

THE WALL STREET JOURNAL.

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WSJ.com

★★★★ \$5.00

DJIA 42080.37 ▲ 126.13 0.30%

NASDAQ 18182.92 ▲ 1.4%

STOXX 600 516.64 ▼ 0.5%

10-YR. TREAS. ▼ 2/32, yield 4.034%

OIL \$73.57 ▼ \$3.57

GOLD \$2,615.00 ▼ \$29.80

EURO \$1.0982

YEN 148.20

What's News

Business & Finance

◆ An epic Chinese stock-market rally lost steam after a news conference by the country's economic-planning agency disappointed hopes for more fiscal-stimulus measures. **A1**

◆ Major U.S. stock indexes rose, with the S&P 500, Nasdaq and Dow industrials advancing 1%, 1.4% and 0.3%, respectively. **B13**

◆ Brazil's Supreme Court granted Elon Musk's X permission to resume operations in the country, ending months of legal wrangling for the social-media platform in one of its most important markets. **B1**

◆ The Justice Department submitted a filing that presents a court with potential options aimed at ending what a judge said was Google's unlawful monopoly in search. **B1**

◆ Short-selling firm Hindenburg said videogame platform Roblox has reported inflated user metrics to investors and favored growth over child safety. **B1**

◆ PepsiCo cut its guidance for the year after a quarterly sales decline the company blamed on tepid consumer demand, product recalls and geopolitical tensions. **B3**

◆ The FAA issued a safety alert to airlines regarding Boeing 737 airplanes equipped with certain rudder components that could potentially become jammed in flight or during landing. **B1**

◆ Honeywell unveiled plans to spin off its advanced-materials division, which could be worth more than \$10 billion as a separately traded public company. **B3**

◆ Kering appointed Stefano Cantino as chief executive of Gucci as the French luxury-goods giant seeks to revamp its flagship brand. **B3**

World-Wide

◆ The U.S. budget deficit topped \$1.8 trillion in the latest fiscal year, driven by higher spending on interest and programs for older Americans, as the government faces a persistent gap between federal outlays and tax collections. **A1**

◆ Hurricane Milton was on a projected path that would inflict a direct strike on Florida's Tampa Bay area, a densely populated and fast-growing region that is one of the most vulnerable in the U.S. to coastal flooding. **A1, B3**

◆ The FBI arrested a 27-year-old Afghan man living in Oklahoma who officials said was inspired by Islamic State to plan an Election Day attack on large crowds in the U.S. **A3**

◆ Hezbollah launched more than 100 rockets into northern Israel, hitting a Haifa suburb as Israel expanded its military offensive into Lebanon by adding more troops and signaling an impending maritime operation. **A6**

◆ The drugmaker responsible for bringing the controversial abortion pill to the U.S. is taking steps to seek FDA approval for its use in managing miscarriages. **A3**

◆ Vice President Harris proposed a new Medicare benefit for in-home eldercare, part of a pitch to voters grappling with the dual cost of raising children and tending to aging parents. **A4**

◆ The Nobel in physics was awarded to John Hopfield and Geoffrey Hinton for work that formed the building blocks of machine learning underpinning many of today's most powerful AI models. **A3**

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Mother Nature Puts on a Light Show



POLE POSITION: The skies over Lapland, Finland, offer a spectacular view of the northern lights. Solar storms also have made the phenomenon more visible in the northern U.S. recently.

Vulnerable Tampa Braces For Direct Hit by Hurricane

Hurricane Milton is on a projected path that would inflict a direct strike on Florida's Tampa Bay area, a densely populated and fast-

since 1921 and has dodged numerous storms over the years that had initially appeared headed for it. But lately, it appears its luck has been running out. Less than two weeks ago, Hurricane Helene made landfall to the north but pummeled Tampa Bay with a powerful storm surge that made it the worst storm to hit the area in a century.

Milton strengthened into a Category 5 hurricane again Tuesday afternoon as it bar-

reled toward Florida's west-central coast with maximum sustained winds of 165 miles an hour, according to the National Hurricane Center. Forecasters predicted a storm surge of 10 to 15 feet for the Tampa Bay area and up to 15 inches of rainfall across parts of Florida. Milton is expected to make landfall Wednesday night.

The Tampa and St. Petersburg metro area is the most vulnerable to flooding damage

Please turn to page A5

growing region that is one of the most vulnerable in the U.S. to coastal flooding.

The region hasn't been hit directly by a major hurricane

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U.S. NEWS



Politics Tear Apart a Retirement Community

A boomer paradise divides along red-blue lines; launching a 'Civility Task Force'

By JIM CARLTON

WALNUT CREEK, Calif.—As a place to retire, it doesn't get much more idyllic than Rossmoor, a hillside gated community boasting 27 holes of golf, eight tennis courts and clubs spanning bocce to bocce.

