

a journalist. This questioning is what CBS brass claims "failed to meet their standards."

CBS has a "Race and Culture Unit," an internal division that exists "to ensure all stories have the proper context, tone, and intention." Presumably, in this instance, the unit thought that the proper context, tone and intention would have consisted of congratulating Mr. Coates and serving up softball questions.

DON KAUL
Chicago

Kudos to Mr. Hennessey on his op-ed regarding the decline of CBS News and, quite frankly, the news media in general. The simple task of reporting the facts has become lost in a cauldron of emotions, opinions and the pursuit of ratings.

My great uncle was Edward R. Murrow. He often told my grandfather, his older brother, that he knew he had done a good job when he was flooded with letters regarding a program—half of them in praise and half in criticism. We have become much too concerned about hurting or offending others at the expense of the truth. As consumers of the media's output, we should demand and expect more. As Murrow once famously quoted, "The fault, dear Brutus, is not in our stars, but in ourselves."

JON GREULICH
San Diego

I wish the people in the CBS newsroom who complained so much about Mr. Dokoupil's interview had as much zeal regarding Margaret Brennan's "fact check" of Sen. JD Vance at the CBS vice-presidential debate.

DENNIS NYKOLYN
Huntington, N.Y.

Countering Confusion Around Abortion Laws

As an obstetrician and gynecologist practicing in a state with restrictive abortion laws, I have seen patients like Amber Thurman who were forced to travel hundreds of miles for the healthcare they need ("The Truth About Amber Thurman's Death" by Nicholas Tomaino, op-ed, Oct. 7). Abortion restrictions lead to decreased access to standard healthcare and to uncertainty among medical providers as to what care can be performed legally.

Thurman's death was a tragedy and a direct result of delayed access to care. Her decision to proceed with a medication abortion isn't to blame, as mifepristone and misoprostol have been proven to be a safe and effective method of abortion. Unfortunately, she did face a rare complication, and as a result of living in Georgia, a state with restrictive abortion laws, her physicians delayed her medical care.

There haven't been any clear recommendations in Texas, or other states with bans, to counter the confusion around these laws. The U.S. Supreme Court recently let stand a decision that hospitals can't be forced to provide emergency abortions that go against state law. Even the Texas

physicians' governing body hasn't specified exactly and clearly what is considered an "acceptable" exception. This confusion and coercion is deadly.

Patients and medical professionals are afraid of what abortion bans mean for their health and livelihood. Thurman's death was a tragedy, and it must also remind us that abortion restrictions have consequences.

VICTORIA PETRUZZI, M.D.
Houston

Thank you, Mr. Tomaino. Based on the information in your op-ed, Thurman didn't die "in that journey back and forth" to a North Carolina clinic, as Gov. Tim Walz stated in the vice-presidential debate. She died in Georgia as the result of complications from an abortion.

Where were the infamous news network fact checkers on this one? Why was Sen. JD Vance not prepared for this topic by Republican Party staffers? It's so frustrating to watch pro-life politicians hem and haw instead of firmly and proudly defending their positions with the moral and biological facts.

DENNIS C. OPFERMAN
Fort Worth, Texas

Supply Chains Are Putting the Brakes on EVs

Your editorial "Michigan and the EV Mandate Backlash" (Oct. 9) covers several salient points on how electric vehicles are falling short. Permit me to add another: The EV parts supply chain is undependable, at best.

Since June, to my frustration and that of the dealership where it is sitting, my 2019 Chevrolet Malibu Hybrid has been waiting for an under-warranty replacement for the Hybrid battery pack. All the company customer-assistance team, which has been cordial and maintains regular contact, has been able to say is: "Currently there is no eta on the part needed for repairs." It has been four months and counting.

This doesn't appear to bode well

What Makes a Good Coach?

Regarding S.C. Gwynne's review of "The Why is Everything" by Michael Silver (Fall Books, Oct. 5): While football coaches might start with the concepts they learned from a mentor coach, a system is only successful when a coach can adapt it to his personnel. Those coaches who simply replicate their mentor's system often fail. One also has to wonder why some great coaches in the NFL pantheon, such as Vince Lombardi and George Halas, have scant coaching trees. Could it be these coaches didn't develop "systems" so much as strategies, using the strengths of the players they had?

JOHN L. HOH JR.
Beloit, Wis.

BRIAN TYREE
Cedar Crest, N.M.

Pepper ... And Salt

THE WALL STREET JOURNAL



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OPINION

What Jack Smith Gets Wrong About Immunity

By David B. Rivkin Jr.
And Elizabeth Price Foley

Jack Smith made no concessions in his response to the Supreme Court's July ruling in *Trump v. U.S.*, which rejected the special counsel's contention that he had unlimited authority to prosecute Donald Trump for alleged crimes that involved official presidential acts. Chief Justice John Roberts provided a framework for distinguishing official acts from private ones and for determining which official acts could be prosecuted.

In a 165-page brief filed with Judge Tanya Chutkan, who is presiding over the election-fraud case, Mr. Smith acknowledges only that Mr. Trump's communications with Justice Department officials were official acts and

The special prosecutor focuses on then-President Trump's motives—a critical legal error.

can't be prosecuted—as the justices expressly said. But Mr. Smith characterizes then-President Trump's official conversations with the vice president as outside the zone of immunity and his communications with state officials and the public not as official acts of the president but private acts of a candidate. In so doing he gives short shrift to the separation-of-powers justification for immunity.

Trump v. U.S. extended presidential immunity, which the court recognized in *Nixon v. Fitzgerald* (1982), from civil lawsuits to criminal prosecutions. Like the immunity enjoyed by prosecutors, judges and members

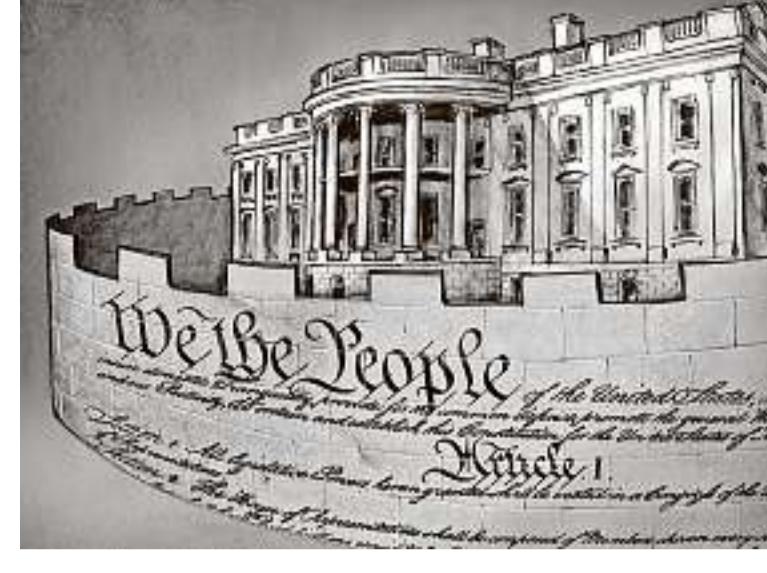
of Congress, the president's immunity for official acts is predicated on separation of powers. *Fitzgerald* held that immunity is especially important for the president, who "occupies a unique position in the constitutional scheme" as head of a branch of government—an "easily identifiable target" for legal attacks that could thwart the effective functioning of the office.

A president's immunity from criminal prosecution is absolute when he exercises his core constitutional powers, such as recognizing foreign governments, nominating and firing executive officers, commanding the military, issuing pardons, faithfully executing the laws—and, as in this case, directing an executive-branch department.

Other acts within the "outer perimeter" of the president's responsibility, the court explained, have "at least" a presumptive immunity. The presumption is rebuttable only if the prosecutor can prove that the acts are "manifestly or palpably beyond" the president's authority, such that, as *Fitzgerald* put it, imposing liability would "pose no dangers of intrusion on the authority and functions of the Executive Branch."

Mr. Smith's brief falls short of making that case. His primary argument is that the "throughline" of Mr. Trump's postelection efforts "was deceit," because the president made "knowingly false claims of election fraud."

The prosecutor's focus on Mr. Trump's motive is a critical legal error. The *Trump* decision reiterated *Fitzgerald*'s holding that in distinguishing between official and private acts, "courts may not inquire into the President's motives." Allowing such an inquiry would vitiate the president's immunity, since virtually every



court held that an "official act" under the federal bribery statute includes using one's office "to exert pressure on another official to perform an official act."

Mr. Smith asserts that Mr. Trump's legal efforts in his "capacity as a candidate" to challenge certain state elections prove that his conversations with officials and statements to the public were private actions. But that gets it backward. Under *Trump*, the burden is on the prosecutor to show that his allegations don't infringe on the president's official duties, not on the president to show that his exercise of those duties is untainted by private considerations.

Chief Justice Roberts writes in *Trump* that immunity is a "farsighted" constitutional doctrine designed to prevent constant legal harassment from enfeebling the presidency. Without immunity, the threat of civil and criminal liability would create, as George Washington put it in his Farewell Address, the "alternate domination of one faction over another, sharpened by the spirit of revenge" with every new administration.

Democrats profess to be worried that Mr. Trump, if returned to office, will use the justice system to seek retribution against his political opponents. They should stop and consider that presidential immunity also restrains that "spirit of revenge" if Mr. Trump wins in November.

Mr. Rivkin served at the Justice Department and the White House Counsel's Office during the Reagan and George H.W. Bush Administrations. Ms. Foley is a professor of constitutional law at Florida International University. Both practice appellate and constitutional law in Washington.

presidential decision is based in part on political considerations, and suits against a president would always allege improper motives.

The only relevant questions, therefore, are whether a president's acts, objectively viewed, are official or unofficial, and if they are official, whether they can be prosecuted without intruding on the president's legitimate authority. Mr. Smith asserts that when a president seeks "to influence his Vice President" about electoral certification, it is outside the zone of immunity because the vice president exercises this power as president of the Senate, and the "Executive Branch plays no role." He deems Mr. Trump's interactions with state officials private because the president has "no official role" in the Electoral College process or enforcing state election law. And he asserts that Mr. Trump made various public statements in his capacity as a candidate, not as president.

The court has rejected Mr. Smith's cramped view of presidential authority on several occasions. In his concurrence in *Youngstown Sheet & Tube v. Sawyer* (1952), Justice Felix Frankfurter observed that executive power extends beyond statutes and express constitutional provisions to include the "gloss" of longstanding presidential practice. In *Dames & Moore v. Regan* (1981), a majority embraced Frankfurter's view.

The *Trump* decision also accepted Frankfurter's view, observing that "some Presidential conduct—for example, speaking to and on behalf of the American people—certainly can qualify as official even when not obviously connected to a particular constitutional or statutory provision." The president is "expected to comment on those matters of public concern" and in so doing so, he may pressure others—outside the executive branch—to behave in certain ways. In *McDonnell v. U.S.* (2016), the

Barack Obama and the Democrats' Politics of Contempt



**FREE
EXPRESSION**
By Gerard Baker

Are you considering a vote for Donald Trump because you're bad or because you're stupid?

That's the question the Democratic Party wants to put to wavering voters in the final few weeks of the campaign, the closing argument they think will convince people to choose Kamala Harris instead. Are you an immoral, bigoted person—one of those notoriously misogynistic black men who can't stand uppity women, or a white racist who hates foreigners? Or are you a dupe, easily misled by misinformation? Maybe you're both. Whatever. You may not be good or wise enough to understand, but you must listen to us, your moral and intellectual superiors, and do as you're told. You'll thank us later.

We've long been familiar with this high-altitude view from progressives about people who don't see things their way. They think only ignorance or turpitude could ever explain why others disagree with them, a superiority complex rooted in an epistemic

closure to the possibility that there could be mentally sound or morally defensible arguments that challenge their verities.

It was evident in Hillary Clinton's "basket of plumbables" characterization of Trump voters in 2016, and in Barack Obama's "bitter clingers" dismissal in 2008 of Americans with traditional values.

What's different this time is the openness with which the contempt is expressed. On both those earlier occasions, the illuminating insight into what our Democratic leaders really think of most of the country was unintended. Both instances occurred when the candidates were caught on tape, bemoaning privately in events for donors how dreadful so many of their countrymen were.

But it is a sign of the desperation that the Harris campaign must be starting to feel that the contempt, and the moral and intellectual pedagogy it demands, are now very much on public display.

Last week Mr. Obama was back in the fray, delivering a stern lecture to black men who haven't had their innate bigotry corrected by an Ivy League education.

Deploying the argot of the black street he must have picked up at Co-

lumbia or Harvard, he told the "brothers" at a meeting in Pittsburgh: "Part of it makes me think that, well, you aren't feeling the idea of having a woman as president and you're coming up with other alternatives and other reasons for that."

He went on to explain that the reason as many as 20% of black men were considering Mr. Trump, accord-

His lecture to black men is the latest example of a peculiar strategy: talking down to voters.

ing to opinion polls, must be, as Mr. Obama put it, that the Republican shows himself to be a real man by "putting women down."

Got that? Black men could support Mr. Trump only because they like putting women down. Can you imagine what Mr. Obama would call a conservative who made such an inviolable generalization?

To be fair to the brothers, it's not only black men whom the Democrats see as morally disordered in their views on women. It's most men. One

of the more peculiar commercials of the campaign appeared last week with a lecture for the rest of us on what being a real man is. Produced by a group that styles itself Creatives for Harris, it features a bunch of actors playing men who, between bench-pressing, perching on tailgates and doing other manly things, take time out to explain to the neanderthals among us that they are all "man enough to support women." The implication: If you don't vote for Ms. Harris, you aren't man enough, however you like your steak or talk to your horse.

Then again, if you aren't a bigot and you're still voting for Mr. Trump, then you're probably just an idiot, an easy mark for "misinformation."

Mrs. Clinton warned last month of an "October Surprise," some patently false story about Ms. Harris that voters would fall for. To protect us further from such contamination she thinks, depending on the source, Americans spreading the falsehoods should be "civilly or even in some cases criminally charged." In this view we are all mere children in the dangerous world of digital media, whose tender minds can be shielded from horrors by government censorship.

I am not here to defend Mr.

