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NASDAQ 17573.30 ▼ 0.3%

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What's News

Business & Finance

◆ **The Federal Reserve** voted to lower interest rates by a half percentage point, opting for a bolder start in making the central bank's first reduction since 2020. **A1, A2**

◆ **Stocks initially climbed** after the decision before receding to swing between small gains and losses. The Dow fell 0.2% while the S&P 500 and Nasdaq both slipped 0.3%. **B1**

◆ **The SEC approved** a rule change that would cause the prices of many stocks to be quoted in half-cent increments, a move aimed at lowering costs for investors by narrowing bid-ask spreads. **A1**

◆ **All seven** independent directors of DNA-testing company 23andMe have resigned over founder Anne Wojcicki's plan to take the company private. **B1**

◆ **Boeing is furloughing** tens of thousands of white-collar employees in an effort to cut costs and avoid a credit-ratings cut amid a strike by its largest union. **B1**

◆ **Tupperware**, the iconic food-storage company, has filed for bankruptcy after years of weak sales. **B1**

◆ **Alphabet's Google** scored a win after the EU's second-highest court overturned a \$1.66 billion fine that anti-trust officials had imposed on the search giant. **B1**

◆ **U.S. importers** are rushing in millions of dollars' worth of electronics, holiday goods and industrial materials to get ahead of a possible strike by dockworkers. **B3**

◆ **GameStop CEO Ryan Cohen** will pay nearly \$1 million to settle an alleged antitrust-law violation with the FTC. **B3**

World-Wide

◆ **Hezbollah was hit** by another wave of exploding devices, killing 20 people and injuring 450, as Israel signaled it was moving toward more aggressive military action against the Lebanese militant group. **A1, A7**

◆ **The U.S. sued** the owner and operator of the container ship that caused the deadly collapse of a Baltimore bridge, seeking more than \$100 million in damages. **A3**

◆ **Producer Harvey Weinstein**, whose New York conviction was tossed by the state's highest court, was charged with a 2006 sex crime against one additional woman. **A3**

◆ **A national-security ruling** on Nippon Steel's planned acquisition of U.S. Steel may not come until after the November election. **A3**

◆ **A federal judge** ordered hip-hop mogul Sean Combs to remain in jail while he awaits trial on allegations he helped run a sex-trafficking enterprise. **A3**

◆ **House Speaker Johnson's** proposal to fund the government was voted down as more than a dozen holdout Republicans joined Democrats. **A6**

◆ **The Teamsters said it** won't issue a 2024 presidential race endorsement, the first time the union has stayed neutral since 1996. **A6**

◆ **AT&T agreed** to remove lead-covered cables from Lake Tahoe after a legal battle with an environmental group. **A6**

◆ **Ukraine's incursion** into Russia is further straining Russia's manpower, leading the country's military leaders to again press for mobilization of more recruits. **A16**

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Fed Goes Big With Half-Point Rate Cut

Policy shift away from inflation fight is central bank's first reduction since 2020

By NICK TIMIRAO

The Federal Reserve voted to lower interest rates by a half percentage point, opting for a bolder start in making its first reduction since 2020. The long-anticipated pivot followed an all-out fight against inflation that the central bank launched two years ago.

Eleven of 12 Fed voters backed the cut, which brings the benchmark federal-funds rate to a range between 4.75% and 5%. Quarterly projections

released Wednesday showed a narrow majority of officials penciled in cuts that would lower rates by at least a quarter point each at meetings in November and December.

The decision to trim rates by a larger amount than most analysts anticipated until a few days ago moved the central bank unwaveringly into a new phase of its inflation battle: It is now trying to prevent past rate increases, which last year took borrowing costs to a two-decade high, from further weakening the U.S. labor market.

"We are committed to maintaining our economy's strength," Fed Chair Jerome Powell said at a news conference. "This decision reflects our growing confidence that

with an appropriate recalibration of our policy stance, strength in the labor market can be maintained."

Stocks rose immediately after the announcement, then ended the day lower. The S&P 500 fell 0.3%, and the Dow Jones Industrial Average ended down 0.2%, or about 103 points. Anticipation of rate cuts had buoyed Wall Street in the run-up to the meeting, with the Dow hitting a fresh record on Monday.

The rate cut should provide some immediate relief to consumers with credit card balances and to small businesses with variable-rate debt. Long-term borrowing costs—on everything from mortgages to corporate debt—have already

been declining in anticipation of a series of rate cuts this fall, particularly after Powell said last month that reductions were on the way.

A rate cut never appeared to be in doubt this week, but analysts were uncharacteristically foggy over the size of the move. Many anticipated a smaller cut of a quarter point, or 25 basis points. Fed officials have often preferred to make smaller changes in order to avoid having to reverse

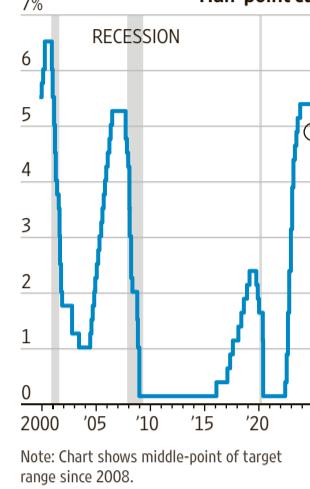
Please turn to page A2

◆ **Rate cut paves the way for overseas central banks...** **A2**

◆ **Stocks end lower following rate trim.....** **B1**

◆ **Heard on the Street: Too little consumer debt.....** **B12**

Federal-funds rate target



Note: Chart shows middle-point of target range since 2008.
Source: Federal Reserve

Hezbollah Rocked By Second Wave Of Device Blasts

BEIRUT—Hezbollah was hit Wednesday by another wave of exploding devices, as Israel signaled it was moving toward more aggressive military action against the Lebanese militant group.

By Summer Said,
Adam Chamseddine
and Rory Jones

Walkie-talkies used by the group blew up in homes, cars and in operatives' hands across the country, people familiar with the matter said—just a day after thousands of pagers carried by Hezbollah members exploded at about the same time. The new attack killed 20 people and injured more than 450, after Tuesday's blasts killed 12 and injured more than 2,800 people, said Lebanon's government, which blamed Israel.

The militant group was scrambling to assess the extent of the two days of explosions. Details emerging from

investigations into Tuesday's massive attack pointed to a complex plan carried out by Israel, in which explosives were planted in thousands of devices destined for Hezbollah members and then detonated by a remote signal.

Tension across the Israeli-Lebanese border has ratcheted up recently, with heavier exchanges of fire than in earlier months and more aggressive Israeli operations. Israelis are pressuring their government to let residents of evacuated northern communities return.

"The center of gravity is shifting to the north. This means that we are moving forces, resources and energy to the north," Israeli Defense Minister Yoav Gallant said Wednesday at an air base in northern Israel. "I estimate

Please turn to page A7

◆ **Pentagon fears a ground war in Lebanon.....** **A7**

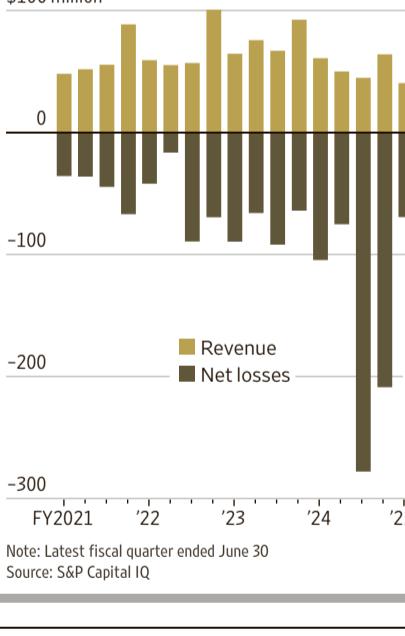
◆ **A complex strike attacked daily life.....** **A7**



Lebanese soldiers gathered outside a damaged mobile-phone shop in Sidon on Wednesday after what was believed to be an explosion of a walkie-talkie inside it.

23andMe Directors Resign

All seven independent directors of 23andMe resigned, following a protracted negotiation with founder and CEO Anne Wojcicki over her plan to take the company private. It is the latest challenge for the DNA-testing company, which has struggled to find a profitable business model. **B1**



Note: Latest fiscal quarter ended June 30
Source: S&P Capital IQ

This Fashion Accessory Is Taking Over the NFL

The rise of the retro rope jumps from the golf course to sidelines across the league

By JACOB GALLAGHER AND ANDREW BEATON

Before the start of every NFL season, head coaches across the league are treated to a closed-door fashion show of sorts to preview the league's latest line of approved sideline gear.

Yes, beyond fourth-down decisions and when to call timeout, NFL coaches also spend time thinking about what they will actually wear while calling plays. After all, this is how fans will see them when they're snarling at officials or getting doused in Gatorade.

But once the season kicked off, even those inside the sport were stunned by the accessory that coaches had

latched onto: the rope hat. "More coaches gravitated toward the rope than we had expected," said Ryan Samuelson, the NFL's vice president of consumer products.

NFL sidelines haven't seen a fashion statement like this since Bill Belichick severed the sleeves off his hoodie. But lately, rope hats—a beefy trucker hat with a slender rope running at the foot of the crown—are all over the sports world. During the opening week of the season, 10 of the 20 NFL head coaches who wore a hat embraced rope chic.

That made it far and away the most popular style from

Rope chic

U.S. NEWS

Rate Cut Paves the Way for Overseas Central Banks

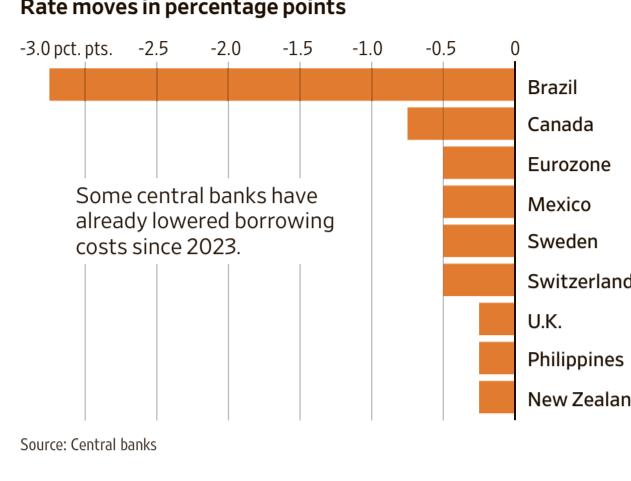
By PAUL HANNON

The Federal Reserve half-point rate cut Wednesday sounds the all-clear for overseas central banks that are also concerned about their domestic economic growth.

Some of the world's most consequential central banks, including those in the eurozone, the U.K. and Canada, already started trimming interest rates in recent months. But there are a number of others, including in India, South Korea and South Africa, that have held back. The Fed's move could encourage them to take the plunge.

For many central banks, lowering rates ahead of the Fed risked a weakening of their national currencies. When their rates are lowered relative to U.S. rates, their currencies become less valuable. That in turn can raise prices on their imports, creating a fresh wave of inflationary pressures.

South Africa falls into that camp. Its central bank might be the next to lower borrowing costs, with policymakers meeting Thursday.



Source: Central banks

wanted currency depreciation easing as the Fed lowers borrowing costs, they are now set to cut.

Economists at JPMorgan expect India's central bank to lower borrowing costs next month, with the central banks of South Korea and Thailand set to move before the end of the year.

In a surprise move, Indonesia's central bank cut its key rate for the first time earlier Wednesday, anticipating the Fed's expected move. It noted that investors now expect the

Fed to cut more quickly than they did earlier in the year, which should support Indonesia's currency.

"These developments have led to a further reduction in uncertainty in global financial markets and increased foreign capital inflows to developing countries, including Indonesia," the central bank said.

For the many central banks in Latin America and elsewhere that have already begun to lower interest rates, the Fed's move removes some of their risk.

Some leading central banks, however, have already indicated that the Fed's entry into the rate-cutting club won't immediately change their approach, and they include some of the most consequential.

Both the European Central Bank and the Bank of England have signaled that they will remain cautious. That is because worries persist about the pace of wage increases and the tightness of labor markets that have little to do with global economic conditions or currency exchange rates.

While that caution included room for a second ECB rate cut last Thursday, future moves are unlikely to come in a rush unless there is a significant weakening in growth.

"Looking ahead, a gradual approach to dialing back restrictiveness will be appropriate," said ECB Chief Economist Philip Lane in a speech Monday.

The BOE is expected to leave its key rate unchanged when it meets Thursday, having cut in August. It will likely indicate it is in no hurry to lower borrowing costs further even if the Fed has removed some of the risk around proceeding more quickly. Investors expect the next cut to come in November.

While many central banks are seeing inflation cool, others aren't so sure. Those that face more durable inflation problems might not move until 2025.

Australia's central bank has signaled that it won't be in a position to lower borrowing costs until next year, despite an economic slowdown. Norway's central bank has in-

dicated it will be some time before it can cut.

Others face unique challenges. Russia's central bank raised its key rate Friday. Prices there have surged as the economy has struggled to meet the demands of households for goods and services, while supplying men and materiel for President Vladimir Putin's war in Ukraine.

The Fed's first cut will help broaden and likely accelerate the removal of the restraints that were placed on borrowers around the world in a largely successful effort to tame inflation. And that might come just in time to avert a slowdown in global economic growth, with widespread signs of fragility.

Europe's economy is a weak spot, but China has also disappointed this year, and the U.S. itself appears to be cooling.

"We think easing from the Fed, from other central banks, will be sufficiently timely to avoid a recession," said Luigi Speranza, BNP Paribas chief economist. "Our central case is a soft landing."

Fed Lowers Rates by Half Point

Continued from Page One
course if their moves prove premature.

"The 50-basis-point cut suggests the Fed is worried about the labor market," said Dean Maki, chief economist at hedge fund Point72 Asset Management. "It is an unusually large move in the context of the economic data we've been receiving" and given little stress in financial markets.

Powell's apparent decision to push his colleagues to make a half-point cut likely reflected so-called risk management concerns in which officials weigh the risks of various economic hazards, such as high inflation or rising joblessness, and navigate accordingly.

"It buys you a little bit of insurance" against a further unexpected weakness in the labor market, said Loretta Mester, who retired as president of the Cleveland Fed in June. "The Fed was criticized

for being too slow to start raising rates. Naturally it doesn't want to be criticized again for being too late. It really is focused on achieving the soft landing."

For most of the past 2½ years, as inflation hit 7%, Powell had been single-mindedly focused on preventing inflation from becoming entrenched. Central bankers have long been haunted by the example of the 1970s, in which they took insufficient steps to constrain demand and allowed expectations of higher prices to become self-fulfilling.

But inflation has fallen over the past year, assisted by healed supply chains and a steady influx of workers to the job market. That suggests the downturn many economists once thought might be needed to tame inflation would now be overkill.

Meantime, there are more signs that the job market is softening. The unemployment rate stood at 4.2% last month, up from 3.7% in January. Powell signaled last month that he was shifting the Fed's attention to preventing what for now looks like a gentle cooling in labor demand from turning into a deeper freeze.

Powell said he didn't think

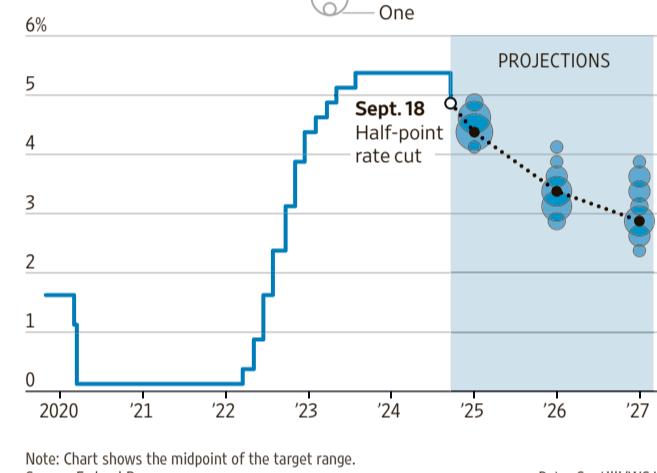
the Fed had fallen behind the curve and said of Wednesday's bigger cut: "You can take this as a sign of our commitment not to get behind."

While some Fed officials had argued in recent weeks the economy wasn't weak enough to necessitate a half-point cut, others had concluded that labor-market cooling this summer warranted a larger reduction because the Fed was, in effect, catching up for lost time.

Fed officials entertained but opted against cutting interest rates at their previous meeting, at the end of July. Two days later, hiring figures showed a sharper-than-expected slowdown in payroll growth and a bigger jump in unemployment. While central bankers don't get mulligans, they might have opted for a cut if that data had been in front of them at the July meeting. A larger cut this week offered the chance to reset.

Some officials also feel greater urgency to cut rates because they are increasingly confident that rates are well above a so-called neutral level that neither spurs nor slows growth, and that rates will continue to be at a restrictive level even after Wednesday.

Federal-funds rate with Fed projections



Note: Chart shows the midpoint of the target range.
Source: Federal Reserve

central bank cut rates a few months before the economy entered recession.

Interest-rate projections show officials penciled in the equivalent of another four cuts of a quarter point next year, assuming the unemployment rate doesn't jump and inflation continues to decline. That would take the fed-funds rate to just below 3.5% by the end of 2025.

Officials are walking a fine balance as they attempt to engineer a soft landing that brings inflation down without a recession, all while trying to tune out crossfire from politicians ahead of the elections.

Three Senate Democrats, including Elizabeth Warren of Massachusetts, called on Powell this week to make a larger cut of 0.75 point. Vice President Kamala Harris said that the rate cut is "welcome news for Americans who have borne the brunt of high prices."

Some Republicans have been upset that a rate cut might boost sentiment ahead of the November election. "It shows the economy is very bad to cut it by that much," Trump said Wednesday at an event in Manhattan. Powell has said the Fed doesn't take political considerations into account.

CORRECTIONS & AMPLIFICATIONS

The share of renters among households with net worth in the top 5% rose to about 5% in 2022, nearly double the level recorded in the mid-2000s, according to the Federal Reserve's Survey of Consumer Finances. A Page One article Tuesday incorrectly said the share was 3.7% and that it was the highest since the early 1990s.

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ACT OF VANDALISM: Workers were on hand Wednesday, a day after 'The Angel of Harmony' sculpture was damaged outside the Cathedral Basilica of St. Louis.

KENTUCKY Body Found Near Highway Shooting

The body of a man suspected of shooting and wounding five people on Interstate 75 in Kentucky was found Wednesday, authorities said, ending an intense search.

Kentucky State Police Commissioner Phillip Burnett Jr. said accessories found with the body have led authorities to conclude that it is Joseph Couch, of Woodbine, Ky.

The discovery came after a lengthy search of the rugged and hilly terrain in the area of southeastern Kentucky

where the Sept. 7 attack happened near London, a city of about 8,000 people.

A dozen vehicles were struck as the shooter fired 20 to 30 rounds near an interstate exit, creating a chaotic scene. Authorities rushed to the scene after being alerted at about 5:30 p.m. The five victims survived the attack but some suffered serious injuries.

Searchers found Couch's abandoned vehicle near the crime scene and a semiautomatic weapon that investigators believe was used in the shooting.

—Associated Press

CYBERSECURITY Craigslist Founder Pledges Millions

Craigslist founder Craig Newmark believes hacking by foreign governments is a major risk to the U.S. and plans to donate \$100 million to bolster the country's cybersecurity.

Half the money will go toward protecting infrastructure such as power grids. The other half will go toward educating people about the importance of simple safeguards that are often ignored, such as using password managers and updating software.

He worries that connected

products like household appliances are vulnerable to attacks that could, for example, cause simultaneous fires, overwhelming a fire department's ability to respond.

The commitment is part of Newmark's plan to give away nearly all his wealth.

Including the gift he planned to announce Wednesday at the Aspen Cyber Summit in Washington, D.C., Newmark will have given or pledged to give more than \$400 million since he started Craig Newmark Philanthropies in 2015, largely to causes he views as protecting America.

—Juliet Chung

MICHIGAN Wrong-Way Crash Leaves Three Dead

An SUV traveling the wrong way on a highway hit another vehicle Wednesday, killing three people, state police said.

A Nissan Rogue was traveling west on the eastbound side of M-14 when the driver tried to leave the freeway by using an entrance ramp. The Rogue crashed into a Tesla that was attempting to enter M-14 in Washtenaw County, police said.

The Tesla driver and a man and woman in the Rogue were killed.

—Associated Press

U.S. NEWS

Security Review of Steel Deal Is Given More Time

BY BOB TITA
AND ALEXANDER WARD

A national-security ruling on Nippon Steel's planned acquisition of U.S. Steel may not come until after the November election, as the companies resubmit the embattled deal for consideration.

The Committee on Foreign Investment in the U.S. is granting the companies' request to refile an application for a national-security review of the \$14.1 billion deal, people familiar with the matter said. The move effectively provides as much as 90 days for the companies and committee to consider questions about steel availability and potential production disruptions.

The companies have been battling opposition to their deal in the White House and on the presidential-campaign trail. President Biden has said that U.S. Steel, a century-old pillar of American industry, should remain domestically owned and operated. Former President Donald Trump has vowed to block the deal if he wins election, and Vice President Kamala Harris earlier this month echoed Biden's position.

Japan's Nippon Steel, one of the world's biggest steel producers, struck its deal to buy the smaller American steelmaker last December and has pledged to invest at least \$2.7 billion in U.S. Steel's aging plants in Gary, Ind., and in the Pittsburgh area. The United Steelworkers union has since pushed back, dismissing Nippon Steel's investment pledges and other commitments to union workers as filled with exemptions and loopholes that would allow Nippon Steel to renege on the promises once it owns the company.

Union leaders and their allies in Congress have warned that a foreign owner of U.S. Steel presents national security implications. The union on Tuesday called Nippon Steel a "renegade company" that has undermined the American steel market for decades by exporting unlawfully cheap steel to the U.S. that drives down prices and makes it difficult for domestic companies to remain profitable.

Nippon Steel has said it doesn't intend to close U.S. Steel plants. The Japanese company said it is buying the American steelmaker to expand into the U.S. market and wants to produce steel at U.S. mills. "We're confident that Nippon Steel's acquisition of U.S. Steel will benefit American workers, local communities and national security in a way no other alternative can," Nippon Steel said.

The companies had been facing a Sept. 23 expiration under their previous application for a national security review. Refiling the application postpones a politically charged decision, especially in U.S. Steel's home base of Pennsylvania where Harris and Trump are locked in a tight race.

Ship Owner Sued Over Bridge Collapse

U.S. seeks more than \$100 million in claim stemming from Baltimore incident

BY C. RYAN BARBER

The Justice Department on Wednesday sued the owner and operator of the container ship that caused the deadly collapse of the Francis Scott Key Bridge in Baltimore, alleging they ignored safety issues that resulted in the vessel colliding into the span after losing power.

In a civil claim, the department is seeking more than \$100 million in damages to recoup the costs incurred by the federal government in responding to the March disaster that killed six construction workers, severed a critical highway and brought shipping traffic to a standstill out of the Port of Baltimore.

The government filed the case against two Singaporean corporations: Grace Ocean, the registered owner of the ship, called the Dali; and Synergy Marine, which managed it.

"We allege that the Dali's owner and operator recklessly cut corners in ways that risked lives and the economic well-being of the nation," said Justice Department lawyer Benjamin C. Mizer.

Mizer said that, out of negligence, mismanagement and, at times, a desire to cut costs,



The Francis Scott Key Bridge in Baltimore was seen draped over the Dali containership after the collision in March.

the companies configured the ship's electrical and mechanical system in a way that prevented them from being able to quickly restore propulsion and steering after a power outage.

"As a result," he said, "when the Dali lost power, a cascading set of failures led to disaster."

A spokesman for both companies declined to comment on the allegations but said, "we do look forward to our day in

court to set the record straight."

Federal, state and local agencies spent weeks responding to the collapse, which created a bottleneck at the crucial shipping port. As crews worked to remove about 50,000 tons of steel, asphalt and concrete from the channel, along with the wreckage of the Dali itself, the federal government cleared temporary channels to relieve the backup and

lessen some of the economic harm.

The port was reopened to commercial navigation after the channel was cleared in June.

In addition to recovering the government's costs, the Justice Department is making a claim for punitive damages.

The department filed its legal action as a counterclaim against the Dali's owner and operator, which went to Mary-

land federal court in a bid for exoneration or to limit their liability.

The department's claim doesn't include any damages for the reconstruction of the Key Bridge, which was built, owned and maintained by Maryland. The state could file its own claim.

The FBI has opened a criminal investigation into the circumstances that led to the disaster.

Efforts to Mix Farming and Solar Energy Grow

BY H. CLAIRE BROWN

As solar farms fan out across the landscape, some worry they will displace actual farmland. The solution: Why not grow food and produce solar energy on the same plot?

Boosted by solar-industry support and government funding, researchers are exploring new ways to combine agriculture and solar power. In Ohio, operations have begun on a large-scale U.S. farm producing both crops and solar energy, one of the first of its kind.

Despite the advances, "agri-voltaics"—a loosely defined term that describes solar energy production combined with grazing, pollinator habitats or crops—remains niche, in part because merging the two industries can drive up the costs of solar-energy production and reduce agricultural productivity.

A recent government estimate found that about 1% of solar power comes from agrivoltaic sites. Some advocates envision a future where no solar farm gets permitted without a promise to graze cattle or grow alfalfa. Others worry that developers' much-touted agri-voltaics efforts, like projects that grow pollinator-friendly plants, are little more than "bee-washing" public relations campaigns to win community buy-in on big projects.

On a recent Zoom call, Cornell University researcher Jared Buono pulled up an animation that showed solar panels rotating to position their faces away from the sun, al-



Sheep grazing at a solar farm at Cornell University in Ithaca, N.Y.

lowing direct light to shine on crops beneath them. Buono is researching how these "anti-tracking" panels, which move away from sunlight instead of following it, can coexist with delicate crops like grape vines and peach trees.

Buono said he had expected the system to result in trade-offs, resulting in lower energy output and lower crop yield. Instead, some data have shown the panels helping the crops. In France, for example, panels have been used to keep grape vines in the shade during a heat wave. "They saved the crop, so it was a 30% increase in yield," Buono said. Similarly, during a cold snap, closing so-

lar panels above a crop could keep the air beneath a few degrees warmer and prevent frost damage.

Buono's experiments are what he calls an "agriculture-first approach." He is focused on how solar panels can help farmers protect their crops.

Researcher Madhu Khanna, environmental economist at the University of Illinois Urbana-Champaign, is leading a \$10 million grant project funded by the Agriculture Department that focuses on optimizing the output for both solar and energy, a metric called combined yield.

A challenge for maximizing combined yield is reimaging

panel spacing and height to accommodate farming. Typical arrays consist of solar panels fitted to frames that are 4 feet high, which is too low for farm equipment. But "the cost of the panels really goes up exponentially as the height goes up," Khanna explained.

Her team is planting soybeans, which grow in squat bushes, beneath 6-foot frames, which are more expensive than 4-foot models but less pricey than taller ones. They are also spacing the rows of panels farther apart to make space for the crops and farm machinery.

The goal is to land on a design that is more productive as a combined solar-crop installa-

tion than as one or the other.

Despite all the recent experiments with agrivoltaics, for farmers who own a substantial amount of land, the most financially appealing way to get involved with solar is often to simply lease a portion of the farm to developers. "From an economic perspective, the leases for solar farming are three to four times higher than for crop production," Khanna said.

Buono, the Cornell researcher, said his work has generated interest from solar developers—until they learned about the cost.

"I brought up \$5 a watt, and you could see the whole room deflate," he said. The median cost for utility-scale solar projects was \$1.32 a watt in 2022, according to the Lawrence Berkeley National Laboratory.

"They were like, 'OK, well, you know, we're going to have to look into this in the next few years and see where it goes.'"

Nationwide, only 0.3% of U.S. farmland is expected to be used for solar energy by 2035, according to the Energy Department.

"Most of the places where substantial solar is getting built, you weren't farming anything. It's not like we're competing for farmland in most places, right?" said Sheldon Kimber, CEO of solar developer Intersect Power.

"Generally speaking, [agrivoltaics] is just absolutely not feasible at scale," Kimber added. "Beyond sheep and pollinators, it's just not really a thing."

Combs Is Again Denied Bail Ahead of Trial

BY ERIN MULVANEY
AND VICTORIA ALBERT

Sean "Diddy" Combs is trading the high life of a hip-hop mogul for a New York City jail cell while he awaits trial on sex-trafficking charges.

Combs was once again denied bail on Wednesday, after Judge Andrew Carter of New York's Southern District sided with prosecutors who said Combs's release would risk obstruction and witness tampering. Carter said there was no bail package that would ensure Combs wouldn't tamper with the case.

Federal prosecutors allege that Combs helped run a sex-trafficking enterprise and repeatedly abused and assaulted women. He has been charged with racketeering, sex trafficking and transporting for prostitution, according to court records. The enterprise, which included arranging daylong sex events known as "freak offs" and blackmailing victims, was operating since 2008, ac-



A courtroom sketch shows Sean 'Diddy' Combs sitting between two defense attorneys during a hearing Wednesday.

cording to prosecutors. Combs has pleaded not guilty.

Carter's decision follows a ruling from a federal magistrate judge on Tuesday to detain Combs. Combs has been held at the Metropolitan Detention Center in Brooklyn. Federal inmates in New York City are typically detained at MDC, which holds about 1,200 people.

The center has housed several high-profile detainees, including R&B singer R. Kelly, British socialite and Jeffrey Epstein associate Ghislaine Maxwell, and Sam Bankman-Fried, founder of the failed cryptocurrency exchange FTX.

Bankman-Fried's lawyer has described the facility as "probably" the worst federal jail in

the country. Combs's lawyer, Marc Agnifilo, said the facilities where his client would be incarcerated present "tremendous challenges."

"It's a difficult place to be as an inmate and a difficult place to get ready for trial," Agnifilo said Wednesday.

In a letter to the magistrate judge on Tuesday, Agnifilo called conditions at the jail horrific. He cited concerns raised by several other courts, including food contamination, overcrowding, staffing issues and drug use, as well as the murder of one inmate and the suicides of several others.

A spokesperson for the Bureau of Prisons said it takes seriously its responsibility to keep inmates and staff members safe. The bureau appointed a team earlier this year to evaluate conditions at the jail that has already increased staffing and responded to hundreds of backlog maintenance requests, the spokesperson said.

Weinstein Indicted on Sex Crime in New York

BY CORINNE RAMEY

Disgraced producer Harvey Weinstein, whose New York conviction was tossed by the state's highest court, was charged Wednesday with a sex crime against one additional woman.

The Manhattan district attorney's office accused Weinstein of forcing oral sex on an unnamed woman at a lower Manhattan hotel. The barebones indictment doesn't name the woman and contains little detail, except that the incident occurred between April 29 and May 6, 2006.

A lawyer for the woman said she hadn't shared her story publicly and didn't want to be identified.

Weinstein also will be tried on the two sex-crime charges from his prior case, prosecutors said.

During a court hearing Wednesday, Weinstein, 72, sat in a wheelchair at the defense

table with two books on his lap. The producer, who underwent emergency heart surgery earlier this month, appeared pale and gaunt. He spoke only when asked how he pleaded to one count of first-degree criminal sexual act.

"Not guilty," said Weinstein. New York's highest court this year threw out Weinstein's New York conviction and ordered a new trial. The court found that the judge who presided over Weinstein's 2020 trial wrongly allowed women who weren't part of the charges to testify.

The producer separately was convicted of sex crimes against one woman in California. His appeal in that case is pending.

In New York, the judge had previously scheduled Weinstein's new trial for November. Prosecutors said Wednesday that they wouldn't be ready by that time, and a new trial hasn't been scheduled.

U.S. NEWS

Populist Ohio Democrat Fights to Survive

Control of Senate could be in play as Sherrod Brown tries to win re-election

BY MOLLY BALL

WEIRTON, W.Va.—Ask Sen. Sherrod Brown if he considers himself a populist, and this is how he'll answer: "Politics is not so much left or right; it's really, whose side are you on?" The Ohio Democrat's voice echoed in the emptiness of the decommissioned tin mill where he had come to announce new jobs on a recent afternoon. "You can call yourself a lot of things, but my focus has always been on the dignity of work."