Yet even here, political rancor has erupted. Demonstrations, dueling columns in the weekly Rossmoor News and a brawl on a pickleball court following former President Donald Trump's near assassination have roiled the enclave of 10,000 seniors.

In response, Rossmoor has curtailed protests and suspended the newspaper columns, igniting backlash.

"They are treating us like 'we're the grown-ups and you're the children,'" says Michael Goldberg, a 74-year-old retired philosophy and religion professor and a protest leader. Rossmoor also launched a "Civility Task Force" to address general unrest.

The rift epitomizes America's partisan divide between entrenched backers of Trump and Democratic rival Vice President Kamala Harris. Cardboard cutouts of each candidate have adorned tables at the farmers market in recent weeks, sparking disputes. Private security stepped in.

"I think the feelings are intense, and they're intense all over the country," says Richard Rubin, 71, a retired attorney, holding a copy of a hate letter recently sent to the local Republican Club. "This is sort of reflection on that."

Retirement communities are ripe for political squabbling, as many seniors firmly align with a specific side. An April Pew Research report said older voters overwhelmingly "identify" with political parties, while considerable numbers of younger voters are mere "leaners."

Moreover, incoming boomers are infusing Rossmoor



The gated community of Rossmoor, top, is being roiled by political partisanship. Above, a resident stages a solo protest. Below left, Richard Rubin helps run the Republican Club. Below right, Michael Goldberg accused Rossmoor of stifling dissent to protect real-estate sales.



with the San Francisco Bay Area's activist culture, spawning clubs like Voices for Justice in Palestine, End Gun Violence and an LGBT Alliance.

"Generally, Rossmoor residents are well educated," says Kathleen Densmore, 73 and president of the Palestine club.

This vibe contrasts with Rossmoor's 1964 origins as a mostly white, conservative retiree haven. Indeed, the Republican Club, started in 1965, is Rossmoor's oldest, says Rubin, who helps run it.

Many Rossmoor Republicans, now outnumbered 2-1 by Democrats, say they feel bullied and ostracized. A main outlet for Republicans to speak out was the Rossmoor

News, controlled by the Golden Rain Foundation, which manages the amenities at Rossmoor. The newspaper's typical fare includes domino games, singles meetups and golf-cart accidents.

But columns on issues including guns and immigration have triggered angry letters to the editor and hate mail, including one dispatch likening the Republican Club with Nazi sympathizers.

The paper also published columns by Democratic residents. But as opposing viewpoints proliferated, editor Ann Peterson, who is also a Rossmoor spokeswoman, got the Golden Rain board to limit their number. She was having trouble fact checking them all.

"One said [WNBA star] Brittney Griner was transgender," she notes of one misstatement.

Residents say tensions have escalated in recent years, with activism and vitriol pervading the verdant grounds.

At least a dozen protests have sprung up on topics from xenophobia to the Israel-Hamas war.

In recent months, Rossmoor management imposed protest restrictions, incensing the left. New rules relocated demonstrations from a busy three-way stop near the community's entrance to a less-trafficked area. They cited safety, emphasizing the community's senior status.

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U.S. NEWS

Election Day Plot Foiled in Sting, FBI Says

By SADIE GURMAN

The FBI has arrested an Afghan man who officials said was inspired by Islamic State to plan an Election Day attack on large crowds in the U.S.

Nasir Ahmad Tawhedi, 27 years old, of Oklahoma City, had been taking steps to carry out the terrorist attack, buying rifles, selling his home and working to resettle his family in Afghanistan, the Justice Department said.

Investigators foiled the plot by sending a confidential informant to buy some computer equipment Tawhedi was selling online and offer to get him some guns. Tawhedi and his brother-in-law, a juvenile, were arrested Monday as they purchased a pair of AK-47 rifles and ammunition, prosecutors said. Tawhedi told investigators he expected to die and be martyred in the attack, according to charging documents.

The case, unsealed Tuesday, highlights the disparate security challenges officials face ahead of November's presidential election. Law-enforcement and intelligence officials have been warning for months that conflict in the Middle East could inspire lone-wolf terrorists or small groups of extremists to carry out attacks in the U.S.

"Terrorism is still the FBI's No. 1 priority, and we will use every resource to protect the American people," Director Christopher Wray said. He and other officials have said in recent months that they had never seen so many different kinds of threats all converging at the same time. The situation has intensified since the Oct. 7, 2023, attack when Hamas-led militants killed about 1,200 people and kidnapped about 250, starting a war with Israel that continues to widen.

Tawhedi had been studying and sharing Islamic State pro-

paganda online for months, prosecutors said. He also watched webcams from websites of the Washington Monument and the White House, they said. In March he allegedly gave the equivalent of \$540 in cryptocurrency to a Syria-based group supporting Islamic State.

At least since August, prosecutors said, Tawhedi had been communicating with a recruiter in a pro-ISIS Telegram group, describing to the man his efforts to amass firearms and ammunition. In September, he told the man, "We have found a person who deals with weapons," prosecutors said.