Trump's vile language or disgusting promotion of falsehoods. The Republican candidate is in many ways a morally repugnant man who should have been impeached and disqualified. But I can understand why—given the alternative—intelligent, decent Americans will vote for him.

Do Democrats really believe that those who are inclined to support him in this contest are morally depraved or cognitively incapable? Is it impossible, for example, that black men may think Mr. Trump would do a better job for the economy than another Democratic administration, or that the Democrats' denial that sex is a biological reality is a serious threat to both the nation's values and science?

Or that Hispanics might want a candidate who has a record and a promise of imposing a tough immigration policy that will keep the country safer than the mess the Biden-Harris administration has created in the last four years?

The Democratic self-ordained mission to make better humans of us all is not only tiresomely elitist; it's also of dubious political value. If you have such a low opinion of voters, they may end up having a low opinion of you.

A Nobel Prize in Economics for the 'Inclusive' Free Market

By David R. Henderson

The Royal Swedish Academy of Sciences awarded the Nobel Memorial Prize in Economic Sciences to three economists. The recipients are Turkish-born Daron Acemoglu and British-born Simon Johnson, both of the Massachusetts Institute of Technology, and British-born James A. Robinson, an economist and political scientist at the University of Chicago. They received the award "for studies of how institutions are formed and affect prosperity."

This field has a long and noble history in economics. The Nobelists' contribution is to lay out empirical data on the specific economic institutions that helped or hindered economic growth and then to examine the factors that led to those institutions. They point out, as Adam Smith did, that property rights and

the rule of law are key. Governments respect these two pillars, they argue, because the political elites share the benefits of economic growth with the "masses" rather than extract the masses' wealth.

In their 2012 book, "Why Nations Fail," Messrs. Acemoglu and Robinson divide countries into two types: extractive and inclusive. In extractive countries, a small elite extracts wealth from the masses, whereas in inclusive countries, political power is shared. When governments are extractive, people have little incentive to produce. But the opposite is true when governments are inclusive, as people have property rights and can accumulate wealth.

Why do political elites sometimes favor property rights and the rule of law and sometimes oppose them? The three Nobelists' research examines European colonization of other continents. They show that where

there was a relative absence of diseases, such as malaria, there were more colonizers. These colonizers were too numerous to get rich by exploiting the natives, so they created wealth-building institutions. But where colonizer mortality was high, the colonizers who survived simply extracted wealth from the natives. This explains why Canada and the U.S. did relatively well as colonies and many countries in Africa and Latin America did poorly.

As I noted in my 2013 review of "Why Nations Fail," Adam Smith observed that natural resources were less plentiful in the future Canada and the U.S. than in Latin America. But the economic institutions that Spain's government set up in Latin America were less geared toward the free market and property rights than those that the British set up in the northern part of North America. It's a pity that Messrs. Acemoglu and

Robinson didn't cite Smith's insight. Nor did they cite economist Mancur Olson's 1982 book, "The Rise and Decline of Nations," which anticipates the Nobelists' hypothesis.

The three laureates' research demonstrates the importance of property rights and the rule of law.

You might think that Messrs. Acemoglu and Robinson would be strong believers in economic freedom. Their work is consistent with the findings in the Fraser Institute's annual Economic Freedom of the World report, which finds a strong positive correlation between economic freedom and real gross domestic product per capita. While the

two authors do favor private property rights, Mr. Acemoglu advocates a high minimum wage that adjusts for inflation. He also favors strong antitrust laws.

Behind Mr. Acemoglu's belief in antitrust is his mistaken interpretation of the era of the so-called robber barons. In "Why Nations Fail," Messrs. Acemoglu and Robinson claim that the robber barons "aimed at consolidating monopolies and preventing any potential competitor from entering the market or doing business on an equal footing." Ironically, they single out Cornelius Vanderbilt as a notorious robber baron. But as a young man, Vanderbilt helped his employer, Thomas Gibbons, break Aaron Ogden's interstate monopoly on ferry travel. The Supreme Court ruled against the monopoly in *Gibbons v. Ogden* (1824). As historian Burton W. Folsom Jr. noted in his 1991 book, "The Myth of the Robber Barons," the breakdown of the monopoly increased steamboat traffic.

It's good to see a Nobel Prize awarded to economists who understand the importance of private property and the rule of law. Unfortunately, Mr. Acemoglu's understanding is incomplete. He recently signed a statement supporting the Brazilian government's move to rein in freedom of speech for Brazilians who want to communicate using X. Only time will tell whether Mr. Acemoglu will favor further undercutting of the rule of law. Let's hope he doesn't.

Mr. Henderson is a research fellow with Stanford University's Hoover Institution and editor of the Concise Encyclopedia of Economics.

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Notable & Quotable: Carville

James Carville, lead strategist of Bill Clinton's 1992 campaign, commenting on MSNBC, Oct. 13:

Trump has announced that he will be giving a speech at Madison Square Garden on October 27th. Please, Google "Madison Square Garden February 10th, 1939" and see what happened there. They are telling you exactly what they're going to do. They are telling you, "We are going to institute a fascist regime," and the press and all the Alan Dershowitz wannabes out there are out here, saying, "She should have gone to the Al Smith dinner, she doesn't do enough

long-form interviews." I am so sick of these people. The entire Constitution is in jeopardy. The Supreme Court and Clarence Thomas have totally greenlighted the idea that you could use the military to round up your political enemies...

If you're a young black male and

Trump inspires a roundup of people,

how well do you think you're going to do with that? You think you've got nothing to lose? How about looking at American history for one time and seeing what can happen here? They are telling you—we are not making this up. We can be fact-checked by anybody.

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Tuesday, October 15, 2024 | B1

Google Backs Nuclear-Powered AI

Firm commits to buying power from seven reactors to be built by startup

By JENNIFER HILLER

Google will back the construction of seven small nuclear-power reactors in the U.S., a first-of-its-kind deal that aims to help feed the tech company's growing appetite for electricity to power AI and jump-start a U.S. nuclear revival.

Under the deal's terms, Google committed to buying power generated by seven reactors to be built by nuclear-energy startup Kairos Power. The agreement targets adding 500 megawatts of nuclear power starting at the end of the decade, the companies said Monday.

The arrangement is the first that would underpin the commercial construction in the U.S. of small modular nuclear reactors. Many say the technology is the future of the domestic nuclear-power industry, potentially enabling faster and less costly construction by building smaller reactors instead of behemoth bespoke plants.

"The end goal here is 24/7 carbon-free energy," said Michael Terrell, senior director for energy and climate at Alphabet's Google. "We feel like in order to meet goals around round-the-clock clean energy, you're going to need to have technologies that complement wind and solar and lithium-ion storage."

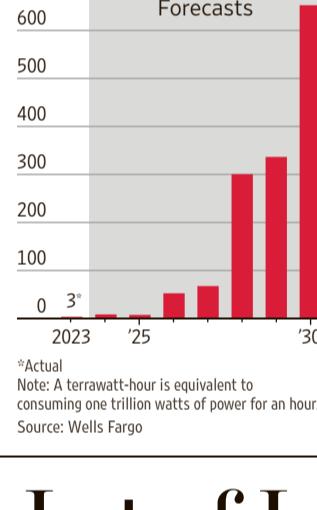
The nuclear-power industry's fortunes are increasingly getting hitched to large technology companies. Power demand is rising in parts of the U.S. for the first time in years, much of it driven by the need to build more data centers for AI. That has sent the tech industry on the hunt for massive

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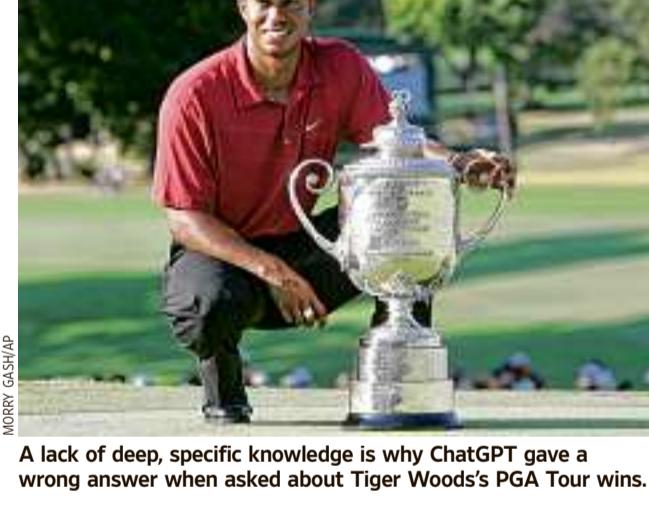


Technicians at the manufacturing and testing center for Kairos Power in Albuquerque, N.M.

Generative AI power demand forecasts



AI Has a Lot of Learning to Do to Be Useful



A lack of deep, specific knowledge is why ChatGPT gave a wrong answer when asked about Tiger Woods's PGA Tour wins.

By ISABELLE BOUSQUETTE

Earlier this year, the PGA Tour's digital chief witnessed ChatGPT make the digital equivalent of a double bogey when the chatbot flubbed a question on basic golf lore: How many times has Tiger Woods won on the Tour?

Generative AI's foundation models can be trained on vast troves of data from the internet and other sources, but still lack deep, specific knowledge even on topics as mainstream as golf, Scott Guterman, the Tour's senior vice president of digital and broadcast technology, realized.

"There's missing data, there's generalized data. Those

things have just kind of led to generalized responses," Guterman said.

As AI projects creep from the pilot-project stage into operations, corporate users are discovering that many AI models are about as useful out of the box as a new employee entering orientation.

Companies are finding it is critical to augment today's general models, like those offered by Anthropic or OpenAI, with more industry-specific or business-specific data if they are going to be useful. (News Corp, owner of The Wall Street Journal, has a content-licensing partnership with OpenAI.)

But that augmentation presents a spectrum of options, in

which higher levels of accuracy and reliability also bring more costs and complexity, said Ritu Jyoti, general manager and group vice president of AI and data as well as global AI lead at research firm International Data Corp. And the augmentation works only if companies have an impeccable handle on their data, Jyoti said.

Yet another question is how much augmentation is sufficient to make models accurate and reliable enough for a specific use. A range of companies including consultants, cloud providers like Amazon Web Services and model makers like OpenAI itself are positioning themselves to help.

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China's BYD Eclipses Foreign Auto Rivals

By YOKO KUBOTA

BEIJING—From tariffs to technology restrictions, global challenges are mounting for Chinese carmakers. Yet **BYD**, China's biggest automaker, has been unstoppable.

Last month, BYD posted its fourth straight month of record global sales with 419,426 vehicles sold. Earlier this year, it seized the position as No. 1 carmaker by sales in China ahead of the **Volkswagen** group, which reigned for decades.

BYD makes only fully electric vehicles and plug-in hybrids, which together accounted for 53% of the Chinese market in September, according to figures released Saturday by the China Passenger Car Association.

Western and Japanese automakers specializing in gasoline-powered vehicles, now fighting for a minority of the market, are getting hammered. **GM**'s September sales with

joint venture partner **SAIC Motor**, with which it produces Buick, Chevrolet and Cadillac cars, declined by more than three-quarters from a year earlier to 22,050 vehicles. **Honda**'s dropped 43%.

Globally, GM, **Ford** and some other Western carmakers have been retreating from their electric ambitions, making it hard to compete in China. Meanwhile, Honda recently opened a new plant in China dedicated to producing electric vehicles and plug-in hybrids.

BYD, or Build Your Dreams, is taking advantage of Chinese consumers' turn toward frugality. Its Qin L plug-in hybrid, released in May, is similar in size to the **Toyota** Camry but starts at the equivalent of \$14,100, according to BYD's website, versus a starting suggested retail price of about \$24,250 for the Camry.

BYD says the Qin L can run up to roughly 1,300 miles with

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INSIDE



BUSINESS NEWS

Activist pushes BP to remove its chairman and lead independent director. B3



HEARD ON THE STREET

Expect platinum to keep booming as hybrid car sales gain. B12

Corporate Retreats Lift Hotel Business

By KATE KING

Group travel is buoying the hotel business, offering property owners a welcome respite as other types of travel slow.

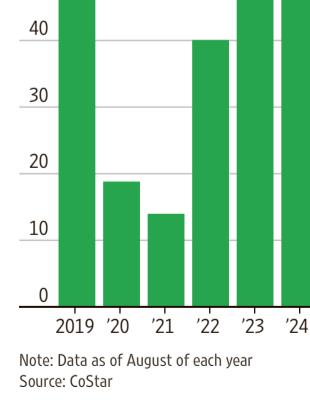
Conferences and other group business are usually the last part of lodging to recover from a downturn. This type of travel has large upfront costs, making it an obvious area where companies can cut during tough times.

Now, the spread of remote work and Zoom calls is prompting many companies to give priority to group travel and industry conferences as a more efficient way of promoting team cohesion or meeting with partners and clients, analysts say.

Company planners are using their budgets for conventions and corporate retreats, reflecting America's changing work and travel habits.

"Some people are not going to the office every day, so there is a need to get together," said Jeff Doane, chief commercial of-

Revenue per available room for group travel



ficer for **Omni Hotels & Resorts**, which specializes in group business travel. "They are planning to attend meetings, they're planning to attend conferences in order to make those face-to-face connections."

Revenue per available room for group travel was up 6.8% for

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Starbucks Pares Discounts Under Its New CEO

By HEATHER HADDON

Get ready to resume paying the regular price for your **Starbucks** fix.

Starbucks is pulling back on promotions and discounts, a move by Brian Niccol, the new chief executive officer, to reposition the coffee chain after a turbulent year. Since Niccol was tapped in August to take the helm, Starbucks has quietly reduced the frenzy of discounts it had offered for long stretches of the past year, according to company executives and baristas.

Starbucks and other restaurant chains have increasingly leaned on discounts this year to woo back customers after years of raising menu prices. Executives said the increases were necessary to cover higher costs and wages, but inflation-fatigued diners have pulled back on eating out, prompting chains to promote their value and unfurl deals.

Starbucks is pivoting away from discounts as Niccol emphasizes the company's hallmarks of selling handcrafted, premium coffee. Starbucks for years eschewed discounting and promotions, but recently stepped up offers through its app as cafe traffic sagged and customers complained of high prices and long wait times.