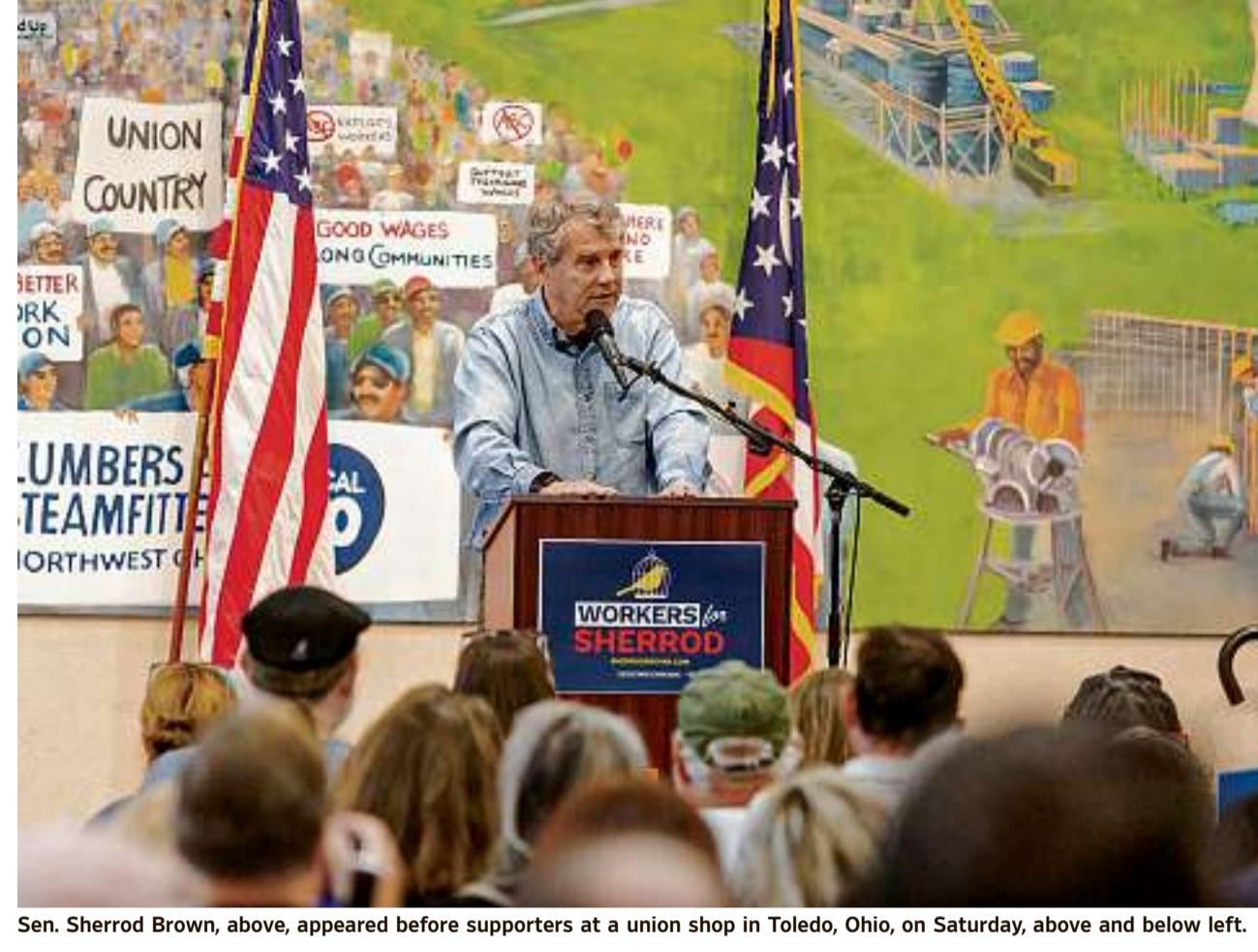
Brown, 71, is counting on his distinctive populist brand to save him as he stares down the fight of his political life. His race for re-election to a fourth term, in a state that has trended away from his party, is one of two contests—along with Sen. Jon Tester's race in Montana—most likely to determine which party controls the Senate.

But Brown's opponent also claims the populist mantle. Businessman Bernie Moreno is a Trump-style Republican who calls Brown a "faux populist" and argues that it is his policies that would better serve the working class. That tension has made this crucial Senate race a referendum on different flavors of populism in a political era that has put the concept front and center.

Brown had come to Weirton because the plant's Cleveland-based operator draws many workers from Steubenville, Ohio, from which it is separated by a soaring white-pillared suspension bridge over the Ohio River. Decades ago, both towns hummed with manufacturing activity. Today the mills mostly lie idle. "We were all steelworking people, and when all that left, it created a big void," said Steubenville Mayor Jerry Barilla, a Republican who supports Brown.

The factory in Weirton, at least, won't be vacant much longer. Thanks to a federal regulatory change Brown pushed for, some 600 jobs will be returning to the site as it is repurposed to manufacture electrical transformers. It is the sort of work Brown boasts about as he seeks to persuade his reddening state to send him back to Washington.

In his speeches, Brown points to his long career fighting about trade policy with presidents of both parties, starting with one of the first important votes of his congressional career, against the



Sen. Sherrod Brown, above, appeared before supporters at a union shop in Toledo, Ohio, on Saturday, above and below left.



North American Free Trade Agreement in 1993. He rails against "Wall Street greed" and speaks of battling Chinese imports in trade cases.

"Voters in Ohio want somebody on their side, and that means taking on these interest groups that hurt them every day," Brown said in an interview.

"When you go to a grocery store, you're paying more because executives are doing stock buybacks and getting

bonuses. I've spent my career taking on the drug companies, taking on Wall Street, holding Norfolk Southern Railroad accountable for what happened in East Palestine," he said, in a reference to the Ohio town where one the railroad's trains derailed last year.

Both electorally and economically, Brown has long been a man swimming against the tide. His crusades against free trade haven't succeeded

in stopping the relentless march of globalization or stemming the flow of jobs and people out of the once-industrial heartland. By 2016, the Rust Belt's long, painful decline made it fertile ground for the angrier flavor of populism that former President Donald Trump brought to the table.

If Trump wins the state, Brown will need a substantial proportion of the electorate to

split their tickets to prevail.

Brown professes confidence. "I'm going to get a majority of the vote, no matter what happens in the presidential election, because I take on those interest groups, and because I keep my focus on workers," he said. Asked why Trump has exerted such a powerful pull on voters in his state, he said simply, "I don't know."

A recent Morning Consult poll of Ohio found Brown lead-

ing Moreno by 3 points, even as Trump held an 8-point lead over Vice President Kamala Harris. Republicans are optimistic that gap will close as Moreno positions himself as a loyal Trump ally and paints Brown as an out-of-touch liberal in a barrage of attack ads. Brown, meanwhile, accuses Moreno of "screwing his workers," pointing to a jury verdict last year that forced Moreno to pay \$400,000 in back wages to his employees. Moreno has called the matter settled and said he disagrees with the verdict.

A few days after Brown's event at the plant, Moreno pulled up to the sun-drenched civic center in the upscale Cleveland suburb of Independence, joined by Sen. Marco Rubio (R., Fla.).

Moreno, 57, is a Colombian immigrant who owns a chain of car dealerships. He won a competitive GOP primary with support from the state's other senator, JD Vance, now Trump's running mate, and secured Trump's endorsement. He embraces Trump's tariff proposals and opposes aid for Ukraine, while also decrying what he says are the ravages of out-of-control migration.

Ohioans, Moreno said in an interview, have stopped believing Brown's promises. "You can't be a populist, which means that you care for the working man, if you are for unlimited illegal immigration, because that hurts the actual people you're trying to help," he said. Brown, who once called Trump's border wall proposal "ludicrous," voted for the bipartisan Senate deal to limit border crossings that failed to pass earlier this year. "You can't be a populist and want to ship [billions] overseas to other countries to fight endless wars. If you're a working-class Ohioan, how is your life versus what it was like in 1992? It's objectively worse."

Like many modern-day Republicans, Moreno was against Trump before he was for him. Much of his rhetoric echoes old-school Republican orthodoxy: lowering taxes and slashing regulation, which he says would lead to a resurgence in capital investment. But he has layered over this philosophy with a populist patina.

"Let's have a lower corporate tax rate for companies that are domiciled in America," Moreno said. "Let's have a lower corporate tax rate for companies that invest in America. And if you're a foreign company like Nippon Steel and you want to buy U.S. Steel, you're going to pay a much higher tax rate."

SEC Backs Half-Penny Stock Prices

Continued from Page One

"The one-penny minimum has become outdated and too wide for many stocks in today's markets," Gensler said in a statement Wednesday.

Gensler, a hard-charging regulator known for butting heads with Wall Street, took the helm of the SEC soon after the January 2021 meme-stock craze spurred scrutiny of how brokers and middlemen handle small investors' stock trades. He kicked off a review that led to several ambitious proposals to rewrite market rules. Some of his most contentious proposals still remain to be finalized in the face of intense opposition from industry groups and Republicans on Capitol Hill.

With tick sizes, Gensler appears to have dropped the most disputed elements of the original proposal from December 2022 to win consensus. Both the Managed Funds Association, a hedge-funds trade group, and left-leaning advocacy group Better Markets praised the SEC's rule change on Wednesday, agreeing that reducing tick sizes to half a penny would lower costs for investors.

"Today's decision was a long-awaited result, which will benefit investors of all sizes," said Brad Katsuyama, chief executive of IEX Group, the



The rule change was approved in a unanimous vote by the agency's five commissioners.

stock-exchange operator made famous by Michael Lewis's book "Flash Boys."

An estimated 1,788 stocks would qualify for the tighter, half-penny ticks based on how they traded last year, according to an analysis released Wednesday by the SEC. The agency hasn't provided a list of which stocks would be affected. The rule change is set to take effect in November 2025.

The initial proposed version of the SEC's rule change from 2022 envisioned a four-tier system, in which stocks could have tick sizes of one-tenth of a penny, two-tenths

of a penny, half a penny and 1 cent. Brokerages and trading firms complained that the proposal was too complex and would lead to stocks constantly flickering between price levels just \$0.001 apart.

One element of Wednesday's rule change could upset big U.S. stock exchanges. Besides reducing tick sizes, the SEC slashed a longstanding cap on how

much exchanges can charge for executing trades, cutting it to 10 cents per 100 shares from 30 cents.

SEC officials have argued that if they reduced tick sizes, they also needed to reduce the

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U.S. NEWS

GOP Rifts Sink House Bill To Keep Government Open

Trump urges party to take hard line on voter-ID rules in talks with Democrats

BY KATY STECH FEREK

WASHINGTON—An initial proposal by House Speaker Mike Johnson to fund the government was voted down Wednesday, underscoring the divisions within the Republican Party but potentially setting the stage for talks with Democrats on avoiding a partial shutdown at the end of the month.

The vote on the short-term funding bill was 202 in favor to 220 against, with more than a dozen holdout Republicans joining most Democrats in opposition. Two Republicans voted present.

With the House GOP's initial effort defeated, Johnson (R., La.) now must quickly decide his path forward. Some GOP figures, including Republican presidential nominee Donald Trump, are demanding that Republicans leverage the specter of a shutdown to strike a hard bargain with Democrats to tighten voter-ID rules, while others say such an effort would be futile and wrongheaded just ahead of the November elections.

Johnson's initial proposal would have extended government funding levels for six months past the Sept. 30 end of the current fiscal year. The bill, known as a continuing resolution, includes a provision that would require voters to provide proof of citizenship to register, nodding to an issue that is a priority for Trump and many Republican voters.

After the measure failed, Johnson said he was disappointed and was talking with Republican colleagues about



Speaker Mike Johnson had proposed a bill to extend government funding for six months.

his next steps. He didn't provide details.

"Now we go back to the playbook. We'll draw up another play, and we'll come up with a solution," he said. "We have time to fix the situation."

Rep. Rosa DeLauro of Connecticut, the top Democrat on the Appropriations Committee, said: "This bill is an admission that a House Republican majority cannot govern."

Any deal would have to be approved by the Republican-controlled House and the Democratic-run Senate. Even if Johnson's bill had passed, Senate Democrats would have ignored it.

Democrats want to extend funding until late December, not into 2025.

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Democrats want to extend funding until late December, not into 2025.

he made last week. He added: "A Voter must happen BEFORE the Election, not AFTER the Election when it is too late."

The SAVE Act would require proof of citizenship to register to vote in federal elections. It is illegal for non-

citizens to vote in federal elections, and there is no evidence of ineligible immigrants ever voting in sufficient numbers to affect an election outcome. Trump, who falsely states the 2020 election was stolen from him, has made such claims of illegal voting a central part of his campaign rhetoric.

Johnson can afford to lose only a handful of GOP votes in the House, which Republicans control 220-211, if Democrats are opposed. He had initially planned to hold the vote on the stopgap bill last week, but pulled it due to GOP objections. Johnson said he has talked with Trump and agreed that election security is a top issue, but he hasn't committed to risking a shutdown to pass the SAVE Act.

Senate Majority Leader Chuck Schumer (D., N.Y.) said Wednesday that Johnson was trying to "assuage his hard right" and said he hoped bipartisan talks would begin once the bill failed.

Teamsters Union Won't Endorse in Presidential Race

BY KEN THOMAS

WASHINGTON—The International Brotherhood of Teamsters said it wouldn't issue an endorsement in the 2024 presidential campaign, the first time the powerful union has stayed neutral in nearly three decades.

The union said Wednesday that it was "left with few commitments on top Teamsters issues from either former President Donald Trump or Vice President Kamala Harris—and found no definitive support among members for either party's nominee."

The announcement puts to rest a saga over the 1.3 million member union's endorsement process, which was punctuated by a speech by Sean O'Brien, the organization's general president, to the Republican National Convention and his praise of Trump.

The decision marks a blow for Harris, who becomes the first Democratic presidential nominee not to win the endorsement since 1996. A number of Teamsters local unions, including one in Philadelphia, already have endorsed the vice president and more were expected to announce support for her, according to people familiar with the plans. She also has the backing of several other major labor organizations.

The Teamsters last issued no endorsement when President Bill Clinton sought reelection.

Ahead of Wednesday's announcement, the union released an electronic poll that it said showed Trump with 59.6% support among its membership, while Harris had 34% support and 6.4% backed other candidates. The poll was conducted July 24-Sept. 15.

A separate phone poll conducted by the union showed Trump with 58% support, Harris with 31% and 6% undecided. Five percent said they didn't know under the poll conducted by Lake Research Partners Sept. 9-15.

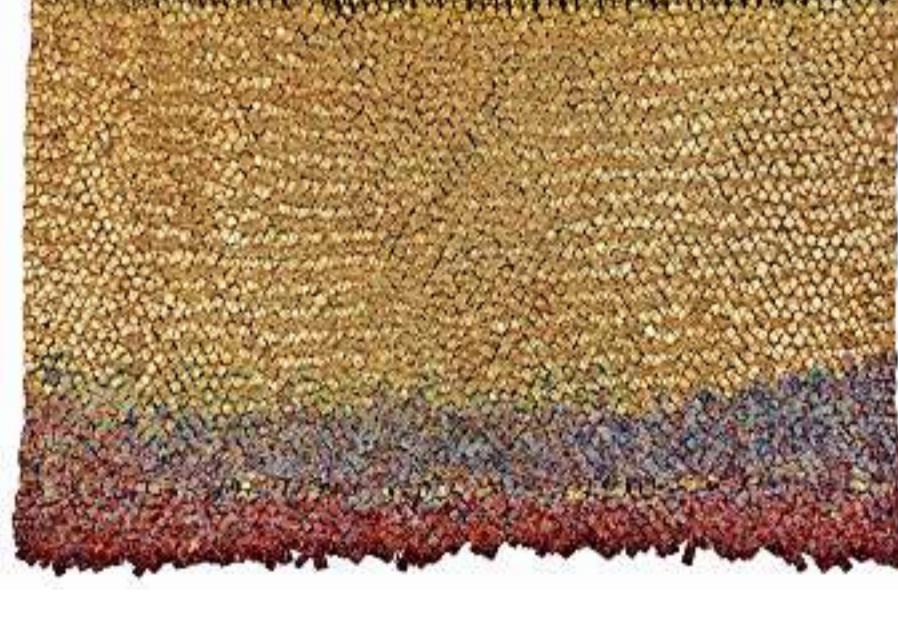
The data stand in contrast to national polls showing Harris leading Trump among union households. Voters who belong to unions or live with a union member backed President Biden by 14 points in 2020, giving him 56% support to 42% for Trump, according to AP VoteCast, a survey of people who voted that year.

◆ Trump buys burgers and pays with bitcoin..... B6



Sean O'Brien, general president of the Teamsters, spoke at the Republican convention in July and praised Donald Trump.

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AT&T to Remove 8 Miles Of Lead Cables From Lake

BY SUSAN PULLIAM
AND SHALINI RAMACHANDRAN

AT&T agreed to remove 8 miles of lead-covered cables from Lake Tahoe, following a protracted legal battle with an environmental group over their removal, according to court documents.

The plaintiff in the case, the California Sportfishing Protection Alliance, said it found high levels of lead in water and sediment near the cables and in algae, which form the base of the food chain for fish, clams and crayfish in the lake.

"CSPA's investigation revealed the abandoned cables were discharging lead. Due to wind-caused currents, anchor strikes, and deterioration over time, the cables have become damaged and degraded," it said in a statement.

AT&T said it hired nine experts to examine the issue and concluded that the cables did "not pose any risk to human health or the environment."

The cables have been at the

bottom of the lake for decades.

"Multiple expert analyses have confirmed that the telecommunications cables in Lake Tahoe are safe and pose no threat to public health or the environment," AT&T said in a statement.

The old Bell System laid hundreds of thousands of miles of lead-sheathed cable across America as it built out its telephone service between the late 1800s and the 1960s. As technology advanced and telecom companies turned to plastic sheathing and, later, fiber optics, they often left the old cables in place.

A Wall Street Journal investigation last year found that AT&T, Verizon and other telecom giants left behind a sprawling network of cables covered in toxic lead that stretches across the U.S., under the water, in the soil and on poles overhead.

AT&T had earlier agreed to remove the cables in the lake but paused after the Journal's stories.

"Last summer, following news reports regarding the cables, we paused the removal process to allow for further analysis by experts," said AT&T official Marc Blakeman in a statement. "Now that these studies have been performed and confirmed the safety of the cables, we can return to our commitment to remove the cables," he said.

The CSPA called the settlement "a monumental win for the environment, the communities who drink Lake Tahoe water, the people with lake-dependent livelihoods and the millions of annual visitors."

An ongoing Environmental Protection Agency investigation found elevated levels of lead in more than 100 readings at some of the lead-cable sites in the U.S. highlighted in the Journal's coverage, according to EPA data.

EPA officials have been meeting in recent months with industry representatives about potential remediation actions, according to an EPA official.



AT&T says expert analyses confirmed telecommunications cables in Lake Tahoe pose no threat.

JUSTIN SULLIVAN/GETTY IMAGES

WORLD NEWS

Pentagon Fears Ground War in Lebanon

Wave of explosions involving devices used by Hezbollah fans attack concerns

A wave of deadly explosions of pagers and other electronic devices carried by militants in Lebanon has sharply heightened Pentagon concern about a potential ground war erupting in southern Lebanon between Israel and Hezbollah.

By Alexander Ward,
Nancy A. Youssef
and Lara Seligman

Even before the hundreds of widely dispersed detonations Tuesday and Wednesday, Defense Secretary Lloyd Austin told other senior Pentagon officials in a Monday meeting that he feared Israel could soon launch an offensive after months of back-and-forth rocket and air attacks with Hezbollah, an Iranian-backed militia group that controls much of southern Lebanon.

U.S. alarm about a possible invasion has intensified since the brazen attacks in Lebanon. "I am very concerned about this spiraling out of control," a senior defense official said, echoing comments since Tuesday by other Pentagon aides.

Israel's military moved a division of commando and paratrooper soldiers to the north in recent days from the southern part of the country, after it had operated for months in Gaza, a person familiar with the matter said. The division consists of thousands of soldiers.

Since the Gaza war broke out in October, the Biden ad-



First responders in Beirut on Tuesday carried a wounded man whose pager exploded into al-Zahraa Hospital.

Hezbollah launched hundreds of rockets and drones at Israel on Aug. 25 as around 100 Israeli warplanes struck targets in Lebanon, a move Israel said was intended to preempt a Hezbollah attack.

It still has a formidable arsenal of weaponry that includes 150,000 missiles that can reach any city in Israel, as well as 30,000 full-time fighters, many of whom are battle-hardened from a decade of fighting in Syria's war. Naim Qassem, Hezbollah's deputy leader, said on Saturday in Beirut that a full-scale war with Israel would result in "large losses on both sides."

Israeli Defense Minister Yoav Gallant told U.S. special envoy Amos Hochstein on Monday in Tel Aviv that "the only way left to return the residents of the north to their homes is via military action," the minister's office said.

Gallant, who has clashed repeatedly with Israeli Prime Minister Benjamin Netanyahu on war strategy, had just the day before delivered the same message to Austin over the phone. Austin's response was to urge Israel "give diplomatic negotiations time to succeed," Pentagon spokesman Maj. Gen. Patrick Ryder said.

A U.S. defense official said the secretary's impression was that Israel was considering new military options for Lebanon.

Shortly before the pagers detonated across Lebanon Tuesday, Gallant again called Austin to warn him about an imminent operation without divulging details, U.S. officials said. The U.S. had no involvement in Tuesday or Wednesday's attacks, the White House said.

Complex Planning Preceded Two Attacks on Militants

BEIRUT—Two members of Iran-backed militant group Hezbollah were eating lunch at a shopping mall in the Lebanese capital at 3:25 p.m. on Tuesday when the pager one of the men was carrying exploded,

By Adam Chamseddine, Stephen Kalin and Omar Abdel-Baqi

leaving him severely injured. Across town at 3:34 p.m., another blast tore through a Hezbollah office. A pager used for internal communications there received a text message consisting of a series of numbers, then beeped for five seconds before detonating, throwing one man from his chair and destroying his desk, a witness said.

Within minutes, hundreds of pagers issued to Hezbollah officials in Beirut and around the country exploded, killing 12 people and injuring more than 2,800, Lebanese authorities said. Emergency rooms were flooded with blast victims.

Hezbollah's leaders blamed Israel and pledged to retaliate. Then, on Wednesday, it happened again. This time, walkie-talkies and other electronics used by the Shiite militant group began blowing up, sending a second wave of casualties into overcrowded hospitals and further undermining the Shiite militants' ability to communicate.

By the end of the day, another 20 people were dead and 450 more injured. The attacks also exposed the identities of thousands of Hezbollah operatives, many of whom worked covertly—a coup for Israeli intelligence and a likely surprise for some Hezbollah members' relatives and neighbors.

The blasts appeared to have been one of Israel's most ambitious covert operations, aimed at disrupting a foe that has amassed a formidable arsenal and that, since the Oct. 7 Hamas attack on southern Israel, has regularly exchanged fire with Israeli forces across the country's



A walkie-talkie exploded inside a house in eastern Lebanon.

northern border.

On Wednesday, the country's defense minister said Israel was starting a new phase of the war in the north. Its top general said, "We have many capabilities that we haven't yet activated."

Hezbollah, a U.S.-designated terrorist group, struggled to come to grips with the likelihood that Israeli spies had managed to covertly insert ex-

plosives into a batch of pagers and also into a set of batteries that were used to power the portable radios—and then to detonate them remotely. One explosion at around 5 p.m. on Wednesday happened at a funeral in Beirut's southern suburbs for Hezbollah members killed by Tuesday's pager blasts. Within moments, news spread that another round of explosive attacks was under way.

A Hezbollah member who took an injured colleague for medical attention on Tuesday said he thought the man's pager explosion was an isolated event. He said he was shocked when he arrived at the hospital.

"The entrance was swamped with people, and a fellow member told me the hospital was at capacity," he said. "It was only then that I understood this was a large-scale attack."

Details emerging from investigations into the massive attacks pointed to a highly complex plan carried out by Israel, in which explosives were planted in thousands of devices distributed to Hezbollah members. But it also drew condemnation from some international observers and health officials as an imprecise and widespread attack that put civilians at risk for little clear military purpose.

Explosions happened on streets and in markets. At least two children were among the dead. A Lebanese army officer said one radio exploded

Wednesday in a car parked at the American University of Beirut Medical Center, across the street from the emergency room entrance.

Lebanese Health Minister Dr. Firass Abiad told The Wall Street Journal that many of the pagers blew up in the faces of people who grabbed them after they received a message. And it happened everywhere.

"Some of the injuries were because people were on their bikes, or some people were in their cars," he said. "Some people were with their families. That's why their children were affected."

He said it was difficult for him to determine how many of the dead and wounded were Hezbollah members and how many were civilians. Many of those who were injured were working in regular jobs when the pagers exploded, he said.

"Whoever planned this didn't know where those pagers were going to end up," he said. "There is a lot of indiscriminate nature in this attack."

New Blasts Hit Group's Devices

Continued from Page One
that we are at the start of a new phase in this war."

The Israeli military has moved thousands of commando and paratrooper soldiers to the north of Israel from the south, after that division had operated for months in Gaza, according to a person familiar with the matter. The Israeli military has been fighting a war against Hamas in Gaza since an attack in southern Israel on Oct. 7 that killed 1,200 people.

Wednesday's blasts widened the scale of an already unprecedented attack. Israel has faced criticism for triggering a wave of untargeted explosions that put civilians at risk. Tuesday's attacks filled many hospital emergency rooms to capacity and left two children among the dead.

Explosions were reported in Beirut, the southern suburbs, and towns in the south and the north of the country. A Wall Street Journal team saw one of the explosions at a funeral for Hezbollah members in southern Beirut.

"We have many capabilities that we haven't yet activated,



Mourners in a Beirut suburb carried the coffin Wednesday of a person killed in a pager explosion.

that we haven't seen yet activated, we've seen here some of [the] things," Israel's top general, Herzl Halevi, said.

Halevi said Israel is determined to create the security conditions necessary for the return of the thousands of residents displaced from the northern part of the country.

Lebanese Minister of Economy and Trade Amin Salam told the Journal that the government had launched an investigation into the explosions and that the Lebanese cabinet was expected to hold an emer-

gency meeting. Among the measures the government was considering was calling for international technical experts to check the country's communication networks, he said.

Hezbollah members said some explosions on Wednesday were stronger than those in the pager attack, which left victims with severed hands, damaged eyes or gashes on their hips and sides.

Many of the affected pagers in Tuesday's attacks were from a new shipment that Hezbollah had received recently, part of a

nearly yearlong process to swap out older devices.

According to people familiar with Hezbollah's investigation, the initial assessment is that the pagers detonated because an explosive device was planted in the new models. The scenario indicates Israel found its way into Hezbollah's supply chain to modify the devices that were delivered.

The walkie-talkies that exploded had new batteries that had arrived in a recent shipment and had been distributed to a narrower range of

Hezbollah members than the pagers, people familiar with the matter said.

The scale of the pager breach deeply unsettled the militant group, which was scrambling to figure out how Israel had learned about the shipments of new devices, at what point explosives were planted, and whether other elements of the group's communication systems had been compromised.

Senior officials from the militant group ordered an immediate, broad investigation to identify how the attack happened and understand its implications. Hezbollah was also looking at the possibility of insider collaborators who might have leaked information.

Hezbollah, which has carefully calibrated those exchanges of fire with Israel, now faces a choice between a moderate response that risks looking weak or an aggressive retaliation that could provoke a wider conflict.

The group's leadership isn't actively discussing a response and isn't leaning toward sparking an all-out war, according to people familiar with the matter.

They don't believe a ground invasion from Israel is imminent, but believe more high-impact attacks will occur.

Some inside the group are arguing that Hezbollah has become too tied to cautious management of escalation risk, failing to deter Israel and eroding its tactical success in displacing

residents from northern Israel.

The aims of the alleged Israeli operations remain unclear. Former Israeli military officials said they were likely designed to force Hezbollah to stop its cross-border attacks.

"The purpose of such an operation was not to escalate, it was to reach a settlement that will allow people to go back to their houses," said Yossi Kuperwasser, a former head of research for Israeli military intelligence.

Others said the attack was to again instill fear in Israel's enemies after the Oct. 7 Hamas-led attack on southern Israel exposed Israeli military and intelligence vulnerabilities.

The Lebanon attack signals to Hezbollah that Israel won't constrain itself to the tit-for-tat exchanges between the two sides along the border that have been ongoing since Oct. 8, said Amos Yadlin, a former Israeli military head of intelligence. Hezbollah needs to understand that "Israel can change the rules of the game," he said.

—Joyu Wang, Shayndi Raice, Nancy A. Youssef, Jared Maisin, Gordon Lubold and Stephen Kalin contributed to this article.

Watch a Video

Scan this code for a video on a second wave of Hezbollah device blasts.

FROM PAGE ONE

A Rumor Takes Over Ohio City

Continued from Page One

"In Springfield, they're eating the dogs," he said. "The people that came in, they're eating the cats. They're eating, they're eating, the pets of the people that live there. And this is what's happening in this country."

In an instant, the everyday struggles of an American city grappling with an influx of immigrants were transformed into a bombshell political message laser-targeted at voters distressed by immigration.

It was the culmination of a spectacular collision of forces that thrust Springfield into the U.S. presidential election. Over the summer, outside neo-Nazi groups—which specialize in exploiting local controversy to foment outrage about migrants—had seized on a local controversy and fanned the narrative of pet-eating Haitians. Then the Trump campaign blasted those rumors to the world—and kept pushing them even after they were exposed as lies.

Trump last Friday said he planned "large deportations" from Springfield—whose Haitian community is overwhelmingly in the country legally. Vance said on Tuesday that Trump would like to visit Springfield at some point.

Attempts to contain the damage in Springfield were quickly overwhelmed despite city leaders' racing from meeting to meeting trying to stem the tide. The Ohio state police were called in to protect local children as they returned to school. Thirty-six bomb threats had been logged as of Tuesday evening.

"We're living the danger that misinformation and created stories leads to," said Heck, the city manager.

"We have told those at the national level that they are speaking these things that are untrue," added Springfield Mayor Rob Rue, a registered Republican. But he said claims have been "repeated and doubled down on."

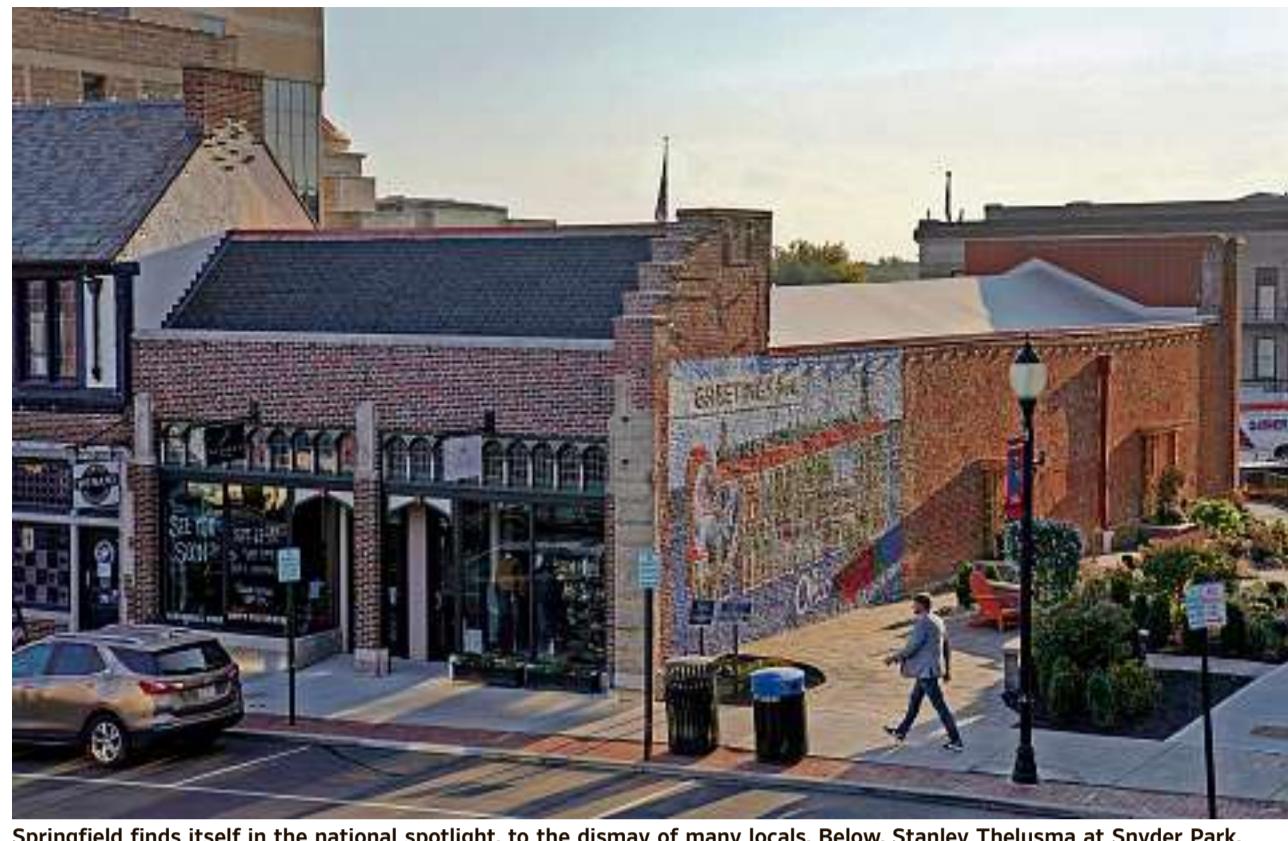
Vance insisted on CNN this past Sunday that he had first-hand accounts of the incidents from constituents, but the media had paid no attention to migrant problems in American cities "until Donald Trump and I started talking about cat memes." He added, "If I have to create stories so that the American media actually pays attention to the suffering of the American people, then that's what I'm going to do."