The person, however, was a confidential informant sent by the Federal Bureau of Investigation to buy computers and equipment Tawhedi was selling on Facebook.

"I need them for my new gun business I am starting," the informant told Tawhedi, according to court documents. The men met and Tawhedi allegedly asked the juvenile to inquire about getting firearms. They agreed to keep in touch and ultimately arranged to meet to buy the guns on Monday, prosecutors said.

Tawhedi was charged with conspiring and attempting to provide material support to Islamic State, which carries a maximum prison sentence of 20 years, and receiving a firearm to be used to commit a federal crime of terrorism. The documents say Tawhedi entered the U.S. lawfully in September 2021 and is awaiting a decision on his immigration application. The unnamed juvenile is also an Afghan with legal status in the U.S.

Tawhedi allegedly told investigators after his arrest that he had planned to move his family on Oct. 17 to Afghanistan, where he "believed they could live according to pure Islam."

Tawhedi had been studying and sharing Islamic State pro-

miscarriages, according to people familiar with the matter.

A small number of doctors and women already use Mifepristone, or its generic equivalent mifepristone, without official signoff to treat miscarriages.

Such use has become enmeshed in fights over abortion. Supporters say doctors are avoiding prescribing the drug to women facing dangerous complications so as to not run afoul of red-state abortion restrictions. Abortion opponents say state abortion limits aren't meant to impede miscarriage care. They have also said Mifepristone is unnecessary for treating miscarriages and have highlighted the drug's risks.

It couldn't be determined when Danco will formally submit its application, though an FDA decision will likely take months.

The FDA first approved

Mifepristone for terminating a pregnancy in 2000. As part of the approval, the agency initially limited its use to the first seven weeks of gestation and required that certified doctors, not pharmacies, dispense it.

The agency has since eased the restrictions. Today it can be used for up to roughly 10 weeks of gestation, and it is dispensed by certified prescribers in person, mail-order pharmacies or bricks-and-

mortar pharmacies.

Now mifepristone is used in nearly two-thirds of abortions. The drug is given as part of a two-pill regimen. Doctors give mifepristone, commonly known as the abortion pill, which breaks down the uterine lining and softens the cervix. That is followed by misoprostol, which empties the uterus.

Most miscarriages occur in the first trimester, and doctors often offer women the

choice of medication, surgery or waiting for their bodies to expel tissue naturally.

Doctors in the U.S. currently most often use only misoprostol—a widely available generic drug—when seeking to treat miscarriages with medication. In 2018, the American College of Obstetricians and Gynecologists said doctors

should consider adding mifepristone, but few do, given the restrictions on the drug.

Abortion Pill Maker Seeks to Expand Its Use to Miscarriage

By LIZ ESSLEY WHYTE

The drugmaker responsible for bringing the controversial abortion pill to the U.S. is now pursuing a new use that could widen women's access: treating miscarriages.

Danco Laboratories is preparing scientific data and taking other steps to ask the Food and Drug Administration to approve use of the abortion pill regimen Mifepristone for management of

miscarriages, according to people familiar with the matter.

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Nobel Prize in Physics Goes to AI Pioneers

By AYLIN WOODWARD

The Nobel Prize in physics has been awarded to John Hopfield of Princeton University and Geoffrey Hinton of the University of Toronto for discoveries and inventions that formed the building blocks of machine learning underpinning many of today's most powerful artificial intelligence models.

The scientists helped train artificial neural networks that can recognize patterns in large data sets using tools from physics, making machine learning tasks like facial recognition and language translation possible.

Hinton, a British-Canadian computer scientist known as one of the "godfathers of AI" worked for Google for more than a decade but quit last year to speak more freely about the risks of AI development. He, and others, have expressed alarm over the ways AI could harm humanity.

In a Tuesday morning call with the Nobel Committee, Hinton said he is "worried that the overall consequence of this might be systems more intelligent than us that eventually take control," but that he would "do the same again" when it comes to his work.

Hopfield echoed his co-laureate's concerns in a video call Tuesday afternoon to a Princeton auditorium full of faculty and other guests.

"The worry I have is not AI quite directly, but AI combined with information flow around

the globe," he said, adding that a simple algorithm in a neural network can control a very big system of information, but he is "unnerved" by the idea that such networks' work may not be well understood.

Since the 1980s, Hopfield, 91 years old, and Hinton, 76, have conducted important work that uses fundamental concepts from physics to design artificial neural networks.

"They have showed a completely new way for us to use computers to aid and to guide us to tackle many of the challenges our society face," the Nobel Committee said on X Tuesday as it announced the prize in Stockholm.

Artificial neural networks, as the name suggests, are programs that help machines learn—inspired by the abilities of the human brain and its network of neurons.

"We can recognize images

and speech and associate them with memories and past experiences. Millions of neurons wired together give us unique cognitive abilities," said Ellen Moons, chair of the Nobel committee for physics.