The company in September offered extra loyalty points on Tuesdays and deals on several drink purchases on Saturdays, downshifting from buy one get one, 50% off and other deals that spanned many months earlier this year. Starbucks isn't planning to run broad offers during the holiday season, and

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S&P 500, Dow Climb To Fresh Records

By GUNJAN BANERJI AND JOE WALLACE

Continued strength in **Nvidia** stock helped drive the S&P 500 to a fresh record to kick off the week.

The gains were broad-based, though tech shares led the pack in trading, with the S&P 500's information-technology sector gaining 1.4%. The Dow Jones Industrial Average crossed the 43,000 milestone for the first time and also closed at a high.

It has been just over two years since the S&P 500 hit its low on Oct. 12, 2022. The stock-market gauge has staged a big rally since, gaining around 63% and setting a series of records. Monday's 0.8% gain in the S&P 500 pushed the index to its 46th record close this year.

Investors have received a slate of good news recently. The latest read on jobs earlier in the month showed that the labor market is healthy, while inflation data last week pointed to moderating price pressures.

And on Monday, excitement about artificial intelligence once again powered major indexes higher. Shares of Nvidia, which dominates the AI-chip market, increased 2.4% on Monday.

"Another wave of euphoria by some would not be surprising given the macro data last week," said Ramon Verastegui, founder and chief investment officer at Kairos Investment Advisors.

All eyes will turn to corporate earnings the rest of the week, and some traders are betting on fireworks in the stock market after the results.

Bank of America, Goldman

Please turn to page B11

BUSINESS & FINANCE

Starbucks Dials Back Discounts

Continued from page B1
instead aims to promote seasonal drinks through advertising, the company said during an early-October strategy update for store leaders.

Niccol, who took over at Starbucks about a month ago, is looking to reset the chain after a rocky year. Starbucks has experienced reduced business in the U.S. and China, and the company has lowered its sales expectations twice this year. Activist shareholders piled into Starbucks stock, and the company's board terminated Laxman Narasimhan, the previous CEO, in August. He was succeeded by Niccol, the former chief executive of **Chipotle Mexican Grill**, who ushered in a turnaround there. Niccol is

quickly making his mark at Starbucks, presiding over a series of leadership changes and seeking to improve the in-cafe experience for customers.

Since his tenure began, at least three Starbucks executives have exited from the company, including leaders of the company's North America and coffee divisions. A global chief merchant and product officer—a position that Narasimhan recently created and filled—also departed. "The strategy is, simply put, just making a couple powerful choices, and then we've got to execute like crazy," Niccol said in September during an internal company forum, a replay of which was viewed by The Wall Street Journal. The changes must make the brand better, and leaders will evaluate the impact on customers and workers, he said.

Niccol said operations at a company can go haywire without a well thought out process communicated to employees, drawing applause from Starbucks employees in attendance.

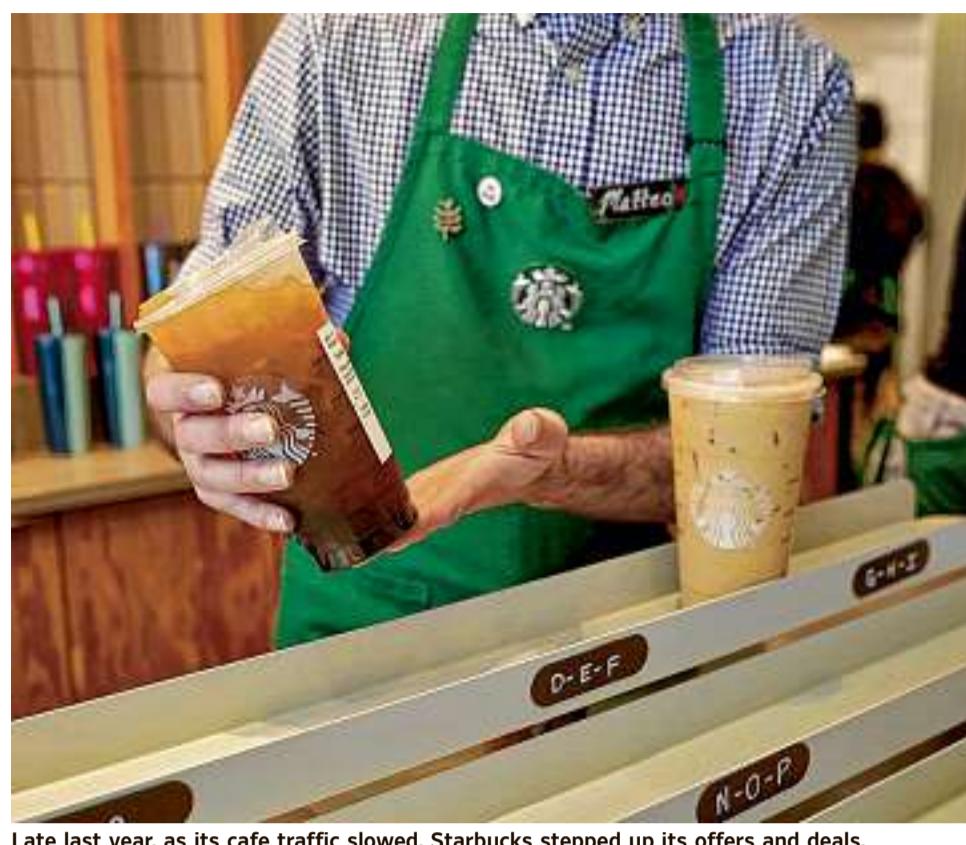
Starbucks long championed

itself as a premium brand that did little discounting. Howard Schultz, the former CEO who built Starbucks into a global company, previously said the chain needed to be careful with promotions.

These days a grande pumpkin spice latte in Chicago can cost \$6.25, and nearly \$10 with extra syrups and flavors.

Late last year, Starbucks stepped up its offers and deals, directed at loyalty-program members. The company ran BO-GOS, 50% offers, increased loyalty points and other offers for about half the month of May, according to documents viewed by The Wall Street Journal. In June, Starbucks began offering bundles of coffee and breakfast food starting at \$5.

The company's U.S. same-store sales improved slightly in the quarter ended in June compared with the previous quarter, but remained down versus the prior-year period. Narasimhan and other executives said the promotions had helped bring back some customers, though Starbucks needed to do more.



GABBY JONES/BLOOMBERG NEWS

Late last year, as its cafe traffic slowed, Starbucks stepped up its offers and deals.

Group Travel Lifts Hoteliers

Continued from page B1
the first eight months of this year compared with the same period in 2023, according to data firm CoStar Group. Group travel is generally defined as bookings of 10 rooms or more at prenegotiated rates.

That outpaced inflation and revenue from smaller groups and individual travelers, which was up less than 1%. Average daily room rates for nongroup travel, meanwhile, have fallen slightly this year while group booking rates increased 4%, according to CoStar.

The consistent bookings for large-group business are a welcome boost to the lodging sector. After a surge in what is called "revenge travel" following pandemic lockdowns, domestic leisure demand has slowed, particularly among lower-income travelers whose budgets have been pinched by rising inflation.

"Group and convention hotels are having a moment right now," said C. Patrick Scholes, a lodging and leisure analyst for Truist Securities. "That is the greatest strength this year and likely next year in terms of revenue growth for the domestic hotel industry."

Fortune 500 companies are driving the increase, Scholes said, in large part because strong corporate revenue and

Demand is particularly strong from financial and tech companies.

are willing to commit the budgetary dollars to that group event to ensure that it goes off flawlessly," said Ryman Chief Executive Mark Fioravanti.

Hotel owners such as Ryman and Omni also are benefiting from a slowdown in new development of larger hotels. The pandemic and rising interest rates have made it difficult to finance large projects in recent years, Scholes said.

It isn't an entirely rosy picture for group travel, which first started showing promising signs of recovery in 2022. Occupancy remains slightly below 2019 levels, according to CoStar data, while room rates are barely keeping pace with inflation.

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BUSINESS NEWS

Barclays to Be New Issuer Of GM Cards

BY DON NICO FORBES
AND ANNAMARIA ANDRIOTIS

Barclays will replace **Goldman Sachs** as the exclusive issuer of **General Motors** credit cards in the U.S., a move that will boost the U.K. lender's stateside presence.

The companies on Monday said Barclays will begin issuing GM's credit cards starting next summer. Financial terms for the transaction weren't disclosed.

The Wall Street Journal previously reported in April that Barclays was in talks to take over the GM credit-card program.

The talks hit a hurdle between the price Barclays was willing to pay for the balances and the price Goldman was willing to accept, largely because of the high charge-off rates on the GM credit cards that Goldman has issued, the Journal previously reported.

Goldman Chief Executive David Solomon last month said the bank expected to incur a roughly \$400 million pretax hit from the sale of the GM credit-card business and a smaller, unrelated business. The bank is scheduled to report its third-quarter results on Tuesday.

Goldman paid a premium to buy the balances when it took over the program from Capital One.

The sale is part of Goldman's continuing retreat from its failed foray into consumer lending.

Goldman has lost more

than \$6 billion on a pretax basis since the beginning of 2020 through the second quarter of this year on a big chunk of its consumer-lending businesses, including its credit cards.

Barclays, meanwhile, is seeking to expand its U.S. credit-card business.

Earlier this year, Barclays Chief Executive C.S. Venkatakrishnan unveiled a broad plan to lift the company's share price, including the expansion in U.S. credit cards, with a focus on co-branded partnerships.

Barclays originally bid on the GM credit-card program in 2020 but lost out to Goldman, which began issuing cards in 2022.

For Goldman, it will be more challenging to unload its **Apple** partnership, where credit-card balances total around \$17 billion.

Apple sent Goldman a proposal late last year to exit from the contract within 12 to 15 months, the Journal reported, which called for an end to the credit-card partnership the companies launched in 2019 and the savings account they rolled out in 2023.

Earlier this year Goldman sold consumer lender Green-Sky at a steep loss and sold most of its portfolio of personal loans.

Goldman's top executives now tout a more streamlined institution focused on investment banking, markets, and asset and wealth management.

Goldman has lost more

Investor Raises Pressure on BP

BY DOMINIC CHOPPING

U.K. activist investor **Bluebell Capital Partners** is doubling down on its call for **BP** to remove its chairman and lead independent director, while urging the company to comment on a media report that detailed a further change in the oil company's strategy.

Reuters reported last week that BP abandoned a target to cut oil-and-gas output by 2030, with Chief Executive Murray Auchincloss reining in the firm's energy-transition targets to regain investor confidence.

BP said it doesn't comment on speculation.

Under previous CEO Bernard Looney, the company launched a high-profile push into renewable energy, outlining an ambitious plan in 2020 to cut oil-and-gas output by 40% within 10 years. But following disappointing returns from some of BP's renewable investments, the company said last year that it would slow its shift to lower-carbon energy, targeting a 25% reduction by 2030.

The London-based company also backtracked on U.S. offshore wind plans, which resulted in hefty impairments. Bluebell questioned the com-



BP's Thunder Horse oil platform pumps crude from more than a mile below the water's surface.

pany's solar expansion plans while criticizing recent earnings downgrades.

"Not only is the current strategy not delivering its financial targets, but BP is also demonstrably significantly lagging the operational performance of its peers," Bluebell said last month.

While initially well received by proponents of lower-carbon

energy investment, the strategy came under pressure after the pandemic, when economies emerged from lockdowns and resumed their insatiable appetite for fossil fuels.

In defending its strategy earlier this year, BP said it was confident it will deliver on its pledge to transform from an integrated oil company to an integrated energy company.

Auchincloss was appointed in January, replacing Looney, who resigned after admitting he hadn't been upfront about past relationships with colleagues. Since Looney's exit, BP's shares are down some 22%. They are down 9% since Auchincloss took over. That compares with a 27% rise in Exxon Mobil and 6% gain at Chevron.



Challice holds a 56.4% stake in Mulberry Group.

Frasers' Mulberry Offer Is Rejected

BY ANDREA FIGUERAS
AND NAJAT KANTOUAR

Mulberry Group said its majority shareholder rejected a sweetened offer from **Frasers Group** to take full ownership of the British luxury brand for 72 million pounds, or \$94.1 million, that sent Mulberry's shares sharply higher.

The fight for control of Mulberry comes as the leather-goods brand is confronting a difficult business environment in the U.K. and China while struggling to compete with bigger peers. In September, it launched a capital raise to cover its immediate funding requirements.

Mulberry said Monday that majority shareholder Challice, which has a 56.4% stake in the company, expressed no interest in selling its shares to Frasers.

Frasers, which has a 37% stake in Mulberry, said late Friday that it was raising its offer to buy the shares in the company it doesn't already own, valuing the business as a whole at £111 million compared with £83 million previously.

Shares in Mulberry jumped on the news, rising 18% to 132.50 pence each in U.K. trading on Monday.

Frasers said its offer represents a 50% premium to the price at which Mulberry this month raised funds—100 pence a share—and a premium of about 40% to the three-month average price as of Sept. 27, before Mulberry outlined its plans for a capital raise.

Mulberry said it is currently working with advisers to consider the company's position on the proposed bid, and that there can be no certainty that a firm offer will be made.

The company, established in 1971, has been struggling to regain consumer appeal recently, with last month's capital raise seeking to provide funds for new Chief Executive Andrea Baldo's plans to boost profitability.

Frasers already owns its namesake brand; the Sports Direct, Flannels and Gieves & Hawkes brands, among others; and minority stakes in other fashion companies.

The group's interest in taking over Mulberry comes after recent moves to bolster its presence in the luxury sector, increasing its investment in Hugo Boss and buying THG's luxury portfolio this year.

Frasers said it would fund the proposed acquisition from existing cash resources.

The latest developments suggest Frasers has lost faith in Mulberry's current direction, while Challice wants to give the new CEO a chance to help revive the brand's fortunes, Hargreaves Lansdown analyst Susannah Streeter said.

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Frasers said its offer represents a 50% premium to the price at which Mulberry this month raised funds—100 pence a share—and a premium of about 40% to the three-month average price as of Sept. 27, before Mulberry outlined its plans for a capital raise.

"There are still hopes for a higher bid to come through but whatever the outcome, the bigger price tag slapped on Mulberry's has enthused investors and hopes for the brand's turnaround," she said.