Ripe for exploitation

Springfield was a community with all the ingredients to be exploited in a close, fiercely fought national election.

It's in the middle of the middle of the U.S., with a name so generically American it was used in the classic sitcoms "Father Knows Best" and "The Simpsons." From the beginning, it was a place of immigrants: first the Irish, who traveled the road westward in the early 1800s, then the Germans, and eventually a wave of Black Americans fleeing the South.

This recent wave of Haitian immigrants was initially welcomed. The town's fortunes had declined alongside those of the rest of the Rust Belt, with the population dropping from 83,000 in 1960 to 59,000 in 2020. Haitians were fleeing



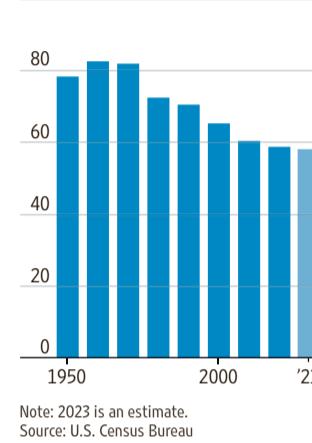
Springfield finds itself in the national spotlight, to the dismay of many locals. Below, Stanley Thelusma at Snyder Park.

danger in their increasingly lawless country, particularly after the assassination of their president in 2021. In Springfield, they were welcomed by evangelical groups and employers alike. Friends and family members followed loved ones there.

Estimates vary, but Repub-



Population of Springfield, Ohio



His death brought out conflict about immigration. City commission meetings once dominated by zoning petitions became extended public comment sessions on immigration. Suspicions grew about who might be benefiting from the migrant wave.

After one city commission meeting, an evangelical pastor named Carl Ruby, who ran an "immigrant integration" not-for-profit organization, sought out a local GOP leader who had criticized him online. Ruby said he shook the hand of Mark Sanders, who had become a leading critic in town of the influx of immigrants—and wouldn't let go until he agreed to meet.

They met and drank coffee at Panera. Ruby offered to share tax documents for his organization that would dispel rumors he was getting rich from his nonprofit. He also said he didn't own rental properties or benefit from a local employment agency that has employed Haitians, as had been rumored. Sanders, who

has likened Ruby to a "coyote" who makes money from helping people cross into the U.S. illegally, agreed to take down some of his online posts.

The two men haven't spoken since. "I think he believed me, but I don't think it fits his narrative," Ruby said.

He's not interested in another get-together.

"Logic and truth just don't matter at this point to that group," Sanders, a retired engineer, had started working as a school bus driver to comfort his daughter, who had been scared to get back on the bus after Aiden Clark's death.

He said he would be open to another meeting because he believes he can show ways that the Haitians have hurt the city. "I can show you the detriments," he said.

"Show me the benefit."

Springfield's growing tensions caught the attention of outside hate groups, seeking division to exploit.

White supremacist groups have been active in towns across the U.S. this summer,

inserting themselves into hot-button societal debates over immigration, Gaza and gay rights, according to the Anti-Defamation League. On Aug. 10, a group wearing ski masks and carrying swastika flags and rifles marched in Springfield. The ADL identified them as Blood Tribe, a growing neo-Nazi group.

On Aug. 27, during the routine public-comment portion of the Springfield City Commission meeting, a man identifying himself as a Blood Tribe member said: "I've come to bring a word of warning. Stop what you're doing before it's too late. Crime and savagery will only increase with every Haitian you bring in."

Rue, the mayor, interrupted him, saying "You sound threatening to me," and asking police to peacefully remove him.

And recently, roughly 20 individuals claiming to represent the Proud Boys marched in the town.

It goes national

Much of this had gone on without the rest of the U.S. noticing. That was about to change.

The cat-eating rumors, started with a post by a Springfield woman on a private Facebook page, turned out to be third-hand and were subsequently disavowed by the original poster, according to NewsGuard, a company that tracks online misinformation.

After Vance's tweets on the morning of Sept. 10, Springfield Mayor Rue called a press conference that afternoon to try to contain the damage.

He also was faced that evening with the pain that

Vance's tweet was causing locally. Along with promoting the pet-eating rumor, Vance's post had said a Springfield "child was murdered by a Haitian migrant who had no right to be here."

That night, Nathan Clark—the father of Aiden, the boy who had been killed in the bus crash—spoke during the public-comment portion of the Springfield City Commission meeting. Visibly shaking, he referenced GOP politicians, including Vance, and said they had used his son's death "for political gain."

Hours later, Trump uttered the line that launched countless memes. He was called on it in the moment, when ABC debate moderator David Muir said his outlet had checked with Springfield's city manager and found there were no credible reports of pets being harmed by immigrants. Trump responded that the city manager would be expected to say that, but he'd seen people saying the opposite on TV.

"It is depressing as a fact checker," said Bill Adair, founder of the fact-checking website Politifact and professor at Duke University.

But, he noted, "lying is really an economy."

Politicians lie because they think it pays off."

The fallout

The morning after the debate, parents in Springfield kept their children home en masse. Several schools, City Hall and the state motor vehicle offices in Springfield were forced to evacuate after receiving bomb threats.

Vance, meanwhile, has continued to defend his claims.

A Vance spokesperson on Tuesday provided The Wall Street Journal with a police report in which a resident had claimed her pet might have been taken by Haitian neighbors. But when a reporter went to Anna Kilgore's house Tuesday evening, she said her cat Miss Sassy, which went missing in late August, had actually returned a few days later—found safe in her own basement.

Kilgore, wearing a Trump shirt and hat, said she apologized to her Haitian neighbors with the help of her daughter and a mobile-phone translation app.

In recent days, many in Springfield have gone out of their way to show support for their Haitian neighbors.

Still, the local Haitian community is on edge.

Stanley Thelusma, 24, who arrived in Springfield in July from Haiti, sought a peaceful spot at Snyder Park on Tuesday afternoon, studying a biology textbook. He wasn't far from a pond where Haitians had been rumored to have taken some of the park's geese and slaughtered them.

It's a rumor the state wildlife division found no basis for. Similarly, the mayor said the sheriff had checked 11 months of 911 calls and found no evidence of animal abuse among the Haitian community.

Thelusma said he had hoped to continue his medical studies in Port-au-Prince but that he and his parents decided to come to Springfield because of the threat of violence from gangs.

Now he is in a nursing degree program part-time at Clark State College. And he works four days a week as a forklift driver at an Amazon facility 30 minutes away, earning \$19.50 an hour.

"I don't know why people are talking about immigrants eating cats, some pets," he said. "It's totally false."



Anna Kilgore, left, feared her cat, Miss Sassy, had been eaten only to find her in her basement. Pastor Carl Ruby, above, is an immigrant ally.

CLOCKWISE FROM TOP LEFT: ANNA KILGORE; TANNER PEARSON FOR WSJ; KRIS MAHER/WSJ



Stylish Hat Ropes In Coaches

Continued from Page One

the nine options they had to pick from, according to the league. Kansas City Chiefs coach Andy Reid, who's better known as an offensive mastermind than a style icon, has been wearing a rope hat. So have dozens of players. When Buffalo Bills quarterback Josh Allen takes off his helmet, he now ropes up.

The style, though, didn't originate in football. Instead, it trickled out from a much less bruising sport: golf.

Rope hats were a common

sight on golfers in the '70s and '80s, according to Ronan Galvin, CEO of Sunday Golf, a bag and accessory label. Today, rope caps ranging from \$35 to \$45 are the four-year-old company's best-selling style. Like a ball sent into Rae's Creek, the answer to who first teed off in a rope cap is lost to time.

Some speculate the look traces its roots back more than a century to sailor headwear. Photos from as far back as the '60s show pro golfers like Jack Nicklaus, Lee Trevino and Billy Casper sporting the style on course.

As the sport evolved, though, the ropes started to vanish, swept out in favor of dry-wicking performance caps.

But over the past few years, a retro trend cut into the golf world, as brands like Bogey Boys, Metalwood and Malbon

began peddling Arnold Palmer-era styles like trim polo shirts, pleated trousers—and rope caps. "There's a few brands that are trying to preserve that nostalgic feeling of old polyester collared shirts and pants, and that classic golf wear," Ronan said.

This broader look appeals to golfers who are perhaps less preoccupied with their handicap than how cool they look while shooting 18-over par. Clayton Gelfand, a 28-year-old from Scottsdale, Ariz., who posts golf fashion content on Instagram, says that fashion is more relevant in golf than ever.

About half of his more than 100 caps are rope hats. "There's more opportunity to be stylish and match with rope hats," he says.

"You can turn bland hats—white, gray, black—into some-

thing with a pop of color with a rope." These days, there are a variety of rope caps for sale even at a place that insists on fitting people with green jackets. Augusta National Golf Club had them on offer at this year's Masters, with options that said "CADDIE" or "AMEN CORNER" in oversized lettering. Some players, including Britain's Justin Rose, Sweden's Ludvig Aberg and South Korea's Sungjae Im have also worn them during play, meaning this slice of Americana has now swept its way through Europe and into Asia.

Andy Johnson, founder of the golf website The Fried Egg, says when they began selling rope hats about four years ago, they accounted for just a small portion of their hat merchandise. Now, they have nine different options that make up 50% or more of

the sales. He says they bring nostalgic appeal to fans, and that the rope adds a bit of extra panache.

"We've seen the rope hat really surge," Johnson says. "The rope hat, in a way, allows for the hat manufacturers to get a little bit weird."

As the ropes on the NFL sidelines prove, the style has now clearly transcended golf. Several officially licensed Team USA Olympic hats were rope-forward, including a \$90 Ralph Lauren version. Still, the look isn't for everyone. In a peculiar twist, one NFL coach, the Tennessee Titans' Brian Callahan, is apparently so anti-rope that he has been wearing the rope hat—except with the rope cut off.

Yet the rope hat's entry into official football headwear shows just how long the style has been in vogue. The league

says that its sideline collections, which change every year, are usually put together at least 18 months before the start of the season.

It has reached the point that, to some roped converts, the hat now transcends sports altogether. Rob Palumbo, a 23-year-old student from Cape Cod, Mass., spent his summer roped up working on ferries, not on his backswing—the mesh in the back kept his head breezy. There's still one question that continues to flummox even die-hard rope hat devotees: What exactly does the rope do? Some suggest you could loop fishing lures onto the thread. Others posited the rope emphasized the curve of the hat's brim.

"I'm not honestly sure of the purpose behind it," Palumbo said. But he added: "I think it really looks nice."

PERSONAL JOURNAL.

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THE WALL STREET JOURNAL.

Thursday, September 19, 2024 | A9



Spending a Day Inside Delta's New Ultra-Exclusive Lounge

Nearly \$1,300 on a business class ticket at JFK gets you free gourmet food and massages



CARRY ON
DAWN
GILBERTSON

New York

"FIRE HAMACHI." Order, burger medium-rare. You owe me a pasta, you owe me a mussel, OK?"

It's lunchtime on a Friday and I feel like I'm in an episode of "The Bear" instead of Terminal 4 at JFK International Airport.

This chef barking orders from the open kitchen is feeding a rotating cast of big-spending **Delta Air Lines** passengers. Delta is desperate to please these people in this era of lounge overcrowding.

So the airline plunked a 140-seat restaurant serving lavish, complimentary three-course meals in the center of its newest, biggest and most exclusive airport lounge. The Delta One Lounge opened in June, with outposts in Los Angeles and Boston to come later this year.

Unlike the airline's ubiquitous Sky Club lounges, no costly credit card or annual membership will get you in. You need a Delta One business class ticket or the equivalent on a qualifying partner airline. Status doesn't matter here unless you have the invite-only Delta 360 status and are flying first class.

I persuaded my bosses to spring nearly \$1,300 for a one-way Delta One ticket from New York to Los Angeles so I could size up the lounge and get a temporary taste of the lie-flat life. (I'm more used to minimal frills: I once bought a **Frontier Airlines** all-you-can-fly pass for a story.) We got off relatively cheap. Delta is asking between \$4,000 and \$8,000 round trip for a Delta One ticket between JFK and Paris next summer.

► The central bar is often hopping and there are nine drink carts for those seated elsewhere.

Delta is playing catch-up on premium lounges. United opened its first Polaris lounge in 2016, American its first Flagship lounge in 2017. Today, there's a Delta One cabin on 182 mainline jets mainly serving transcontinental and long-haul international routes. Travelers spending a small fortune on plane tickets expect a dedicated lounge.

"We know that the Sky Club does not bring all the amenities and the experience that we wanted to offer someone paying the price of a Delta One ticket," says Claude Roussel, vice president of Sky Clubs and lounge experience at Delta.

Luxe day at JFK

Delta doesn't have time limits on the Delta One Lounge like it does at its Sky Clubs, so I arrived around noon for a 5:50 p.m. flight this month. My journey to the airport couldn't have been less extravagant: a mile-long schlep through Hell's Kitchen to Penn Station to catch a commuter train to the JFK AirTrain. Total price: \$16.75.

Even without the soon-to-open dedicated TSA lane, the Delta One extras start before you reach the lounge. The reception area across



from check-in features light bites, including yogurt parfait for breakfast and Vietnamese vegetable summer rolls the rest of the day. The minifridge was stocked with Vive Organic wellness shots.

The real treats await in the 39,000-square-foot lounge. An airport sign just past security cruelly points in one direction to the



▲ The big differentiator between this lounge and other Delta lounges: a full-service restaurant with free three-course meals.

Delta One Lounge and in another to "all other lounges."

I breezed in. The line for the Sky Club on the way to my gate that evening was 20 people deep.

With seating for 500, Delta One Lounge employees hand out a card with highlights on all the ways to "indulge, relax and unwind." One frequent flier I met who specializes in efficiency wished there were a map on the back.

The first piece of advice from my personal lounge guide, Winston: Get to the restaurant before it fills up and there's a wait. (Delta didn't know I was coming.)

Double order of steak

The lounge is swarming with employees to a degree I haven't seen anywhere since before the pandemic. Delta says it wants to match the service levels in the Delta One cabin of its planes, where there are four attendants

▲ The first Delta One Lounge opened in New York this summer for business class passengers. It has a 140-seat restaurant and other perks.

to every 30 guests on international flights.

I am no food snob. But a person could get used to this menu and service. The business traveler next to me was texting photos of his roasted heirloom carrots to his jealous wife. He requested—and received—a double order of steak.

For lunch, I had hamachi crudo with avocado in a honey citrus vinaigrette, steak frites with Wagyu beef and dark chocolate soufflé.

The waiter warned me the dessert takes 12 minutes to prepare.

"Do you have time?" he asked. Boy did I. It was just after 1:30 p.m.

I signed up for a 15-minute session in one of five massage chairs, a session in the relaxation pod with Hyperice compression boots, and a head and neck massage. The head and neck massage was nothing special, but I could have spent all day in the massage chair. The attendant told me one traveler booked six sessions on a day that wasn't too busy. All are free.

Linda Van Eldik spent a layover in the Delta One Lounge on her way from Lexington, Ky., to Stockholm for an Alzheimer's conference. She didn't know about it until she showed up at a Sky Club at JFK and an attendant redirected her.

Van Eldik raved about the food and her 15 minutes in the roller coaster massage chair. She registered one tiny complaint: They were out of California Chardonnay.

"They only had French, which was fine," she said.

The Delta One Lounge at JFK is already Delta's highest-ranked lounge, Roussel says. Customers rate the restaurant, which has ties to New York City restaurateur Danny Meyer, a 4.8 out of 5.

About a third of lounge guests eat in the restaurant. For those who don't, servers dish out pizza, pasta, burgers, salads and desserts in a sprawling market and bakery section. There are nine beverage carts in addition to the center bar, so travelers never have to wait for a drink.

The only area where the airline gets dinged in surveys, Roussel says: spa appointment availability. One employee told me he's seen waits as long as two hours for a massage chair. As with the restaurant, you sign up when you arrive.

"I would love to offer that to every single guest," Roussel says. "It's just not possible."

Marisa and Peter Rosenthal visited the lounge for the first time ahead of a trip to Italy with their 18-year-old college-bound son, Jack. They cashed in a hefty 345,000 Delta Sky Miles per one-way ticket for their Delta One seats from JFK.

The family only had time for dinner in the restaurant but raved about everything they tried: steamed mussels, corn agnolotti, lasagna bolognese, roasted halibut and cheesecake.

"The halibut I had here was better than when we went out to dinner [last week]. By far," Marisa Rosenthal said.

Which brings me to my "issue" with the Delta One Lounge. The food is so good, the in-flight meal becomes superfluous.

I left the pastrami short rib I had excitedly ordered just days earlier for my first Delta One flight mostly untouched.

Renewing a Passport Online Gets Easier

By JOSEPH DE AVILA

U.S. travelers can now renew their expired passports online.

The State Department on Wednesday launched a new online program that will allow adult Americans to renew 10-year passports that have expired within the past five years.

People with passports that will expire within the next year are also eligible to use the new online service.

The announcement follows the State Department's limited relaunch of

its online renewal program earlier this summer.

Travelers will now be able to pay, upload photos and apply online with no need to appear in person or send documents through the mail. The State Department estimates five million people a year will be able to use the service.

First-time applicants will still need to apply through the mail. Children also aren't eligible to renew online.

Rena Bitter, assistant secretary of the bureau of consular affairs at the State Department, said the



agency aims to open up access to online applications for more people in the future.

"Our goal, of course, is to get away from paper as much as we can, as quickly as possible," Bitter said. "This is a first step in what

An estimated five million people a year will be able to use the State Department's online passport-renewal program.

than 24 million U.S. passport books and cards, a record for the agency during a 12-month span.

The State Department tested online passport renewals in 2022, but took the program offline in 2023. In its relaunch earlier this summer, applicants had to be at least 25 years old and already have a valid passport.

The processing time for renewed passports under the new online program is six to eight weeks, which is the same as the standard process. Expedited service isn't available online, the agency said.

—Allison Pohle contributed to this article.

PERSONAL JOURNAL.

By JOANNA STERN AND BRIAN WHITTON

It happens every year: Summer fades, kids shuffle back to school and I review the latest iPhones. But not this year. This year, I handed the job to AI. At least...part of the job.

We created Joannabot, a generative-AI buddy who never tires of answering your iPhone 16 questions—especially whether it's worth an upgrade. With the help of engineer Brian Whitton and others, we fed it a decade of my iPhone review excerpts, **Apple's** iPhone specs and my notes from a week of testing the full iPhone 16 lineup. You can interact with it at wsj.com/joannabot.

Why a bot? Well, with iPhones, it's starting to feel very "Groundhog Day"—similar, year after year. Plus, you might be looking for something my review didn't address. Joannabot is more open-ended. And since Apple is now all about AI, why not embrace it?

When you chat with Joannabot on your phone or computer, just remember this is an experiment. We told it to stay focused on iPhones, but like all generative-AI assistants, it can get things wrong, or make things up. To try the bot, you can also scan this QR code with your phone. It will take you to an online version of this article, with the chatbot: ▶



For the bot to understand what I really felt about the iPhone 16 models, I had to give it my notes, based on my week of testing. Here's what my testing revealed:

Overall thoughts: The iPhone 16 Pro and Pro Max are the best iPhones you can buy right now. But the more affordable iPhone 16 and 16 Plus—what I call the Regulars—are more appealing than in years past. They now come with perks like the Action Button, Camera Control and Dynamic Island.

Plus, they offer better color options than the Pro. I love the blue color—sorry, *ultramarine*. If my decision were based on color, I'd get an iPhone 16. But please don't choose an iPhone just based on color. You'll probably put it in a case anyway.

There are three reasons to spend the extra \$200 and go Pro:

► The third camera, with 5X telephoto lens, which I love for getting close-ups of my kids on the stage or soccer field.



To Review iPhone 16, We Created Joannabot

After more than a decade of surveying iPhones, columnist Joanna Stern hands the reins to her generative-AI assistant to discuss Apple's latest

- The better battery life.
- The always-on ProMotion displays.

Battery: The iPhone 16 and 16 Plus have solid battery life, lasting *most* people a full day on a charge. I'm not most people, so I opt for the Pro models. This year's smaller 16 Pro lasted as long as last year's giant iPhone 15 Pro Max.

I take my phone off the charger around 7 a.m., and on a busy workday (emails, calls, social media), the 16 Pro hit 20% around 6 p.m. The 16 Pro Max lasted even longer, not hitting 20% until 9 p.m. Over the weekend, I took it off the charger on Saturday morning—and didn't have to charge until Sunday afternoon.

Apple says this is the longest bat-

tery life of any iPhone—and that's right.

Cameras: The iPhone 16 models never took noticeably better photos than the iPhone 15...or even 14. And the new Photographic Styles, on-the-fly color and tone adjustments, were neat but not something I'd use often.

Video improvements are more noteworthy. I was able to isolate my voice from a train passing behind me using Audio Mix. And I enjoyed filming my toddler knocking down blocks in 4K 120-frame-per-second slow-mo with the 16 Pro.

The new Camera Control button isn't just for quick snapshots: Hold it down and you immediately record video. Oh, and I love being able to pause a video recording,

though that's an iOS 18 feature available to older iPhones, too.

Other notes: The new wireless MagSafe charger (sold separately) is faster than the old one. It charged the iPhone 16 Pro Max from 5% to 50% in 40 minutes. But it's still not as fast as wired charging. Using the included USB-C cord, it took 25 minutes for that same charge. In both cases, the phone seems to get less toasty than the iPhone 15 and 14 models.

I did some initial testing of iOS 18.1, which includes Apple Intelligence, on the iPhone 16 Pro. The writing tools, which can help you rewrite text, are handy when writing emails or texts. Stay tuned. Too early to say yet if Siri is any smarter.

▲ Joanna and her virtual friend with, from left, a desert titanium iPhone 16 Pro Max, a natural titanium iPhone 16 Pro, a pink iPhone 16 Plus and an ultramarine iPhone 16.

Bot methodology

Joannabot is powered by Google's Gemini Flash large language model. In testing, the more powerful Gemini Pro model produced better results but was cost-prohibitive to implement for this.

My colleague Brian Whitton did all the hard technical work. He built a system that would force Joannabot to answer questions based on a database of old review excerpts and a selection of specs from Apple's websites. When we realized the system needed deeper insight into my iPhone thoughts, I wrote a 12-page document with my explicit advice.

Together, Brian, myself and some of our talented editors wrote the system prompt to instruct Joannabot what it should and shouldn't answer. It behaves...most of the time.

I plan to share more on our experiences building a generative-AI bot trained on my years of hard work. In the meantime, please tell me what you think. Email me at joanna.stern@wsj.com.

Liv Schmidt's 'Skinny' Videos Divided TikTok

By SARA ASHLEY O'BRIEN

Liv Schmidt didn't see anything wrong with her TikTok feed.

For months, she posted videos devoted to staying thin, sharing her daily food consumption and weight-related tips like "how to avoid the freshman 15" and "how to stop emotional eating at your 9-5 job." Her account had more than 670,000 followers.

"Weight is a touchy topic, but that's what the viewers want," Schmidt, 22 years old, said in an interview early this month.

Her videos sparked online debate over the line between nutritional advice and guidance that promotes disordered eating. Schmidt, a coordinator for a private family office in New York City, isn't a trained expert in health or fitness, but in her comments, some viewers said they'd found her videos helpful. Many oth-

ers, including some

she said. She has since created a new TikTok account while she tries to get her account restored. Over the weekend, her bio read: "It's not a sin to want to be thin. Saving America from obesity 1 person @ a time" but was changed Monday. In new videos posted over the weekend but no longer visible, she said she wouldn't discuss what she eats in a day, or her grocery hauls, on TikTok.

"You lost the privilege," she said, while directing viewers to her other social-media accounts.

While most TikTok users are able to create multiple accounts, the company's guidelines say it may restrict or permanently ban those that post violative content on new profiles.

The internet has long been rife with images and advice that fall somewhere between healthy tips and pro-anorexia sentiment. Plat-

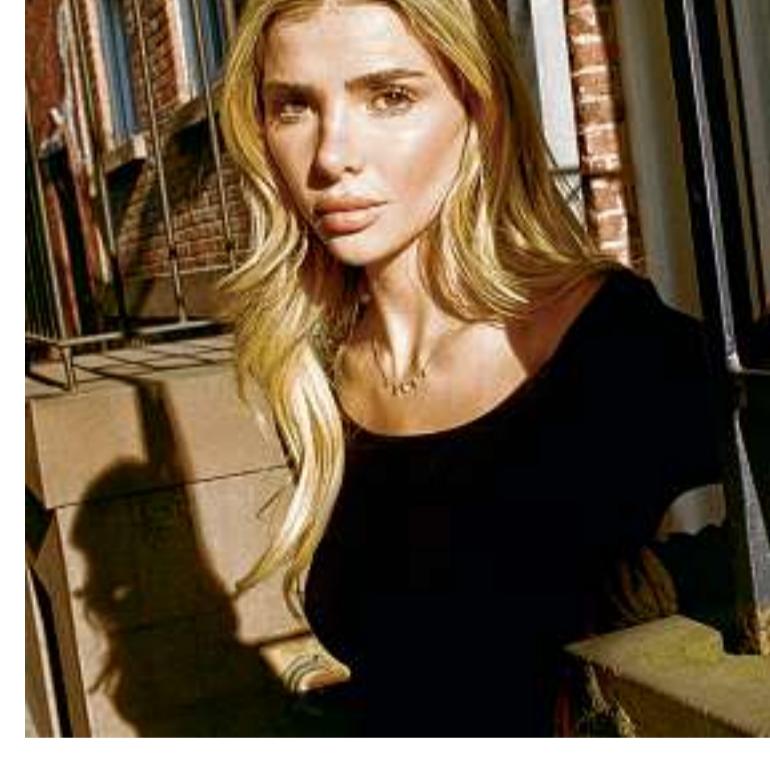
forms including TikTok, known for its uncanny algorithm that feeds users content tailored to their preferences based on what they've engaged with, have over the years aimed to crack down on content that promotes eating disorders. Researchers

have studied the negative impact TikTok can have on a woman's body image and how "What I Eat In A Day" videos often include eating disorder themes.

Schmidt defends her work, saying it stems from her own struggles with feeling uncomfortable in her body and her desire to help others feel more confident.

"A lot of people want to know what people eat," she said. "I'm honest about how it is hard work."

Akiera Gilbert, the chief executive of Project Heal, a nonprofit that provides access to free mental-health care for people with eating disorders, said, "A large number of the people that we see tell us that the initial trigger for their disordered eating behaviors was social



▲ Liv Schmidt had more than 670,000 TikTok followers before her account was disabled.

you're gonna definitely feel more peer pressure to fit into that stereotype," she said.

Schmidt sees herself as something between a truth-teller and an entertainer. On TikTok, she says things like, "For me and my personal aesthetic, I like to be skinny and there's nothing wrong with that." She has been accused of "rage-baiting," or purposefully trying to outrage viewers in a bid to garner attention and amass a following. It's an allegation she doesn't really deny. She uses pig, cow and whale emojis at times in her posts and jumps on opportunities to joke about thinness. After the YouTuber Nikocado Avocado revealed his 250-pound weight loss earlier this month, Schmidt posted a TikTok

that she was forcing herself to walk rather than go to happy hour after work because "I refuse to let Nikocado Avocado be skinnier than me."

But Schmidt's brand of humor crosses the line for some, given the severity of eating disorders and the

dangers of eating-related content for people who may be susceptible. Schmidt says she empathizes with those who have struggled with body image and weight-related issues.

"We all have the option to follow and block any content we want," Schmidt said, noting that her TikTok videos were limited to viewers "18 and older" in order to reach working women.

She says video topics are requested by her followers, including some that speak to a younger set, like her "How to avoid the Freshman 15." In that video, her tips include: walking everywhere, prioritizing sleep, avoiding drink mixers if having alcohol, not treating a dining hall pass like "an unlimited buffet" and emphasizing protein consumption.

"I think the reason I'm so successful is because I don't have any food off-limits," Schmidt said. "I'm not dairy-free. I'm not vegan. I'm not gluten-free. I'm not a health freak."

This summer, Schmidt launched a paid, subscribers-only chat on Instagram called Skinny Group Community Chat. On the Meta platform, where Schmidt has 67,000 followers, she says hundreds of people are paying \$9.99 a month for access to the group where she shares more content, such as motivational quotes about weight loss and her essential grocery list. Members also use the group to update each other on their progress. Schmidt said the fee is intended to help weed out accounts joining to troll the group.

Schmidt shared screenshots with feedback she's gotten from members of the Skinny Group, including women who said she'd helped them overcome their eating disorders and who felt she was teaching them a healthy way to stay skinny.

On Amazon, where she's listed as a "top creator," Schmidt recommends snacks, supplements and workout gear that suit a "skinny girl" lifestyle through a dedicated influencer storefront. She earns commission when followers buy products; she said the site was where most of her influencer revenue came from.

"The thing that no one realizes is, since my content is geared to 9-to-5 girls, I have the followers who will buy those beauty products, those skin care products because they have the income to buy it," Schmidt says.



MERCEDES GLEITZE



LARA GUT-BEHRAMI



IGA ŚWIĄTEK



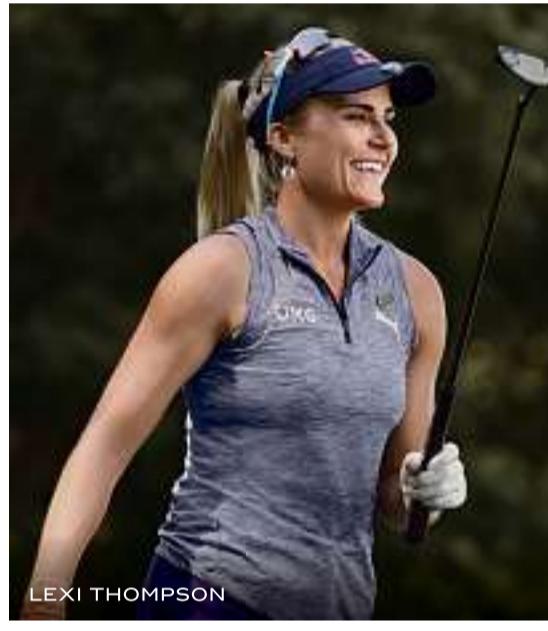
SONYA YONCHEVA



GRACE KELLY



SYLVIA EARLE



LEXI THOMPSON



KHOUDIA TOURÉ



YUJA WANG

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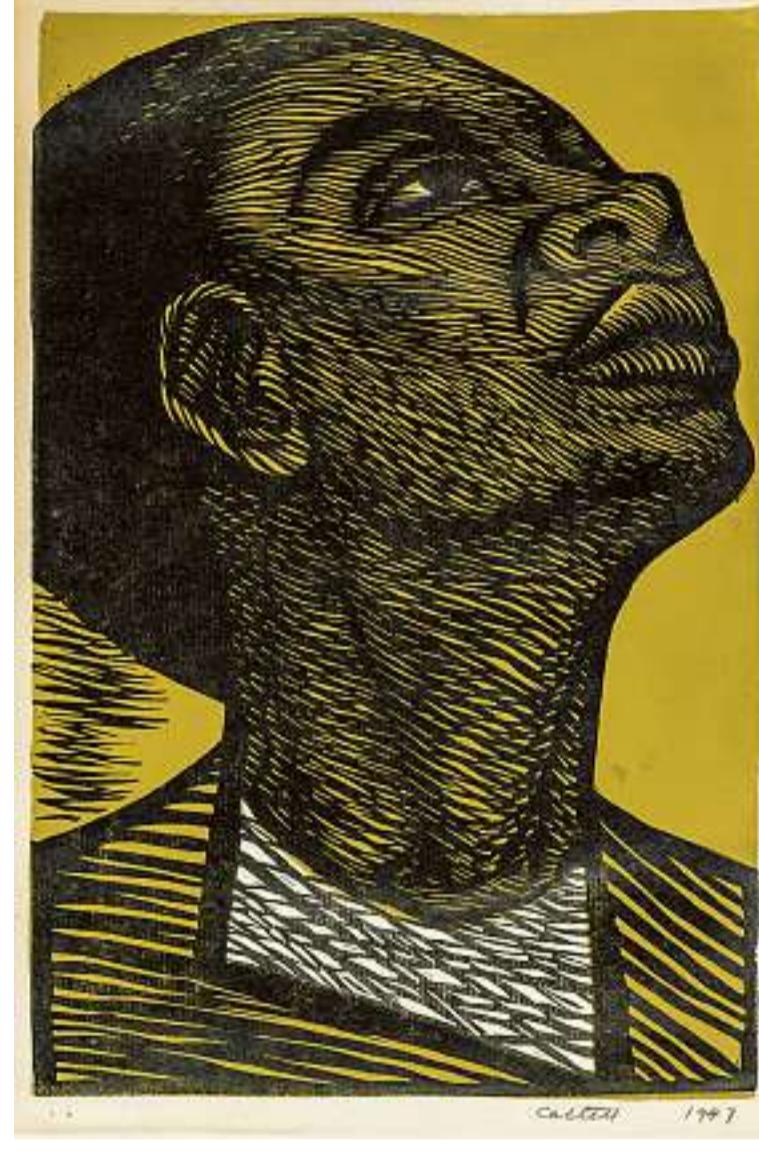


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ARTS IN REVIEW



ART REVIEW

Gravity and Grace

An exhibition celebrates the bold, humane work of Elizabeth Catlett

By JUDITH H. DOBRZYNSKI

Elizabeth Catlett (1915-2012) is hardly an unknown artist. Her sharecropper images, particularly a 1952 linocut of a weary worker in a wide-brimmed hat, are recognizable far beyond the art world. Her seductive, abstracted, but still figurative sculptures can be found in the permanent collections of many museums, and her works are shown in special group exhibitions like the Metropolitan Museum of Art's recent "The Harlem Renaissance and Transatlantic Modernism," which attracted nearly a half-million visitors.