Machine learning aims to mimic those abilities by feeding computers incredible amounts of data so they can master tasks, like offering predictive text or choosing your next Netflix show.

Hopfield pioneered this work in 1982 when he created the "Hopfield network," a neural network that could save and recall patterns with only partial information, inspired by what he called "associative memory."

AI offers the "ability to link things together, link experiences together," Hopfield said on a 2020 podcast, pointing to how mentioning just a few facts about a person—such as what

they look like, what their voice sounds like, where they went to college and where you met them—enables someone to recall who they are without their name ever being mentioned.

"A lot of progress in AI that we're witnessing today can certainly be directly or indirectly attributed to these ideas," said Dmitry Krotov, a research staff member at IBM Research in Cambridge, Mass. "His influence has been absolutely monumental."

Hinton expanded Hopfield's work to create a network that could recognize familiar patterns in never-before-seen information. He developed a technique that helps optimize a neural network by iteratively correcting errors until they disappear.

The scientists' approaches to training neural networks helped pave the way for systems like ChatGPT.

"It would be hard to imagine that GPT and everything would be here without them," said Jerome Delhomme, chair of the American Physical Society's topical group on data science and a chemist at the University of Massachusetts, Lowell.

When asked about his favorite AI tool, Hinton answered that he uses GPT-4, the most recent model from OpenAI, whenever he wants to know the answer to anything. "I don't totally trust it, because it can hallucinate," he said, "but on almost everything, it's a not-very-good expert, and that's very useful."

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U.S. NEWS

Both Parties See a Path to Win the House

By KATY STECH FEREK

House Speaker Mike Johnson hopes to retain and build out his slim Republican majority. Top Democrat Hakeem Jeffries needs to flip just a handful of net seats to sweep his party into power.

Less than a month to go until the election, either outcome seems an equal bet.

"Both sides think they have a chance to be the majority, but nobody acts particularly confident if you really get past the hyperbole," said Rep. Frank Lucas (R., Okla.), who represents a safe GOP seat.

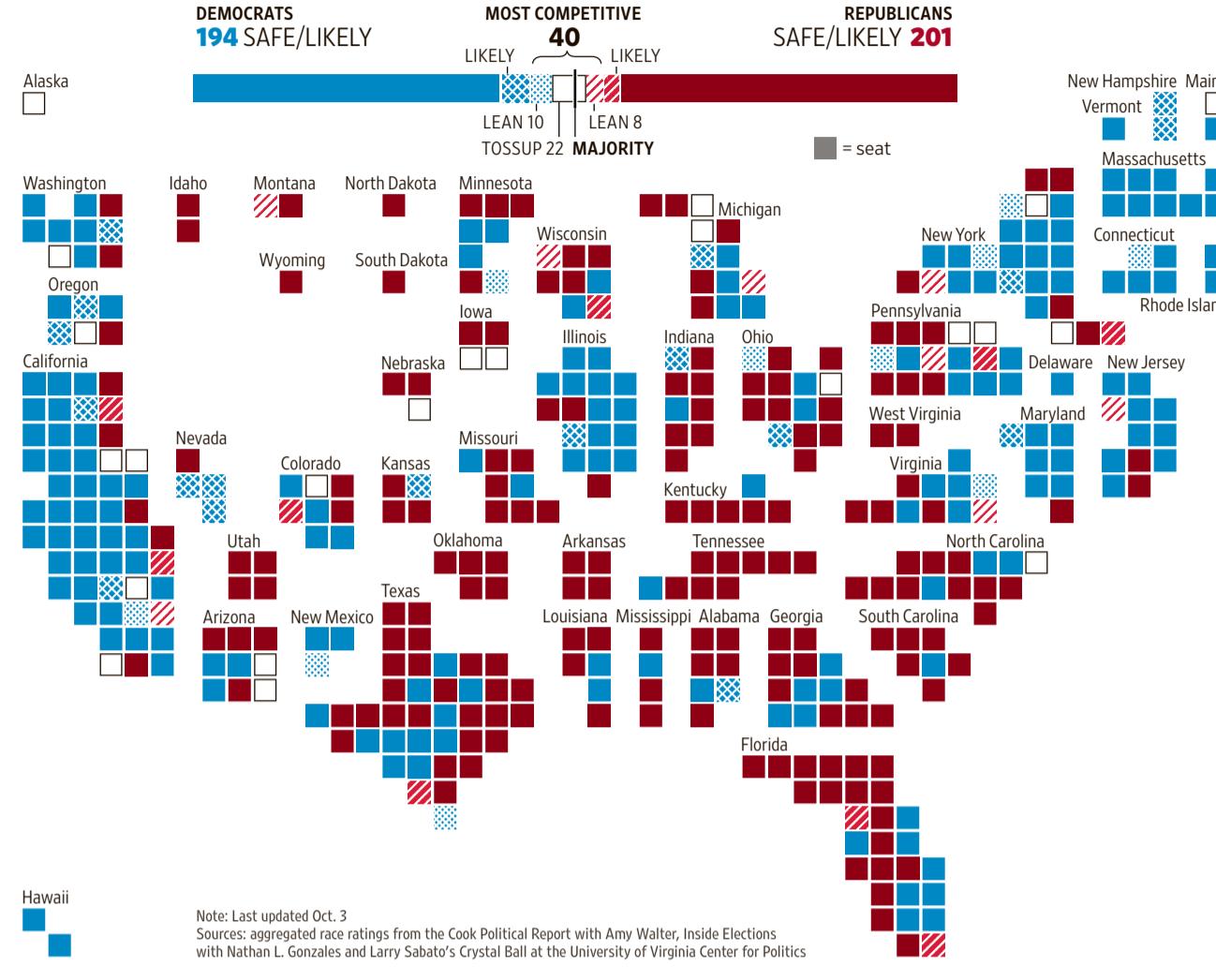
New York and California, where Republicans made inroads two years ago, are shaping up to be the biggest battlegrounds with the most competitive seats. But races in Iowa and scattered across the country are also being closely watched, with abortion, the economy and immigration again voters' top issues.