Frasers must either announce a firm intention to make an offer or walk away by Oct. 28.



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U.S. Tech Firms Invest in U.K. Data Hubs

Four American companies expand overseas amid demand for AI

By MAURO ORRU

The U.K. government said it had secured a combined investment of £6.3 billion, or about \$8.23 billion, in data centers from four American tech companies, the latest commitment from U.S. businesses to expand overseas

amid booming demand for artificial intelligence.

Britain's Department for Science, Innovation and Technology said the investment pledges came from KKR & Co.-backed data-center operator

CyrusOne, cloud-software company **ServiceNow**, Washington, D.C.-based data-center company **CloudHQ** and cloud-computing provider **CoreWeave**.

British officials said CyrusOne plans to spend £2.5 billion on U.K. projects that should be operational by the fourth quarter of 2028, subject to planning permission. ServiceNow pledged £1.15 billion over the next five years to expand its London and Newport data centers as well as office space.

Meanwhile, CloudHQ is set to develop a new £1.9 billion data-center campus in Didcot, Oxfordshire, for which the company has already secured planning permission, the U.K. government said, while CoreWeave will invest £750 million in AI cloud infrastructure.

The commitments under-

score growing appetite among U.S. businesses to expand their presence and services overseas in an effort to gain an edge over rivals in the AI race.

OpenAI's release of ChatGPT in late 2022 ushered in a wave of spending from companies seeking to satisfy demand for increasingly powerful data centers and cloud services. News Corp., owner of Dow Jones Newswires and The Wall Street Journal, has a content-licensing partnership with OpenAI.

U.K. Technology Secretary

Peter Kyle said the investment pledges came after the government designated data centers as critical infrastructure for the British economy. "Data centers power our day-to-day lives and push innovation in growing sectors like AI," he said.

Blackstone last month committed £10 billion for an AI data center in the North East of England, while Amazon Web Services, **Amazon.com**'s cloud-computing arm, said it would invest £8 billion over the next five years into its own data infrastructure.

U.S. tech giants are also expanding in continental Europe: **Microsoft** earlier this month pledged about \$4.75 billion over the next two years in cloud and AI infrastructure in Italy.

Amazon said in June that it was planning to invest €17.8 billion, or about \$19.47 billion, through 2040 to expand its logistics network and cloud infrastructure in Germany. The company also laid out plans to invest €15.7 billion over the next decade to expand its cloud services in Spain.

How to Make the AI Models Go to Work

Broad foundation models can require their own upskilling to make it in business. CIOs have access to a range of options to augment models with company and industry specific data. Here are some of the key approaches, according to Ritu Jyoti, GM/GVP AI and data, global AI lead analyst at IDC.

Retrieval Augmented Generation (RAG)

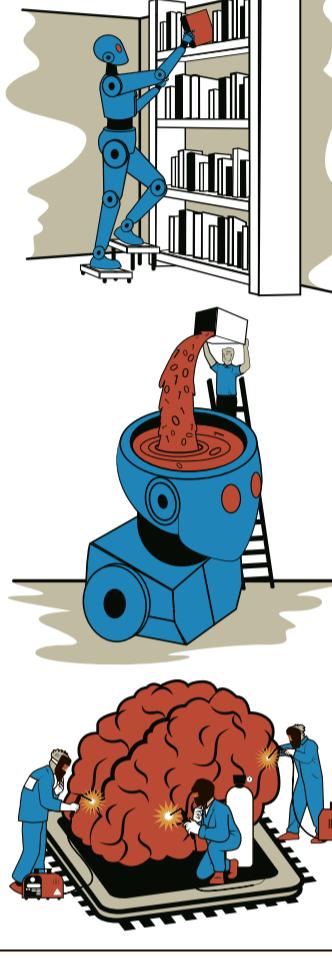
This is the process of optimizing the output of a large language model, so it references an authoritative knowledge base outside of its training data sources before generating a response. RAG can provide an increase in accuracy of 20% to 40%.

Fine Tuning

This involves further training a large language model on proprietary data so that it becomes better at specific tasks. This can be a lot more effective than just prompt engineering and RAG, but it's costly and complicated, requiring financial investment as well as specialized, in-demand talent.

Custom Building

Building a brand-new model from the ground up that's designed for a specific use in a specific business could yield the most accurate and reliable answers, but it's also the most costly and cumbersome option. It's also risky since any missteps could reduce the level of accuracy.



AI Needs Help With Specifics

Continued from page B1

IDC estimates that worldwide spending on AI, including AI-enabled applications, infrastructure and related IT and business services, will more than double by 2028 to \$632 billion.

The PGA Tour said it is now using an approach known as retrieval augmented generation, or RAG, to avoid any future AI errors. It taps into Claude on the Amazon Web Services infrastructure, then inputs organization-specific information, for instance, a 190-page document containing the Tour's rules. That way, it can ask a query and require the model to directly refer to the information in the document, rather than information culled from the internet.

All outputs are still reviewed by a human before they are delivered to players or customers, Guttermann said.

But the RAG approach can go only so far, according to Will McQueen, vice president and head of data assets and analytics at the agriculture division of pharmaceutical and biotech

giant **Bayer**. "It's, for sure, limited," McQueen said.

It works well enough for certain low-stakes uses, like answering new engineers' questions in the onboarding process, he said. The stakes are much higher, though, when giving farmers advice on tending their crops. For that, the company might go to "fine-tuning," McQueen said, or training parts of the model with proprietary data to get a big leap in accuracy and relevance of responses.

But fine-tuning can be even more expensive, require more-specialized talent—and still fall short of 100% accuracy, Jyoti said. To help, model makers like OpenAI now offer business customers assistance with model fine-tuning and customization.

The highest level of accuracy available today is only possible when a company trains its own models from the ground up, Jyoti said. But the cost and talent required for that approach are prohibitive to most enterprises, she said.

Custom building just a small language model, for instance, could run anywhere from \$500,000 to millions of dollars,

said Bayer's McQueen. Continuing maintenance adds another layer of expense.

Even so, **Rocket Cos.** sees potential in the approach, said Shawn Malhotra, chief technology officer. The lending giant is exploring using an AI model to automatically fill in portions of mortgage applications.

But there is a lot of nuance in the language of homeownership that foundation models on their own wouldn't typically understand, Malhotra said. "It's not simply just the name and number," he said. "You're worried about: What kind of dwelling is this? Is this a detached home?"

Building a small model can help the AI understand those nuances, Malhotra said.

"You may have to give examples of 'when a dwelling is described in the following way, it maps to this kind of property; when it's described in a different way, it's matched to a different kind of property.'"

Companies are still learning how to make the various approaches work and figuring out which ones make sense for which situations.

"Most customers are using RAG in one or another fashion," said Sri Elaprolu, director

at Amazon.com's AWS GenAI Innovation Center. "Some customers are starting down the fine-tuning route—we're starting to see that volume increase, rapidly. And more and more customers are exploring what it means to pretrain a model."

Industry-specific models also are emerging to help solve some of the customization complexities.

Legal-tech company **Luminate** has an AI model that has been trained specifically on over 150 million legal documents over the past 10 years. Getting something wrong in a legal context could be disastrous, said Luminate CEO Eleanor Lightbody. "That's why having AI you've just trained on legal contracts is so, so important."

But the overall supply of these narrow AI models is still limited, said IDC's Jyoti. For now, the task of augmenting and customizing is falling directly to companies.

Like the PGA Tour, which found that ChatGPT would occasionally say Woods has 15 PGA Tour wins. In fact, he has 82.

"Tiger's won 15 majors. That is not the same thing as winning 82 PGA Tour events," said Guttermann.

"Beginning to get the models to understand the difference between major wins and PGA Tour wins was something that we saw we would need to do."

Nuclear-Powered AI Backed

Continued from page B1

amounts of energy.

Last month, Constellation Energy and Microsoft struck a deal to restart the undamaged reactor at Pennsylvania's Three Mile Island, the site of the country's worst nuclear-power accident. Earlier this year, Amazon purchased a data center at another Pennsylvania nuclear plant.

The 500 megawatts of generation that would be built by Kairos for Google is about enough to power a midsize city—or one AI data-center campus.

The agreement answers questions that have bedeviled smaller-reactor designs: What customer would pay a higher price for a first-of-a-kind project? And who would order enough to get an assembly line started?

The concept, which remains to be proved, is that building the same thing over and over in a factory would drive down costs. Kairos plans to deliver the reactors between around 2030 and 2035. Financial terms weren't disclosed, but the com-

panies entered into a power-purchase agreement, similar to those used between corporate buyers and wind- and solar-energy developers.

The project site—or whether there could be reactors at multiple locations—hasn't been determined, the companies said.

Google would have data centers somewhere in the region near the Kairos reactors, but it hasn't been determined whether they would receive power directly from the nuclear plants or from the grid.

Google could count the addition of nuclear power toward meeting its carbon-reduction commitments.

Instead of water, which is

used in traditional reactors, the Kairos design uses molten fluoride salt as a coolant. The units for Google will include a single 50-megawatt reactor, with three subsequent power plants that would each have two 75-megawatt reactors, Kairos said. That compares with about 1,000 megawatts at reactors at conventional nuclear-power plants.

Kairos will have to navigate complex approvals through the U.S. Nuclear Regulatory Commission but already has clearance to build a demonstration reactor in Tennessee, which could start operating in 2027.

Kairos has a manufacturing development facility in Albuquerque, N.M., where it is

building test units. They don't have nuclear-fuel components but are something of a practice run at building and operating full-size plants to test systems, components and the supply chain.

Mike Laufer, chief executive and co-founder at Kairos, said the demonstration project and the Albuquerque plant are helping the company avoid spiraling costs, a pitfall of the conventional nuclear industry.

Nearly 20% of U.S. power comes from nuclear plants, but the pipeline of big, new projects has been halted because of high costs and long time lines.

The second of two new reactors at Georgia's Vogtle nuclear plant was completed this

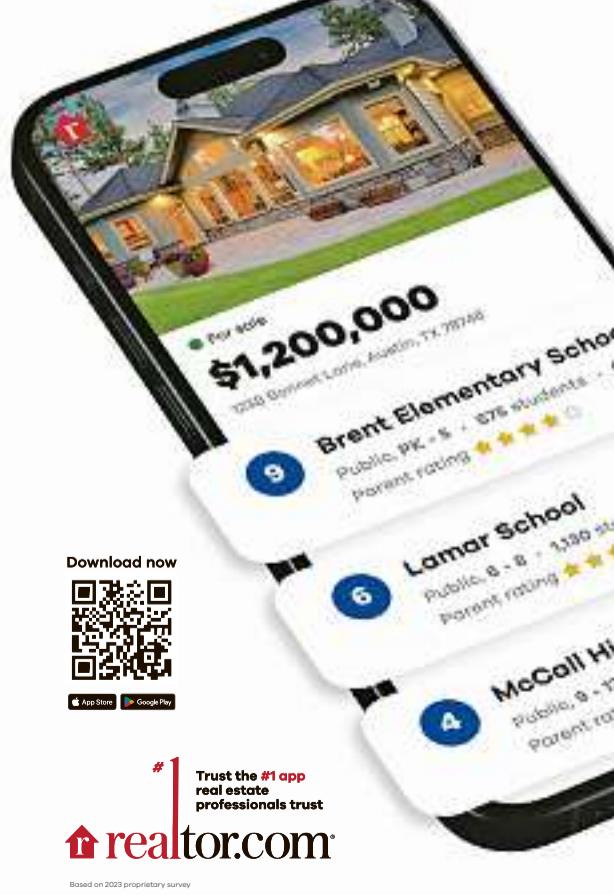
spring. Before that, the most recent nuclear-power reactors in the U.S. were completed in 2016 and 1996 by the Tennessee Valley Authority.

Tech companies such as Google started signing power-purchase agreements with renewables developers in 2010, which helped drive down costs of those technologies. Nuclear-power advocates say a stable customer could drive down costs over time in that industry, too.

In the near term, analysts expect more natural-gas-fired power plants to be added to fuel the country's appetite for data centers, new manufacturing, heavy industry and transportation.

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China's BYD Dominates

Continued from page B1

one charge and a full tank. It comes with the features popular in smartcars such as a front display and voice commands to control the air conditioner and music system.

The company has been working for years to build its own batteries, improve fuel efficiency and develop plug-in hybrid technology. That has given it a lead in the new-energy vehicle, or NEV, category that includes full EVs and plug-ins, said Yale Zhang, managing director of Shanghai-based market research firm AutoForesight.

"Together with a much-improved vehicle exterior and interior styling from five years ago, it finally seized the opportunity of NEVs starting to enter average families," he said.

For much of this year, BYD's plug-in hybrids have outperformed its full EVs. In September, about 60% of the cars it sold globally were plug-ins.

The company's hopes for global expansion have been tempered by a backlash against Chinese cars. In the U.S., the Biden administration imposed a 100% tariff on Chinese EVs and the Commerce Department has proposed banning Chinese components inside connected vehicles. This month, European

Union member states voted to impose tariffs of up to 45% on electric cars made in China.

BYD's overseas sales are still growing year over year but at a slower pace, and more than 9 of 10 of its vehicles are sold in China. BYD sells in markets including Europe and Central Asia.

At home, the Chinese carmakers are riding high, helped by a government cash-for-clunkers program that has brought some consumers back into showrooms. Last year, sales of local brands in China surpassed foreign brands for the first time in decades on an annual basis.

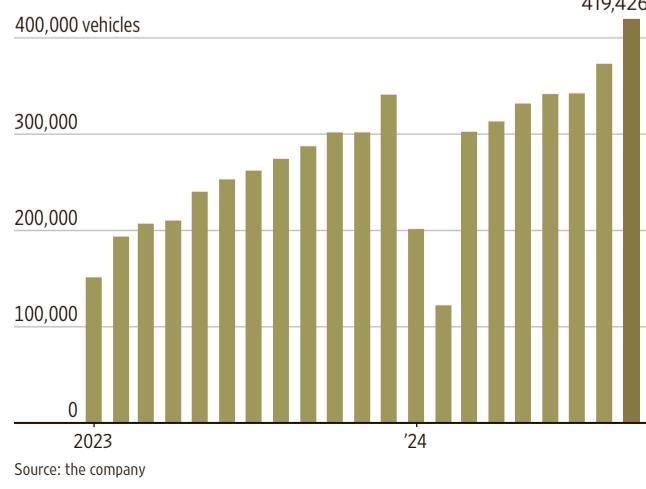
In April, the BYD group's sales volume in China surpassed that of the Volkswagen group, said Automobility, a Shanghai-based strategy firm. For the first nine months of the year, BYD's market share stood at about 16%, while the Volkswagen group—including brands such as Volkswagen, Audi and Skoda but not imported vehicles such as Porsche—was at around 13%, data from Automobility showed.