Yet never before in the U.S. has she been given an exhibition as comprehensive as "Elizabeth Catlett: A Black Revolutionary Artist and All That It Implies," at the Brooklyn Museum through Jan. 19, 2025. (It will travel to the National Gallery of Art in Washington and the Art Institute of Chicago next year.)

With more than 200 sculptures, works on paper, paintings and ephemera, this stunning exhibition showcases the breadth and depth of her imagery and materials during a 75-year career, which stretched from the Depression and Jim Crow to the Obama Administration. Equally important, it illustrates her abiding concern for the misery endured by black people (especially women) and Mexican peasants. And the exhibition, organized in New

York by Dalila Scruggs, curator of African American art at the Smithsonian American Art Museum, and Catherine Morris, the Brooklyn Museum's senior curator for feminist art, exposes Catlett's deep devotion to equality. While she studied art at Howard University and earned an MFA at the University of Iowa (learning from regionalist Grant Wood and renowned art historian H.W. Janson), and while she was inspired by artists from Picasso to Henry Moore, she deliberately chose to create widely accessible art and to favor affordable prints over other mediums.

In the first gallery, visitors are introduced to Catlett via "The Black Woman" series (1946-47), a narrative in 15 linocuts hung on one wall, with images evolving from a fearful face to an uplifted, righteous one, and scenes of (mostly) hardship in between. When the heart-rending titles are strung together—"I Am the Negro Woman," "I Have Always Worked Hard in America," "In the fields," "In Other Folks' Homes" and on to "My right is a future of equality with other Americans"—they read as poetry. The same gallery displays a standout terracotta sculpture, "Tired" (1946), of an exhausted woman, feet firmly planted on the ground, her elongated neck tilted up, perhaps in search of relief. It's a deeply humane piece.

Unfolding both chronologically and thematically, the exhibition



briefly visits Catlett's early work. An untitled pastel of a serious young woman (c. 1935) illustrates her talent at capturing character. She experiments, successfully, with a mild form of Cubism, in works like "Mother and Child" (1944), a lithograph that brilliantly conveys both tenderness and brutality. In it, a mother encasing her little one in her arms almost completely fills the frame—Catlett's frequent use of close cropping adds intimacy to her works—leaving room only for a barren tree symbolic of lynchings.

In 1946, Catlett moved to Mexico, where she joined Taller de Gráfica Popular, a leftist artists' collective dedicated to publishing prints about social justice. There, she limned many graphically bold designs, many empathetic to the

Clockwise from top left: Elizabeth Catlett's 'Black Unity' (1968), 'My right is a future of equality with other Americans' from her 'The Black Woman' series (1946-47), and 'Indian Woman' (1973).

plight of Mexican campesinos. She calls a lithograph of a raggedly dressed boy, folded into a small corner, his arms tight across his chest, "Niño Papeler" (1947)—which translates as "Paper Boy." She portrays another boy shining shoes, a woman cooking on a tiny stove whose flames flare dangerously close to her head, and in "Alfabetización (Literacy)," from 1953, three women learning from one book.

Across the years, Catlett created images of heroic figures, from Harriet Tubman to Sojourner Truth to Nat Turner. She enshrined Malcolm X and Angela Davis in her works, portrayed integrated schooling in Cuba, and referred to race riots in American cities. "Black Unity," a striking cedar sculpture, depicts on one side a raised fist—made in 1968, the year black athletes protested at the Mexico City Olympics—and on the other, two faces. She looked back at African art and at the "Mexicanness" of indigenous culture (an idea fostered by Mexican revolutionaries). The result was work like

"Indian Woman" (1973), a black marble sculpture that borrows from both. She also created public art, fashioning monuments to people like Mahalia Jackson, seen here in a small bronze model (2010) of the singer, arms outstretched, made for a New Orleans park.

The exhibition climaxes in its penultimate gallery, where an array of her powerful sculptures sits in niches and on a raised platform—each one an example of her sure sense of line and beauty.

"Homage to My Young Black Sisters" (1968) most clearly defines Catlett's Black Power spirit—a dynamic, abstracted woman, carved from red cedar, raises her arm, her fist clenched, her head uplifted in defiance. Nearby, a less confrontational "Stargazer" (1997), elegant in black marble, features a full-length woman reclining on one elbow. And "Torso" (2008) is a pure, alluring marble abstraction.

Catlett almost always had social activism on her mind. But her art frequently rose above that. Rather than didactic, it feels poignant.

Elizabeth Catlett: A Black Revolutionary Artist and All That It Implies

Brooklyn Museum,
through Jan. 19, 2025

Ms. Dobrzynski writes about art for the Journal and other publications.

MUSIC REVIEW

Flowing From Mali to the Midwest

By LARRY BLUMENFELD

The new release "Bamako-Chicago Sound System" (FPE Records) opens like the master-shot sequence of a documentary about a community, as its members settle in together.

Ballaké Sissoko plucks and strums his kora, his gently clipped phrases and lace-like patterns expressing both melody and counter-melody. Fasssey Diabaté strikes his wood-and-gourd balafon, building simple patterns and then subtle variations. Through this, Nicole Mitchell threads lovely, undulating flute tones. A loose yet orderly groove takes shape, defined chiefly by Jeff Parker's terse electric-guitar chords, Joshua Abrams's deep-toned three-note bursts of bass, and JoVia Armstrong's deftly placed hand-drum beats and cymbal accents. Fa-

by exploring both inherent connections and the disconnections of historical circumstances.

Mr. Sissoko—a master of the kora, the harp-like stringed instrument central to West African music—was born in Bamako, Mali's capital, into a line of griots, the musician-historians of his culture's tradition. On the widely acclaimed 1999 album "New Ancient Strings," he and Toumani Diabaté (a kora hero, who died in July) played in duet, extending the legacy of a similar album recorded by their fathers and the techniques of their inherited instrument. Traditionally, the kora is an acoustic instrument with 21 strings; here, Mr. Sissoko, a restless innovator with a penchant for cross-cultural collaborations, plays an amplified one with an extra string.

Ms. Mitchell first absorbed her own searching aesthetic from her mother,

► Ballaké Sissoko, who leads an ensemble with Nicole Mitchell on a new album.

bitions. Among her several groups, the long-running Black Earth Ensemble, from whose rotating cast she draws here, distills strong melodies, interlaced improvisations and conceptual themes into singularly gripping music.

In France, in 2014, Mr. Sissoko and Ms. Mitchell began simply by sharing songs. Once they assembled their ensemble, Mr. Sissoko often sang out parts like James Brown once did for his band.

The group toured in that country in 2014 and 2015, gradually amassing a repertoire, and, in 2017, gathered anew to perform at Chicago's Hyde Park Festival and to record this release.

These nine tracks combine Ms. Mitchell's compositions with Mr. Sissoko's new melodies and arrangements for traditional Malian lyrics. One of Mr. Sissoko's pieces, "Doname," has the graceful lope and alluring sway common to much Malian music. On another, "Kanu," Fasssey Diabaté's playfully brilliant figures settle into a lively groove. Here, Mr. Sissoko slides from the traditional kora style to something akin to guitar lines. Ms. Mitchell moves easily from percus-



sive phrases to flowing improvisations, and the instrumental parts interlock to the mesmerizing effect. All these musicians are accomplished players with personalized styles. The vocalists are especially distinctive: On "Vulnerable," a ballad from Ms. Mitchell, Ms. Ndosi, who is American, bends blues tradition

into something gorgeously unrestrained. On "Tara," a song of Mr. Sissoko's set to a lively gallop, Ms. Kouyate, from Mali, sings in soft, transparent tones; on "Se Wa Kole," she sounds urgent, her vibrato tightly wound.

Ms. Mitchell's "Spicy Jambalaya" contains a fascinating dance of bass, balafon and kora, and is studded by satisfying solos from Messrs. Sissoko and Parker. "This Moment," the longest and best of her pieces, includes dazzling passages from Ms. Mitchell, and ends with a vamp that somehow suggests both a dusty Malian road and a Motown tune. In the middle, Ms. Ndosi, singing Ms. Mitchell's lyrics, speaks of "shedding fears and dropping doubts" and "finding truth in each other's essence"; she asks, "Can the music be our bridge?"

In "The Mandora Letters," Ms. Mitchell's 2022 book that was part treatise and part memoir, she wrote admiringly about her first trip to Bamako, and of neighboring villages "sharing and trading resources so that everyone could have what they needed." That, above all else, is what this band does.

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.

OPINION

Killing Trump?



WONDER LAND
By Daniel Henninger

Another day, another assassination attempt. Life goes on. Is this what politics, not to say daily life in America, has come to—shrugging off the formerly unthinkable?

The first Trump shooting, in Butler, Pa., was a mega-event, with the nation glued to TV screens for hours. This one in Florida was a duck-in-duck-out affair Sunday to see if there was anything new, such as: Did they catch anyone? And what the heck ever happened to the Secret Service? Back to the NFL.

By Tuesday, Kamala Harris was on the campaign trail doing an interview in Pennsylvania, her new home away from home, with the National Association of Black Journalists. That's the group Donald Trump unhappily appeared before on July 31, where he faced the most tendentious, accusatory opening "question" I've ever heard from a reporter.

After Sunday's thwarted assassination attempt at the Trump golf course in West Palm Beach, Fla., Mr. Trump himself quickly pivoted to incorporate the event into his campaign strategy. In a Monday interview with Fox News Digital he accused President Biden and his vice president of precipitating the attacks: "Their rhetoric is causing me to be shot at."

In a post that day on social media, Mr. Trump said "the politics in our Country" have

gone to "a whole new level of Hatred, Abuse, and Distrust." Who could disagree? Hatred, abuse and distrust have become the mother's milk of American politics. How did we get here?

Any history of this nation's politics will note that during its early years the vitriol and personal attacks among our revered Founding Fathers was startling in its intensity. I suppose we can count as progress that no one has suggested Messrs. Trump and Biden settle their differences like Hamilton and Burr, in a duel at 10 paces.

For discussion's sake,

we will posit that the current state of U.S. politics headed toward the ditch during the Republican presidential primary debates in 2015, when Mr. Trump turned the personal insult into a low art form. Ask Carly Fiorina.

But that can't fully explain what happened after Mr. Trump defeated Hillary Clinton in 2016. Democrats may not like the term Trump Derangement Syndrome, but how else to explain the political atmosphere they consciously assembled from then until, well, right now?

The unstoppable Trump attacks included the Russian collusion narrative, Robert Mueller's special counsel investigation and two impeachments between 2019 and 2021.

At this point, Mr. Trump was out of office. No matter. Next came indictments by prosecutors in Georgia and New York City, the FBI's Mar-a-Lago raid, the Merrick Garland/Jack Smith indictments, the Biden "threat-to-democ-

racy" mantra and finally Kamala Harris using the Sept. 10 debate's two hours to provoke Mr. Trump with personal attacks—"dangerous," "a disgrace," "unfit," and "understand what it would mean if Donald Trump were back in the White House with no guardrails." And of course, "dictator on day one."

What virtually all these violent men have in common is that they are the product of our jacked-up age of constant and addictive media immersion.

Both the Trump shooters had marinated in our politics, especially social media, and from there tipped into irrationality. Seven years ago, a social-media obsessive, James Hodgkinson, shot up a congressional baseball practice.

It is easy to say they are nut-case outliers, but consider: Many "normal" people can't fall asleep anymore without first consuming a heavy, pleasurable dose of online abuse and distrust. This is the blame narcotic, and too much of it can be injurious to one's mental health.

After the capture of the Trump shooter, Elon Musk posted on X: "And no one is even trying to assassinate Biden/Kamala?" He said, lamely, it was meant to be a joke. Social media has uses, but through repetition it disintegrates almost everything it touches into unreality. For that, there is no apparent solution.

We will discover in less than 50 days whether the targeting of Mr. Trump helps or hurts his candidacy, whether undecided voters will agree with him that he deserves re-election because his treatment by the Democrats has put him in danger, or if he's just too hot for another presidential term.

Write henninger@wsj.com.

Yes, we know the legal details, the abhorrent events of Jan. 6, and, as already noted, the role of Mr. Trump's own rhetoric. But did Democrats think this nonstop assault on a person who twice got about half of the country's popular presidential vote would be cost-free, that it would have no negative effect on the psychological health of America's public life? Did "assassination" ever enter their minds?

You have to love the way the conventional wisdom shows up at moments like this, proclaiming that we need to "tone it down." It might be a little late for that.

It may not be possible to draw a line from Ryan Routh or Thomas Crooks to anything Mr. Biden or Ms. Harris said. Both were disturbed psychologically. As was the man who attacked Paul Pelosi with a hammer, and the Austrian man who was plotting mass killings at the Taylor Swift

killings at the Taylor Swift

Trump Acts as if He Has Time to Waste

By Karl Rove

Every presidential campaign wrestles with how to use its three biggest resources—money, issues and time. The last is the most precious. Campaigns can always raise more money or generate more issues. But they can never create more time.

This is why Kamala Harris's campaign wisely isn't responding to many of Donald Trump's attacks. The Republican, unfortunately, has been wasting precious time going after her on inconsequential matters.

The Biden-Harris record on inflation, the border and world events remains relatively unmentioned. He's letting her skate.

After Ms. Harris replaced Joe Biden in late July, Mr. Trump complained she hadn't sat down for media interviews. "She's not smart enough," he said. Last Friday, Ms. Harris finally did a solo interview with a Philadelphia anchor. She'll need to do more unscripted appearances going forward, but swing voters didn't seem to care that she wasn't sitting for them this summer. Her polling certainly didn't suffer.

Mr. Trump also spent days complaining Ms. Harris hadn't gone through any primaries, making her selection undemocratic. He called it "the first ever 'Coup' in America" and whined it was "not fair." Team Harris ignored him.

Mr. Trump also complained on and on that Ms. Harris not

only hadn't laid out her agenda; she didn't even have a policy page on her website. When she put one up Sept. 8, the Trump campaign called it a "late-night, half-ass wish list to her website to solve the problems SHE helped create over the past four years." Again, swing voters don't appear to be upset about this issue. Many were busy getting their kids back to school.

Mr. Trump chewed up more valuable time whining that Ms. Harris had changed her positions on fracking, the Green New Deal, the abolition of private health insurance and other progressive nostrums.

"Everything that she believed three years ago," Mr. Trump grumbled in their debate, "is out the window." Undecided voters seem as if they couldn't care less. They believe all politicians change opinions when advantageous, and Ms. Harris has moved toward their stances.

The Trump-Vance ticket has also wasted vital days with its self-owns. The campaign has yet to produce a single Ohio pet owner mourning Fluffy or Fido being barbecued by Haitian migrants. Mr. Trump also devoted Sunday to expressing hatred for Taylor Swift. Her many fans were doubtless angered and energized.

Ms. Harris has been content to let Mr. Trump fritter away the past eight weeks on these ridiculous attacks. Every day he focused on them—and on calling her a "Marxist, communist fascist" without concrete

evidence—he neglected topics where he could inflict damage. He effectively buries what criticism he does make of her and Mr. Biden's performance on the issues under mountains of minutiae and over-the-top rhetoric. If he pairs brief criticism on important points in a rally with a prolonged focus on weird things, what will get coverage? Weird every time.

He attacks Harris but can't bring himself to focus on anything of consequence.

It's no surprise, then, that Ms. Harris has seen a significant improvement in her favorable numbers since reaching the top of the ticket. For the first time in three years, her average favorability rating is higher than her average unfavorable rating. That may lead to further improvement in head-to-head polling. She has also begun to close the gap with Mr. Trump in voters' minds in terms of who's better to handle the economy and border.

With less than seven weeks until Election Day—and voters in some states already receiving mail-in ballots—Mr. Trump better stop wasting time.

Fortunately for him, he may shortly get help from an unlikely corner. Mr. Biden plans what White House aides say will be a national tour to talk

about his "epochal, economy-changing, history changing accomplishments." Barnstorming America to praise Bidenomics last year made Democrats look out of touch. Repeating it now only makes Mr. Biden and his vice president a gigantic target.

Will Mr. Trump manage to hit the bull's-eye? Drilling down on real issues in a sustained way may not appeal to the former star and co-producer of "The Apprentice." But if he doesn't, and instead continues failing to spell out his second term agenda, swing voters may swing away from him.

Few presidential candidates have had a better environment to run in than Mr. Trump. Voters are in a foul mood. The incumbent administration is historically unpopular and there's a tremendous yearning for change. All these points give Mr. Trump a huge advantage and Ms. Harris a large disadvantage. But his lack of discipline is epic, and his rallies increasingly sound like therapy sessions.

Time isn't his friend. It isn't Ms. Harris's either—for all Mr. Trump's errors she's up only 3 points in FiveThirtyEight's national average. Let's see who makes best use of the days they have left.

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

My Chef's Kitchen Is Full of Trash Items

By Brenda Cronin

Which industry commits the worst crimes of language? Contenders are legion, but airlines and real estate get my votes, thanks to their swath of euphemisms, puffery and fantasy. Begin with the gate announcement in which an airline employee exhorts passengers to "remain comfortably seated" in the unyielding vinyl-and-metal benches bolted to the airport floor.

Once boarding is under way, airlines lavish on the elocutionary foot-faults while divvying up passengers by caste. Frequent-flyer clubs boast a jeweler's array of top tiers: silver, gold, diamond. At a Delta lounge recently, the receptionist effusively congratulated a nonplussed Platinum Medalion traveler on his status as if he were a gladiator emerging from the ring.

The industry long ago ef-

fectedly canceled the evocative verb "disembark," replacing it with the hideous "deplane." Flight attendants' scripts reflect flagrant word inflation. It is never a seat but a "seat assignment," never a drink but a beverage.

Attendants patrol the aisles with plastic bags seeking "trash items" or the intriguingly ambiguous "service items." Then there is the fatuous post-takeoff suggestion that passengers "sit back, relax and enjoy" hours they will spend seat-belted and upright, cheek by jowl with coughing strangers.

Shuttling humans around at 30,000 feet is serious business, which perhaps con-

strains airlines from the creative language offenses perpetrated in the Wild West of residential real-estate. Their risible glossary of made-up terms includes "chef's kitchen," "soaking tub" and "primary suite" (formerly master bedroom). A recent addition: "motor court," which means a big driveway and garage. Real-estate agents—wait, don't they insist on being called Realtors?—are masters at camouflaging any duds they are trying to flog. "Cozy" means tiny, "charming" a wreck. "Vintage" means bring your hammer, while "city views" is code for vistas of brick walls or air shafts.

Airlines and real-estate companies converge in their fondness for amenities. On a plane, it's the pouch of lip balm and toothbrush and socks handed out to passengers who pay to sit up front on long flights. In real estate, amenity is an elastic term. For

some homes, it means fancy finishes, media rooms and swimming pools; for others, it means there's electricity and running water.

Yes, language evolves, but is this improvement or regression? If the latter, there is blame all around. Reality television shows have highlighted pronoun mangling that would make Strunk and White weep: "Me and her, we don't speak." Social media, which makes everything worse, also casts its grim shadow. Online profiles stuffed with adjectives—an accomplished accountant, a seasoned executive—are suspect, protesting too much. So is anyone compelled to fatten a job title with "professional," as in "communications professional; IT professional." If this is progress, it and I definitely don't speak.

Mrs. Cronin is an associate editorial features editor at the Journal.

BOOKSHELF | By Philip Delves Broughton

A Billion Here, A Billion There

The Money Trap

By Alok Sama

St. Martin's, 304 pages, \$30

Alok Sama spent several years at the elbow of Masayoshi Son, the Japanese founder of SoftBank who made a fortune from the Chinese e-commerce giant Alibaba, lost a fortune in the office-rental business WeWork, and made another fortune with Sprint, T-Mobile and the British semiconductor company Arm. Mr. Sama hoses money at startups around the world on a scale that gives even the hardiest venture investors nosebleeds.

Mr. Sama joined SoftBank as chief financial officer in 2014. Born in Delhi, he had risen through the ranks of Morgan Stanley to become one of the firm's top investment bankers—and was already richer than he had ever imagined. But then, as he recounts in "The Money Trap," he attended a wedding in Italy where he clapped eyes on an "Asian gentleman, elegantly attired in a white lounge suit,

standing slightly removed from the others," with "the wizened appearance of Yoda." Mr. Sama was there as a guest of Mr. Sama's old friend Nimesh Arora, who had agreed to leave his job as chief business officer at Google to become Mr. Sama's heir apparent at SoftBank.

"Investment bankers are like martlets—birds without feet, condemned to a life of continuous flight," Mr. Sama reflects in his raffish and funny exposé of life on the highest peaks of finance. "Many self-destruct, while others get shot. The fortunate ones glide to a gentle reincarnation; only a precious few seem to fly forever. But while in flight, all are driven by the irresistible power of money."

When Mr. Arora invites him to join SoftBank, Mr. Sama takes the leap. He arrives at Mr. Sama's hushed, gorgeous office looking out over Tokyo. A valet, a "streamlined Japanese version of Jeeves," shimmies into Mr. Sama's vast dining room brandishing a La Tâche from Domaine Romanée-Conti—over \$5,000 a bottle. In a nearby conference room is a life-size portrait of Ryōma, a 19th-century samurai who tried to break up Japan's feudal system.

Mr. Sama is no longer the lickspittle banker pitching for work. He has the ear and wallet of the most scrutinized technology investor in the world. When Mr. Sama asks how it felt during the 2000 tech crash, when SoftBank's value fell by 95%, Mr. Sama replies: "You know, when I became the richest man in the world, I spent all my time worrying about how to spend my money. It was so much stress. And then the market solved my problem so I had nothing to worry about. All gone!"

The book recounts a dinner visit from Mark Zuckerberg, who enters the dining room with the bearing of "a Roman emperor." Mr. Sama says he missed out on investing in Facebook. Mr. Zuckerberg starts talking about the annual challenges he sets himself. The most recent was to be mainly vegetarian, only eating meat he killed himself. He tells the table: "I killed a chicken once, in a restaurant, with my bare hands. That was quite an experience." He also shot a bison, and had the head stuffed and placed in the office of Sheryl Sandberg, then his No. 2 at Facebook. "She wasn't very happy!"

Mr. Sama first encounters Adam Neumann, the co-founder of WeWork, at a startup summit in Delhi. "Adam grandly declared that his WeWork venture would solve India's housing problems. My bulls— meter redlined. How does this frat house formula of beer on tap and foosball tables solve housing India's middle class?" Mr. Sama is more easily seduced, and starts hurling money at WeWork, convinced by Mr. Neumann's spin that it was more than a mere office-rental company—a platform for an entirely different kind of urban living.

SoftBank hit big with the semiconductor company Arm. It lost enormous sums on investments in WeWork and an 'Uber for dogs.'

Mr. Sama's ambition peaks in 2017 when he raises his \$100 billion SoftBank Vision Fund, financed in large part by Saudi Arabia and the U.A.E. But now he has to find places to put all this money: An initial \$4.4 billion goes to WeWork; \$300 million to Wag, an "Uber for dogs"; \$375 million to Zume, a company where robots make pizza; \$7.3 billion to Uber; and \$11 billion to Didi, the Chinese Uber.

Fortunately, there is a masterstroke amid the chaos when SoftBank buys the semiconductor company Arm. The deal is orchestrated by the British banker Simon Robey, who appears at Mr. Sama's rented home in Silicon Valley with his thumbs "hooked under his black silk suspenders," and tells his client: "If you do exactly as I say, you will win." As the deal comes to a close, Mr. Robey visits Mr. Sama's suite at the Berkeley Hotel in Knightsbridge to discuss his fee. Unlike his tawdry peers who deal in percentages, Mr. Robey says: "I get to choose my clients, and you get to decide what to pay me." The grateful Mr. Sama pays well into eight figures.

Woven through the story is a distracting subplot involving threats of blackmail against Mr. Sama that turn out to be nonsense but add to the persistent sense of nausea and vertigo. Events in Mr. Sama's personal life, notably the deaths of his parents, shift his perspective on his work, and the greed and waste he encounters.

When Mr. Sama eventually questions Mr. Sama's investments, the latter says: "In every family there are hunters and cooks. We need the cook, he is important. But for me the hunter is the most important. I always value the hunter more than the cook." Mr. Sama, the cook, stepped down from his roles as president and CFO in 2019.

The year 2022 was a disaster for SoftBank, which lost \$23 billion in a single quarter. (SoftBank's WeWork losses would ultimately surpass \$14 billion.) But it was bookended by other successes. By February of this year, Arm's equity value had quintupled, creating an unrealized gain of over \$100 billion, and SoftBank earned a sizable windfall from the 2020 merger of the telecommunications companies T-Mobile and Sprint.

Mr. Sama, meanwhile, signed up for an M.F.A. in creative writing at New York University. His book is a wittily observed critique of a rarefied world along with its values, habits and consequences. I imagine the financially ambitious reader drooling with pleasure and thinking: "Sign me up!"

Mr. Delves Broughton is the author of "The Art of the Sale: Learning From the Masters About the Business of Life."

OPINION

REVIEW & OUTLOOK

The Fed Pivots to Fight Unemployment

The Federal Open Market Committee on Wednesday cut its short-term interest rate target by 50 basis points, and the question is whether to believe what Chairman Jerome Powell says or what he does. Mr. Powell in his press conference said all is well in the economy, but such aggressive monetary easing suggests he's more worried than he sounds.

Mr. Powell said the Fed is merely "recalibrating" monetary policy as the economy recovers from the inflation shock of recent years. As inflation drifts down toward the Fed's 2% target, real interest rates will rise if the central bank doesn't cut its nominal rate. Mr. Powell presented Wednesday's rate cut as fine-tuning in an economy that remains healthy.

Mr. Powell and the FOMC also stressed that the risks between inflation and unemployment are "roughly in balance." But the 50-point cut, plus the rapid pace in the Fed's estimate of future cuts, suggests a sharp tilt toward heading off more unemployment.

In their quarterly economic projections released with Wednesday's meeting, Fed officials raised their estimate for the unemployment rate to 4.4% this year and next from 4.2% today, an increase since June. They also forecast further interest rate cuts of 50 basis points this year and 100 in 2025.

Yet at his press conference Mr. Powell was all sunny side up. He rightly noted that even a 4.4% jobless rate is low by historical standards and may even represent full employment. He cited optimistic notes on labor participation, job vacancies and employee quits that he said

Powell says the economy is strong but still cuts rates by 50 basis points.

all point to a "strong" labor market.

These contradictory signals highlight the risk the Fed is taking with its new rate-cutting path. Mr. Powell's bet seems to be that inflation is sufficiently whipped that the Fed can ease aggressively now to forestall a slowdown that hasn't arrived.

He may be right. But it's notable that the FOMC registered its first dissent since June 2022, as Fed Governor Michelle Bowman preferred a 25-basis point reduction. If Mr. Powell is wrong about inflation—if it doesn't continue its deceleration back to 2%—the Fed's credibility will take another major blow that it can't afford.

Investors seemed to spy the contradictory Fed notes as they first bid up equities and bond prices, only to backtrack before the close. The dollar fell (before rallying some), no doubt on the Fed's signals of aggressive easing. This suggests investors heeded the message in what Mr. Powell did rather than what he said.

The difference between a 25 and 50 basis point cut isn't likely to have an immediate economic impact on the Main Street economy. But coming so close to the election the cut may become a political issue, especially because of recent inflation history. We believe Mr. Powell when he says he's trying to make an apolitical decision for the good of the economy, although Donald Trump may not agree.

These columns have argued that monetary conditions aren't as tight as the Fed claims, and easing aggressively in what Mr. Powell says is a strong economy is a gamble. Let's hope, this time, he's right about inflation.

TikTok's Bad Free-Speech Case

The fate of TikTok, the popular Chinese-owned social-media app, is now before three judges at the D.C. Circuit Court of Appeals, who seem to see through its unsound First Amendment pleas. Amid worries about spying and propaganda aimed at American users, Congress passed a law in April to prohibit TikTok from U.S. app stores unless it cuts ties to China by Jan. 19.

On Monday the D.C. Circuit heard oral argument in *TikTok v. Garland*, but the company's theory of the case didn't get many likes. "TikTok Inc. is a U.S. entity," said its lawyer, Andrew Pincus, so "the speech here that's being banned, we would say, or at the minimum burdened, is the speech of a U.S. speaker."

Its content moderation, he said, "occurs within the United States," and "the government is not arguing that there's a sham here." He presented the law as an "unprecedented" effort to ban the speech of 170 million U.S. users.

But Congress didn't restrict speakers on TikTok. What's really at issue is Chinese control of the app, and TikTok is owned by ByteDance, a Chinese company. TikTok is welcome to keep operating and its users to keep posting. The law merely says TikTok cannot do so while remaining what Congress calls a "foreign adversary controlled application."

The D.C. Circuit's panel grasped this distinction. Judge Douglas Ginsburg wanted to know "why this is any different, from a constitutional point of view, than the statute precluding foreign ownership of a broadcasting license?" Good question.

The real question is foreign control, as the judges seem to realize.

Judge Neomi Rao raised a 1988 precedent in which the D.C. Circuit held, as she summarized it, that the "Palestine Information Office, which was an entity in the United States, could be shut down by the State Department in part because of its affiliation, as a foreign mission, of the PLO, which is a designated terrorist organization."

Mr. Pincus replied that "lots of U.S. speakers," including Politico, are owned by foreign entities. Judge Rao: "But not foreign adversaries." She also emphasized that the TikTok bill isn't an executive rule:

"I know Congress doesn't legislate all the time, but here they did. They actually passed a law, and many of your arguments want us to treat them like they're an agency. It's a very strange framework for thinking about our first branch of government."

The queries from the panel's third member, Judge Sri Srinivasan, were also skeptical. "Under your rationale, suppose the United States is at war," he asked. "Is your submission that Congress can't bar the enemy's ownership of a major media source in the U.S.?"

Mr. Pincus conceded the point, though barely. "I think we would still be in the world of strict scrutiny," he said, referring to the highest level of judicial review for infringements on speech. "I think we would still have to look at those rationales and decide that they were sufficient, and, you know, when you're at war, probably they would."

It's hazardous to predict outcomes from an oral argument, but Mr. Pincus might want to start writing his appeal to the Supreme Court. It sounds like he's going to need it.

Where's Kamala on LNG Exports?