The neck-and-neck nature of the presidential race between Kamala Harris and Donald Trump—and more than a half dozen tight Senate races—has added to the unpredictability. While Harris's entrance into the race gave a boost to Democratic enthusiasm, some lawmakers said it wasn't clear how much of an impact it would have on individual contests.

"In many ways, it's an unfathomable question," said Rep. Matt Cartwright (D., Pa.), who faces a tough race for a district that includes President Biden's hometown of Scranton.

House Republicans have a 220 to 212 majority, with three absences. The nonpartisan Cook Political Report projects

The outlook for Democrats and Republicans in House election races, based on combined ratings from three nonpartisan political analysts



207 seats are likely to be won by Republicans while 202 seats are in districts that Democrats are favored to win. The remaining 26 are tossups.

"It is more of a game of inches than it has been in the past," said David Wasserman,

Cook's U.S. House editor.

Rep. Richard Hudson (R., N.C.), who leads the National Republican Congressional Committee funding candidates' campaigns, said independent voters favor the party to handle four core issues: the econ-

omy, crime, border and immigration.

"It's all anybody's talking about, sometimes in a different order," he said.

Democrats point to their legislative successes on the infrastructure law and their cli-

mate-focused Inflation Reduction Act when they were in charge. They are also banking on voters remaining motivated by the issue of abortion access, which drove turnout in 2022 midterms. That was the first contest since the Supreme

Court ended the constitutional right to the procedure.

Rep. Suzan DelBene (D., Wash.), chair of the Democratic Congressional Campaign Committee, said she hasn't seen evidence that Republican candidates have put a dent in voters' preference for Democrats on abortion, despite some GOP efforts to moderate their stance. She said it is an especially hard sell for Republicans who signed onto the Life at Conception Act, which states that protections for human life begin at the moment of fertilization.

"They're only trying to change because they know that the public's against them," she said.

House Democrats' campaign arm had about \$87 million cash on hand at the end of August, roughly \$16 million more than the Republicans' group, according to Federal Election Commission data. That has made them competitive in seats in places that are typically Republican strongholds, such as Iowa, Cook's Wasserman said. On Thursday, Cook analysts moved the races for two GOP incumbents, Reps. Zach Nunn and Mariannette Miller-Meeks, into the tossup column from lean Republican.

Another group, Inside Elections, recently moved the same Iowa seats to tossup as well, while adding a Democratic seat held by Rep. Jared Golden of Maine.

Some House Democrats also argue the chamber's often chaotic proceedings under Republican leadership will drive voters to support Democrats. Johnson won the gavel last year after a group of GOP rebels ousted Kevin McCarthy.

Harris Wants Medicare to Cover In-Home Services

By ANDREW RESTUCCIA
AND JENNIFER CALFAS

Vice President Kamala Harris is proposing a new Medicare benefit for in-home elder-care, part of a pitch to middle-aged voters who are grappling with the dual cost of raising children and attending to their aging parents.

The proposal would cover long-term home care services, including health aides, according to Harris campaign officials, allowing many seniors to get the support they need without going to a nursing home.

The officials said the benefit, which would require congressional approval, would be paid for with the savings from a series of proposals Harris has made to lower prescription-drug costs. The plan builds on a proposal pitched by President Biden that didn't win enough support to pass Congress.

"There are so many people in our country who are right in the middle. They're taking care of their kids and they're taking care of their aging parents. And it's just almost impossible to do it all," Harris said on ABC's "The View" Tuesday. "What I am proposing is that, basically, what we will do is allow Medicare to cover in-home healthcare."

On how to pay for it, Harris said she intends to allow Medicare to continue to negotiate drug prices "which means we are going to save Medicare the money, because we're not going to be paying these high prices."

Researchers at the Brookings Institution estimate broader coverage for at-home care could cost around \$40 million each year.