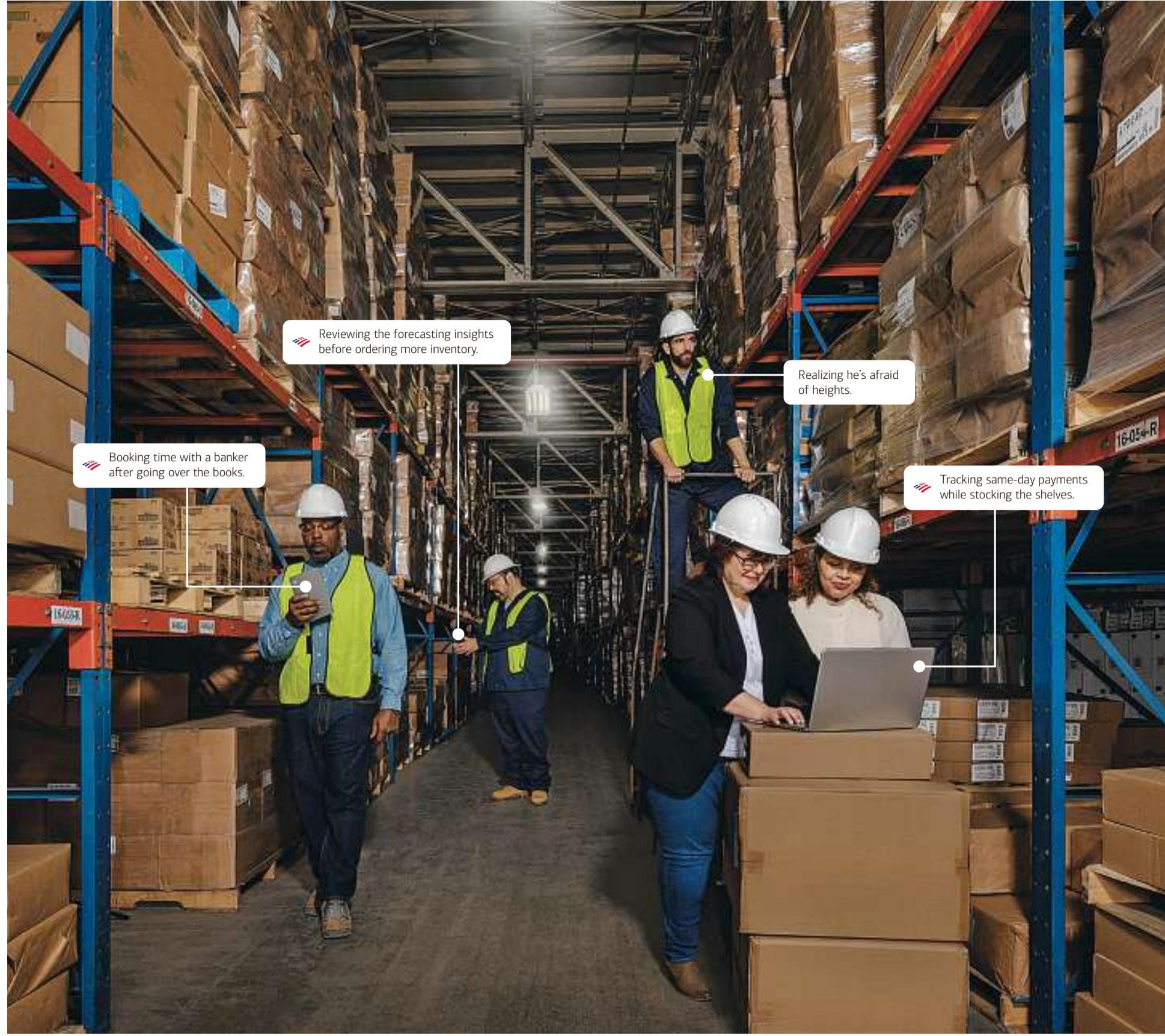
Volkswagen's China head said in April that it is focused on profitability.

Lowering costs by making its batteries and chips in-house, BYD is one of the few profitable EV makers in China.

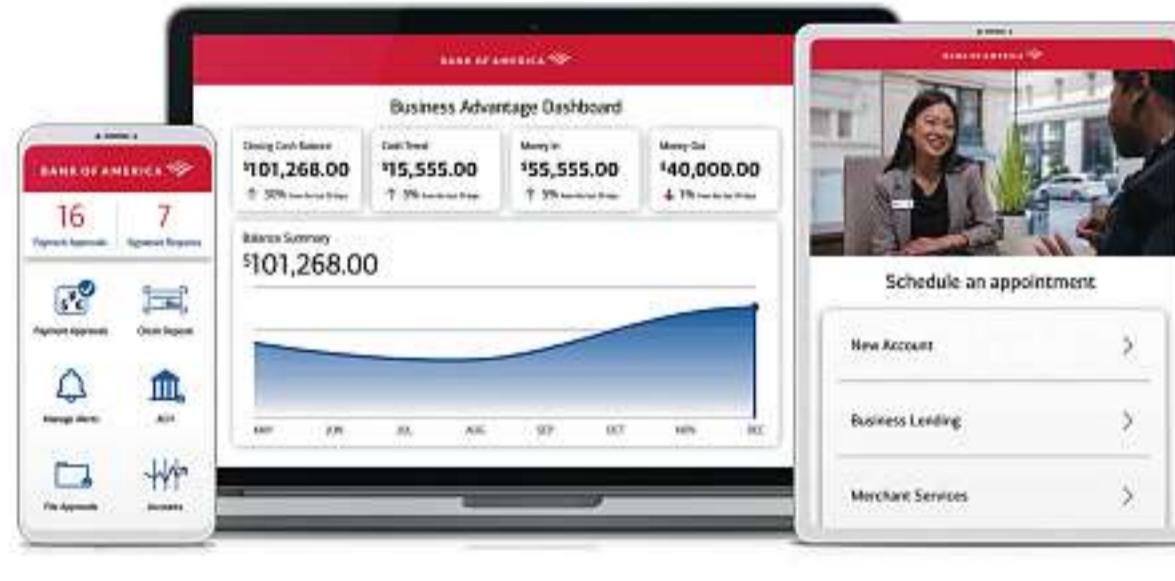
This year, BYD intensified a price war by slashing prices. Still, the company reported a 24% increase in net profit in the first half of the year from the same period a year earlier, the latest figure available.

Clarence Leong contributed to this article.





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Screen images simulated. Sequences shortened.

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BIGGEST 1,000 STOCKS**How to Read the Stock Tables**

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are consolidated from trades reported by various market centers, including securities exchanges, Finra, electronic communications networks and other broker-dealers. The list comprises the 1,000 largest companies based on market capitalization.

Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.

Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher.

Footnotes:
i-New 52-week high; 1-New 52-week low; dd-Indicates loss in the most recent four quarters.

Stock tables reflect composite regular trading as of 4 p.m. ET and changes in the official closing prices from 4 p.m. ET the previous day.

Monday, October 14, 2024

Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
A	B	C					

Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
A	B	C					

Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
A	B	C					

Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
A	B	C					

Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
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Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
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Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
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Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
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Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
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Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
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Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
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Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
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Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
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Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
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Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
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Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
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Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
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Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
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Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
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Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
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A	B	C					

Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
A	B	C					

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Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
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A	B	C					

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Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
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Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
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Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
A	B	C					

Stock	Sym	Close	Net Chg	Stock	Sym</th
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BIGGEST 1,000 STOCKS

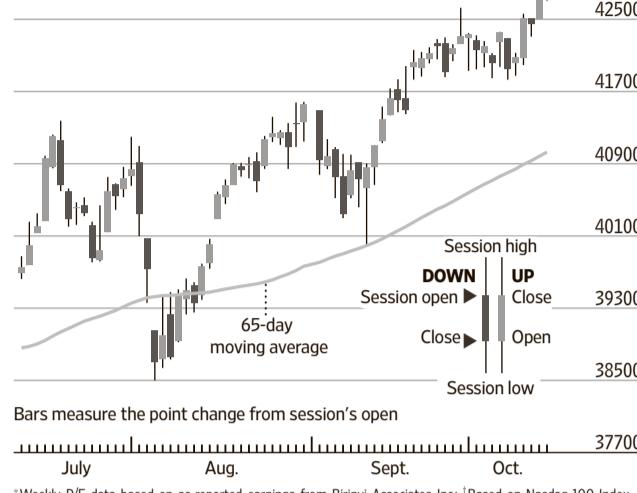
Continued From Page B6																										
Stock	Sym	Net Close	Chg	Stock	Sym	Net Close	Chg	Stock	Sym	Net Close	Chg	Stock	Sym	Net Close	Chg	Stock	Sym	Net Close	Chg	Stock	Sym	Net Close	Chg			
HondaMotor HMC	SL18.8	0.19	KKR Holdings BEKE	22.31	-0.10	MakeMyTrip MMYT	104.50	3.51	NetEase NTES	85.01	-3.34	PacifiCorp PAYC	164.68	2.18	RexfordIndlRealty REXR	47.31	-0.03	SouthwestAir LUV	TXRH	176.05	0.35	TexasRoadhouse VTRIS	VTRIS	11.39	0.01	
Honeywell HON	217.60	1.61	KLA KLC	829.65	25.92	ManhattanAssoc MANH	304.64	5.14	Netflix NFLX	113.00	-1.79	PayGo PCTY	168.22	3.71	RioTinto RIO	67.70	0.47	Textron TXT	VIK	37.79	-0.31	Viking VIK	VIK	37.79	-0.31	
HormelFoodz HRL	31.23	0.15	Kapsikz KSPI	108.28	-0.38	MaritimeLife MFL	42.84	-0.76	Neurocrine NBIX	116.44	0.95	PayPal PYPL	80.67	0.16	Rivian RIVN	103.35	-0.15	Spotify SPOT	SPOT	372.50	-1.20	VoiceViking VIK	VIK	37.79	-0.31	
DR Horton DHI	187.11	4.29	Kellanova KVUE	21.60	0.14	MarathonOil MRO	27.74	-0.32	NewOrleansEdt EDU	74.12	-1.59	Pearson PSON	13.43	0.04	Robinhood HOOD	27.00	0.73	StampsFarmers SFM	SFM	115.32	-0.80	ThermoFisher TMO	TMO	603.79	6.87	
HostHotels HST	17.90	0.09	Kenvue KVUE	21.60	0.14	MarathonPetrol MPC	162.50	-1.76	NewOrleansEdt EDU	74.12	-1.59	PenskeAuto PAG	154.78	-0.39	Rockbot RBLX	40.79	-0.81	StandardAero SARO	SARO	31.70	0.95	ThomsonReuters TRI	TRI	167.26	...	
HometeAmerspc HWM	102.65	-1.17	KeyCorp KEY	17.40	0.18	MarketAxess MXTX	284.50	6.40	NewsCorp B NWSB	27.48	0.08	Pentair PNR	98.82	1.19	RocketCos RKT	17.83	0.09	Starbucks SBUX	SBUX	94.76	-0.79	VinFastAuto VFS	VFS	3.81	0.08	
Hubbell HUBB	460.50	3.93	Kightsight TECH	KEYS	158.96	-0.05	Marriott MAR	261.56	-1.07	NewsCorp A NWSA	26.04	0.11	Pepsico PEP	176.10	1.29	RogersComm B RCI	37.99	-0.12	StateStreet STT	STT	90.93	1.10	Vista VST	VST	132.26	6.97
HubSpot HUBS	560.09	0.69	KimberlyClark KMB	143.52	2.47	Marsh&McLennan MMC	227.52	2.47	Nike NIKE	82.91	1.05	PerformanceFood FFGC	81.55	0.31	RovianSciences ROIV	11.84	-0.06	SteelDynamics STD	STD	130.18	0.32	Vodafone VOD	VOD	9.68	0.03	
Humania HUM	267.60	9.53	KimcoRealty KIM	23.41	0.23	MarshallMcLennan MMC	552.35	7.45	Nok NOK	4.40	0.04	PetroleoBrasil PBR	14.83	0.09	Roku Roku	50.16	0.50	Stellantis STA	STA	228.21	1.31	VulcanMats VMC	VMC	248.70	1.19	
JBl-Hunt JBLT	145.60	4.74	KinderMorgan KMI	24.88	0.18	MarvellTech MRVL	77.68	2.02	Nomura NMR	5.41	0.08	Pfizer PFE	29.08	-0.08	RossStores ROS	104.32	-0.04	StifelFinancial SFH	SFH	155.32	-0.80	VoiceViking VIK	VIK	37.79	-0.31	
HuntingtonBchs HBAN	155.52	0.13	KinrossGold KGC	9.86	0.04	Masco MAS	84.81	1.32	Nordson NDSN	257.87	1.25	PhilipMorris PM	120.08	-0.02	RoyalBkCanada RY	123.43	-0.36	SumitomoMts SMFG	SMFG	13.15	0.04	VoiceViking VIK	VIK	37.79	-0.31	
HuntingnGalls HII	260.84	1.45	KinsaleCapital KNSL	472.29	2.73	MasTeer MTZ	125.43	-1.96	Nordstrom NSC	253.84	3.67	PhilipsPSD PSX	135.42	-0.93	RocketCos RKT	275.27	4.11	Starbucks SBUX	SBUX	94.76	-0.79	Vista VST	VST	132.26	6.97	
HyattHotels H	152.32	-2.77	Klaviyo KYVO	36.61	-0.39	Markel MKL	156.18	11.00	Novartis NVS	27.48	0.08	Pentair PNR	98.82	1.19	RogerComm B RCI	37.99	-0.12	StateStreet STT	STT	90.93	1.10	Vodafone VOD	VOD	9.68	0.03	
ICICI Bank IBN	29.14	0.44	Kroger KR	55.27	-0.09	MarketAxess MXTX	284.50	6.40	NextEraEnergy NEE	82.91	1.05	PepsiCo PEP	176.10	1.29	RovianSciences ROIV	11.84	-0.06	SteelDynamics STD	STD	130.18	0.32	VulcanMats VMC	VMC	248.70	1.19	
IdeoxLab IDXX	478.00	1.73	Kroger KR	55.27	-0.09	MatchGroup MTCH	27.74	-0.32	Nike NIKE	82.91	1.05	Pfizer PFE	29.08	-0.08	Roku Roku	50.16	0.50	Stellantis STA	STA	228.21	1.31	VulcanMats VMC	VMC	248.70	1.19	
ING Groep ING	17.37	-0.04	Kroger KR	55.27	-0.09	McDonalds MCD	205.28	3.69	Nok NOK	4.40	0.04	PetroleoBrasil PBR	14.83	0.09	RossStores ROS	104.32	-0.04	StifelFinancial SFH	SFH	155.32	-0.80	VoiceViking VIK	VIK	37.79	-0.31	
IQVIA IQV	232.22	3.96	KraftHeinz KHC	35.38	0.14	Medpace MEDP	353.50	5.59	Nomura NMR	5.41	0.08	PhilipMorris PM	120.08	-0.02	RoyalBkCanada RY	123.43	-0.36	SumitomoMts SMFG	SMFG	13.15	0.04	VoiceViking VIK	VIK	37.79	-0.31	
ITT ITT	153.49	1.41	Kroger KR	55.27	-0.09	Medpace MEDP	353.50	5.59	Novartis NVS	27.48	0.08	Pentair PNR	98.82	1.19	RocketCos RKT	275.27	4.11	Starbucks SBUX	SBUX	94.76	-0.79	Vista VST	VST	132.26	6.97	
IahnEnterprises IEP	14.80	0.53	Kroger KR	55.27	-0.09	Medpace MEDP	353.50	5.59	NextEraEnergy NEE	82.91	1.05	PepsiCo PEP	176.10	1.29	RogerComm B RCI	37.99	-0.12	StateStreet STT	STT	90.93	1.10	Vodafone VOD	VOD	9.68	0.03	
Icon ICLR	296.55	-0.10	Kroger KR	55.27	-0.09	MetLife MET	145.68	5.94	NextEraEnergy NEE	82.91	1.05	Pfizer PFE	29.08	-0.08	RovianSciences ROIV	11.84	-0.06	SteelDynamics STD	STD	130.18	0.32	VulcanMats VMC	VMC	248.70	1.19	
IDEX IEX	213.31	1.82	Kroger KR	55.27	-0.09	MetLife MET	145.68	5.94	Nike NIKE	82.91	1.05	Pfizer PFE	29.08	-0.08	Roku Roku	50.16	0.50	Stellantis STA	STA	228.21	1.31	VulcanMats VMC	VMC	248.70	1.19	
IllinoiToolWks ITW	261.50	0.91	Kroger KR	55.27	-0.09	MetLife MET	145.68	5.94	Nok NOK	4.40	0.04	Pfizer PFE	29.08	-0.08	RossStores ROS	104.32	-0.04	StifelFinancial SFH	SFH	155.32	-0.80	VoiceViking VIK	VIK	37.79	-0.31	
Illumina ILMN	149.07	3.53	Kroger KR	55.27	-0.09	MetLife MET	145.68	5.94	Nomura NMR	5.41	0.08	Pfizer PFE	29.08	-0.08	RoyalBkCanada RY	123.43	-0.36	SumitomoMts SMFG	SMFG	13.15	0.04	VoiceViking VIK	VIK	37.79	-0.31	
ImperialIMO IMO	178.91	-0.12	Kroger KR	55.27	-0.09	MetLife MET	145.68	5.94	Novartis NVS	27.48	0.08	Pfizer PFE	29.08	-0.08	RoyalBkCanada RY	123.43	-0.36	Starbucks SBUX	SBUX	94.76	-0.79	Vista VST	VST	132.26	6.97	
Incyte INCY	65.44	-0.68	Kroger KR	55.27	-0.09	MetLife MET	145.68	5.94	Novartis NVS	27.48	0.08	Pfizer PFE	29.08	-0.08	RoyalBkCanada RY	123.43	-0.36	StateStreet STT	STT	90.93	1.10	Vodafone VOD	VOD	9.68	0.03	
Informatica INF	26.75	0.35	Kroger KR	55.27	-0.09	MetLife MET	145.68	5.94	Novartis NVS	27.48	0.08	Pfizer PFE	29.08	-0.08	RoyalBkCanada RY	123.43	-0.36	StateStreet STT	STT	90.93	1.10	Vodafone VOD	VOD	9.68	0.03	
InfoSys INFY	23.36	0.43	Kroger KR	55.27	-0.09	MetLife MET	145.68	5.94	Novartis NVS	27.48	0.08	Pfizer PFE	29.08	-0.08	RoyalBkCanada RY	123.43	-0.36	StateStreet STT	STT	90.93	1.10	Vodafone VOD	VOD	9.68	0.03	
IngersollRand IRR	102.44	1.68	Kroger KR	55.27	-0.09	MetLife MET																				

MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

43065.22 **▲ 201.36, or 0.47%**
High, low, open and close for each trading day of the past three months.



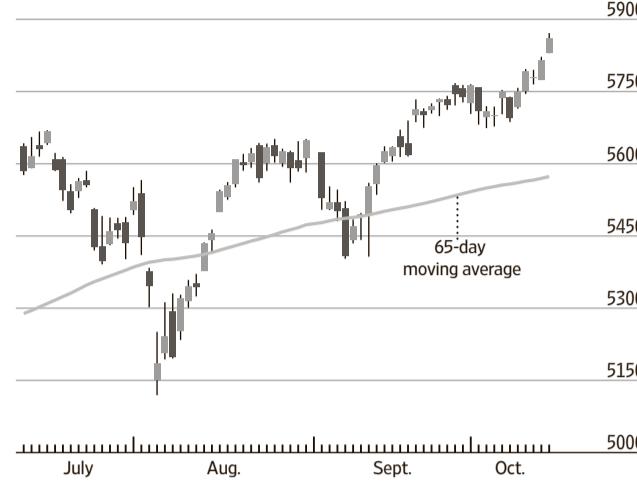
Bars measure the point change from session's open

July Aug. Sept. Oct.

*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; Based on Nasdaq-100 Index

S&P 500 Index

5859.85 **▲ 44.82, or 0.77%**
High, low, open and close for each trading day of the past three months.

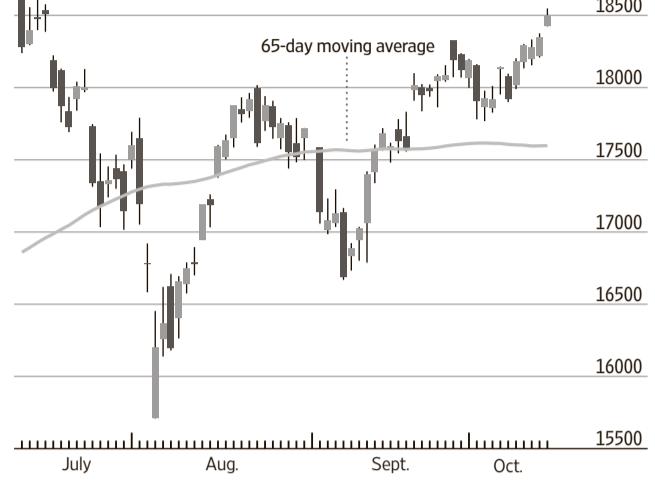


Bars measure the point change from session's open

July Aug. Sept. Oct.

Nasdaq Composite Index

18502.69 **▲ 159.75, or 0.87%**
High, low, open and close for each trading day of the past three months.



Bars measure the point change from session's open

July Aug. Sept. Oct.

Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD % chg	3-yr.ann.
Dow Jones										
Industrial Average	43139.00	42707.14	43065.22	201.36	0.47	43065.22	32417.59	26.7	14.3	7.2
Transportation Avg	16361.56	16127.62	16349.51	111.26	0.69	16349.51	13556.07	9.2	2.8	3.0
Utility Average	1042.55	1031.01	1041.64	10.15	0.98	1065.16	801.98	25.0	18.1	5.0
Total Stock Market	58141.79	57735.43	58040.42	434.49	0.75	58040.42	40847.04	33.5	21.5	7.9
Baron's 400	1254.09	1245.11	1253.22	6.73	0.54	1253.22	907.97	30.0	16.9	6.4
Nasdaq Stock Market										
Nasdaq Composite	18547.92	18423.60	18502.69	159.75	0.87	18647.45	12595.61	36.4	23.3	7.7
Nasdaq-100	20493.90	20355.06	20439.05	167.08	0.82	20675.38	14109.57	34.7	21.5	10.7
S&P										
500 Index	5871.41	5829.57	5859.85	44.82	0.77	5859.85	4117.37	34.0	22.9	9.7
MidCap 400	3175.37	3145.35	3172.67	19.08	0.61	3172.67	2326.82	27.8	14.1	4.9
SmallCap 600	1421.94	1406.68	1420.93	8.88	0.63	1435.83	1068.80	25.5	7.8	1.2

Other Indexes

Russell 2000	2250.23	2228.25	2248.64	14.23	0.64	2263.67	1636.94	28.7	10.9	-0.4
NYSE Composite	19834.18	19690.54	19814.55	103.33	0.52	19814.55	14675.78	28.0	17.6	5.8
Value Line	626.10	620.79	625.71	3.07	0.49	625.71	498.09	17.7	5.4	-2.2
NYSE Arca Biotech	5938.82	5898.60	5934.89	6.55	0.11	5949.95	4544.40	18.7	9.5	1.7
NYSE Arca Pharma	1087.10	1081.80	1085.17	1.43	0.13	1140.17	845.32	18.2	19.2	13.7
KBW Bank	120.68	118.94	120.37	1.17	0.98	120.37	71.71	55.6	25.4	-3.8
PHLX® Gold/Silver	159.49	157.61	159.31	-0.18	-0.11	167.37	102.94	38.9	26.7	6.2
PHLX® Oil Service	80.18	79.57	80.16	-0.68	-0.85	96.64	72.67	-15.4	-4.4	8.0
PHLX® Semiconductor	5445.08	5376.16	5432.21	96.27	1.80	5904.54	3185.18	55.1	30.1	18.2
Cboe Volatility	20.86	19.69	19.70	-0.76	-3.71	38.57	11.86	14.5	58.2	5.3

\$ Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
World	MSCI ACWI	857.18	4.45	0.52	17.9
	MSCI ACWI ex-USA	348.40	0.26	0.07	10.0
	MSCI World	3753.49	21.56	0.58	18.4
	MSCI Emerging Markets	1160.06	0.50	0.04	13.3
Americas	MSCI AC Americas	2204.68	16.09	0.73	21.6
Canada	S&P/TSX Comp	24471.17	...	Closed	16.8
Latin Amer.	MSCIEM Latin America	2212.06	27.25	1.25	-16.9
Brazil	Bovespa	131005.25	1012.96	0.78	-2.4
Chile	S&P/IPSMA	3559.81	-0.51	-0.01	2.7
Mexico	S&P/BMV IPC	52000.59	-395.07	-0.75	-9.4
EMEA	STOXX Europe 600	524.76	2.78	0.53	9.6
Eurozone	Euro STOXX	518.65	3.37	0.65	9.4
Belgium	Bel-20	4310.53	27.30	0.64	16.3
Denmark	OMX Copenhagen 20	2549.11	0.16	0.01	11.6
France	CAC 40	7602.06	24.17	0.32	0.8
Germany	DAX	19508.29	134.46	0.69	16.5
Israel	Tel Aviv	2126.75	16.36	0.78	14.0
Italy	FTSE MIB	34680.55	372.54	1.09	14.3
Netherlands	AEX	922.63	6.67	0.73	17.3
Norway	Oslo Bors All-Share	1671.09	1.15	0.07	10.0
South Africa	FTSE/JSE All-Share	86398.66	249.21	0.29	12.4
Spain	IBEX 35	11850.90	130.90	1.12	17.3
Sweden	OMX Stockholm	998.49	2.03	0.20	10.6
Switzerland	Swiss Market	12259.23	105.04	0.86	10.1
Turkey	BIST 100	8699.19	-177.03	-1.99	16.5
U.K.	FTSE 100	8292.66	39.01	0.47	7.2
U.K.	FTSE 250	20817.19	52.26	0.25	5.7
Asia-Pacific	MSCI AC Asia Pacific	192.33	-0.21	-0.11	13.5
Australia	S&P/ASX 200	8252.80	38.29	0.47	8.7
China	Shanghai Composite	3284.32	66.58	2.07	10.4
Hong Kong	Hang Seng	21092.87	-159.11	-0.75	23.7
India	BSE Sensex	81973.05	591.69	0.73	13.5
Japan	NIKKEI 225	39605.80	...	Closed	18.4
Singapore	Straits Times	3595.91	22.15	0.62	11.0
South Korea	KOSPI	2623.29	26.38</		

COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures

	Contract		Contract				Open	
	Open	High	Low	Settle	Chg	Interest	Open	interest
Copper-High (CMX)-25,000 lbs.; \$ per lb.	Open	High	hilo	Low	Settle	Chg	interest	
Oct 4.3500	4.3990	4.3450	4.3635	-0.0880	1,026			
Dec 4.4520	4.4710	4.3850	4.4060	-0.0875	131,657			
Gold (CMX)-100 troy oz.; \$ per troy oz.	Open	High	2655.30	2655.00	2647.80	-9.80	93	
Oct 2655.00	2655.30	2648.00	2653.70	-10.70	1,048			
Dec 2673.10	2684.20	2660.00	2665.60	-10.70	439,247			
Feb'25 2696.10	2706.90	2683.90	2689.00	-10.70	51,843			
April 2709.00	2726.40	2705.00	2708.90	-10.60	26,171			
June 2728.80	2745.00	2724.60	2729.00	-10.60	13,227			
Palladium (NYM)-50 troy oz.; \$ per troy oz.	Open	High	1041.00	1023.10	-38.70	3		
Oct 1041.00	1049.50	1041.00	1023.10	-38.70	16,725			
Dec 1066.00	1069.00	1027.00	1031.90	-37.90				
Platinum (NYM)-50 troy oz.; \$ per troy oz.	Open	High	948.00	994.90	9.90	10		
Oct 948.00	952.20	948.00	994.90	9.90				
Jan'25 991.90	1009.90	976.90	1004.10	9.70	66,556			
Silver (CMX)-5,000 troy oz.; \$ per troy oz.	Open	High	31.180	31.200	31.083	-0.437	14	
Oct 31.180	31.200	31.180	31.316	-0.439	117,788			
Dec 31.730	31.750	30.940	31.316	-0.439				
Crude Oil, Light Sweet (NYM)-1,000 bbls.; \$ per bbl.	Open	High	75.05	75.08	73.83	-1.73	169,437	
Nov 75.05	75.08	71.81	73.83	-1.73				
Dec 74.26	74.35	71.24	73.24	-1.61	278,689			
Jan'25 73.75	73.80	70.85	72.81	-1.50	147,051			
March 72.91	72.91	70.25	72.10	-1.33	107,977			
June 71.88	72.22	69.60	71.30	-1.13	149,109			
Dec 70.39	70.44	66.51	69.94	-0.84	153,386			
NY Harbor ULSD (NYM)-42,000 gal.; \$ per gal.	Open	High	2.350	2.3405	2.2213	2.2742	-0.0697	93,546
Dec 2.3475	2.3530	2.2344	2.2873	-0.0679	93,983			
Gasoline-NY RBOB (NYM)-42,000 gal.; \$ per gal.	Open	High	2.1461	2.0609	2.1086	-0.0430	84,299	
Dec 2.1116	2.1201	2.0314	2.0798	-0.0433	97,032			
Natural Gas (NYM)-10,000 MMbtu/\$ per MMbtu.	Open	High	2.624	2.625	2.476	2.494	-0.138	151,885
Dec 3.030	3.039	2.915	2.930	-0.117	180,631			
Jan'25 3.289	3.289	3.178	3.192	-0.104	232,333			
Feb 3.175	3.190	3.081	3.093	-0.097	118,083			
March 2.937	2.948	2.846	2.861	-0.087	190,050			
April 2.830	2.838	2.742	2.760	-0.078	87,499			

Agriculture Futures

	Corn (CBT)-5,000 bu.; cents per bu.		Oats (CBT)-5,000 bu.; cents per bu.		Soybeans (CBT)-5,000 bu.; cents per bu.		Cotton (ICE-US)-50,000 lbs.; cents per lb.	
Dec 415.00	415.25	407.50	408.25	-7.50	731.177			
March'25 432.25	432.75	424.25	424.75	-8.25	359,323			
Oats (CBT)-5,000 bu.; cents per bu.	Open	High	380.00	370.50	372.75	-7.00	3,258	
Dec 380.00	384.00	370.50	372.75	-7.00				
March'25 377.75	378.75	368.25	370.50	-7.25	616			
Soybeans (CBT)-5,000 bu.; cents per bu.	Open	High	1002.00	1008.50	995.50	996.00	-9.50	317,048
Nov 1002.00	1008.50	976.90	1011.50	-9.50	236,437			
Soybean Meal (CBT)-10 tons; \$ per ton.	Open	High	318.70	321.50	318.50	316.50	...	100
Oct 318.70	321.50	318.50	316.50	...				
Dec 314.20	318.60	312.60	315.30	.20	220,418			
Soybean Oil (CBT)-60,000 lbs.; cents per lb.	Open	High	43.38	44.13	44.07	42.16	-1.28	37
Dec 43.15	43.24	41.78	41.90	-1.43	217,246			
Rough Rice (CBT)-2,000 cwt.; \$ per cwt.	Open	High	14.96	15.24	14.95	15.11	.11	6,813
Jan'25 15.13	15.38	15.11	15.25	.12	1,827			
Wheat (CBT)-5,000 bu.; cents per bu.	Open	High	598.50	601.00	584.25	585.25	-13.75	201,616

Interest Rate Futures

	Ultra Treasury Bonds (CBT)-\$100,000; pts 32nds of 100%		Treasury Bonds (CBT)-\$100,000; pts 32nds of 100%		Treasury Notes (CBT)-\$100,000; pts 32nds of 100%		Treasury Notes (CBT)-\$100,000; pts 32nds of 100%	
Dec 127.050	127.140	126.150	125.70	127.02	-22.0	1,719,987		
March'25 127.120	127.150	126.200	127.060	-22.0		52		
Treasury Bonds (CBT)-\$100,000; pts 32nds of 100%	Open	High	120.000	120.040	119.140	119.250	-19.0	1,777,336
March'25 120.050	120.220	119.240	120.020	-20.0		1,442		
Treasury Notes (CBT)-\$100,000; pts 32nds of 100%	Open	High	112.030	112.040	111.230	111.275	-12.5	4,736,096
March'25 112.120	112.150	112.015	112.055	-12.0		2,987		
5 Yr. Treasury Notes (CBT)-\$100,000; pts 32nds of 100%	Open	High	108.132	108.132	108.055	108.075	-8.5	2,650,520
March'25 108.240	108.235	108.140	108.145	-9.5		35		
2 Yr. Treasury Notes (CBT)-\$200,000; pts 32nds of 100%	Open	High	103.145	103.145	103.105	103.115	-3.7	4,452,794
March'25 103.251	103.250	103.204	103.212	-3.7		93		
30 Day Federal Funds (CBT)-\$5,000,000; 100-daily avg.	Open	High	95.1725	95.1725	95.1700	95.1700	-0.025	743,747
Nov 95.340	95.345	95.3150	95.3150	-0.051	460,420			
Three Month SOFR (CME)-\$1,000,000; 100-daily avg.	Open	High	94.7225	94.7750	94.7225	94.7225	-0.025	15,204
July 94.7225	94.7750	94.7225	94.7225	-0.025				
Sept 95.2150	95.2150	95.1950	95.1950	-0.050	1,230,037			

Currency Futures

| | Japanese Yen (CME)-¥12,500,000; \$ per 100Y | | Euro (CME)-€125,000; \$ per € | |<th colspan="2
| --- | --- | --- | --- | --- |

BUSINESS & FINANCE



Ed Ruscha's 1964 'Standard Station, Ten-Cent Western Being Torn in Half' is one of the artist's significant early views of a gas station in Amarillo, Texas.

Christie's Seeks \$50 Million for Rare Ruscha Gas-Station Painting

By KELLY CROW

Texas billionaire investor Sid Bass will try to rev up the flagging art market this fall by auctioning off his estimated \$50 million Ed Ruscha painting of a gas station.

Christie's confirmed Monday it had been enlisted to sell Ruscha's 1964 "Standard Station, Ten-Cent Western Being Torn in Half"—one of the artist's significant early views of a gleaming gas station in Amarillo, Texas. Christie's doesn't name Bass, but he is credited in past museum loans as owning the work, which will be offered in the house's 20th century evening sale in New York on Nov. 19.

Ruscha, who grew up in

Oklahoma before settling in Los Angeles, earned his reputation in the early 1960s in part by employing a pop sensibility and unusual materials like gunpowder and chocolate to chronicle the overlooked scenery and vernacular of the American West.

Last year, in an interview pegged to his retrospective, "Ed Ruscha/Now Then," Ruscha told The Wall Street Journal that the gas-station series represented a creative breakthrough. Having snapped photographs of ordinary gas stations during cross-country road trips to visit his family, he eventually set out to paint a few in 1964. After finishing the first one, he said, "I felt I had some forward motion in my

thinking with that gas station," adding, "I felt like I had accomplished something."

His \$52.5 million auction record was set in 2019 for 1964's "Hurtling the Word Radio #2," in which he painted clamps that appear to be actually squeezing a couple of letters. But the gas station remains his best-known motif.

Until earlier this month, "Standard Station" was on view at the Los Angeles County Museum of Art as part of the last leg of Ruscha's retrospective, first mounted

last year at New York's Museum of Modern Art.

In the piece, Ruscha sets a ripped comic book against a cloudless blue sky beside a pit stop dotted with cherry-red gas tanks. His low-to-the-ground perspective repositions the humble gas station as grand architecture, its ordinary sign appearing to jut out like a billboard.

Of the six gas stations Ruscha painted, only the earliest two are wall-size, stretching roughly 10 feet. The first,

"Standard Station, Amarillo, Texas," is a nighttime scene featuring a spray of yellow spotlights. Actor Dennis Hopper bought it from Ruscha's Ferus Gallery in 1964 for roughly \$1,000, the artist said in that earlier interview. That painting later changed hands several times but wound up with Bass, the Fort Worth oil baron.

In 1976, Bass made a swap, trading this nighttime gas station for the daytime piece he is auctioning now. Collectors have seen a couple of stations roll by in recent years, though nothing at this scale. In May 2023, Ruscha's smaller "Burning Gas Station" from 1966-69 sold for \$22.3 million, just over its \$20 million low estimate.

Texas billionaire investor Sid Bass has been credited as the work's owner.

Singapore To Halt Allianz's Insurer Stake Deal

By AMANDA LEE

The Singapore government plans to put a halt to a proposed deal by Germany's Allianz to buy a majority stake in Singapore insurance company Income Insurance.

"The government has assessed the proposed transaction and has decided that it would not be in the public interest for the transaction, in its current form, to proceed," said Edwin Tong, the minister for culture, community and youth, in remarks to the country's parliament on Monday.

The ministry isn't confident that Income will be able to continue fulfilling its social mission following the proposed Allianz transaction, Tong said.

Income was set up as a social enterprise in 1970 to provide accessible and inclusive insurance to Singaporeans, he added.

Allianz said in July that it would buy a 51% stake in Income Insurance for 2.2 billion Singapore dollars, equivalent to US\$1.69 billion, as part of the company's plans to expand in the region.

While the proposed transaction won't be allowed to proceed in its current form, Tong said that the government is "open to any new arrangement which Income wish to pursue whether with Allianz or any other partners, so long as the concerns highlighted are fully addressed."

Allianz and Income Insurance didn't respond to requests for comment on the remarks by the Singaporean minister.

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MARKETS

S&P 500, Dow Hit Records

Continued from page B1

Sachs and Citigroup report on Tuesday. Last Friday, strong earnings from **JPMorgan Chase** and **Wells Fargo** helped send the S&P 500 and Dow industrials to new highs.

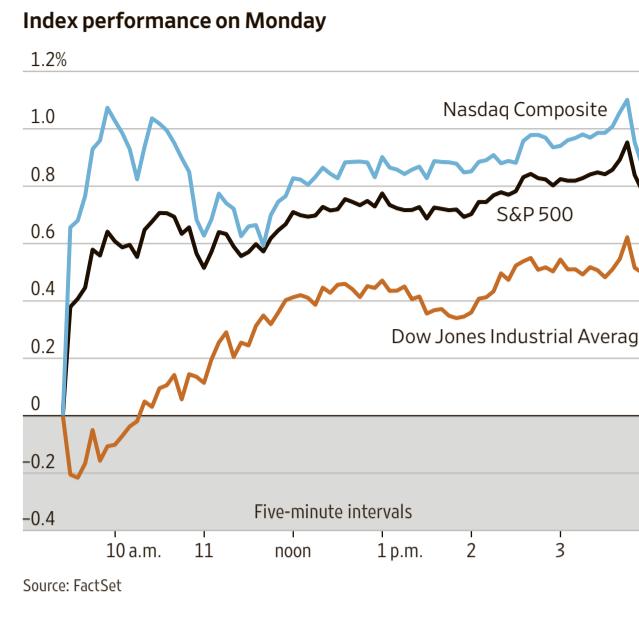
The Dow continued its momentum Monday, gaining 0.5%

to 43065.22 despite a 2%

decline in **Caterpillar**

shares. The Dow's 1.4% rise over the past two trading days was its best two-day stretch since August, and the record was the blue-chip average's 37th of the year.

The rally could have more room to run. Historically, it has taken the S&P 500 an average of 709 trading sessions to reach the highs of a bull



market, according to Dow Jones Market Data going back to 1928. The current run since the bear-market low has lasted 502 trading days.

Elsewhere, the Nasdaq added 0.9%, the best of the major indexes on the day. The tech-heavy benchmark is up 23% for the year but remains

below its July record.

Overseas, China's finance minister gave a much-hyped briefing on Beijing's economic plans over the weekend, but investors were left unclear as to the scale of the stimulus to come, and how much will be passed on consumers.

Stocks in mainland China

ended a choppy day of trading higher. The Shanghai Composite Index rose 2.1%.

However, Hong Kong stocks fell, and oil prices—sensitive to the pace of growth in China's gas-guzzling economy—retreated.

Benchmark Brent crude-oil prices declined 2%. Analysts at DNB Markets said China's economic briefing lacked incentives for more petroleum consumption, though Citi analysts warned that volatility in the Middle East could make a surge in oil prices more likely in coming months. Citi research analysts said in a report on Monday that crude-oil prices could go into triple digits if supplies are disrupted by conflict in the Middle East.

The bank's analysts said their base case is still that Brent crude oil will average \$74 a barrel in the fourth quarter and \$65 a barrel in the first quarter of 2025, "owing to weak underlying oil market fundamentals."

The bond market was closed for the Columbus Day holiday.

STOCK SPOTLIGHT

Boeing

The plane maker's shares fell 1.3% after Citi cuts its price target on the stock. Boeing said late Friday it would cut about 10% of its workforce, and warned of deeper losses.

Trump Media & Technology

Shares of the Truth Social parent are up 19%. Shares rose more than 80% in October as betting sites give Donald Trump a slight edge in the election.

SoFi Technologies

The digital financial-services provider unveiled a \$2 billion agreement with Fortress Investment Group to expand its loan-platform business. SoFi shares rose 11%.

Sirius XM

Warren Buffett's Berkshire Hathaway added to its stake in the satellite-radio company late last week, buying about 3.6 million shares. Sirius XM shares gained 7.9%.

Barclays

The U.K. bank will replace Goldman Sachs as the exclusive issuer of General Motors credit cards in the U.S., boosting its presence there. U.S.-listed Barclays shares were down 0.8%.