One of President Biden's worst decisions is his moratorium on new liquefied natural gas (LNG) export projects, and the damage is growing to U.S. interests. It's also becoming a political liability for Democrats, and no fewer than a dozen House Democrats are urging the Administration to expedite projects to help Ukraine and investment in the U.S.

"Any delays to providing additional supplies of LNG to Ukraine and our Eastern European allies could jeopardize European energy security and market stability in the long-term," the Democrats wrote to the White House last week. The public interest requires considering how LNG exports promote geopolitical stability and serve our national security interests."

Recall that the Energy Department in January paused permits for new LNG export projects in order supposedly to review whether they are in the "public interest." DOE approval is required for LNG exports to countries with which the U.S. doesn't have free trade agreements, including Europe and Japan.

Biden officials hoped the pause would excite young progressive voters amid a TikTok lobbying campaign on the issue. But it has alienated allies counting on U.S. gas so they can reduce their dependence on Russia, which still accounts for about 15% of Europe's gas supply.

Ukraine struck a major deal in June to buy LNG from Venture Global's Plaquemines and CP2 projects on the Gulf Coast to support "energy security needs for Ukraine and the broader Eastern European region." But CP2 and other projects have been snagged by the Administration's moratorium, which no doubt delights Vladimir Putin.

"Russia's increasingly aggressive actions to-

wards Ukrainian infrastructure, including electricity and gas storage facilities, highlight the urgent need to assist Ukraine in recovering and rebuilding and for Ukraine to diversify and secure its energy supply," write the House Democrats, most of whom represent oil and gas producing areas.

They are Donald Davis (N.C.), Texans Marc Veasey, Sylvia Garcia, Marie Gluesenkamp Perez and Vicente Gonzalez, Mary Peltola (Alaska), Chrissy Houlahan, Chris Deluzio and Susan Wild of Pennsylvania, Californians Jim Costa and Jose Luis Correa, and Marcy Kaptur (Ohio). Many face tough re-elections contests.

The Administration claims that its pause won't affect future gas supply for allies. But as the House Democrats write, "typical gas offtake contracts are measured in years, not months, and are underpinned by certainty." They add: "We should not send mixed signals to our allies who want to eliminate their reliance on Vladimir Putin for good."

The Administration's signals are driving investment to U.S. competitors. Consulting firm Rystad Energy projects that some \$63 billion in investment will flow into LNG export projects in Canada and Mexico, which mostly aim to supply Asian markets. Canada's first large-scale export facility is scheduled to come online next year.

Biden officials tout their subsidized green energy projects, but their policies are chilling investment in projects that don't require taxpayer funding. Meantime, Kamala Harris is trying to strike a contrast with Donald Trump by promising to support Ukraine and NATO allies. But will she lift the LNG moratorium or leave Ukraine and U.S. workers in the cold?

OPINION

REVIEW & OUTLOOK

The Fed Pivots to Fight Unemployment

all point to a "strong" labor market. These contradictory signals highlight the risk the Fed is taking with its new rate-cutting path. Mr. Powell's bet seems to be that inflation is sufficiently whipped that the Fed can ease aggressively now to forestall a slowdown that hasn't arrived.

He may be right. But it's notable that the FOMC registered its first dissent since June 2022, as Fed Governor Michelle Bowman preferred a 25-basis point reduction. If Mr. Powell is wrong about inflation—if it doesn't continue its deceleration back to 2%—the Fed's credibility will take another major blow that it can't afford.

Investors seemed to spy the contradictory Fed notes as they first bid up equities and bond prices, only to backtrack before the close. The dollar fell (before rallying some), no doubt on the Fed's signals of aggressive easing. This suggests investors heeded the message in what Mr. Powell did rather than what he said.

The difference between a 25 and 50 basis point cut isn't likely to have an immediate economic impact on the Main Street economy. But coming so close to the election the cut may become a political issue, especially because of recent inflation history. We believe Mr. Powell when he says he's trying to make an apolitical decision for the good of the economy, although Donald Trump may not agree.

These columns have argued that monetary conditions aren't as tight as the Fed claims, and easing aggressively in what Mr. Powell says is a strong economy is a gamble. Let's hope, this time, he's right about inflation.

LETTERS TO THE EDITOR

The Fed Can Stay Neutral by Cutting Rates

Michael Toth argues that the Federal Reserve should stay politically neutral by not cutting interest rates in the months before an election ("It's Too Close to the Election for the Fed to Cut Rates," op-ed, Sept. 16). But doing nothing also affects political outcomes. Cutting rates might stimulate the economy and favor the incumbent, but not cutting rates might stifle the economy and favor the challenger.

To avoid either an error of commission or an error of omission, the Fed should make the choice that best addresses its goals with respect to inflation and employment, regardless of the timing.

SAMUEL J. RADCLIFFE
Milwaukee

In his discussion of how rare it is for the Fed to raise rates in an election cycle, Mr. Toth doesn't mention 2004. The Fed increased rates three times leading up to the 2004 presidential election, and then twice more afterward. In true gentlemanly fash-

ion, President George W. Bush and other candidates with sound economic policies knew to respect the autonomy of the Fed and focus on what politicians can truly influence: fiscal policy.

NAT BOWE
Peachtree City, Ga.

Mr. Toth wisely obfuscates any potential political agenda in his opinion piece, and we should grant him the benefit of the doubt that he doesn't have one. That same benefit of the doubt should be extended to Chairman Jerome Powell and the Board of Governors of the Federal Reserve.

Despite political pressure from two administrations, Mr. Powell has made a strong case that he operates an apolitical Fed. Donald Trump believes that the Federal Reserve can be politicized to win elections, but with the American economy lying in the balance, Mr. Powell should stay above the fray and cut rates.

DANIEL FARZANNEKOU
Los Angeles

How Should We Respond to the Jew-Haters?

Regarding Tunku Varadarajan's "The Jews Stand Unbowed—but Alone" (Houses of Worship, Sept. 6): Many Americans support Israel, Zionism and the Jewish people. All my Christian friends, and our family members, know that the Jewish people are part of our Christian heritage.

Support for Israel is widespread in American churches. The question is why we aren't acknowledged as such.

Perhaps it's time to tell the truth. We who stand with Israel don't have a voice. We don't carry placards, spray graffiti on walls or block traffic. We mourn the murder of those young hostages and all who were massacred on Oct. 7. We are angered by the rampant hate we see encouraged on our campuses.

JOANNA SHAFER
Oakland, Calif.

I couldn't disagree more with Bernard-Henri Lévy. Maybe I'm living on

WILLIAM J. LEVY
Ormond Beach, Fla.

a different planet, but I don't see diaspora Jews fighting back, unless you interpret hiding in a campus library or tucking in a star of David necklace as fighting back.

Mobs of anti-Jewish protesters met little resistance on the numerous campuses of Ivy League schools, with hundreds of students waving PLO flags while wearing kaffiyehs and chanting "Intifada revolution" and "Palestine will be free, from the river to the sea" in solidarity with the Hamas "resistance."

Perhaps if Jews would be strong rather than easy targets, we wouldn't ever witness anti-Jewish protesters going from car to car on a New York subway shouting, "Any Zionists here?" I wished someone was on board that train, or on the campuses, to stand up as all Jews should to Jew-haters.

WILLIAM J. LEVY
Ormond Beach, Fla.

In California, Bad Schools Yield Worse Voters

Joel Kotkin and Michael Toth present a concise and frighteningly accurate picture of California's declining economy ("Kamala Runs for President as Businesses Flee Her State," Cross Country, Sept. 7). But they overlook a key barrier to improvement.

During the decades I taught economics to the products of the state's K-12 education system, I witnessed a steady decline in my students' writing and math skills. Teachers in that system became increasingly focused on grievance studies and the mental health of their victims—er, charges. This began in 1986 when California Democrat John Vasconcellos secured state funding for a study to explore the value of self-esteem.

The results in my classrooms were entirely predictable. Many students arrived on campus with inflated egos and very limited skills. I spent time teaching basic algebra in my classes. That subject was supposed to be an entrance requirement for the university.

Today, my former students vote. A key factor to reversing California's decline is better voters. Without that, the same politicians will be re-elected and more terrible policies will be implemented.

EM. PROF. TONY LIMA
California State U., East Bay

Hayward, Calif.

force found that higher self-esteem was correlated with higher achievement. But they got the causality backward, concluding that reinforcing students' sense of self-worth would lead to higher achievement. The opposite is true in the real world. Self-esteem is earned through accomplishment.

The results in my classrooms were entirely predictable. Many students arrived on campus with inflated egos and very limited skills. I spent time teaching basic algebra in my classes. That subject was supposed to be an entrance requirement for the university.

Today, my former students vote. A key factor to reversing California's decline is better voters. Without that, the same politicians will be re-elected and more terrible policies will be implemented.

NANCY STEAD
Gainesville, Ga.

Mr. Sternberg mentions only the 13 U.S. deaths from the Kabul airport suicide bombing. We must also remember the 170 Afghan deaths, most of whom aided our war effort. My small church is supporting the wife and children of a father who worked for our forces and died in the bombing. The entire family had U.S. visas.

CARSON TAYLOR
Portland, Ore.

Healthcare Comes Up Short

Our healthcare system is built for acute care ("Aging at Home Strains Finances," Page One, Sept. 6). Rather than advocate Medicare for All or even expanding the Affordable Care Act, Capitol Hill must get with the times and make sure our healthcare system includes long-term care.

PANKAJ GUPTA, M.D.
Edison, N.J.

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Pepper ... And Salt

THE WALL STREET JOURNAL



OPINION

George Wallace Foresawed Trump

By Lance Morrow

It was long after midnight, and we were hurtling at 90 miles an hour down the interstate between Scottsboro and Montgomery, Ala. There were no other cars on the road. It was early September 1982, and George Wallace Jr., son of the former and future governor, was at the wheel of the black Cadillac. I'd gone with him to a political meeting in Scottsboro—a resonant place name in America's racial history, home of the Scottsboro Boys. On our trip back to the capital, "Little George" fell into a wondering monologue, talking as much to himself as to me. I could see his face—an innocent face—in the glow of the dashboard lights.

He was remembering a night in Michigan when he was a boy and his father, George Wallace, brought him to a political rally at which his father was the hero, visiting from the defiant South. "I watched, and my father set those people on fire! He just set them on fire!"

The Alabama governor also had a gift for tapping into middle America's resentment of 'the elites.'

Little George's voice was touched by awe and fear and something like horror—horror at his father's power over the crowd and horror at what that power would conjure up some years later: In 1972, a momentary named Arthur Bremer shot Gov. Wallace, who was campaigning for the Democratic presidential nomination, in a suburban Maryland parking lot and left him paralyzed from the waist down, in great pain, for the rest of his life. Little George told me he had dreamed, a few nights earlier, that such a thing would happen, except that in the dream his father died.



Wallace at the 1972 Democratic National Convention in Miami Beach, Fla.

I thought of that moment on the interstate when I learned that Donald Trump had been the target of a second assassination attempt, this time on the golf course of his club in Florida.

There are many differences between George Wallace and Donald Trump. Wallace, the son of a farmer, channeled his Scotch-Irish defiance along states'-rights, i.e., racial, lines. The ex-bantamweight boxer became the South's noisiest segregationist. "Segregation now, segregation tomorrow, segregation forever!" he cried. Politically, the line was magic.

Wallace wasn't capable of Mr. Trump's flamboyance, his gaudy (his enemies say crazy) preening, or his opulent production value as a political showman. Wallace was a boxer in his youth, whereas Mr. Trump learned some of his theatrics in professional wrestling. That background, along with his apprenticeship to the sinister Roy Cohn and his years in the wilds of New York real estate development, schooled Mr. Trump in a cosmopolitan amorality well beyond the resources of Montgomery or Tuscaloosa.

But Wallace did have his moments

as a performer. He had Mr. Trump's genius for public effrontery. He stood in the door of the University of Alabama to block the entry of two black students. His rallies were rousing carnivals. Like Mr. Trump, Wallace favored jeering invective and vivid mockery. He had a bobbing-and-weaving sense of humor. He sneered at "pointy-headed intellectuals who can't park their bicycles straight."

His rhetoric foreshadowed MAGA, especially in his emphasis on middle American common sense and a resentful pride—implicitly underdog—that was arrayed against "the elites." In Mr. Wallace's universe, common sense meant states' rights and segregation—an only slightly gentrified version of John C. Calhoun's ideas on slavery and nullification. Wallace, at least, deferred to the Emancipation Proclamation.

But on that night years ago, Little George put his finger on the alarming quality that both men shared. Donald Trump, like George Wallace, knows how to ignite violent American emotions. Mr. Trump dances, as Mr. Wallace did, on the precipice of America's id. His

speeches open up a can of whoop-ass: It isn't hard to set a mob on the path. The trouble is that Pandora's box is indiscriminate. The passions that inspire his followers may motivate his political enemies, too, including the crazy ones. There are millions of assault rifles in closets and lockers across the country; it takes only one.

Violence may also be stirred by provocations from the left, from those who repeat, ceaselessly, that Mr. Trump is Hitler, a mortal threat to American democracy. The left goes in for ideological mobbing, which may be fatal in other ways.

Normally, it's unfair to blame the victim (in this case, the assassins' target, Mr. Trump). But it isn't as if he is Abraham Lincoln out for an evening at the theater with his wife. Those who play around with the deepest rages of a divided country that has a Second Amendment and a history of violence shouldn't be surprised to find themselves, at the end of the game, endangered by their own reckless eloquence.

It's a curious thing about Mr. Trump. He doesn't seem to learn his lessons as an ordinary person might. It is even more curious that until now, he has gotten away with not learning them. He is an oblivious Houdini who escapes, every time, from scandals, indictments, impeachments and, now and then, from assassins' bullets. His life has become a comic book, and he (BIFF! POW!—always prevailing) appears to imagine, at 78, that he is immortal.

He seems to think he is immune to the laws of physics, just as Wile E. Coyote imagines himself to be safe when he tiptoes out into open space above the canyon. Only when he is some yards out does he look down and understand that he, too, is subject to the laws of gravity.

Mr. Morrow is a senior fellow at the Ethics and Public Policy Center and author of "The Noise of Typewriters: Remembering Journalism."

The Economy Was Roaring When Biden Took Office

By Eugene Scalia

Of the misstatements that went unchecked in last week's presidential debate, perhaps the most remarkable was Kamala Harris's assertion that "Donald Trump left us the worst unemployment since the Great Depression." President Biden argued similarly in his debate. "Look at what . . . Trump left me," he complained. An economy "in free fall."

In truth, when Mr. Biden and Ms. Harris took over, the economy was rebounding faster than virtually anyone predicted. As labor secretary I projected in June 2020 that the unemployment rate—which had reached 14.7% in April—could drop below 10% by year's end. That was considered highly optimistic. Not optimistic enough, it turned out. Unemployment in December 2020 was 6.7%.

Unemployment already was lower than at any time in Obama's first term.

By the time Mr. Biden signed his American Rescue Plan in March 2021, unemployment had dropped to 6.1%. By contrast, unemployment was above 8% for nearly all of Mr. Obama's first term, and didn't drop to 6.1% until he'd been in office more than five years. No one heard Messrs. Obama and Biden decrying the high unemployment rate when they ran for re-election in 2012.

As for the stock market, so crucial to workers' 401(k)s, when Mr. Trump left office the S&P 500 was higher than before Covid. By the first quarter of 2021, gross domestic product was also surpassing pre-Covid levels.

In short, when Mr. Biden's "rescue plan" was enacted, it was clear no such intervention was needed. The law provided a \$300-a-week federal unemployment benefit nonetheless, on top of the regular unemployment benefits provided by the states. In the Obama administration after the 2007-09 recession, the special federal unemployment supplement was only \$25. It ended when unemployment was still at 9.5%.

This \$300 "rescue plan" benefit, when combined with state benefits, paid many recipients more than they would have earned by returning to their pre-Covid jobs, a problem that had been apparent since enactment of the \$600-a-week Cares Act unemployment benefit a year earlier.

To compete with the rescue plan's largess, businesses were forced to raise pay—and then prices. This fueled inflation, leading to the Fed's interest rate increases, leading to the slow job growth we've seen recently.

I've long suspected that the impact of the Cares Act and American Rescue Plan on wages was deliberate. In a 40-hour workweek, the \$600-a-week Cares Act benefit that Democratic Sen. Ron Wyden insisted on equals \$15 an hour. That's precisely the minimum wage that Mr. Wyden and other progressives had been championing. The state unemployment benefits paid on top of this could be as much as \$800 a week.

Despite its faults, the Cares Act was a swift bipartisan accomplishment in a frighteningly dark hour that did call for rescue. The 14.7% unemployment rate in April 2020 was, as Ms. Harris noted, the worst since the (far higher) rates of the Great Depression.

But unemployment in 2020 wasn't caused by economic collapse. It was caused by a nation purposely idling a booming economy.

In the robust pre-Covid economy, unemployment reached the lowest levels in 50 years. Blacks, Hispanics, women and low-wage workers saw some of the strongest job gains and wage growth.

The months when Covid wreaked havoc on American jobs were harrowing. But the worst period of job losses was brief. American businesses shed 1.4 million jobs in March and 20 million in April. But in May we regained 2.6 million jobs. June saw 4.6 million jobs return.

Four days before the Harris-Trump debate, the Labor Department reported weak job growth for a third straight month. That was on top of the department's recent downward revision of nearly 820,000 jobs for the prior year. Businesses added just 114,000 jobs in June, a paltry 89,000 in July, and 142,000 in August.

We haven't had three straight months of job growth that low in more than a decade. Not even during the pandemic.

Mr. Scalia, a Washington lawyer, served as labor secretary, 2019-21.

Artificial Intelligence Wasn't Born Yesterday

By David Gelernter

It's great to see money pouring into industrial artificial-intelligence research, but many investors don't seem to know much about it or where the field is headed. Some investors know just as little about the history of software. The topic is rarely taught in today's STEM-focused colleges.

As AI improves, new ethical problems develop—though in some cases they're merely old problems in new forms. The rise of ChatGPT, for example, has sometimes required teachers to distinguish software-written from student-written prose. A teacher who accepts ChatGPT-type prose from his students isn't teaching much—certainly not how to write. But ChatGPT is a great gift for cheaters, and cheating has been widespread at elite American colleges for decades. Students today blend 21st-century technical knowledge with Iron Age moral sophistication.

ChatGPT was nonetheless a major milestone in AI, as every serious American news source has reported. Some uninformed observers believe that AI actually began with ChatGPT. In fact AI research began, in the 1950s.

In 1950, the great English mathematician Alan Turing predicted that artificial intelligence would soon emerge, supported by the new digital computers he helped invent. By AI, he meant software that would make computers behave as if they had actual human minds.

By 1957 an AI software project called the Geometry Machine rediscovered a surprising and beautiful little proof of a simple theorem in high-school geometry. The proof had been well-known in antiquity but had been forgotten by many teachers and textbook writers. The rediscovery of this proof was a milestone: Suddenly, artificial intelligence seemed possible.

This machine was built by Herbert L. Gelernter—my father—at IBM Research Labs. Journalists and historians have often unfairly over-

looked IBM Research's contributions to AI. But IBM arrived at another significant AI breakthrough in 1997, when its Deep Blue software (and purpose-built hardware) beat the world's reigning (human) chess champion. Still more impressive was IBM's Watson, an AI system that beat two "Jeopardy!" world

AI research started in the 1950s. A look at the past helps us better understand and predict its future.

champions in 2011. The Watson system was able to answer successfully a range of unpredictable, strangely phrased questions on the TV game show.

The IBM software I've mentioned was built using different tools from those used to create ChatGPT. IBM used programming languages; ChatGPT is based on a neural network. Both methods will play significant roles in the future of AI.

Since the Radiation Exposure Compensation Act's passage in 1990, more than 40,000 test participants, uranium workers and civilians who lived downwind from testing sites have received compensation. While many thousands of Americans still need the relief RECA promises, funding expired in

The biggest challenge AI faces today is to understand the human mind. The mind is capable of maneuvers that no AI system I know of has ever achieved. Future AI must learn to understand real human speech and writing (Watson made a strong start), which requires a thorough understanding of humor, irony, metaphor and many other twists on speaking and writing. Most important, AI must learn to understand emotion and emotion's central role in human thought.

Some thinkers hold that software will never actually understand anything, because it will never be conscious. They're right. Consciousness is a product of certain organic systems, not of electronic circuits. But software can act as if it understands—and that's what matters in practice.

In time, AI will be able to chat with the lonely and sick around the clock. Will it replace humans who care? Of course not. But it will be better than nothing. Many of us will come to rely on AI-based digital assistants, small devices that

murmur schedule notes or parking tips in our ears, patch in phone calls, read us emails and otherwise act like superhuman secretaries. Our understanding of the mind will be the basis of software models that will be widely (sometimes dangerously) used to predict a person's future behavior.

The U.S. has a lead in AI, which helps and hurts. AI will push our standard of living higher. It already has. But it will also weaken the human mind by taking over ordinary tasks. The greatest danger isn't the usual nonsense about out-of-control AI rampaging over the American landscape. The danger today is that shortsighted politicians will use AI as an excuse to cut defense while our enemies continue to arm, frantically. Are we Britain on the brink of World War II? No. At least they had Churchill.

Mr. Gelernter is a professor of computer science at Yale. His forthcoming books are "Mind: A User's Manual" and, with Rabbi Benjamin Colnic, "Saul and David: A New Translation and Commentary."

Josh Hawley's Nuclear Meltdown

By Luke Lyman

America's nuclear-weapons program had an unexpected casualty: Americans. During the 20th century, thousands came into close contact with cancer-causing radiation. In a rare admission of responsibility, the federal government started a fund to compensate these victims. In a typical display of dysfunction, Congress is fighting over the program's future.

Since the Radiation Exposure Compensation Act's passage in 1990, more than 40,000 test participants, uranium workers and civilians who lived downwind from testing sites have received compensation. While many thousands of Americans still need the relief RECA promises, funding expired in

June. The act has periodically been reauthorized, but this year an attempt to expand the program beyond its stated purpose—correcting for government negligence—spoiled the reauthorization.

Utah Republican Sen. Mike Lee offered to extend coverage to victims of improperly handled nuclear waste at government-contracted plants in Missouri. Mr. Lee's proposal would also have modestly expanded the area considered "downwind" and called for adding other areas if deemed necessary by research. All this was consistent with RECA's aim and likely could have gained the support of both chambers of Congress.

Enter Sen. Josh Hawley. Taking

the proposed expansions as a starting point, the Missouri Republican and a bipartisan team of six co-sponsors introduced a bill increasing the payouts and doubling the area deemed downwind. Opponents say the geographical expansion is based on spotty evidence. The Congressional Research Service and the National Research Council largely agree. Mr. Hawley pushed ahead anyway.

Most striking is his proposal to extend the law's coverage of uranium workers. RECA limits its coverage of uranium workers to those employed between 1942 and 1971. Mr. Hawley's bill would stretch that coverage to 1990. But the government stopped mining uranium for nuclear weapons in 1970, meaning that the amendment would extend coverage to people hurt mainly by private

businesses. RECA was never meant to go this far. Still, the Senate passed the Hawley bill 69-30, with all these extensions, in March.

The bill was dead on arrival in the House, and for good reason. Since 1990 RECA payments have totaled some \$3 billion. The Senate-approved bill would balloon the price tag to \$40 billion to \$50 billion over the next decade, according to Mr. Hawley's office.

The U.S. compensates victims of fallout. Why offer it to those the government never harmed?

More glaring is the departure from the act's original purpose: RECA was designed to right government wrongs, not those of private

businesses. There are likely enough votes in the House to reauthorize RECA with its more measured initial expansion, which is consistent with the law's original aims. Further targeted, evidence-based action is possible and necessary, but the most important thing is to get the relief flowing to victims again. A reauthorization committed to RECA's purpose shouldn't be controversial. Until it's passed, Americans hurt by government negligence will continue to suffer.

Mr. Lyman is a Joseph Rago Memorial Fellow at the Journal.

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WORLD NEWS

Putin Is Pushed to Call Up More Troops

Russian president has resisted defense officials' requests as Ukraine war drags on

By THOMAS GROVE

Months before President Vladimir Putin's inauguration in May, he met with Defense Ministry officials who pushed for a fresh round of mobilization to recruit more troops to offset Russia's losses on the front line in Ukraine, said a person briefed on the exchange.

Putin dismissed the idea, saying he wanted to use only those who were voluntarily signing military contracts, the person said.

The exchange highlighted a thorny dilemma facing Putin. While he has resisted a troop mobilization that could come at a political cost, Western estimates suggest Russia is losing more men on the battlefield than it can recruit to replace them.

Now, Ukraine's continuing incursion into Russia is further straining Russia's manpower, underscoring chronic problems and leading the country's military leaders to press for mobilization again, three people familiar with the discussions said. More than a month into the first invasion of Russian territory since World War II, Moscow has yet to mount a major counteroffensive to push Ukrainian troops back across the border from the Kursk region.

"Forces are currently not sufficient to achieve the original war aims, knock Ukraine out of the war, to undermine its military potential or protect border regions of the Russian territory," the person briefed on the exchange with Putin said. "More and more people are saying mobilization is inevitable."

Neither the Kremlin nor the Russian Defense Ministry responded to requests for comment. This month, in response to a question about a new wave of mobilization, Kremlin spokesman Dmitry Peskov said,



Russian soldiers, above left, who were captured in Kursk Oblast were returned to Russia on Saturday. Above right, a military recruiting ad in Moscow



YURI KOCHETKOV/SHUTTERSTOCK

"That's not being discussed."

In Russia, troop mobilizations can include everything from calling up reservists to drafting people of military age into service. Russia's first post-invasion mobilization in the fall of 2022 sought to add 300,000 to the ranks of the Russian military, by calling up reservists and former soldiers. That effort, which also drafted men with little or no military service, sparked protests and prompted some regions to close borders to keep men from fleeing.

Kursk Gov. Aleksei Smirnov said in late August that new detachments would be formed specifically to counter the Ukrainians. The Institute for the Study of War said the shuffling of troops "avoided declaring general mobilization or another round of partial mobilization, both of which would be incredibly unpopular among Russian society."

Until now, Russia has managed to maintain troop levels by recruiting volunteers. In mid-July, the defense ministry said it had recruited around 190,000 men since the start of the year, and Russian and Western estimates show Moscow is recruiting about 1,000 men every day

from across the country.

But Russia has gained ground in eastern Ukraine by throwing successive waves of soldiers at Ukrainian lines. That is leading to a high number of fatalities, with U.K. Defense Minister John Healey telling Parliament this month that the U.K. estimated Russia was losing 1,100 soldiers a day.

In July, Putin tried to boost troop numbers by doubling a one-time payment for new recruits to 400,000 rubles, or roughly \$4,300, a huge sum in many parts of Russia. Some 8% of the

Russian budget is now dedicated to paying for military personnel, Western officials say.

New recruitment stations have been set up around Moscow recently, including in the city's sprawling metro system, where volunteers sit at folding tables and chairs, handing out pamphlets to passersby.

Russia's flagging troop strength became painfully ob-

vious during Russia's offensive this year on Kharkiv, Ukraine's second-largest city. Russian forces gained ground but the offensive, which was launched in May and continued over the summer, suffered high casualties and was halted by the Ukrainians.

"The tempo of our progress has slowed," veteran military correspondent Yuri Kotenok wrote in a post on his Telegram Channel in late July. "For those who don't understand, there is PHYSICALLY NO ONE to carry out attacks."

Kotenok said part of the logic of driving forward at all costs was the desire by commanders to be in the best position possible on the battlefield if talks start this year.

At the meeting with Putin this year, Defense Ministry officials said Putin should use his inauguration, and attendant boost in political support, to make the case for a mobilization.

Putin declined to do so, with memories of the unrest that followed the 2022 mobilization still fresh. Protests gripped some of Russia's biggest cities, recruitment offices were attacked, and border crossings were choked with men fleeing.

Russian leaders also fear that a mobilization could upset a delicate balance they have tried to strike in the public's perception of the war. Russian media and propaganda has sought to portray the war as a heroic but distant conflict. They want Russians to feel they can continue to enjoy a normal life, along with rising incomes and greater redistribution of wealth as a result of the war.

"While the balance between the demands of the front and the supply of manpower is a delicate one, for now Moscow is handling the situation the best it can," said Ruslan Pukhov, director of Moscow-based think tank the Center for the Analysis of Strategies and Technologies. "What they choose to do in the future is all about priorities."

—David Luhnow and Max Colchester contributed to this article.

A manpower shortage has been a longtime problem for Russia.

WORLDWATCH



FIGURE STUDY: A person on Wednesday gazed up at Theresa Chromati's 'steadfast, step into me (allow silence to create the sounds you desire most)', part of the Frieze Sculpture exhibition in London's Regent's Park that runs through late October.

KASHMIR

Disputed Region Begins Election

A three-phased election for choosing a local government in Indian-controlled Kashmir opened on Wednesday, the first such vote since Prime Minister Narendra Modi's government stripped the disputed region of its special status five years ago.

Authorities deployed thousands of additional police and paramilitary soldiers in the region's seven southern districts where over 2.3 million residents are eligible to cast their votes and chose 24 lawmakers out of 219 candidates in the first phase of the polling.

The second and third phases are scheduled for Sept. 25 and Oct. 1 in a process that is staggered to allow troops to move around to stop potential violence. Votes will be counted on Oct. 8, with results expected that day.

India and Pakistan each administer part of Kashmir, but both claim it in its entirety.

—Associated Press

RUSSIA

Ukrainian Drones Hit Military Depot

Ukrainian drones struck a large military depot in a town deep inside Russia overnight, causing a huge fire and forcing some residents to evacuate, a Ukrainian official and Russian news reports said on Wednesday. At least 13 people were injured, Russia's Health Ministry added.

Ukraine claimed the strike destroyed military ware-

houses in Toropets, a town in

Russia's Tver region about

240 miles northwest of Mos-

cow and about 300 miles

from the border with Ukraine.

The attack was carried out

by Ukraine's Security Service,

along with Ukraine's Intelli-

gence and Special Operations

Forces, a Kyiv security official

said.

The official said the depot

housed Iskander and Tochka-U missiles, as well as glide

bombs and artillery shells. He

said the facility caught fire in

the strike.

—Associated Press

THAILAND

Protester Deaths Lead to Charges

Eight former state security personnel accused of responsibility for the deaths of 78 Muslim protesters who were arrested in southern Thailand in 2004 will be indicted on murder charges, the prosecutor's office said on Wednesday.

The victims were arrested, had their hands tied, and were loaded onto trucks, stacked like firewood. By the time the vehicles reached an army base where they were taken to be detained, 78 had died of crushing or suffocation.

The legal action over what is known as the Tak Bai massacre came just over a month before the statute of limitations expires on the case.

The deaths occurred shortly after a Muslim separatist insurgency erupted in Thailand's southernmost provinces of Narathiwat, Pattani and Yala, the only ones with Muslim majorities in the Buddhist-dominated nation.

—Associated Press

CHINA

Taiwan Arms Sales Spark Sanctions

China on Wednesday announced sanctions on American companies selling arms to the self-ruled island of Taiwan, which Beijing claims as its own territory and threatens to annex by force.

Taiwan is awaiting deliveries of F-16 fighter jets, Abrams tanks and a range of missiles from the U.S.

China has been upping its threats to attack Taiwan, whose 2.3 million citizens overwhelmingly favor their current status of de facto independence. Despite their lack of formal diplomatic ties, the U.S. has long been a key provider of armaments and is legally bound to ensure the island can defend itself.

Along with buying weapons from the U.S., Taiwan has also been reviving its domestic arms industry. A fleet of submarines is under way, while mandatory military service for men has been extended to one year.

—Associated Press

U.K. Inflation Remains At 2.2% Before Rate Call

By ED FRANKL

The U.K.'s annual rate of inflation was unchanged in August, despite prices of services increasing at a faster rate, reinforcing expectations that the Bank of England will leave its key interest rate unchanged on Thursday.

Consumer prices were 2.2% higher in August than the same month last year, a level of inflation that matched July's rate, the Office for National Statistics said on Wednesday. Economists polled by The Wall Street Journal also expected inflation to remain at 2.2%.

By the narrowest of margins, the BOE's policymakers voted in August to lower the key rate for the first time in more than four years, having ramped up borrowing costs in response to the surge in energy and food prices following Russia's full-scale invasion of Ukraine.

But many aren't entirely convinced that inflation is heading back to the 2% target soon. In particular, they worry that rapid rises in wages will continue to push prices of labor-intensive services sharply higher.