The Harris campaign said under the plan, healthcare professionals would evaluate

seniors on Medicare to determine whether they need assistance with everyday tasks like eating or going to the bathroom. Medicare would create coverage plans for seniors with moderate incomes and a sliding scale for those with higher incomes.

Her campaign said it is trying to reach the millions of women who watch the talk show and are part of the "sandwich generation" that is simultaneously absorbing the

costs of child care and elder-care. That demographic could help decide the election: Harris aides pointed to internal campaign data they said showed many adults in the sandwich generation haven't

decided how they will vote. Harris has separately called for capping child-care costs at 7% of a working family's income and for expanding the child tax credit, including offering \$6,000 to the parents of newborns.

Medicare currently covers home health services such as care from nurses and physical therapy if seniors meet certain eligibility criteria, including being homebound. At-home services from nurses and home health aides, who help with everyday tasks such as bathing or getting dressed, are covered part time, with limits on how many hours they can provide care a day and week.

Harris's plan could face resistance in Congress. At the

start of his term, Biden outlined a sweeping agenda aimed at boosting the economy following the coronavirus pandemic. While he managed to pass swaths of that agenda, several key proposals were stripped from legislation amid opposition from Republicans and some Democrats. Among the measures that were cut: proposals to lower the cost of child care and expand access to eldercare.

The Harris campaign says the added coverage would be funded in part by continued drug price negotiations with pharmaceutical companies. The government completed its first-ever negotiations with drug companies this year, lowering the prices for 10 medicines. The new prices will result in an estimated \$6 billion in savings for Medicare in the first year, the Biden administration said. The government plans to identify another 15 drugs up for price negotiations by early next year.

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Coverage would be funded in part by continued drug-price negotiations.

Woodward, in a note to readers, said that Biden and Trump "declined to be interviewed." Hundreds of hours of interviews with "firsthand participants and witnesses to these events" had shaped the book, he wrote.

Simon & Schuster describes the book as a "revelatory, behind-the-scenes story of three wars: Ukraine, the Middle East, and the struggle for the American Presidency." The Journal obtained a copy of "War" on Monday after CNN published a lengthy account of the book and hasn't independently verified the claims.

"War" opens with rioters attacking the Capitol on Jan. 6, 2021. When then-President Trump was asked by Republi-

cans House Minority Leader Kevin McCarthy to take action as the crisis unfolded, Trump responded, "I'll put a tweet out or something."

After McCarthy persisted, Trump said, "Well, Kevin, I guess these people are more upset about the election than you are." Woodward reports it took Trump 187 minutes to send a tweet asking his sup-

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Woodward offers a frosty portrait of Biden's regard for

Putin, making him open to manipulation. During the outbreak of Covid-19 in Russia, Trump secretly sent Putin some Abbott Point of Care Covid test machines for Putin's personal use.

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In October 2021 the U.S. knew that Putin had a plan to invade Ukraine with 175,000 troops, Woodward reports. The author describes it as "an astonishing intelligence coup from the crown jewels of U.S. intelligence, including a human source inside the Kremlin."

Woodward shares details from September 2022 when intelligence agencies reported Putin was considering the use of tactical nuclear weapons as it struggled in the war.

In early October 2022, Biden said at a fundraiser at the house of James Murdoch, son of media titan Rupert Murdoch, that "We have not faced the prospect of Armageddon since Kennedy and the Cuban Missile Crisis."

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AGING SPARKS CREATIVITY, NOT MENTAL DECLINE.

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AD COUNCIL

ALZHEIMER'S ASSOCIATION

President Biden described Israeli Prime Minister Benjamin Netanyahu as a "son of a bitch." There was a real threat of Russia using nuclear weapons in its war with Ukraine.

By Jeffrey A. Trachtenberg, Isabella Simonetti and Robert Barba

Former President Donald Trump had as many as seven phone calls with Russian President Vladimir Putin after Trump left the White House.

Journalist Bob Woodward's new book "War," is loaded with such revelations about some of the most powerful political figures in the world. The book, which Simon & Schuster plans to publish on Oct. 15, offers a window into Biden and Trump's thoughts and actions on the global stage.

The White House declined to comment on specific anecdotes listed in the Woodward book, including the details about Trump's post-presidency calls with Putin. "It's very common for books to be written about this administration and others so I'll leave others to speak to that," White House spokeswoman Emilie Simons told reporters aboard Air Force One Tuesday.

Trump spokesman Steven Cheung said, "None of these made up stories by Bob Woodward are true." He added,

"President Trump gave him absolutely no access for this trash book that either belongs in the bargain bin of the fiction section of a discount bookstore or used as toilet tissue."

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U.S. NEWS

Tampa Area Braces for Direct Hit

Continued from Page One
in the U.S., according to a 2015 study by risk modeler Karen Clark & Co. Among the reasons the report cited: a shallow continental shelf off the coast and a funnel effect in Tampa Bay that together create the potential for a huge buildup of water that can inundate neighborhoods.