Caterpillar

Shares fell 2% after Morgan Stanley downgraded the stock to "underweight."

MARA Holdings, Coinbase

Many crypto-related stocks rallied, as bitcoin prices topped \$65,000. MARA shares rose 5.6% and Coinbase shares gained 11%.

LVMH, Kering

LVMH shares declined 2.3% and Kering shares dropped nearly 4% in Paris after China's finance minister didn't spell out how much Beijing will spend on economic stimulus.

TUESDAY'S EARNINGS:

◆ Before the bell:

Bank of America

Citigroup

Goldman Sachs

PNC

State Street

Albertsons

Johnson & Johnson

UnitedHealth

Walgreens Boots Alliance

◆ After the close:

United Airlines

OPEC Further Trims Oil-Demand Outlook

By GIULIA PETRONI

The Organization of the Petroleum Exporting Countries further trimmed its forecast for oil-demand growth, as it prepares to bring some barrels back into the market despite weaker prices.

The cartel expects demand to grow by 1.93 million barrels a day this year and 1.64 million barrels a day in 2025, compared with 2.03 million and 1.74 million barrels a day previously. This marks the group's third consecutive downward revision.

Demand is still seen at healthy levels overall—well above the historical average of 1.4 million barrels a day logged before the pandemic—bolstered by strong air travel and road mobility, as well as healthy industrial, construction and agricultural activities, OPEC said.

The cartel trimmed its fore-

cast of Chinese growth to 580,000 barrels a day this year from previous expectations of 650,000 barrels a day. Total world demand is estimated to reach 104.1 million barrels a day in 2024 and 105.8 million the following year.

Monday's report came as oil prices erased nearly all gains made last week on persistent concerns over fuel demand in top crude importer China, after the country failed to provide details on the size of a stimulus package. Brent crude, the international oil benchmark, trades around \$77 a barrel, while the U.S. oil gauge West Texas Intermediate is around \$74 a barrel.

Markets remain on edge waiting for Israel's response to Iran's missile barrage, fearing it might target oil infrastructure and cause major disruptions. The risk premium to oil is, though, mitigated by the lack of material disruptions so



The cartel trimmed its forecast for Chinese growth.

far and OPEC's spare capacity.

OPEC crude-oil production fell by 604,000 barrels a day to 26.04 million barrels a day in September, dragged down by Libya's supply disruptions and lower production from Iraq as the country seeks to boost its compliance with targets.

Libyan production fell 410,000 barrels a day to 540,000 barrels a day,

while Iraq's production fell 155,000 barrels a day to 4.11 million barrels a day, the cartel said, citing secondary sources.

In a bid to regain market share, OPEC and its allies are set to begin unwinding voluntary cuts of 2.2 million barrels a day starting from December, despite weakening prices and fears of a surplus next year.

budget is delivered on Oct. 30, pushed Evoke's shares down by 14%, Entain's shares down by about 8%, Flutter's shares down by about 6%, and Rank Group shares down by about 3%.

The reports about the government plans come as the U.K. Treasury looks for ways to reduce a £22 billion "black hole" in public finances that Chancellor Rachel Reeves said her department discovered when the Labour Party reached power after the July general election.

U.K. Gambling Stocks Fall on Planned Taxes

By CRISTINA GALLARDO

British gambling stocks fell Monday, dragged down by reports of government plans for new taxes on the industry.

Shares in London-listed Evoke, Entain, Flutter Entertainment and Rank Group tumbled Monday on the back of the reports, which suggest that the U.K. government is aiming to raise up to £3 billion, or \$3.92 billion, from the sector.

The tax plans, which could be confirmed when the U.K.

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HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Platinum Gets the Costco Bump

The bull case for the metal rests on a more realistic view of the world's shift away from fossil fuels

After the popularity of gold and silver, **Costco** recently added platinum bars to its precious metal offerings. While it hasn't sparked as much as those others this year, its fundamentals look rock solid.

Platinum is a "newer kid on the block," said Edward Sterck, director of research at World Platinum Investment Council.

It was only really identified in the 19th century because it is always found in ores alongside other metals and has a very high melting point, according to Sterck. It is about 30 times rarer than gold, he added.

That means investors aren't as familiar with platinum as an investment. The size of the platinum investment market is a fraction of that for gold and silver, according to Robert Minter, director of investment strategy at Abrdn, which manages the largest platinum exchange-traded fund on the market.

Still, retail interest in platinum has been robust lately. In the first half of this year, investments drove demand for about 579,000 troy ounces of platinum, or about 13% of total demand, mostly through ETFs, according to Metals Focus. The metal hasn't shined the way gold and silver have this year. Prices declined about 0.5% in the year to date. Gold and silver are up 28% and 30%, respectively.

That is despite platinum demand exceeding supply last year. Metals Focus expects that deficit to widen in 2024. Part of why platinum pricing has been weak might be because of its in-between positioning as a green metal. A bulk of platinum demand—between 30% to 44%—comes from the automotive industry, where it is used in catalytic converters used to reduce tailpipe emissions, according to the World Platinum Investment Council. Over the past few years, expectations that platinum-less electric vehicles would take over internal-combustion-engine cars cooled sentiment on the metal.

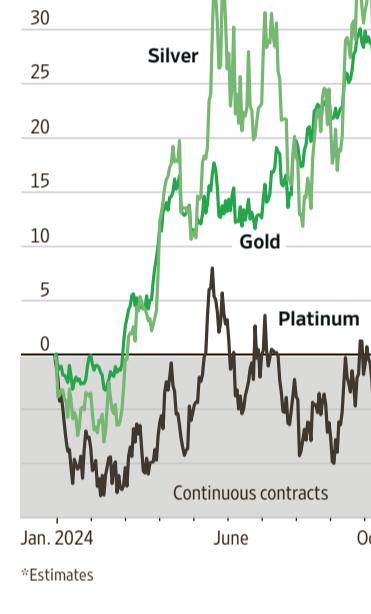
Additionally, several automakers had built up platinum inventory post-Covid, especially in early 2022 as insurance against supply disruptions after Russia's invasion of Ukraine, according to an investor presentation from **Anglo American Platinum**. Russia is the second-largest miner of platinum behind South Africa.

Demand for platinum from the auto industry has been strong, growing 17% from 2019 to 2023, according to data from Metals Focus. Demand for conventional cars



JPMorgan expects platinum prices to reach \$1,200 per troy ounce in 2025, from today's price of about \$1,004.

Commodity price performance, year to date

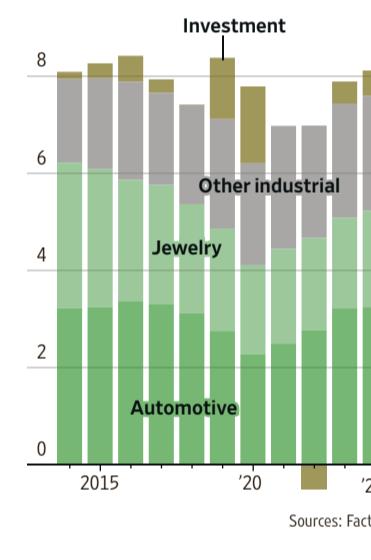


has been resilient, and growing quickly for hybrid vehicles, which actually use even more platinum-group metals. Internal combustion engines in hybrid cars are used less frequently and therefore often start cold, which results in higher pollution and requires more platinum to convert harmful gases.

The car industry probably won't

Demand from the auto industry has been stronger than expected...

Global platinum demand

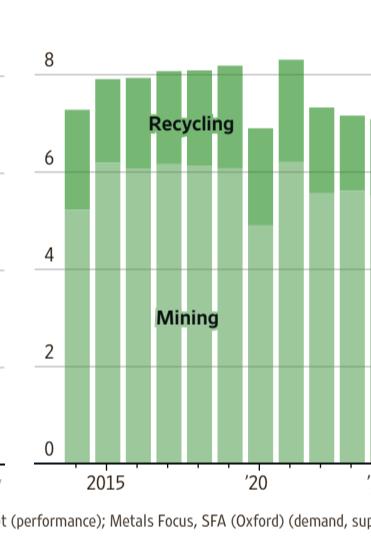


wean itself off platinum for some time. Hybrid vehicle sales in the U.S. outpaced EV sales last year and are on track to do so again in 2024, according to Edmunds.

Automakers have pulled back investment in EVs and are instead increasing hybrid-car production. Platinum demand has been stronger than expected because the

...and supply has been weakening

Global platinum supply



auto industry shifted from the relatively more-expensive palladium to platinum on gasoline cars.

Meanwhile, other industrial demand—sectors ranging from chemicals, petroleum and medical to glass—have been resilient over the past few years. Platinum's role as a catalyst in hydrogen is worth watching, too, though that industry

try isn't big enough to drive substantial demand just yet.

Meanwhile, industry watchers say platinum supply isn't likely to increase soon. This is partly because platinum is always mined alongside other metals.

Weak palladium and rhodium pricing has put economic pressure on mining companies, limiting the amount of platinum that gets mined alongside them, according to Sterck. Frequent power outages in South Africa, which produces about 70% of the world's mined supply, also have weighed on supply over the past few years.

Moreover, recycled platinum supply from scrapped cars has been declining every year since 2021.

One reason could be that cars simply are on the road longer. They are more durable, and motorists are holding on to them because of ballooning monthly payments on new-vehicle purchases. The average age of cars in the U.S. has been rising steadily and reached a record of 12.6 years in 2024, according to S&P Global Mobility.

For now, aboveground inventories could absorb the deficit. But such stocks declined 15% in 2023 and are expected to draw down again by 25% in 2024, according to Metals Focus.

JPMorgan expects platinum prices to reach \$1,200 per troy ounce later in 2025, from today's price of around \$1,004 per troy ounce. Citi expects prices to rise to \$1,100 per troy ounce over the next six to 12 months, noting the market is likely to stay in deficit over the next two years. Another potential catalyst is the Federal Reserve's interest rate-cutting trajectory, if lower rates spur more car purchases.

One thing Abrdn's Minter cautions is that physical platinum bars being snapped up—just like gold and silver—can be trickier to sell than ETFs. Investors can easily lose 10% of the metal's value by selling to a dealer, he said.

That is because the dealer takes on a lot of risk by buying from retail investors. "Investors do a tremendous amount of research when they buy something like an ETF, but they don't look at the cost to sell that bar of platinum from Costco," he said.

Platinum looks like a solid commodity to have in your basket, but in this very rare instance, Costco might not be the best deal in town after all.

—Jinjoo Lee

Even a Time Machine Can't Guarantee Investing Success

It sounds like an investor's wildest dream. A surprising experiment shows that it shouldn't be.

Huge sums are lavished each year on Wall Street economists and strategists asked to gaze into their crystal balls ahead of market-moving economic numbers. When they mostly get it wrong and there is a surprise, it is big enough to make front-page news in the next day's print edition of The Wall Street Journal. But what if a trader had an actual crystal ball and could read a copy of the world's leading business newspaper a day early?

For example, the Journal's headline on Saturday, Oct. 5, read "Hiring Blows Past Expectations." The jobs report released the previous morning for September, which showed that U.S. nonfarm payrolls grew by 254,000 compared with expectations of around 150,000 jobs added, helped send the Dow to a record that trading session. Meanwhile, bonds lost value, with the yield on the benchmark 10-year Treasury note adding to its largest weekly rise in nearly a year.

Knowing the actual movement of markets would be a guarantee road to riches, not unlike the fictional Biff Tannen in "Back to the Future II" becoming fabulously wealthy when his future self travels back to 1955 with a sports almanac. But what about just the

Journal's front page with a few giveaway details blacked out, such as "stocks soar?" And how about being given a huge pot of money, plus the ability to multiply your bet, to turn your glimpse at the future into a truly vast fortune?

The real-world results, courtesy of a man who learned the hard way about confident predictions and borrowed money, are fascinating. Victor Haghani, a founder of doomed hedge fund Long-Term Capital Management, whose financial quants nearly took down the global financial system a quarter-century ago, now runs money manager Elm Wealth with Chief Executive James White. The company espoused passive, low-cost money management for its wealthy clients and has published a number of plain-English studies and experiments to get its philosophy across.

The latest is the "Crystal Ball Trading Game." Players are given \$1 million in play money and are shown 15 Journal front pages following big economic news randomly selected over the past 15 years. With up to 50 times leverage, multiplying that pot of money sounds like shooting fish in a barrel. Yet it wasn't, and many players instead shot themselves in the foot. Through Thursday, more than 8,000 mostly financially savvy players had taken a crack at the game. Their median ending wealth

after 15 rounds was just \$687,986 according to data provided by Elm. Many lost everything.

Players got the basic direction of the stock market right a little less than half of the time. They were a little bit better at guessing the direction of 30-year Treasury bond futures. That is probably because economic news is less ambiguous for bonds, according to Haghani. For stock traders trying to parse the Federal Reserve's next move, sometimes good news is good and sometimes it is bad. Many times they will even react one way in early trading only for the mood to shift to the exact opposite take before the closing bell.

But how does one explain the median loss of 31%? Surely being able to bet heavily on the really

obvious, no-brainer newspaper headlines should make up for a few errors? In fact that proved to be many players' financial undoing, with a not-insignificant number having negative net worth by the end. The first lesson from the game, then, might be to curb your enthusiasm in such cases.

Haghani and another colleague did a real-money experiment eight years ago with 61 people versed in finance or economics, including students and employees of leading firms, and even many of them got it wrong. They offered them \$25 and a loaded coin with a 60% chance of coming up heads. They could flip as many times as they wanted to for half an hour and walk away with up to \$250. Almost all should have pocketed that

amount if they knew how to size their bets based on their degree of confidence, but only 21% did and, incredibly, 28% lost all of their money.

The second lesson from the Crystal Ball, though, is that markets are made up of crowds with complex emotions. Seeing a bold headline with the actual market moves blacked out won't tell you how to bet. As in the game, a speculator can just sit one out if the market feels like it could zig when theory tells you it should zag.

And if someone with an oddly familiar face steps out of a DeLorean with a future copy of The Wall Street Journal, make sure they don't forget to include the stock-price listings.

—Spencer Jakab



Many players who took part in an investing game based on past Wall Street Journal front pages missed the mark.

JOE FORNABRI/WSJ