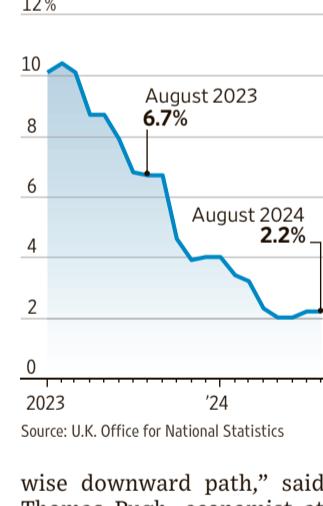
In August, services inflation climbed to 5.6% from 5.2% in July, likely persuading those policymakers to take a cautious approach to rate moves.

Investors expect the BOE to leave its key rate at 5% on Thursday, but cut again before the end of the year. The inflation figures were released as policymakers met to discuss their decision.

The pickup in services inflation was largely because of airfares, which grew at the second-fastest pace on record in August, following a fall this time last year, the ONS said. However, those big swings are unlikely to be repeated in September.

The rebound in services inflation in August makes an interest-rate cut [on Thursday] even less likely, but this is just a bump in an other-

U.K. consumer prices, change from a year earlier



wise downward path," said Thomas Pugh, economist at audit and consulting firm RSM UK.

Services inflation should continue to slow over the rest of the year, leaving the door wide open for one or two more cuts toward the end of the year, he added.

Headline inflation, which had downward pressure from lower fuel prices in August, has tumbled from a high of 11.1% in late 2022, and touched the BOE's 2% target in both May and June this year. Core inflation, which strips out volatile energy and food prices, reached 3.6% in August, down from a high of 7.1% in mid-2023.

The BOE's rate cut in August came after the European Central Bank, which reduced its deposit rate for the first time since 2019 in June, but ahead of the Federal Reserve, which on Wednesday voted to lower its benchmark federal-funds rate to a range between 4.75% and 5%, its first reduction since 2020. The U.S. central bank's move came amid signs that the jobs market and economy are cooling.

The U.K. economy itself stagnated in both June and July, having grown more strongly than expected over the first five months of the year following a mild contraction in the second half of 2023.

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BUSINESS & FINANCE

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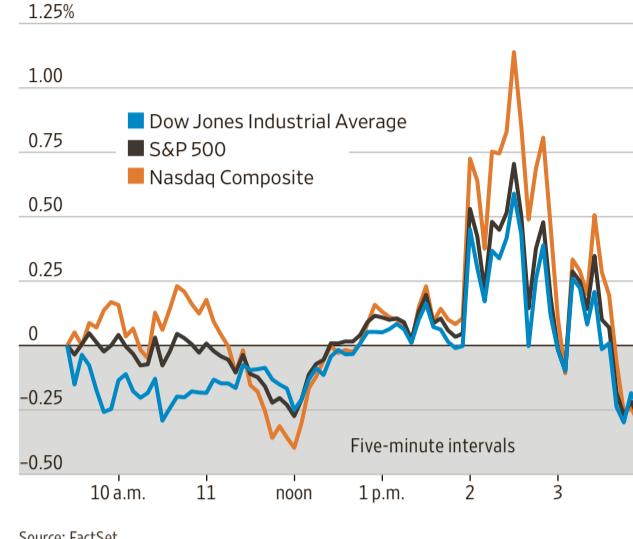
THE WALL STREET JOURNAL.

Thursday, September 19, 2024 | B1

S&P 5618.26 ▼ 0.29% S&P FIN ▼ 0.28% S&P IT ▼ 0.51% DJ TRANS ▲ 0.36% WSJ\$IDX ▼ 0.09% 2-YR. TREAS. yield 3.602% NIKKEI (Midday) 37284.43 ▲ 2.49% See more at WSJ.com/Markets

Stocks End Lower After Rate Cuts

Index performance on Wednesday



Shares swing between small gains and losses, as Dow backs off record level

By SAM GOLDFARB

A choppy day on Wall Street ended with stocks lower after the Federal Reserve voted to cut interest rates by half a percentage point, opting for a more aggressive reduction than investors expected just a week ago.

Faced with a cooling labor market and easing inflation, the Fed chose to lower its benchmark interest rate to a range between 4.75% to 5%. Most officials anticipate cuts

that would lower rates by at least a quarter point each at meetings in November and December, according to quarterly projections.

Stocks initially climbed after the Fed's decision before receding to swing between small gains and losses. The Dow Jones Industrial Average finished the day down 0.2%, or roughly 103 points, backing further away from Monday's record close. The S&P 500 and Nasdaq Composite both slipped 0.3%.

Global stock markets picked up momentum early Thursday, Japan's Nikkei 225 was up 2.5%. S&P 500 futures were up 0.9%.

"I view it as a very, very positive first cut and not one

that should imply some sort of worry or dramatic weakening of the economy," said Michael Antonelli, a managing director at Baird. For traders, "it might still be a bit early to lean into price action," he added.

Investors had entered Wednesday unusually uncertain about what exactly the Fed would do. A week ago, traders were fairly confident that officials would cut rates by the traditional 0.25 percentage point. That consensus vanished in recent days, with many expecting a larger reduction. But interest-rate futures still suggested that traders were only giving a narrow edge to that outcome.

The Fed's decision to cut

Please turn to page B11

Boeing Furloughs Engineer, Office Staff Amid Strike

By SHARON TERLEP

Boeing is furloughing tens of thousands of white-collar employees in an effort to cut costs and avoid a credit-ratings cut amid a strike by its largest union.

The jet maker will furlough affected employees for one week out of every four weeks for the duration of the walkout, Chief Executive Kelly Orteberg wrote in a memo to employees Wednesday.

The strike, which has halted production of the 737 and other jets, could cost the manufacturer some \$500 million a week, according to one analyst estimate. The company's operations had been burning about \$1 billion a month before the strike. Credit-ratings firms warned they may downgrade Boeing if the strike drags on. Ratings firms Moody's and Fitch both rate Boeing one notch above junk status.

"While this is a tough decision that impacts everybody, it is in an effort to preserve our long-term future and help us navigate through this very difficult time," said Orteberg, who added that he and his executive team will take a pay cut for the duration of the strike.

The executives' pay will be cut by 25%, according to people familiar with the matter.

Boeing earlier this week said it would freeze hiring and pay increases, among other cost-cutting measures.

A union representing some 17,000 Boeing engineers—about 10% of the overall workforce—said its contract with the company prohibits furloughs and, in the case of layoffs, requires company payouts to idled workers. Federal law requires employers of a certain size to give 60 days' notice to workers when conducting big layoffs, with some exceptions.

A spokesman for the union, known as Speea, said the company had not approached it as of Wednesday to discuss either furloughs or layoffs.

Boeing's 33,000-member machinist's union walked out Friday.



HULTON ARCHIVE/GETTY IMAGES

A Tupperware party circa 1950. Many of the guests wear hats that were made from Tupperware containers.

Tupperware Files for Bankruptcy After Struggling With Weak Sales

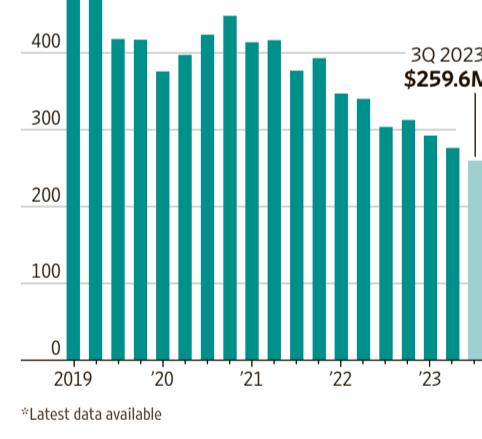
By JIAHUI HUANG

Tupperware Brands, the food-storage company known for its resealable plastic containers and pioneering direct-to-consumer sales, has filed for bankruptcy after years of struggling with weak sales.

Tupperware and certain subsidiaries have voluntarily initiated chapter 11 proceedings in the U.S. Bankruptcy Court in Delaware, the company said. It will seek court approval to continue operating and to facilitate a sale process to protect its brand during the proceedings.

"Over the last several years, the company's financial position has been severely impacted by the challenging macroeconomic environment," Chief Executive Laurie Ann Goldman said. Its shares have lost about 75% year to date.

Tupperware Brands quarterly revenue



Tupperware was founded in 1946 by Earl Tupper, a chemist who designed airtight plastic containers to help families save money in the postwar era. For decades, it was a house-

Share price



hold name, not just for its containers but also for its direct-sales marketing to homes, with an army of independent dealers showing off products at Tupperware parties.

But in recent years, it has faced liquidity challenges, increased competition and weakening demand for its flagship plastic products.

Please turn to page B2

Directors Resign At DNA Tester 23andMe

By ROLFE WINKLER

All seven independent directors of DNA-testing company **23andMe** resigned Tuesday, following a protracted negotiation with founder and Chief Executive Anne Wojcicki over her plan to take the company private.

It is the latest challenge for 23andMe, which has struggled to find a profitable business model. The stock price rose a penny on Tuesday to 35 cents a share. At that price, 23andMe's valuation is just \$7 million more than the cash on its balance sheet. That represents a 99.9% decline from its \$6 billion peak valuation just after going public in 2021. On Wednesday, the stock price fell 1.7% to 33.5 cents a share.

In a letter to Wojcicki, the directors wrote that "after months of work, we have yet to receive from you a fully financed, fully diligenced, actionable proposal that is in the best interests of the non-affiliated shareholders."

It is very rare for a publicly traded company to see so many directors resign simultaneously. The board members wrote that they differ with Wojcicki on the "strategic direction for the company" and because of her voting power, it was best that they resign.

Wojcicki controls 49% of 23andMe votes, giving her a level of control that blocked board members from shopping the company to other potential bidders. She is the only remaining board member after the resignations.

Wojcicki's star power in Silicon Valley had helped attract high-powered board members including Roelof Botha, managing member of 23andMe investor Sequoia Capital, and Neil Mohan, the head of Google's YouTube division. On Wednesday, the board of directors page on 23andMe's website showed only one headshot: Wojcicki's.

"I am surprised and disappointed by the decision of the directors to resign," Wojcicki wrote in a late Tuesday memo to her employees. She wrote that taking 23andMe private, "outside of the short term pressures of the public markets," is still the best plan for the company and said she would find new independent directors.

23andMe has never made a profit and is burning cash so quickly it could run out next year. Customers only need to take its DNA test once, and Wojcicki's plan to sell sub-

Please turn to page B2

Google Gets EU's \$1.7 Billion Fine Overturned

By MAURO ORRU

Alphabet's Google scored a win Wednesday after the European Union's second-highest court overturned a fine of €1.49 billion, equivalent to \$1.66 billion, that antitrust officials had imposed on the

search giant for restricting how some websites could display ads sold by its rivals.

The European Commission, the EU's executive arm, levied the fine in 2019, saying Google had abused its dominance as a search engine and an advertising broker by imposing re-

strictive terms in contracts with third-party websites. Those terms effectively prevented Google's rivals from placing their own search ads on those websites, regulators said at the time.

Google provides ads to owners of news websites,

blogs and travel sites that appear when readers use the search function on those third-party sites. Google sells those ads through its AdSense for Search service, acting as the broker between advertisers and website owners.

EU antitrust officials said at

the time that Google's alleged misconduct stretched over more than 10 years but came to an end in 2016.

On Wednesday, the General Court of the European Union upheld most of the commission's findings about Google's

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INSIDE



TECHNOLOGY

T-Mobile will partner with OpenAI to build an AI platform for its customers. **B2**

FREIGHT

Importers are rushing in goods to get ahead of a possible strike by dockworkers. **B3**

Movie Studio Lionsgate Teams With AI Startup

By JESSICA TOONKEL

The entertainment company behind "The Hunger Games" and "Twilight" plans to start using generative artificial intelligence in the creation of its new movies and TV shows, a sign of the emerging technology's advance in Hollywood.

Lions Gate Entertainment has agreed to give Runway, one of several rapidly evolving AI startups, access to its content library in exchange for a new, custom AI model that the studio can use in the editing

and production process.

The deal—the first of its kind for Runway and one that could become a blueprint in the entertainment industry—comes as creatives, actors and studio executives debate whether to use the new technology and how to protect their copyright material. Advocates say generative AI can enhance creators' work and help a cash-strapped industry save time and money.

Michael Burns, vice chairman of Lionsgate Studio, expects the company to be able to save "millions and millions

of dollars" from using the new model. The studio behind the "John Wick" franchise and "Megalopolis" plans to initially use the new AI tool for internal purposes like storyboarding—laying out a series of graphics to show how a story unfolds—and eventually creating backgrounds and special effects, like explosions, for the big screen.

"We do a lot of action movies, so we blow a lot of things up and that is one of the things Runway does," Burns said.

Lionsgate, like many Holly-

wood studios, had been hesitant to engage with generative AI tools given concerns among creators that the technology could replace them. How entertainment companies use generative AI was a major sticking point in negotiations during last year's Screen Actors Guild and Writers Guild of America strikes.

Burns said the studio realized in recent months that if it didn't move quickly, it could fall behind its competitors. Other companies, like **Walt Disney** and **Paramount**, have

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Tupperware Files for Bankruptcy

Continued from page B1

In March, Tupperware delayed filing its 2023 annual earnings report due to a shortage of accountants and internal-control issues.

In June, the company said it was going to close its only factory in the U.S. and lay off nearly 150 employees.

Last year, the company made changes to its core management team and appointed Goldman as CEO to help turn around the company.

For its latest quarterly report, Tupperware reported revenue of \$259.6 million for the quarter, down 14% compared with the same period a year earlier. Its net loss was \$55.8 million for the quarter.

had discussions about teaming up with generative AI providers, The Wall Street Journal reported.

"It went from treading softly to 'Let's get into this people,'" Burns said.

Companies that control creative works, in particular, have grappled with how best to license their intellectual property and ensure they benefit from the arrangement, either financially or operationally.

Runway and other generative AI startups have been

sued by groups representing visual artists who allege that the tech companies violated copyrights by using their work to train their AI models. A spokeswoman declined to comment on the pending litigation.

The company has filed a motion to dismiss the case.

While many entertainment companies are discussing signing deals with generative AI providers, few have actually allowed these firms to use their film and TV libraries to create proprietary models, said Jeff Katzin, a partner at Bain & Co., which has worked with Lionsgate on its AI strategy.

After the actors' and writ-

ers' strikes ended last fall, more studios and production companies started exploring how to use the new tools for marketing and distribution. "Now they are looking at 'How do I maximize the value of the

library I have got,'" Katzin said.

Lionsgate

intends to use the AI model in editing and production.

tools it makes available to creators and hopes to give them more granular control over each scene in a movie in the next 12 months, said Cristóbal Valenzuela, chief executive of Runway.

For now, Runway's models are likely to save time and money on preproduction work,

like storyboarding or showing scenes to audiences of internal executives, said Brianna Domont, who oversees visual effects for Lionsgate's motion picture group.

For example, Lionsgate could use Runway to show what a scene could look like rather than have different executives interpret what it could be. The new Runway tool is expected to become a game-changer for Lionsgate's lower-budget films because it will give them access to the same resources as bigger ticket movies, Domont said.

Cruise Companies Woo Millennials With Shorter Trips, Private Islands

BY JENNIFER WILLIAMS

Young people are increasingly going on cruises. But they want a different, and more affordable, experience, forcing cruise companies to redesign their voyages.

The three largest North American cruise operators, Royal Caribbean Group, Carnival Corp. and Norwegian Cruise Line Holdings, are investing in short excursions, private island destinations and reliable internet to appeal to young cruisers. Three- to four-day trips, versus the more standard week or longer excursions, appeal to a young traveler's desire to either test out cruising for the first time or for a long weekend escape, cruise executives say. Cruise operators are also betting that the younger crowd is drawn to adults-only experiences on their private islands.

The efforts are working.

At Royal Caribbean, one in two passengers is a millennial (between 27 and 44 years old) or younger, said Royal Caribbean Chief Financial Officer Naftali Holtz. Royal Caribbean aims to attract all travelers, from families to baby boomers and 20-somethings, but with the uptick in younger guests, the company is working to "cultivate the next generation of cruisers," the CFO said.

Young cruisers aren't just flocking to Royal Caribbean, operator of the world's largest cruise ship. More than one-fifth of global cruise travelers are millennials, according to the Cruise Lines International Association, a trade group. Millennials combined with Gen Z, who range from 12 to 27 years old, account for 36% of cruisers, the data show.

Tapping the younger generations opens cruise companies up to groups who are eager to travel, often have money to spend, and who make up a significant share of the population. One draw for the young set is cost, analysts said.

Cruises have long been affordable compared with land-based alternatives, on average around 30% lower in price, analysts said. That gap has only grown in recent years.

As Covid-19 restrictions

eased, airlines and hotels raised prices, which consumers with money to spend and a pent-up appetite for travel were willing to pay. Cruise companies, meanwhile, were about 18 months behind in starting to recover, largely because of lingering pandemic-era restrictions. Cruises as a result have become even more of a deal, which has pushed demand for ship-based vacations higher, said Brandt Montour, an analyst at Barclays.

The price difference between a cruise and other travel options has widened enough to offset assumptions that some younger travelers might have about the ships being cramped, crowded and stale, analysts said.

Recent investments in more reliable internet connectivity also has helped, which appeals to those looking to share their experiences on social media, they said.

Cruise companies are also focusing on shorter trips. Cruises typically average around seven days. For a first-time cruiser, a three- to four-day holiday is a good way to test out the vacation option.

"It's dipping your toe in the water and seeing if you like the product," said Robin Farley, a leisure analyst at UBS.

Shorter cruises tend to bring in less money than longer options, she said. This has historically meant that cruise companies use older ships, which deters some would-be travelers. But that is changing. Royal Caribbean, for one, in July

launched a new ship meant for short getaways in the Caribbean, which Farley said will test whether demand exists for "all the bells and whistles" on a three- or four-day cruise.

"It's a little bit more of a party," Royal Caribbean's Holtz said of the experience on the new ship, called Utopia of the Seas. Royal Caribbean borrowed \$1.5 billion to finance the delivery of the ship in June, according to regulatory filings.

At Norwegian, interest from younger customers has increased more than the cruise operator anticipated a couple of years ago, company leaders said at an investor event in May. About six years ago, 25% of Norwegian's passengers were millennials,

company leadership said.

Now, Gen X (who are 44 to 59 years old) and millennials make up a little over 40% of the company's business, said finance chief Mark Kempa. Adding in Gen Z brings the figure up to a little more than 50%. The cruise operator is expanding its three- and four-day offerings and investing in marketing through influencers and social media.

But Norwegian isn't planning to radically change investment plans to attract a younger traveler, according to Kempa.

Another lure for young cruisers is private islands. Cruise companies have had them for years, but they are now spending hundreds of millions of dollars on snapping up or improving properties in the Caribbean and elsewhere. Royal Caribbean invested \$250 million in 2019 to upgrade a private island in the Bahamas that boasts family-friendly fare like a water park, zip-line course and wave pool.

With an expansion opened this year, called Hideaway Beach, there is now an adults-only beach club featuring DJs, a swim-up bar and private cabanas.

Carnival has similarly unveiled an adults-only beach club as part of a private island in the Bahamas, both set to open next year.

It's a little bit more of a party," Royal Caribbean's Holtz said of the experience on the new ship, called Utopia of the Seas. Royal Caribbean borrowed \$1.5 billion to finance the delivery of the ship in June, according to regulatory filings.

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MURRAY CLOSE/MOVIEPIX/GETTY IMAGES



Runway will get access to the studio's content library, including 'John Wick: Chapter 4,' in exchange for a custom AI model.

Lionsgate, AI Startup Team Up

Continued from page B1

had discussions about teaming up with generative AI providers, The Wall Street Journal reported.

"It went from treading softly to 'Let's get into this people,'" Burns said.

Companies that control creative works, in particular, have grappled with how best to license their intellectual property and ensure they benefit from the arrangement, either financially or operationally.

Runway and other generative AI startups have been

sued by groups representing visual artists who allege that the tech companies violated copyrights by using their work to train their AI models. A spokeswoman declined to comment on the pending litigation.

The company has filed a motion to dismiss the case.

While many entertainment companies are discussing signing deals with generative AI providers, few have actually allowed these firms to use their film and TV libraries to create proprietary models, said Jeff Katzin, a partner at Bain & Co., which has worked with Lionsgate on its AI strategy.

After the actors' and writ-

ers' strikes ended last fall, more studios and production companies started exploring how to use the new tools for marketing and distribution. "Now they are looking at 'How do I maximize the value of the

library I have got,'" Katzin said.

Lionsgate

intends to use the AI model in editing and production.

tools it makes available to creators and hopes to give them more granular control over each scene in a movie in the next 12 months, said Cristóbal Valenzuela, chief executive of Runway.

For now, Runway's models are likely to save time and money on preproduction work,

like storyboarding or showing scenes to audiences of internal executives, said Brianna Domont, who oversees visual effects for Lionsgate's motion picture group.

For example, Lionsgate could use Runway to show what a scene could look like rather than have different executives interpret what it could be. The new Runway tool is expected to become a game-changer for Lionsgate's lower-budget films because it will give them access to the same resources as bigger ticket movies, Domont said.

Runway is refining the

OpenAI Aids T-Mobile On Customer Service

BY DREW FITZGERALD AND SABELA OJEJA

"If you called us because you had a dropped call moments ago, AI can answer that call," Chief Executive Mike Sievert said Wednesday during an investor presentation in San Francisco.

The insights from past customer defections also can help prevent future switching, Sievert said. Preventing subscriber losses, or churn, is a priority in a telecom industry that values reliable revenue streams.

"Every one of those customers who left us left a separate individualized breadcrumb of data" about why they left, Sievert said. "AI can ascertain what went wrong and why."

The companies said the new platform, called IntentCX, will harvest data on customer interactions from the millions of T-Mobile subscribers who use its T-Life app. The app, launched this year, combines several existing services like bill management, smartwatch integration and T-Mobile Tuesdays retail deals through a single portal.

T-Mobile said the partnership will help the company automate tasks that might ordinarily demand a store visit or a call to a customer-service agent. The new platform would blend data on past service calls with network status information to troubleshoot their problems, for instance.



"That is your data," Altman said. "Other customers' data, that's their data. We can do custom models for you with that data. But this is not data that's improving the base OpenAI models, ever."

The AI-technology platform, which will be integrated into T-Mobile's operations and transaction systems, is expected to get under way in 2025.

The companies said they would also collaborate on developing additional AI-enabled services and tools as part of their agreement.

wouldn't support a bid by another buyer.

In late July, she proposed a price of 40 cents a share, but directors wrote in a letter a few days later that they were disappointed because it offered no share-price premium and lacked committed financing.

The directors threatened to engage a consultant to find a sustainable business model if she didn't revise her offer quickly.

Days later, Wojcicki's sister, Susan Wojcicki, the former CEO of YouTube, died suddenly, delaying any action from the board.

Another strategy to use its DNA database to develop drugs has also been a money loser.

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wouldn't support a bid by another buyer.

Continued from page B1

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Continued from page B1

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BUSINESS NEWS

Tyson Foods Is Sued Over Climate Claims

By H. CLAIRE BROWN

Tyson Foods, the company that produces about 20% of the meat sold in the U.S., was sued for greenwashing on Wednesday.

Since 2021, the company has claimed it will reach net zero emissions by 2050, and about two years ago, it began touting plans for its "climate-smart" beef. The lawsuit, brought by the advocacy organization Environmental Working Group, alleges that these statements are misleading because Tyson Foods has no real plans to achieve these goals.

"Greenwashing claims are really targeting well-meaning consumers who want to do good with their money, who want to try to take some individual responsibility and purchase foods that are more climate-friendly," said Carrie Apfel, an attorney for Earthjustice, an environmental law firm representing the plaintiff.

"If they're being fed a lot of false or misleading statements, then they really can't make an informed decision about where to spend their money," she said.

A Tyson Foods representative said the company wouldn't comment on the litigation, but added that it "has a long history of sustainable practices that embrace good stewardship of our environmental resources." Beef represents 36% of the company's sales and 65% of its total emissions.

Tyson Foods is the second major meat company to be sued in the U.S. this year for greenwashing. In February, New York Attorney General Letitia James challenged **JBS**, the Brazilian meat conglomerate, on similar grounds, alleging that the company's pledge to reach net zero emissions by 2040 wasn't backed by a feasible plan. That lawsuit came after Earthjustice successfully challenged JBS's environmental messaging in front of an advertising industry self-regulation group last year.

"We're seeing quite a growth in greenwashing lawsuits around the world," said Michael Gerrard, founder of the Sabin Center for Climate Change Law at Columbia Law School. "Europe and Australia have been the leaders in these suits, and their advertising integrity boards have been issuing a large number of violations. We also see them in the U.S., although at a lower volume."

The complaint against Tyson Foods was filed in Washington, D.C., where a consumer-protection law allows interest groups to sue companies for false advertising on behalf of consumers. Coca-Cola is currently a defendant in a suit filed under the same law alleging the beverage company overstated its recycling goals.

The plaintiffs are hoping the court will issue an injunction forcing Tyson Foods to pull back on its climate messaging or publish an actionable plan to back up its claims.

Campari Chief Executive Resigns After a Few Months on the Job

By ADRIÀ CALATAYUD AND DOMINIC CHOPPING

Aperol maker **Davide Campari-Milano** said Chief Executive Officer Matteo Fantacchetti resigned from his role for personal reasons, just months after taking the helm of the liquor maker.

Fantacchetti took the reins from longtime chief Bob Kunze-Concewitz in April, making the step up to CEO after serving as managing director of the company's Asia-Pacific region.

Under his short tenure, shares had dropped more than 15% before Wednesday's announcement. That included a 5.6% fall on Friday following

U.S. Importers Brace for Port Strike

Retailers move up holiday shipments as dockworker walkout grows more likely

By PAUL BERGER



treal, where importers may seek to divert shipments.

"If we all go and try to use the other door, the other door gets clogged up," said Ken O'Brien, president of Gemini Shippers Association, a New York City-based cooperative that represents more than 250 companies who buy space on ships. "I think everyone's accepted there is no contingency."

Some logistics executives say they are already seeing signs of strain in domestic supply chains.

IMC Logistics, a nationwide trucking company that operates at ports, says shippers are asking the company to pull containers from East Coast and Gulf Coast ports as quickly as possible. Executives say container yards in California as well as at inland hubs such as Memphis, Tenn., and Chicago are already clogging up, triggering shortages of the steel trailers that are needed to move containers.

"We're seeing it at every single access point to the U.S." and inland where containers are switched from rail to trucks, said Brian Kobza, a senior executive at IMC Logistics.

Some importers say they plan to wait out any disruptions.

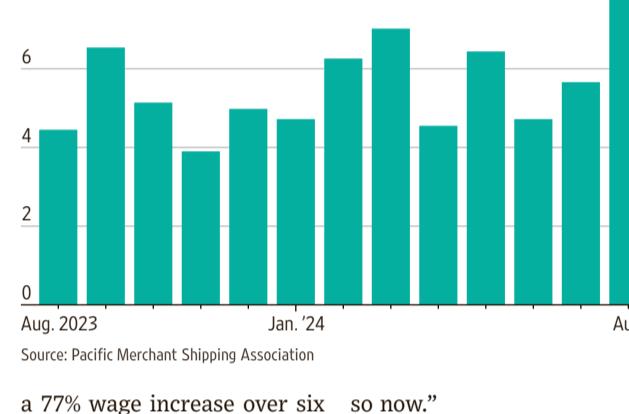
BassTech International of Fort Lee, N.J., imports all its raw materials and chemicals through the Port of New York and New Jersey. Lori Fellmer, the company's vice president of logistics, has pulled as much cargo as possible early.

Now, she plans to suspend further shipments until later in October.

"I'm not going to put my cargo on a ship on the 15th of September that has an ETA of October 1st to a port that might be impacted," Fellmer said. "I just don't think that's a wise decision when you could delay it a week or two weeks on the expectation that things will be perhaps moving by then."

The union is warning that its members will strike if they don't secure a labor deal by Sept. 30.

Average monthly 'dwell time,' or days spent waiting for rail transport, for imports into the ports of Los Angeles and Long Beach



a 77% wage increase over six years, and port employers haven't met at the bargaining table yet and no negotiations have been scheduled.

A strike would also deliver a blow to the U.S. economy just a few weeks before the presidential election, leaving a pro-labor Biden administration with a tough political path to navigate. The president could invoke a federal law to force dockworkers back to work, but an administration official said Biden isn't "considering doing

so now."

The dockworkers' threat has spurred an earlier-than-usual rush of holiday-season goods into ports around the country. U.S. importers in August brought in almost 2.4 million containers, measured in 20-foot equivalent units, up almost 21% from the same time last year and the highest monthly level since pandemic peaks in May 2022, according to the National Retail Federation's Global Port Tracker.

West Coast ports, which

lost a big share of import trade during a long stretch of congestion in the Covid pandemic, are winning back cargo.

In June and July, West Coast ports handled 61% of imports from Asia, the highest share of that market since October 2021, according to transportation data firm Xeneta.

California's two big ports, Los Angeles and Long Beach, saw their combined inbound container volume surge 47.4%

in July from the same month last year and rise another 3.1% from July to August to 966,231 containers, measured in 20-foot equivalent units, its highest level since May 2021.

"This is a critical time as retailers prepare for the all-important holiday season, and we need every port in the country working at full capacity," said Jonathan Gold, vice president for supply chain at the National Retail Federation.

Importers are concerned that if more companies divert cargo to West Coast ports, the gateways will buckle. They face a similar dilemma at alternative East Coast ports, such as Canada's Port of Mon-

GameStop CEO To Pay \$1 Million In FTC Settlement

By SABELA OJEA

GameStop Chief Executive Ryan Cohen has settled an alleged antitrust-law violation with the Federal Trade Commission related to the failure to disclose the acquisition of a reportable number of **Wells Fargo** voting securities in a timely manner.

Cohen agreed to pay a \$985,320 civil penalty after he failed to file a Hart-Scott-Rodino form with federal antitrust agencies before completing the acquisition of the securities, the regulator said Wednesday.

The Hart-Scott-Rodino Act requires buyers of certain amounts of company's stock to publicly alert regulators so that the federal agencies can investigate the deals before they close.

Cohen acquired 562,077 voting securities in Wells Fargo in March 2018, which resulted in aggregated holdings that exceeded the applicable Hart-Scott-Rodino filing threshold of \$100 million,

the FTC said.

From March 2018 to September 2020, Cohen continued to acquire Wells Fargo voting securities, the agency said.

After acquiring the shares, Cohen maintained periodic communications with Wells Fargo's leadership regarding suggestions to improve the bank's business and to advocate for a potential board seat, the FTC added. The acquisitions, therefore, weren't exempt from Hart-Scott-Rodino Act reporting, as the communications evidenced Cohen's intent to participate "in the formulation, determination, or direction of the basic business decisions" of Wells Fargo, according to the complaint.

On Jan. 14, 2021, Cohen made a corrective filing under the Hart-Scott-Rodino Act for the March 2018 acquisition, the FTC said. The maximum civil penalty for a Hart-Scott-Rodino violation at the time Cohen made the corrective filing was \$43,792 a day, the agency added.

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Hot Cloud Startups Raise Bar for Others

Record growth by outliers such as Wiz and Rubrik has moved goal posts for success

By STEVEN ROSENBUCH

Hot streaks at a few software-as-a-service startups are driving the measure of success out of reach for many others, undermining the also-rans' prospects for the most lucrative exits.

A few years ago, \$100 million in annual recurring revenue was often enough to set cloud companies on the path to larger late-stage rounds at lofty valuations and perhaps even an initial public offering.

Institutional investors viewed it as the mark of businesses that could keep growing and deliver a significant return.

Then the goal posts moved.

Higher interest rates and slowing growth for software businesses have pushed institutional investors to raise their sights to \$300 million in ARR, according to Asheem Chandna, a partner at venture-capital firm Greylock Partners.

That was no problem for cybersecurity startup Wiz, which reached \$100 million in annual recurring revenue 18 months after its launch in 2020. As customers today shift spending toward a small group of AI companies and cut back elsewhere, however, the environment has become challenging for many software-as-a-ser-

valuation. Alphabet earlier this year was even in advanced talks to purchase the company for \$23 billion, although the effort fell apart and Wiz said it would pursue an eventual IPO instead.

Rubrik, another cybersecurity firm, reported \$919.1 million in annualized subscription revenue in the quarter ended July 31 and said it expects to exceed \$1 billion in subscription ARR this fiscal year.

Its IPO in April was the largest public offering of a software company since 2021.

ARR is a nonstandard accounting term, to be sure, with varying definitions. Some companies, like Rubrik, calculate it on the rosy assumption that any contract that expires during the next 12 months will be renewed on existing terms.