In addition, the metro area has experienced a building boom in recent decades that has sent the population soaring to about 3.2 million. Much of the development is on low-lying ground, with poorly developed drainage systems. A third of the area's residents live within storm-surge zones.

"It's the recipe for a huge storm-surge disaster," said Jeff Masters, a former hurricane scientist at the National Oceanic and Atmospheric Administration and now a contributor to Yale Climate Connections, a news service.

In 2010, the Tampa Bay Regional Planning Council drew up the Tampa Bay Catastrophic Plan, in which a hypothetical Category 5 storm dubbed "Hurricane Phoenix" hit downtown Tampa with 160-mph winds and a 26-foot storm surge. The study projected that the city would have about 2,000 deaths and nearly \$250 billion in damage.

In the Tampa Bay area, nearly 17,000 commercial properties and apartment buildings spanning 182 million square feet are in areas at high risk of flooding, according to real-estate data company CoStar Group. Billions of dollars of private and public funds have been invested in the redevelopment of downtown Tampa's waterfront in recent decades. Many of these buildings are in vulnerable low-lying areas, according to data from CoStar.

Newer construction that was built to Florida's current stringent building codes should



With Hurricane Milton aiming at Florida as a Category 5 storm and expected to make landfall on Wednesday night, some Tampa residents prepared to hunker down and withstand the blow. People filled sandbags for flood protection, while Jarrett Gatling covered the top-floor windows of his home.

BRYAN R SMITH/AFP/GETTY IMAGES



stand up well to hurricane-force winds, storm specialists said. Other, more established neighborhoods with older structures, however, are more susceptible.

Because the Tampa Bay area hasn't been hit directly by a hurricane in more than a century, some neighborhoods are filled with homes built before the state building code was strengthened. They haven't been tested against fierce winds such as those Milton is likely to be packing.

Milton's path through the Gulf of Mexico is unusual. Most hurricanes develop from tropical waves that go from east to west, said Masters of Yale Climate Connections. Milton is doing the reverse and is projected to traverse the full length of the Gulf, giving it plenty of time to fuel up on the warm waters.

"The way Tampa Bay is set up, it's almost certain that they're going to get a surge coming up into the bay," said Neal Dorst, a meteorologist with NOAA's Atlantic Oceanographic and Meteorological Laboratory in Miami. "It's going to have nowhere to go."

The Tampa Bay area is still reeling from Helene, which triggered more than 6 feet of

Back-to-Back Storms

Between Hurricane Helene's and Milton's storm surge forecasts around their projected landfalls, much of the west coast of Florida has been under threat of significant flooding.

Storm surge flooding forecasts

1 3 6 9 feet

Helene



Note: Helene forecast as of 11 p.m. Sept. 26, Milton as of 11 a.m. Oct. 7.

Source: National Oceanic and Atmospheric Administration

Milton



CARL CHURCHILL/WSJ

storm surge along its coastline. Water climbed halfway up the front doors of some homes in low-lying neighborhoods. Resi-

dents dumped their ruined furniture and appliances on the curb and tore out soaked drywall, creating large piles of de-

bris in their front yards.

Now Milton threatens to push double that amount of water into the same waterlogged areas. And its winds could turn the heaps of debris left behind in Helene's wake into dangerous projectiles.

"Milton has the potential to be one of the most destructive hurricanes on record for west-central Florida," the hurricane center said Tuesday.

President Biden postponed a trip to Germany and Angola because of the "projected trajectory and strength of Hurricane Milton," press secretary Karine Jean-Pierre said Tuesday. Biden, who had planned to leave Thursday for Berlin, will instead oversee preparations for the response to Milton along with the impacts of Hurricane Helene, the White House said.

Biden was briefed on Milton and warned that it "could be one of the worst storms in 100 years in Florida." The president urged Floridians under an evacuation order to "evacuate now, now, now."

"It's a matter of life and death," Biden said.

Biden, a Democrat, said he spoke Monday to Florida Gov. Ron DeSantis, a Republican,

and told DeSantis to call him directly with any needs the state may have.

Parts of the state are powering down in anticipation of Milton. The Walt Disney World and Universal Studios parks will close early Wednesday, and airports in Tampa, St. Petersburg and Orlando plan to temporarily close.

David Zigler's home in St. Petersburg took on several feet of water just over a week ago. He said he hasn't been able to tear out the soggy drywall because of a shortage of workers.

Once Zigler gets an insurance payout, he said, he plans to pay off his mortgage and sell the property for land value.

"I'm probably going to get canceled after this claim," said Zigler, who had a \$52,000 claim for another flood last year. "Every year it's the same thing, and it's only getting worse."

—Ken Thomas contributed to this article.

Watch a Video



Scan this code for a video on Florida's race to clean up debris ahead of Milton.