Even so, Greylock's Chandna finds it useful. "I and other VCs view it as very important and as a leading indicator of business size and top line," he said.

Secret weapon

Rubrik and Wiz follow an earlier generation of supercharged software-as-a-service successes including Salesforce, ServiceNow and Workday. As customers today shift spending toward a small group of AI companies and cut back elsewhere, however, the environment has become challenging for many software-as-a-ser-



Wiz hit \$100 million in annual recurring revenue 18 months after its launch in 2020. It has since grown to \$500 million.

GABBY JONES/BLOOMBERG NEWS

vice companies.

Fewer than 1 in 1,000 enterprise software companies backed by top venture-capital firms achieve \$100 million in annual revenue, according to Chandna, who sits on Rubrik's board.

But Wiz and Rubrik had exceptional factors working in their favor, as well as a certain degree of luck. Their success was at least as much about people as technology or product.

Wiz benefited from founders who sold their first startup to Microsoft and worked for several years at the software giant, leading the cloud security team. That plus help from well-connected early investors such as Cyberstarts, Index Ventures, Sequoia Capital and Insight Partners enabled Wiz to target

large enterprise customers from the start and work with them to hone their product.

Rubrik co-founder Bipul Sinha had extensive experience as an Oracle engineer and venture-capital investor at Blumberg Capital and Lightspeed. But it was his personal ability to draw top people to a seemingly sleepy market that allowed the company to attract the talent it needed to grow.

Both Wiz and Rubrik were also able to follow the startup playbook of burning cash to reach escape velocity, much as a rocket burns a lot of fuel to break from the pull of Earth. Rubrik, for one, reported a \$354 million net loss in the latest fiscal year. It couldn't have grown so rapidly without spending a significant sum.

But venture-capital firms

are putting increasing pressure on startups to limit the spending upon which their growth depends.

Burn limits

In prior years, it wasn't uncommon for startups to burn \$4 or \$5 to acquire \$1 in new annual recurring revenue, according to Nina Achadjian, a partner at Index Ventures.

Since interest rates started climbing in 2022, investors have generally pressed startups to control their spending. Jeremy Burton, the chief executive of data startup Observe, said that when he was raising money earlier this year, some investors wanted him to spend only \$2 to acquire \$1 in new annual recurring revenue. The company helps clients troubleshoot applications by observing the digital "exhaust fumes" that they omit.

It is unreasonable to expect an enterprise software company to scale up while limiting its cash burn in such an extreme way, given the need for a broad set of features, engineers and salespeople, according to Burton, whose company offers both subscription- and usage-based pricing.

"We had a really, really great year. And yet still it was incredibly difficult to raise money," Burton said.

Observe raised a \$115 million Series B round in March, led by Sutter Hill Ventures, which founded and incubated

the company. Other participants included Capital One Ventures and Madrona, both existing investors, and Snowflake, where Burton sits on the board. Observe said it expects annual recurring revenue, now \$21 million, to be over \$30 million by year-end.

Startups that lack such committed investors may struggle to fund their growth.

"If you don't have good investors, and you are being held to those kinds of metrics, there's not going to be many B and C rounds that get done," Burton said.

That raises the prospect of selling to private equity or a stronger startup at a price that wipes out some or even all of the equity of team members and investors.

Lacework, a cybersecurity startup that was founded in 2015 and valued at \$8.3 billion in a 2021 funding round, achieved annual recurring revenue in the range of \$80 million to \$100 million. This year it signed a letter of intent to be acquired by Wiz.

After due diligence, however, Wiz said it was reconsidering its offer, according to a person familiar with the matter. If a deal goes forward, that person said, it would likely value Lacework at less than \$100 million.

In a market where a big exit is elusive, startups will need to cultivate strong management and steadfast investors as never before.

Google Gets EU's Fine Overturned

Continued from page B1

practices but canceled the fine, saying the commission was wrong in its assessment of the duration-of-contract clauses that officials had deemed abusive.

"We are pleased that the court has recognized errors in the original decision and annulled the fine," a Google spokesperson said. The company said the case was about a very narrow subset of text-only search ads placed on a limited number of publishers' websites and that it had already amended relevant contractual provisions.

The commission said its officials would carefully study the ruling and reflect on possible next steps. The decision can still be challenged at the European Court of Justice, the bloc's highest court.

The decision marks a win for Google, just a week after the European Court of Justice

upheld a fine of €2.42 billion that the bloc's officials imposed on the company in 2017 over how its comparison-shopping service fares in search results. In that decision, antitrust regulators said Google had abused its market dominance as a search engine by promoting its own comparison-shopping service in search results and demoting those of competitors.

Google's advertising practices continue to be a key focus of regulators on both sides of the Atlantic. Earlier this month, the U.K.'s Competition and Markets Authority said the company might be stifling competition by favoring its own services that advertisers and publishers use to bid for and sell advertising space. Last year, the U.S. Justice Department filed a lawsuit accusing Google of abusing monopoly power in digital-ad brokering.

For the European Commission, Wednesday's ruling marks yet another setback two weeks after the top court rebuked the bloc's competition regulators for overreach in Illumina's takeover of Grail, saying the legal tool that officials relied on to look at the case was used improperly.



The rule could make it harder for China-founded e-commerce companies to ship to the U.S. An image from a Temu commercial.

A New Tariff Rule Aimed at China Threatens Ad Spending in the U.S.

By KATIE DEIGHTON

and Alphabet's Google in particular.

Meta's top advertiser in revenue for 2023 was Temu, whose parent company PDD Holdings spent nearly \$2 billion on ads across its platforms that year, The Wall Street Journal reported. Temu also became one of Google's top five advertisers by spending last year, the Journal reported.

In February, Temu bought pricey commercial time during the Super Bowl for the second year in a row. Any disruption to the U.S. business of Temu and others will have an outsize impact on the ad industry at large, said Brian Wieser, an industry analyst and chief executive of consulting firm Madison and Wall.

The de minimis exemption helps keep overseas e-commerce retailers' prices low and competitive. Take it away and certain products may no longer be competitive, and thus less likely to be promoted with advertising spending, Wieser said.

The entry of new high spenders into the ad market has also forced incumbent advertisers to increase their spending to remain competitive, Wieser said.

If Temu and others decrease their ad spending, that could make their rivals feel more comfortable easing up on the gas, he

said.

Amazon.com's multibillion-dollar advertising business also benefits from the e-commerce importers that would be hit by bigger tariffs, he added.

"We don't really know how badly this will hurt," Wieser said. "But it will hurt."

Temu said it doesn't stick to a fixed advertising budget and adapts its approach based on how well its campaigns perform. "As Temu matures, we're seeing the impact of word-of-mouth referrals grow and become even more influential than advertising," a spokesperson for the company said.

Shein declined to comment, but said last week that it looks forward to working with stakeholders on de minimis reform.

Temu was the fifth-largest digital advertiser in the U.S. in the second quarter of 2024, up from 11th during the same period in 2023 and 67th in 2022, according to market intelligence firm Sensor Tower. Shein was the 13th-biggest digital ad spender in the second quarter of this year.

Temu recently transitioned to a new program to recruit sellers with inventory outside of China, which might help the company swerve around some regulatory speed bumps.

Other industry observers weren't convinced that re-

stricting the de minimis exemption will hurt U.S. advertising.

The U.S. is too important to Temu and Shein for them to back off their battle for market share, according to Ivy Yang, founder of consulting firm Wavelet Strategy and writer of a newsletter that analyzes Chinese global companies.

"The sheer size of the consumer base and the potential for growth make it a critical market that can't be ignored," she said.

Temu had already diversified its focus and ad spending beyond the U.S. into Europe, spooked in part by the U.S. government's pending ban on the China-based TikTok, the Journal reported in May.

Global platforms like Google and Meta will remain the biggest beneficiaries of Temu's digital marketing spending, regardless of the country in which it advertises, Yang said.

Temu and other e-commerce companies might spend big on ads to spread their names around, but they also chase customers through deals, promotions, and consistently superlow prices that likely already require them to absorb some costs, said Seema Shah, vice president of research and insights at Sensor Tower. It is unlikely the de minimis change will rock their overarching strategy, she said.

"If these guys want to eat this extra cost just to be slightly cheaper, they have the capability to do that, based on what we've seen so far," Shah said.

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The Biden administration's plan to restrict a trade provision known as the de minimis exemption could make it harder for China-founded e-commerce companies like Temu and Shein to ship to the U.S.—and could gum up an engine of recent U.S. advertising growth.

The exemption allows shipments valued at \$800 or less to enter the U.S. without duty and with little scrutiny. But under a new rule the administration said it plans to propose, parcels containing merchandise that would be subject to tariffs under trade law will no longer be eligible for de minimis treatment.

About 70% of Chinese textile and apparel shipments are subject to those tariffs and will now have to go through more formal channels to enter the U.S., administration officials said.

The financial pressure that would place on the likes of Temu, Shein, Alibaba and other Chinese or China-founded e-commerce companies could throw the growth trajectory of the U.S. ad industry off course, one analyst said.

At present, U.S. ad spending is on track for one of its best performances in 20 years, with full-year noncyclical sales expected to increase 8.9% in 2024, media investment firm Magna said Monday.

The entry of China-founded e-commerce players in recent years has contributed to the strength of the U.S. ad market, benefiting Meta Platforms

'We don't really know how badly this will hurt. But it will hurt,' an analyst said.

and Alphabet's Google in particular.

Meta's top advertiser in revenue for 2023 was Temu, whose parent company PDD Holdings spent nearly \$2 billion on ads across its platforms that year, The Wall Street Journal reported. Temu also became one of Google's top five advertisers by spending last year, the Journal reported.

In February, Temu bought pricey commercial time during the Super Bowl for the second year in a row. Any disruption to the U.S. business of Temu and others will have an outsize impact on the ad industry at large, said Brian Wieser, an industry analyst and chief executive of consulting firm Madison and Wall.

The de minimis exemption helps keep overseas e-commerce retailers' prices low and competitive. Take it away and certain products may no longer be competitive, and thus less likely to be promoted with advertising spending, Wieser said.

The entry of new high spenders into the ad market has also forced incumbent advertisers to increase their spending to remain competitive, Wieser said.

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BUSINESS NEWS

Trump Buys the Burgers And Pays With Bitcoin

GOP presidential nominee makes campaign stop at 'it' spot for crypto

By ALEX LEARY
AND VICKY GE HUANG

NEW YORK—A former president walks into a dive bar and asks, “Who wants a hamburger?” He pulls out an iPhone and pays not with dollars but with bitcoin.

“History in the making,” Donald Trump declared Wednesday after making the transaction at PubKey, a Greenwich Village tavern that is the *it* spot for crypto enthusiasts—a rising financial and political force that Trump is hoping will help him return to the White House.

The Founding Fathers had Fraunces Tavern, the Manhattan saloon where George Washington closed out a successful war against the Brits. Trump has PubKey.

“PubKey is the drinking hole for the bitcoin revolution. He’s now one of us,” said Mike Germano, president of Bitcoin Magazine. Germano, 42 years

old, a former Democrat who plans to vote for Trump in November, had a prime viewing position for the visit.

“It’s a significant step in bitcoin history. It’s more than a currency, it’s a movement,” said PubKey co-founder Andrew Newman, 40, whose bar features a \$12 beer-and-shot special.

Trump once said bitcoin seemed like a scam, but he has embraced the industry, appearing at a recent conference in Nashville, Tenn., and raking in millions of dollars in campaign contributions made in cryptocurrencies as he promised a more favorable regulatory climate if he wins a second term.

“Almost everyone starts out as a skeptic,” said Thomas Pacchia, 40, the hat-wearing, lightly bearded co-founder of PubKey whose aesthetic could be described as dive-bar chic. “But when you do the work and dive into the protocol, you start to understand the really elegant mechanisms around decentralization, the way mining works, the way that transactions are effectuated. It’s not an easy technology to grasp.

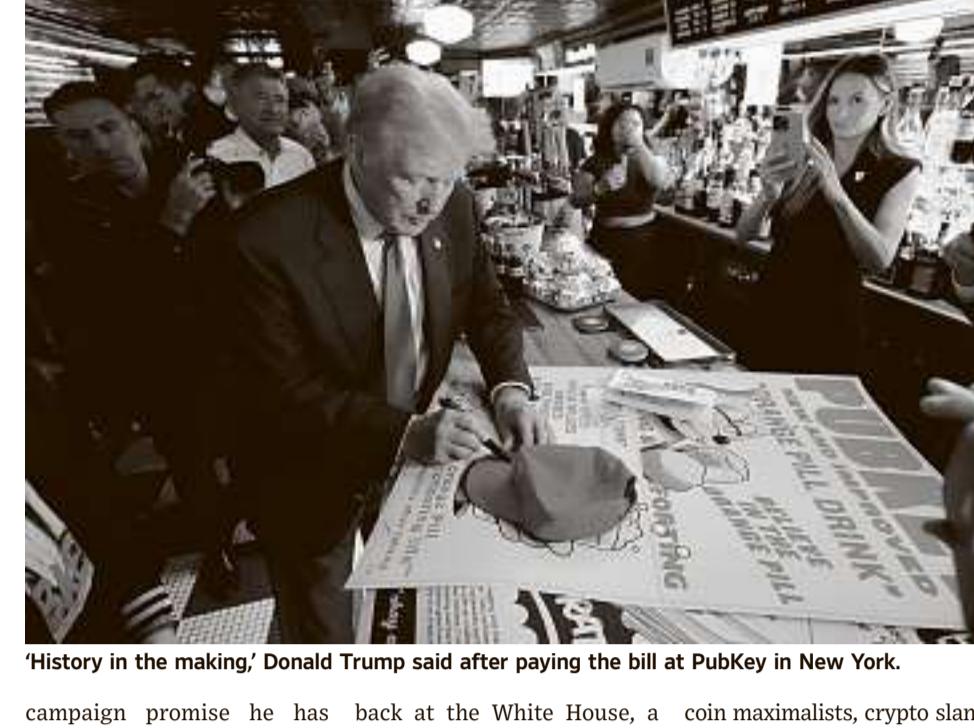
It just takes time.”

After making his bitcoin payment Wednesday, Trump said it went quick and “beautifully.” He paid roughly \$950 in bitcoin for smash burgers and Diet Cokes.

Invited guests were brimming with excitement when the teetotaling 78-year-old Trump stepped into the cramped New York dive bar. Red hats read, “Make Bitcoin Great Again,” and on the wall, near an old-school boombox and a bank of cassettes, was a digital ticker displaying the current value of one bitcoin. A sign on the wall warned, “Central bank digital currencies enslave.” Trump has also pledged to halt any work on central bank digital currencies if he is re-elected in November.

“I’m shocked to see anybody here, to be honest. I thought all New Yorkers hated him,” said a self-described politically agnostic East Village resident who declined to give his name, not wanting to further alienate his wife—a Trump supporter—from her Trump-loathing friends.

T-shirts being passed around reminded Trump of a



‘History in the making,’ Donald Trump said after paying the bill at PubKey in New York.

ALEX BRANDON/AP

campaign promise he has made: “Free Ross Day One,” a reference to Silk Road founder Ross Ulbricht, who was sentenced to life in prison in 2015 for running the online drug bazaar. Ulbricht has become a symbol among libertarians and crypto fanatics of government overreach.

“They’ve been treating you very badly at the SEC,” Trump said in the bar, referring to the Securities and Exchange Commission’s crackdown on the crypto industry. At the bitcoin conference, Trump said he would fire SEC Chair Gary Gensler on his first day

back at the White House, a promise that was met with thunderous applause. And just this week he launched a crypto project with his elder sons, Eric Trump and Donald Trump Jr.

The former president has told crowds at conferences and events that he wants to make the U.S. the “world capital for crypto and bitcoin.”

Trump promised the creation of a “strategic national bitcoin stockpile” and the establishment of a bitcoin and crypto presidential advisory council.

Some attendees at the PubKey event appeared to be bit-

coin maximalists, crypto slang for people who view bitcoin as the best and most important cryptocurrency. Germano corrected Trump when he called the burgers he paid for “crypto burgers.”

“It’s a bitcoin burger,” Germano shouted, referring to the \$17 handheld that comes standard with pub sauce, lettuce, onion, tomato and cheese.

Trump didn’t seem fazed by the difference. “Everybody, whether it’s bitcoin or crypto, get out and vote, because if you vote, we cannot lose,” he said.

Bonobos Co-Founder Launches Mental-Health Venture

By YULIYA CHERNOVA



TAYLOR HILL/GETTY IMAGES

Andy Dunn, shown in 2022, is behind Pie, a startup whose app allows users to organize and find in-person events.

“The job of the product and the experience is to help you meet new people,” Dunn said.

Pie, whose mobile app allows users to organize and discover in-person events, has raised an \$11.5 million Series A.

The financing round valued the company at between \$40

million and \$50 million, according to a person familiar with the fundraising.

Consumer-focused Forerunner Ventures, run by founder and partner Kirsten Green, led

participated in the Pie deal, bringing his total investment in the startup to \$5.3 million, his largest outside the companies he has started, he said.

It is a rare personal check by Williams, who co-founded Obvious Ventures but doesn’t actively invest himself.

It is also a rare deal for a social app. Global venture investments in social media startups dropped to about \$1 billion last year, a decade low, according to PitchBook Data.

“I believe deeply that people need to get out of the house or have people over to the house and connect in person and that is central to human satisfaction and happiness. And if we can use technology to help us do that, that’s great,” Williams said.

After downloading the Pie app and creating a profile, a user sees a list of local events.

So far, the service is only available in Chicago. About two dozen happenings were visible to a new account holder for a mid-September week, among them outdoor yoga, a beach cleanup, a get-together for writing letters by hand and an event to share stories of crying.

The app allows users to plan their own events, with tools such as polls to agree on a convenient date. There is an AI agent, based on the OpenAI enterprise stack, that helps personalize events.

But bringing people together in real life by first getting them to join an online group is tough, as people are reluctant to download yet another app.

“The major platforms have created attention gravity wells,” said Williams, contrasting their current domi-

nance with the more open, early days of the internet. The large social-media platforms, however, don’t fill the needs Pie is trying to meet, Williams said: Pie is competing for the time that people are off their screens—not on them.

“That’s much higher friction, to get people outside of the house,” he said, though it’s a less crowded market. “In terms of the human need it’s trying to serve, it’s something that people really want.”

Currently, Pie has 20,000 monthly active users and is growing 40% month over month, according to Dunn. The company set up a \$1 million fund to subsidize events organized by creators, and by hosting its own events, to drive network growth.

Dunn declined to say whether the company has any revenue yet.

New Highs and Lows

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. % CHG Daily percentage change from the previous trading session.

Wednesday, September 18, 2024

Stock	52-Wk % Sym Hi/Lo Chg	Stock	52-Wk % Sym Hi/Lo Chg	Stock	52-Wk % Sym Hi/Lo Chg	Stock	52-Wk % Sym Hi/Lo Chg	Stock	52-Wk % Sym Hi/Lo Chg	Stock	52-Wk % Sym Hi/Lo Chg	Stock	52-Wk % Sym Hi/Lo Chg	
Hights		AtmosFiltration	36.79 -0.7	Brookfield	BN	51.03 -0.2	EastmanChem	EMN	108.04 0.4	GDI Pfd R	GDLpC	132.42 0.2	InteractiveBrks	IBKR
AAON	99.27 0.8	AtourLifestyle	20.47 -0.1	BrookfieldFinNts	BNJ	17.75 -0.1	GE Aerospace	GE	185.75 1.8	InvenTrust	IVT	30.33 -0.2	MercantsBncPfd	MBNN
ACI Worldwide	50.61 0.4	AurusMobile	5.43 2.1	BrookfieldFinNts	BNH	19.35 -0.3	GE Vernova	GEV	152.45 -0.6	Investar	ISTR	21.01 -0.9	MergeTechHomes	MTH
AcresCmldPfd	ACRP	25.16 ...	AvansMedical	AVNS	24.95 0.2	EllingtonFinPfd	ELFC	23.33 -0.9	GlobePvdr	GDPV	24.98 -0.3	InvestorsTitle	ITI	235.00 1.1
ACV Auctions	ACVA	20.82 -0.5	AvonEnterprise	ADOM	11.96 -0.6	EmpireStateRealPfd	FSK	11.13 0.6	GlobePvdrPfd	GAPB	24.20 ...	Iteris	ITI	22.96 ...
ADMIA Biologics	ADMIA	19.75 3.3	BarkPad	BPK	20.80 -0.7	EmpireStateRealPfd	FSL	11.30 2.2	GlobePvdrPfd	GAPB	18.86 -0.3	MidPennBancorp	JBG	30.74 1.0
AFC Gamma	AFCG	10.83 0.2	BarkPadApd	BPKP	20.69 -0.2	EmpireStateRealPfd	FSL	11.30 2.2	GlobePvdrPfd	GAPB	18.86 -0.3	PiedmontOfficeA	PDA	10.28 0.5
AG Mortgage	MITT	7.95 -1.0	BarkPadApd	BPKP	20.69 -0.2	EmpireStateRealPfd	FSL	11.30 2.2	GlobePvdrPfd	GAPB	18.86 -0.3	PNC	PNC	10.28 0.5
AG Mortgage Pfd	MITTP	22.00 0.7	BK Financial	BVFL	15.07 -1.2	EmpireStateRealPfd	FSL	11.30 2.2	GlobePvdrPfd	GAPB	18.86 -0.3	PNC	PNC	10.28 0.5
AGNC Inv't	AGNC	10.73 0.9	BonanzaHomes	BZM	21.68 -0.8	EmpireStateRealPfd	FSL	11.30 2.2	GlobePvdrPfd	GAPB	18.86 -0.3	PNC	PNC	10.28 0.5
AGNC Inv'tPfd	AGNC	25.37 -0.6	BonanzaHomes	BZM	21.68 -0.8	EmpireStateRealPfd	FSL	11.30 2.2	GlobePvdrPfd	GAPB	18.86 -0.3	PNC	PNC	10.28 0.5
AGNC Inv'tPfd	AGNC	24.85 -0.1	BonFirst	BANF	11.00 0.7	EmpireStateRealPfd	FSL	11.30 2.2	GlobePvdrPfd	GAPB	18.86 -0.3	PNC	PNC	10.28 0.5
AI Transportation	AITR	10.48	BankNYC	BMA	7.20 0.9	EmpireStateRealPfd	FSL	11.30 2.2	GlobePvdrPfd	GAPB	18.86 -0.3	PNC	PNC	10.28 0.5
ARC Transportation	ARC	3.41	BankNYCpfd	BMAp	7.20 0.9	EmpireStateRealPfd	FSL	11.30 2.2	GlobePvdrPfd	GAPB	18.86 -0.3	PNC	PNC	10.28 0.5
AT&T Nts 2067	TBC	25.53 -0.2	BankNYCpfd	BMAp	7.20 0.9	EmpireStateRealPfd	FSL	11.30 2.2	GlobePvdrPfd	GAPB	18.86 -0.3	PNC	PNC	10.28 0.5
AT&T Pfd	TPC	21.49 -0.7	BankNYCpfd	BMAp	7.20 0.9	EmpireStateRealPfd	FSL	11.30 2.2	GlobePvdrPfd	GAPB	18.86 -0.3	PNC	PNC	10.28 0.5
AXIS Cap'de	AXSpE	23.09 -0.5	BarrettBus	BLC	21.00 2.8	EmpireStateRealPfd	FSL	11.30 2.2	GlobePvdrPfd	GAPB	18.86 -0.3	PNC	PNC	10.28 0.5
AddsHomeCare	ADUS	13.16 0.2	BethAmeriCorp	BAGC	127.90 0.2	CapitalOneBnpl	COPN	21.50 -0.4	GlobePvdrPfd	GAPB	18.86 -0.3	PNC	PNC	10.28 0.5
AffiliatedNTs60	MGRB	20.80 0.5	BethAmeriCorp	BAGCp	20.80 -0.5	CapitalOneBnpl	COPN	21.50 -0.4	GlobePvdrPfd	GAPB	18.86 -0.3	PNC	PNC	10.28 0.5
AgnicoAppleMines	AEM	84.65 -1.2	BethAmeriCorp	BAGCp	23.00 -0.1	CapitalOneBnpl	COPN	20.51 -0.4	GlobePvdrPfd	GAPB	18.86 -0.3	PNC	PNC	10.28 0.5
AimeHthrTech	AFJK	10.55	BethAmeriCorp	BAGCp	20.50 -0.1	CapitalOneBnpl	COPN	19.92 -0.3	GlobePvdrPfd	GAPB	18.86 -0.3	PNC	PNC	10.28 0.5
Alamodos	AGI	21.14 0.2	BethAmeriCorp	BAGCp	20.50 -0.1	CapitalOneBnpl	COPN	19.92 -0.3	GlobePvdrPfd	GAPB	18.86 -0.3	PNC	PNC	10.28 0.5
AlgonquinNt2079	AONB	26.30 -0.2	BethAmeriCorp	BAGCp	20.50 -0.1	CapitalOneBnpl	COPN	19.92 -0.3	GlobePvdrPfd	GAPB	18.86 -0.3	PNC	PNC	10.28 0.5
Allstate	ALL	191.56 0.4	BethAmeriCorp											

BIGGEST 1,000 STOCKS

Continued From Page B6

Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg											
Bco SantChile BSAC	20.24	0.18		CaesarsEnt CZR	40.27	0.02		ConocoPhillips COP	108.62	0.33		EOG Rscs EOG	124.38	1.19		FedEx FDX	298.17	0.83		GoDaddy GDDY	154.28	0.38		Jabil JBL	107.85	1.42		Philips PHG	30.87	-0.32								
Banco Santander SAN	5.03	0.03		CamdenProperty CPT	125.25	1.26		ConEd ED	103.41	-1.13		EPAM Systems EPAM	198.00	-2.40		FergusonEnts FERG	205.52	-1.54		GoldFields GFI	14.37	-0.08		ImperialOil IMO	66.94	-0.34		KoreaElecPower KEP	8.38	-0.03								
BanCof Colombia CIB	31.73	0.15		Cameco CCJ	40.11	-0.19		ConstBrands A STZ	251.00	-1.86		EQT EQT	33.53	0.26		Ferrari FER	457.53	-5.29		GoldmanSachs GS	484.58	-0.81		JackHenry JKHY	174.21	-1.48		KraftHeinz KHC	35.14	0.10								
BankofAmerica BAC	39.62	0.07		CIBC CM	60.90	-0.68		ConstellationEnter CEG	200.33	-0.90		EagleMaterials EXP	283.76	3.04		Ferrovia FER	42.60	-0.22		Graco GRAB	3.66	0.09		JacobsSolns J	145.54	0.60		Kroger KR	54.62	-0.42								
BankMontreal BMO	86.87	-0.84		Cooper COO	110.53	0.70		Corepart CPRT	51.00	0.28		EastGroup EGP	189.49	-0.67		FidNatFinl FNF	60.99	0.22		Graco GGG	83.71	-0.18		JamesHardie JHX	36.19	-0.10		JefferiesFinl JEF	60.78	-0.05								
BankNY Mellon BK	71.04	0.23		CanadianNatRsrcs CNQ	32.86	0.01		Core&Main CNN	43.18	0.46		EastmanChem EMN	106.38	0.45		FifthThirdBnkp FIF	42.62	0.11		GraphicPkg GPK	29.86	-0.01		Ingenierol IR	93.74	-0.23		Interglobeairline JNL	257.27	5.97		L3HarrisTech LHX	229.71	...				
BankNova Scotia BNS	52.43	-0.13		CarbridgeFin CRB	20.27	0.07		Carlyle CG	42.32	0.33		Corning GLW	43.42	0.12		Eaton ETN	314.65	2.92		Firstron FHN	15.76	-0.02		GlobeAirportur ASR	288.20	-1.06		GlobalFoundries GWF	161.33	-0.09		Intertech INTC	20.77	-0.70		KB Financial KB	61.79	0.22
Barclays BCS	11.95	0.04		CapitalOne COF	145.43	0.35		CarMax CRM	77.21	-0.28		Ecobal ECL	248.53	-1.93		FirstSolar FSLR	241.81	1.83		FirstEnergy FER	46.13	0.99		GlobalFoundries GWF	161.33	-0.09		LamResearch LRX	755.87	-10.17		LamardAdr LAMR	130.99	2.49				
BankRockGold GOLD	20.06	-0.42		CardinalHealth CAH	111.41	0.09		CorePart CPRT	51.00	0.28		EdisonIntl EDX	27.02	0.07		FidNatFinl FNF	60.99	0.22		GuideWire GGAL	46.13	0.99		Intertech INTC	20.77	-0.70		KLX Financial LKL	40.77	-0.07		LKQ LKQ	26.02	0.02				
BaxterInt'l BAX	39.37	-0.44		Carlisle CSL	425.29	4.99		CorebridgeFin CRB	27.02	0.07		EdisonIntl EDX	27.02	0.07		Firstron FHN	15.76	-0.02		GlobeAirportur ASR	288.20	-1.06		GlobalFoundries GWF	161.33	-0.09		Intertech INTC	20.77	-0.70		KLX Financial LKL	40.77	-0.07				
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MARKETS DIGEST

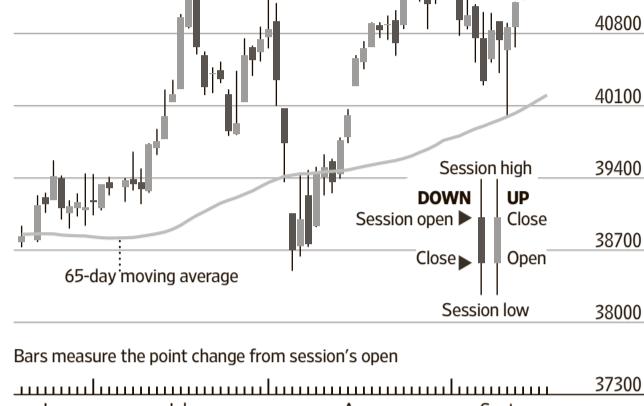
EQUITIES

Dow Jones Industrial Average

41503.10 ▼103.08, or 0.25%
High, low, open and close for each trading day of the past three months.

Trailing P/E ratio 25.78 24.94
P/E estimate * 20.24 18.98
Dividend yield 2.06 2.10
All-time high 41622.08, 09/16/24

Current divisor 0.15221633137872



Bars measure the point change from session's open

June July Aug. Sept. 37300

*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; Based on Nasdaq-100 Index

S&P 500 Index

5618.26 ▼16.32, or 0.29%
High, low, open and close for each trading day of the past three months.

Trailing P/E ratio * 23.79 21.67
P/E estimate * 22.68 20.27
Dividend yield * 1.33 1.58
All-time high 5667.20, 07/16/24

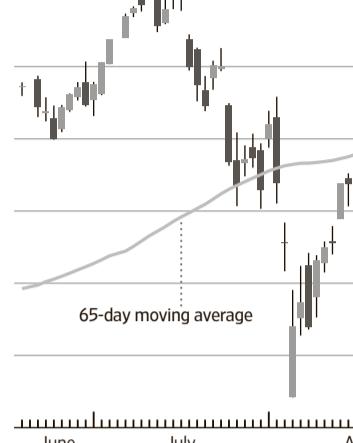


June July Aug. Sept. 5100

Nasdaq Composite Index

17573.30 ▼54.76, or 0.31%
High, low, open and close for each trading day of the past three months.

Trailing P/E ratio * 30.80 30.56
P/E estimate * 29.15 27.32
Dividend yield * 0.82 0.82
All-time high 18647.45, 07/10/24



June July Aug. Sept. 15500

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	41981.97	41449.00	41503.10	-103.08	-0.25	41622.08	32417.59	20.5	10.1	6.3
Transportation Avg	16296.87	16023.26	16071.45	57.68	0.36	16298.98	13556.07	6.0	1.1	4.0
Utility Average	1060.43	1045.34	1050.06	-9.27	-0.88	1061.01	783.08	18.4	19.1	5.1
Total Stock Market	56401.40	55653.82	55680.06	-138.87	-0.25	56206.02	40847.04	27.0	16.5	6.6
Baron's 400	1224.10	1200.90	1203.66	-0.28	-0.02	1212.12	907.97	24.2	12.2	5.6

Nasdaq Stock Market

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD % chg	3-yr.ann.
Nasdaq Composite	17832.70	17556.42	17573.30	-54.76	-0.31	18647.45	12595.61	30.5	17.1	5.3
Nasdaq-100	19643.51	19330.81	19344.49	-87.91	-0.45	20675.38	14109.57	29.2	15.0	8.1

S&P

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD % chg	3-yr.ann.
500 Index	5689.75	5615.08	5618.26	-16.32	-0.29	5667.20	4117.37	27.6	17.8	8.2
MidCap 400	3122.59	3062.01	3071.94	1.64	0.05	3115.02	2326.82	20.7	10.4	4.7
SmallCap 600	1434.69	1395.24	1401.52	1.32	0.09	1435.83	1068.80	20.1	6.3	1.7

Other Indexes

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD % chg	3-yr.ann.
Russell 2000	2259.25	2197.85	2206.34	0.86	0.04	2263.67	1636.94	21.9	8.8	-0.5
NYSE Composite	19400.35	19185.97	19195.56	-30.22	-0.16	19292.23	14675.78	21.0	13.9	5.3
Value Line	620.29	609.21	610.10	-0.69	-0.11	620.59	498.09	10.8	2.7	-2.3
NYSE Arca Biotech	5972.75	5874.86	5896.06	1.77	0.03	5905.19	4544.40	15.6	8.8	-0.3
NYSE Arca Pharma	1114.37	1104.47	1105.06	-0.23	-0.02	1140.17	845.32	20.7	21.4	14.0
KBW Bank	114.01	111.75	112.31	0.16	0.15	115.93	71.71	39.1	17.0	-3.8
PHLX® Gold/Silver	163.82	156.52	156.61	-1.87	-1.18	160.39	102.94	32.7	24.6	8.2
PHLX® Oil Service	78.74	76.96	77.00	-1.00	-1.28	97.46	72.67	-18.8	-8.2	13.2
PHLX® Semiconductor	5006.43	4854.87	4859.29	-52.81	-1.08	5904.54	3185.18	43.0	16.4	12.4
Cboe Volatility	19.39	17.11	18.23	0.62	3.52	38.57	11.86	20.4	46.4	-4.3

©Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
World	MSCI ACWI	826.29	-2.43	-0.29	13.7
	MSCI ACWI ex-USA	339.87	-1.09	-0.32	7.3
	MSCI World	3629.69	-10.81	-0.30	14.5
	MSCI Emerging Markets	1087.75	-2.76	-0.25	6.3

Americas

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD % chg	3-yr.ann.
MSCI AC Americas	2114.95	-5.91	-0.28	-16.6	-0.13	2114.95	2096.22	-1.78	-1.78	-0.13
S&P/TSX Comp	2359.60	-85.10	-0.36	-12.6	-0.05	2359.60	2326.82	-20.7	-12.6	-0.05
MSCI EM Latin America	2267.69	2.07	0.09	-14.8	-0.04	2267.69	2249.77	-1.78	-14.8	-0.04
Bovespa	13374.69	-1212.50	-0.90	-0.3	-0.3	13374.69	1212.50	-90.2	-0.90	-0.3
S&P IPSA	3432.10	...	Closed	-1.0	-1.0	3432.10	3432.10	Closed	-1.0	-1.0
S&P/BMV IPC	52582.89	309.36	0.59	-8.4	-0.14	52582.89	52582.89	0.59	-8.4	-0.14

EMEA

	High	Low	Latest Close

COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures

	Contract		Open		High		Low		Settle		Chg		Open interest	
	Open	High	hi	lo	Settle	Chg	Interest							
Copper-High (CMX) -25,000 lbs.; \$ per lb.	4,1885	4,2700	4,1885	4,2380	0,0245	1,862								
Sept	4,1885	4,2700	4,1885	4,2380	0,0245	1,862								
Dec	4,2795	4,3435	4,2380	4,2990	0,0260	120,700								
Gold (CMX) -100 troy oz.; \$ per troy oz.	2549,20	2554,10	2549,20	2570,70	6,40	79								
Sept	2549,20	2554,10	2549,20	2570,70	6,40	79								
Oct	2573,40	2603,50	2570,70	2574,90	6,00	41,504								
Nov	2589,40	2615,50	2570,70	2587,00	6,20	326								
Dec	2596,00	2627,20	2572,50	2598,60	6,20	436,063								
Feb'25	2617,90	2648,80	2572,50	2620,60	6,40	26,486								
April	2637,50	2666,20	2613,20	2658,20	6,40	18,933								
Palladium (NYM) -50 troy oz.; \$ per troy oz.	1087,50	1087,50	1087,50	1068,30	-36,40	6								
Sept	1087,50	1087,50	1087,50	1068,30	-36,40	6								
Dec	1124,50	1126,50	1055,00	1066,50	-35,70	18,463								
Platinum (NYM) -50 troy oz.; \$ per troy oz.	994,80	994,80	990,00	974,80	-8,00	10								
Sept	994,80	994,80	990,00	974,80	-8,00	10								
Oct	987,20	990,10	968,30	974,80	-8,00	40,944								
Silver (CMX) -5,000 troy oz.; \$ per troy oz.	30,660	30,730	30,300	30,341	-0,278	82								
Dec	31,025	31,585	30,035	30,687	-0,292	123,007								
Crude Oil, Light Sweet (NYM) -1,000 bbls.; \$ per bbl.	1087,50	1087,50	1087,50	1068,30	-36,40	6								
Oct	1087,50	1087,50	1087,50	1068,30	-36,40	6								
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Oct	1087,50	1087,50	1087,50	1068,30	-36,40	6								
Dec	1124,50	1126,50	1055,00											

BIGGEST 1,000 STOCKS

Continued From Page B7

Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg				
EliLilly	LLY	904.97	-1.21	MicroStrategy	MSTR	132.67	1.40	Norwegian Cruise	NCLH	19.84	0.08	Pentair	PNR	93.48	-0.43	RentokilInit	RTO	24.20	-0.97	SiriusXM	SIRI	23.27	...	T-MobileUS	TMUS	196.68	-6.02	TylerTech	TYL	579.49	0.10
LincolnElectric	LECO	182.57	-1.95	MidAmPwr	MAA	163.92	-0.08	Novartis	NVS	115.97	0.27	PePSico	PEP	175.21	-1.66	RepubliCvcs	RG	199.18	-2.57	SkechersUSA	SKX	68.11	0.17	TPG	TPG	57.99	0.53	TysonFoods	TSN	61.81	0.01
Linde	LIN	467.03	-4.63	MitsubishiUFJ	MUFG	10.11	-0.07	NovoNordisk	NVO	132.06	0.06	PerformanceFood	PFGC	75.48	-0.39	ResMed	RMD	238.03	-12.85	Swikeys	SWKS	66.23	-0.52	TRWPrice	TRW	108.13	0.21	UBS Group	UBS	29.91	0.15
Lineage	LINE	82.47	0.07	MizuhoFin	MFG	3.93	...	NuHolding	NU	148.05	-0.29	PermianRscs	PR	13.86	-0.02	Petrobras	PBR	13.24	-0.23	RestaraunBrands	OSR	69.25	-0.03	SmithAO	AOS	82.89	0.42				
LiveNationEnt	LNY	102.80	-0.12	Mobilye	MNY	11.61	-0.23	Nucor	NUE	142.98	0.80	Petrobras	PBRA	12.44	-0.23	Revity	RVTY	124.59	1.88	Smith&Nephew	SNN	30.71	-0.25	TaiwanSemicon	TSM	167.28	-0.07				
LloydsBanking	LNYC	3.07	0.02	Moderna	MRNA	69.86	-2.13	Nutanix	NTNX	57.40	-0.65	Pfizer	PFE	29.75	-0.08	RexfordIndlRealty	REXR	51.02	-0.23	Smucker	SJM	120.48	0.77	TakeTwoSoftware	TTWO	153.33	0.62				
LockheedMartin	LMT	565.49	-1.52	MohawkInds	MHK	156.61	1.66	Mobileye	MNY	11.61	-0.23	PhilipMorris	PM	120.96	-2.27	RioTinto	RIO	62.91	-0.01	SmurfitWestrock	SW	47.86	0.53	TakedaPharm	TAK	14.82	-0.03				
Loews	L	79.20	-0.09	MolnorkCoorsB	TAP	561.17	2.10	monday.com	MNDY	261.74	2.24	NVIDIA	NVDA	113.37	-2.22	Nutrien	NTR	46.82	-0.08	Pfizer	PFGE	130.31	2.01	Snap-On	SNA	280.66	0.58				
LogitechInt'l	LOGI	85.69	-1.34	MorganStanley	MORS	99.38	-0.54	Mondelez	MDLZ	75.05	-0.05	MoscowCoorsB	MOS	128.01	-0.43	MoscowCoorsB	MOS	128.01	-0.43	PilotFinsPride	PPC	42.16	0.69	Snowflake	SNOW	110.78	-0.85				
Lowes'	LOW	256.63	-0.09	MorganStanley	MORS	99.38	-0.54	Mondelēz	MDLZ	75.05	-0.05	MorganStanley	MORS	128.01	-0.43	MoscowCoorsB	MOS	128.01	-0.43	Target	TGT	153.60	1.64	TalEnergy	TLN	171.02	5.15				
Lucid	LCID	3.64	-0.14	MorganStanley	MORS	99.38	-0.54	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	TechInnovate	TE	25.60	-0.13	Telit	TLT	47.10	0.31				
lululemon	LULU	270.20	1.79	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	Ubiquiti	UI	130.65	...	UltraBeauty	ULTA	262.72	5.72				
LyondellBasell	LYB	93.94	-1.05	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	Watson	WSO	186.54	-0.52	Watson	WSO	186.54	-0.52				
M N																															
M&T Bank	MTB	174.05	0.23	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	Watson	WSO	186.54	-0.52	Watson	WSO	186.54	-0.52				
MGM Resorts	MGM	36.96	-0.25	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	Watson	WSO	186.54	-0.52	Watson	WSO	186.54	-0.52				
MLPFX	MLPX	44.05	0.19	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	Watson	WSO	186.54	-0.52	Watson	WSO	186.54	-0.52				
MSCI	MSCI	551.57	-4.81	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	Watson	WSO	186.54	-0.52	Watson	WSO	186.54	-0.52				
MagnifiM	MGA	41.30	0.10	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	Watson	WSO	186.54	-0.52	Watson	WSO	186.54	-0.52				
MakeMyTrip	MMYT	105.76	1.47	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	Watson	WSO	186.54	-0.52	Watson	WSO	186.54	-0.52				
ManhattanAssoc	MANH	269.20	-0.34	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	Watson	WSO	186.54	-0.52	Watson	WSO	186.54	-0.52				
MaulifeFin	MFC	28.24	-0.02	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	Watson	WSO	186.54	-0.52	Watson	WSO	186.54	-0.52				
Maplebear	CART	39.87	2.00	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	Watson	WSO	186.54	-0.52	Watson	WSO	186.54	-0.52				
Mars	MAS	81.69	0.44	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	Watson	WSO	186.54	-0.52	Watson	WSO	186.54	-0.52				
Masco	MTZ	116.96	0.38	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	Watson	WSO	186.54	-0.52	Watson	WSO	186.54	-0.52				
Mastec	MTZ	116.96	0.38	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	Watson	WSO	186.54	-0.52	Watson	WSO	186.54	-0.52				
Mastercard	MCK	494.76	-6.23	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	Watson	WSO	186.54	-0.52	Watson	WSO	186.54	-0.52				
MatchGroup	MTC	36.26	0.32	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	Watson	WSO	186.54	-0.52	Watson	WSO	186.54	-0.52				
McCormickTgt	MCKV	49.45	0.15	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	MunkFinsPride	MUNK	52.39	-0.57	Watson	WSO	186.54	-								

MARKETS

Stocks Slip After Fed Cuts Rates

Continued from page B1
 rates for the first time since 2020 marked a new chapter in what has been a lengthy and challenging effort to bring down inflation—which had surged as the economy bounced back from the pandemic—without triggering a recession.

In recent weeks, some on Wall Street worried that the risk of a recession was rising, with the biggest source of concern coming from an unexpectedly large increase in the unemployment rate in recent months.

Investors, though, have mostly remained optimistic. Many believe that the labor market is merely normalizing rather than deteriorating, after running extremely hot in 2022 and 2023. Though hiring has slowed, layoffs have stayed muted, and consumers on aggregate have continued to spend at a robust clip.

Wednesday's rate cut is "a welcome development" and should put the stock market on good footing going forward, said Yung-Yu Ma, chief investment officer at BMO Wealth Management.

Unlike previous years when the Fed has cut rates, "the pri-



*Based on 3 p.m. yields

Source: Tradeweb FTSE U.S. Treasury Closing Prices

mary problem in the economy is actually short-term interest rates being too high, so by the Fed cutting rates, it's actually directly solving the problem," he said.

Expectations for Fed rate cuts have already helped the stock market. Well before the Fed's actual move, bets on cuts had dragged down yields on longer-term U.S. Treasuries, which play a critical role in determining borrowing costs across the economy.

Lower yields have also supported stocks by reducing the risk-free return investors can get by holding Treasuries to maturity, providing an incentive for traders to buy riskier assets.

The yield on the benchmark 10-year U.S. Treasury note settled at 3.685% Wednesday, up from 3.641% Tuesday but still

roughly a percentage point lower than where it stood in April.

One result of the cooling labor market is that traders now believe that the Fed will bring rates down to a much lower level than they did just a few months ago.

Back in May, interest-rate futures suggested that short-term rates might not fall below 4% until 2026, according to LSEG data. They now suggest that rates could drop under 3% by next fall.

Wherever rates settle, the fate of markets will still depend largely on the economy. Stocks have historically performed well in the 12 months after the Fed has started to cut rates—unless the economy has entered a recession during that period.

The S&P 500, for example,

rose 21% in the year after the Fed cut rates in 1998. It fell 24% after rate cuts in 2007. The broad market index is up 18% this year.

Shares of **United States Steel** rose 1.5% after reports that Japan's **Nippon Steel** had received permission to refile its plans to purchase its counterpart, likely delaying a decision on the contentious takeover until after U.S. elections. **Alaska Air Group** dropped 3% after the carrier closed its acquisition of **Hawaiian Airlines**.

THURSDAY'S EVENTS:

Weekly initial jobless claims are due at 8:30 a.m. ET.

The Bank of England's rate decision: It is expected to hold rates at 5%, having cut in August for the first time in four years.

EARNINGS EXPECTED:

Darden Restaurants
FactSet Research Systems
FedEx
Lennar

AUCTION RESULTS

Here are the results of Wednesday's Treasury auction. All bids are awarded at a single price at the market-clearing price. Rates are determined by the difference between that price and the face value.

17-WEEK BILLS	
Applications	\$18,941,586,100
Accepted bids	\$60,203,301,800
*noncompetitively	\$593,046,900
*foreign noncompetitively	\$100,000,000
Auction price (rate)	98.459611 (4.660%)
Coupon equivalent	4.799%
Bids at clearing yield accepted	59.27%
Cusip number	912797MV0

The bills, dated Sept. 24, 2024, mature on Jan. 21, 2025.

STOCK SPOTLIGHT

23andMe

All seven independent directors resigned Tuesday after protracted negotiations with Chief Executive Anne Wojcicki over her plan to take the DNA-testing company private. Shares ended the day down 1.7%.

General Motors

The automaker will offer U.S. customers access to Tesla Superchargers through an adapter, increasing charging options for EVs. GM shares rose 2.4%.

General Mills

The company behind Cheerios and Golden Grahams posted a fall in quarterly profit, although adjusted earnings narrowly beat expectations. The stock gained 0.8%.

Alphabet

Google won a fight to scrap a \$1.7 billion European Union antitrust fine. The tech giant's shares rose 0.3%.

Intuitive Machines

The space-exploration company was awarded a NASA contract worth up to \$4.8 billion to provide communication and navigation services. Shares rocketed 38%.

Trump Media & Technology Group

Shares of Truth Social's parent company dropped

3.2%. For the past seven sessions, the stock has moved 3% or more in either direction.

U.S. Steel

Japan's Nippon Steel got permission to refile its plans to purchase its counterpart, likely delaying a decision on the contentious takeover until after U.S. elections. U.S. Steel shares climbed 1.5% and Nippon Steel's stock gained 1.9%.

Alaska Air

The carrier closed its acquisition of Hawaiian Airlines, after the Transportation Department ruled the deal could proceed, conditional on the airlines maintaining crucial routes and certain customer-service guarantees. Shares fell 3%.

First Solar and Enphase Energy

High interest rates pummeled clean-energy stocks and investors are betting that cheaper money means faster expansion for firms like panel-maker First Solar and Enphase Energy, which sells solar-power systems for homes and businesses. Both stocks jumped to the top of the S&P 500's gainers Wednesday following the central bank's 0.5 percentage-point reduction. First Solar shares climbed 0.8% and Enphase shares gained 1%.

Biggest 1,000 Stocks

Continued From Page B6

Biggest 1,000 Stocks		WSJ.com/stocks		Net		Stock		Net		Stock		Net		Stock		Net		Stock		Net	
Stock	Sym Close Chg	Stock	Sym Close Chg	Stock	Sym Close Chg	Stock	Sym Close Chg	Stock	Sym Close Chg	Stock	Sym Close Chg	Stock	Sym Close Chg	Stock	Sym Close Chg	Stock	Sym Close Chg	Stock	Sym Close Chg	Stock	Sym Close Chg
SR Bancorp	SRBK	10.84	-1.7	TPG	TPG	59.00	0.9	Wabtec	WAB	175.77	-0.2	WashTr	WASH	34.16	0.9	AMissionAcqWt	AAMWS	0.03	-1.2	Allakos	ALLK
SS&C Tech	SSNC	76.69	-0.2	SmithDouglas	SDHC	39.50	-0.7	WaterstoneFinl	WBSF	16.33	0.7	AeonBiopharma	AEON	0.67	-5.0	AltimiraTher	CYTO	0.73	-1.3	Altaeros	ATLG
SabraHealthcare	SBRA	19.32	0.4	SolenoTherap	SLNO	54.50	1.2	TaylorMorrison	TMRC	154.24	0.1	WestFrasierTimber	WF	93.62	-0.7	AltairityTher	ALZN	1.60	3.0	Altaeros	ATLG
Safeway	SAFE	28.40	2.4	SouthernNts2020C	SOJE	21.89	-0.2	Ericsson	ERIC	7.50	-0.1	WestAllianceBcp	WAL	86.84	2.0	AltamendNeuro	APRE	2.86	-5.0	Altaeros	ATLG
SallyBeauty	SBH	13.95	-1.9	SpirlePfdA	SPBA	25.05	-0.2	Tecnoglass	TGLS	68.95	-0.9	WheatonPrecMtts	WPM	64.27	-0.6	ApresaTher	APRE	0.14	-1.6	Altaeros	ATLG
Samsara	IOT	48.11	..	StateStreet	STT	88.19	0.5	Tele&DataPfdLU	TDSPL	21.93	0.3	US Foods	USFD	62.34	-0.4	ApresaTher	APRE	0.46	-4.7	Altaeros	ATLG
SandySpringBnp	SASR	34.19	-2.0	StepStone	STEP	57.31	1.8	TexasCapBchs	TCHI	74.31	-1	Ubiquiti	UI	214.00	0.2	WillisLease	WLFC	127.69	2.0	Altaeros	ATLG
SaratogaNts2028	SAZ	25.99	..	TexasPacLand	TPL	900.00	0.9	US Lime&Min	USLM	91.00	2.0	Williams	WMB	45.82	-0.8	ApresaTher	APRE	0.24	-2.2	Altaeros	ATLG
SelectiveInsPfdB	SIGP	19.74	1.4	SterlingInfr	SHOO	48.59	0.8	TheBancorp	TRBK	54.44	..	WillmLease	WLFC	25.25	-0.1	WillmLease	WLFC	0.14	-1.2	Altaeros	ATLG
SenecaFood	B SENEB	64.42	1.1	StewartInfo	STC	76.83	-0.1	ThirdCoastBchs	TCBX	27.89	0.3	WintrustFinPfdE	WTFC	17.30	-0.1	WintrustFinPfdE	WTFC	0.20	-2.3	Altaeros	ATLG
SenecaFood A	A SENEA	65.50	1.4	StifelFinancial	SF	90.91	0.4	TollBros	TOL	154.62	-0.3	WinnProvDent Wt	WWDW	15.37	-1.1	AvlonGlobCoCare	ALBT	0.19	-5.3	Altaeros	ATLG
ServiceNow	NOW	899.71	0.5	StifelInnPfd	SFpD	20.50	0.4	TowneBank	TOWN	35.10	0.6	Veeva	VEVA	18.56	133.3	WorldDent	WKC	30.79	0.4	HealthyChoice	HTCT
ServisFirst	SFB	86.38	1.9	StoneX	SNEK	84.52	-0.4	TradeDesk	TTD	109.50	2.1	XAIOctagonPfd	XFLP	25.45	0.4	BirRKTCPCap	TCPC	4.38	-0.2	CoreConnect	ICCT
Sharcare	SHCR	1.42	1.4	SunLifeFinancial	SLF	56.93	..	Vertext	VTB	26.72	0.1	XCHG	XCH	18.58	65.5	BoltProjects	BSLK	1.03	-10.4	ImpactBioMed	IBD
SharkNinja	SN	106.26	1.5	Sylvamo	SLVM	81.91	0.8	TraneTech	TT	379.52	-0.8	VictoryCapital	VCTR	55.67	-1.7	VHNACqnl	YHNAU	10.00	..	BrightGreen	BGXX
ShoeCarnival	SCVL	46.50	1.6	SynchronyFinlPfdB	SYVpB	26.29	0.4	Transalta	TAC	9.55	-1.4	VineHillCapInv	VCIU	10.01	0.1	ZetaGlobal	ZETA	28.17	0.5	BullfrogAIWt	BFRGW
SimmonsFirstNat	SFNIC	22.45	0.7	Synchrony																	

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Lithium Gets a Charge but Glut Looms

A rebound in prices of the EV-battery metal and shares of companies that mine it might not last

Lithium may be called "white gold," but investing in the metal has hardly been a golden ticket lately.

Lithium, which is used to make batteries for both gadgets and electric vehicles, has been on a roller-coaster ride in recent years. Its price skyrocketed in 2021 and 2022, only for a subsequent plunge to wipe out all those gains. Lithium prices are now down nearly 90% from their peak in 2022.

Rising adoption of EVs, especially in China, has pushed up demand, but supply has been ramping up even faster. That, together with slowing EV sales outside China, has pushed lithium prices down.

No wonder investors got excited when there were unconfirmed reports last week that China's battery giant **Contemporary Amperex Technology**, or CATL, suspended production at one of its lithium mines. UBS said the mine represented around 5% of global supply.

According to domestic Chinese media, CATL didn't confirm the suspension but did say that it is making adjustments to its production. Lithium futures traded in



Lithium prices are down nearly 90% from their 2022 peak. The planned site of a lithium mine in Nevada.

China have risen around 4% since the reports last week, while shares of lithium miners around the world also have surged. U.S.-based **Albemarle** has jumped 10%, while Australia's **Pilbara Minerals** has gained 19%. Their stocks are still way down from their peaks in 2022.

With prices having dropped so low, supply cuts seem inevitable as producers are recording little profits or even losses. UBS, for example, estimated that current lithium prices are already lower than CATL's cash cost for production. Of course, since CATL is an integrated battery maker, it might have more tolerance for losses on one part of its business. But overall, prices shouldn't go much lower from here if global production is to remain economical.

Still, don't expect a strong rebound in lithium prices either. Inventory of lithium carbonate, a lithium-based compound used in batteries, in China is still at a historically high level, according to JPMorgan. And more supply could be coming online, especially if prices start to rise again. Goldman Sachs estimated that supply next year could be 57% higher than demand. Compared with the previous downturn between 2018 and 2020, Chinese lithium producers have more cash, according to UBS, which means they could continue with their expansion plans.

The worst may be over for lithium stocks, but don't expect a strong rally just yet.

—*Jacky Wong*

EA Shows Why Game Forecasts Are a Tricky Business

Electronic Arts has a lot in the works. Just when it is all coming is the \$1 billion question.

That is how much market value the videogame publisher lost on Tuesday when it hosted its first analyst meeting in eight years. The company used the occasion to preview several big games in development, along with new projects involving game creation using generative artificial intelligence and a new app designed to broaden its flagship sports-games business. A movie based on the popular "The Sims" franchise is in development with **Amazon.com's** MGM studio. Coming games include a new sequel to the company's "Battlefield" franchise, which hasn't had a release since the last one misfired in 2021.

For an event geared to financial analysts, however, it was light on financial details. EA gave no specific forecasts for long-term revenue and net bookings, saying only that it intended to outgrow the market through the 2027 fiscal year. Nor did it say when games such as the new "Battlefield" actually would see the light of day.

The company only said net bookings for the quarter ending this month and the fiscal year ending in March were on track to come in at the high end of its previous forecasts—something already reflected in the consensus estimates tabulated by FactSet for those periods.

EA shares thus fell nearly 3% on Tuesday, and slipped again another 1.5% on Wednesday. Analyst James Heaney of Jefferies praised the "tangible AI use-cases and growth opportunities beyond games," but added that "those looking for near-term assurances on game pipeline timing may have been left wanting more."

Clay Griffin of MoffettNathanson said that "we generally found the forward year[s] guides, informal and couched as much as they were, somewhat underwhelming." Bernstein's Mark Schilsky wrote: "Func-



The videogame publisher lost \$1 billion in market value on Tuesday.

tionally, they promised little that I would describe as 'concrete.' At the very least, they are keeping explicit expectations low."

There is at least some good reason for the latter. Top-of-the-line videogames these days have development budgets on par with blockbuster movies. But they must have much longer shelf lives, as the biggest games today are on network services designed to generate recurring revenue for years to come. EA itself now makes three-quarters of its annual net bookings through live services compared with 25% for full-game sales. Hence, the stakes are high for getting a game right when it first goes out the door.

That makes long-term release goals difficult to set with precision.

The largest stand-alone video-game publisher, EA also has lagged behind the broader market over that time. That can partly be chalked up to uncertainty about the company's game pipeline. It has also been going through a bit of a weak patch as its strong sports games business has been offset somewhat by weakness in its

online shooter franchise, "Apex Legends." Wall Street expects EA's net bookings to rise just 2% in the current fiscal year compared with a 1% gain last year.

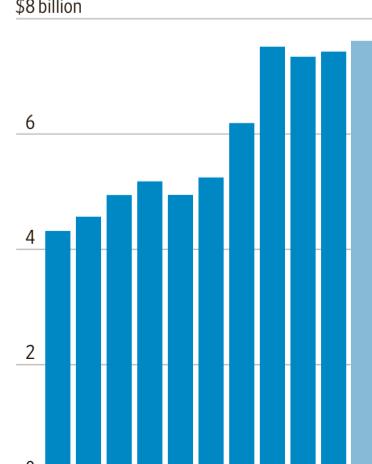
EA still has a lot going for it. The company's "College Football 25" game that launched in July has been a resounding success and revived a franchise that has been absent for more than a decade. The company also managed to transition its flagship soccer franchise to new branding without missing a beat; analysts expect the franchise, now called "EA Sports FC," to generate about \$2.2 billion in net bookings this year—up 8% from two years ago, when the last game under the FIFA brand launched, according to Visible Alpha estimates.

Analysts also generally praised the company's longer-term projects showcased this week; Doug Creutz of TD Cowen called the plans for generative AI as a tool to spark user-created content "much better than expected."

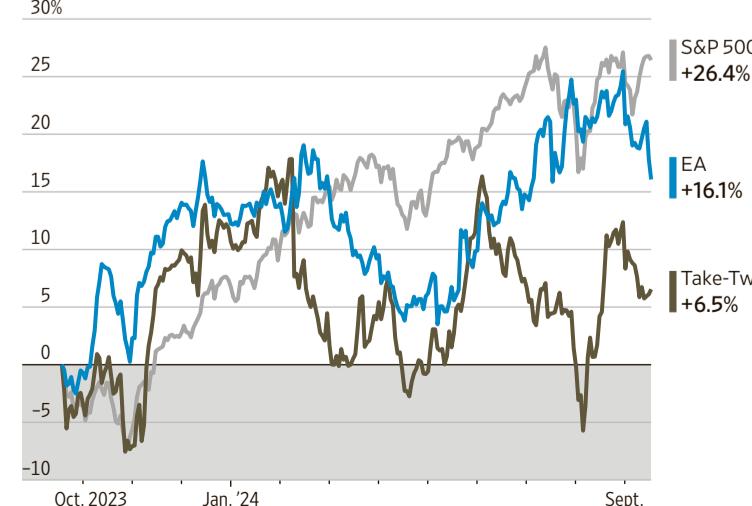
Wall Street likes EA's vision. When that vision becomes reality is still fuzzy.

—*Dan Gallagher*

EA's net bookings*



Share-price and index performance, past 12 months



Consumers' Debt Problem: Not Enough of Right Kind

Too much debt can certainly be a problem for consumers. So can too little.

The Federal Reserve's half-point interest-rate cut could be pivotal for the health of the American spender. Consumers have been turning to one of the more-expensive forms of borrowing—credit cards—in part because other kinds of credit and sources of cash have been harder to come by. This and further expected rate cuts could unlock other avenues for borrowing and give consumers a crucial relief valve.

The value of adding more debt might seem odd coming when headline numbers supercharged worries about the recent rise in delinquency rates. Consumer debt hit \$17 trillion for the first time last year, according to the Federal Reserve Bank of New York's Quarterly Report on Household Debt and Credit.

But behind that trend there is a lot to consider. For one thing, consumer-debt trends adjusted for inflation look different. On that basis, total household debt—including

mortgages—grew 3% since the last quarter of 2019, according to Fed figures adjusted for inflation by WalletHub, which provides tools and information for personal finance. Inflation-adjusted debt touched the highest levels since 2009 in recent quarters, but it is over a trillion shy of the 2008 peak.

Critical, too, is the question of what kind of credit people are using. The type of credit that has been leaned on most heavily of late by consumers is the most expensive: credit-card loans. As of the second quarter, card balances had grown 11% from a year earlier, versus a 4% increase in total household debt, according to the New York Fed report.

A big reason for that might be because other kinds of credit aren't nearly as accessible right now, for reasons that include rising funding costs—another upshot of higher rates—faced by would-be lenders.

Take personal loans: In the past, consumers used personal loans to refinance revolving card balances into often cheaper monthly debts.

Banks' average two-year personal-loan rates as of May were just under 12%, well below cards' rates of about 22%, according to Fed data.

But unlike deposit-funded banks, many personal-loan lenders are fintech firms that get their funding from the market. So they have fully borne the higher cost of funding as rates rise. These lenders have faced skepticism about their lending practices, incentivizing them to focus on the most creditworthy borrowers.

As the Fed raised rates, the growth of personal lending slowed sharply. The total balance of unsecured personal loans in the second quarter grew just \$14 billion from a

year prior, far slower than the \$46 billion year-over-year surge in the second quarter of 2022, according to TransUnion.

That might turn around now that rates have begun to decline. Funding costs for many online lenders can be closely tied to market rates and so will likely fall as well. And lower average monthly payments on loans can enable more approvals. Buy-now-pay-later provider Affirm recently told analysts that lower interest rates will likely help spur a jump in volume as it approves more users.

Consumers have other options to raise cash for general use—but they, too, are expensive, or hard to access right now. Thanks to rising home prices, Americans have significant wealth available to them in the form of home equity. Mortgage holders had a record \$11.5 trillion in tappable equity as of June, according to home equity and mortgage data from Intercontinental Exchange.

Along with that, balances on home-equity lines of credit have risen 20% since the end of 2021, according to a recent analysis by researchers at the New York Fed. The average rate of a Heloc loan has been about 9% recently, according to Bankrate, which is less than half of average card rates.

But the pool of people who can get Helocs might be limited. Since 2010, in the aftermath of the financial crisis, originations have been "overwhelmingly skewed" toward borrowers with very high credit scores, the New York Fed researchers wrote. So a borrower in trouble, or who didn't have sterling credit in the first place, might not have access to this relief valve.

It can be easier to take cash out by refinancing a mortgage. However, many borrowers have mortgages at far below today's rates. So it is effectively very expensive to swap out their current home loan for a more expensive one. Falling mortgage rates could enable more homeowners to unlock money via a cash-out refi.

"People who have wanted to get at the really high levels of equity in their homes by doing a cash-out refi may find it more appealing to do so," says Michele Raneri, vice president and head of U.S. research and consulting at TransUnion.

Some consumers right now might be struggling more to keep up with their bills, with higher credit-card bills straining their budgets and maybe even forcing tough choices about skipping payments on other debts, such as auto loans.

Certainly economic factors such as a softening labor market are playing a role. But borrowers also haven't had the same options they usually do to manage through periods of strain. The Fed's rate cut could be a boon to consumers and lenders.

—*Telis Demos*