FEMA Scrambles to Address Storms—and Misinformation

By MICHELLE HACKMAN

WASHINGTON—The Federal Emergency Management Agency faces a herculean task to prepare millions of residents for the wind gusts and flooding expected from Hurricane Milton.

Evacuation orders in communities near the Florida coastline were so broad that people were caught in hours-long traffic jams trying to escape the coming storm. And FEMA officials are simultaneously working to help thousands of residents across several states dig out from Hurricane Helene, which has killed more than 200 people.

But FEMA's biggest concern isn't a lack of money or personnel to address both storms.

Instead, federal officials' efforts to save lives are being complicated by an unusual level of politically charged misinformation, which authorities say risks leading people to disregard evacuation orders or not ask the government for the assistance they need.

FEMA Administrator Deanne Criswell said Tuesday she was concerned that false stories could be "creating distrust in the federal government, but also the state government."

"I need people to register for assistance and they're misrepresenting the types of programs that FEMA offers and it's creating fear in some of the individuals," she said.

FEMA, which has more than 20,000 employees and an annual budget in the tens of billions of dollars, is responsible for coordinating with state and local agencies to respond to natural disasters, such as flooding, wildfires and hurricanes.

The agency says it has been confronting a deluge of false information about the agency's response to Helene and its preparedness for the coming hurricane. Federal officials say they are accustomed to contending with online scammers trying to make a buck off people's desperation, but the political nature of the misinformation—amplified

fied at times by Republican presidential nominee Donald Trump—is different.

Rumors have proliferated on social-media sites such as Elon Musk-owned X that the agency is prioritizing Black and other minority victims over white applicants for assistance, which FEMA denies.

Users are sharing posts alleging the agency doesn't have money because it has been diverted to help migrants. Trump has said FEMA was out of money because the administration was spending cash on housing for immigrants in the U.S. illegally. The agency plays a role in border management but that pot of money is separate from funds for responding to natural disasters.

Trump has also said that FEMA is offering victims \$750 in federal aid, which is misleading.

The maximum aid FEMA would provide for home repairs and a host of other services is more than \$42,000. However, the agency will offer immediate upfront assistance of \$750 as an initial stipend to cover supplies such as water, food and diapers.

X didn't respond to a request for comment about the spread of false claims on the platform following Helene.

FEMA has posted a "Rumor Response" page attempting to address the various claims.

Trump spokeswoman Karoline Leavitt said that, according to residents on the ground, the federal response has been a disaster and Trump would have done a better job.

"President Trump hears their concerns and will continue to highlight them," she said. "If he were in office today, the federal government would be moving at a business speed, not a bureaucratic speed."

The concerns about conspiracy theories have escalated to the point that some

Republican lawmakers have started attempting to rebut them. On Tuesday, GOP Rep. Chuck Edwards, who represents one of the hardest-hit regions in North Carolina, published a letter to his constituents dispelling a list of eight rumors. Among them: The government was "geoengineering" the weather to destroy specific areas.

"While it is true, the Federal Emergency Management Agency's response to Hurricane Helene has had its shortcomings, I'm here to dispel the outrageous rumors that have been circulated online," he wrote.

Just 28 days from the presidential election, the government's response to back-to-back natural disasters could threaten to upend an exceedingly close race.

Republicans including Florida Gov. Ron DeSantis criticized Vice President Kamala Harris after she said DeSantis didn't return her calls about Helene recovery. On Fox News on Monday, DeSantis said Harris, the Democratic

presidential nominee, "has no role in this" and "is trying to politicize the storm" by casting him as unwilling to talk to her.

President Biden said Tuesday he had spoken with DeSantis.

On Tuesday, Harris criticized Trump for fanning false rumors. "The role of the leader is not to beat people down, it's to lift people up, especially in a time of crisis," she said on ABC's "The View."

Last month, Congress passed some \$20 billion in additional money for FEMA's Disaster Relief Fund as part of a short-term deal funding the government. The White House said that it believes FEMA has the resources it needs to meet immediate needs but will face a shortfall at the end of the year.

—Katy Stech Ferek and Alexa Corse contributed to this article.

BY MICHELLE HACKMAN

PHOTOGRAPH BY AP/WIDEWORLD

ARTICLE BY KATY STECH FEREK AND ALEXA CORSE

CONTRIBUTED TO THIS ARTICLE

ARTICLE BY MICHELLE HACKMAN

WORLD NEWS

Hezbollah Strikes Northern Israeli Suburb

Militants hit near Haifa as Israel adds troops to Lebanon ground offensive

Hezbollah launched more than 100 rockets into northern Israel on Tuesday, hitting a suburb of Haifa, as Israel expanded its military offensive into Lebanon by adding more troops and signaling an im-

By *Omar Abdel-Baqi, Dov Lieber and Jared Malsin*

pending maritime operation.

Hezbollah said the missile attack aimed at Haifa, Israel's third-largest city, was in response to what it said was Israel's targeting of civilians in the southern suburbs of Beirut. The Israeli military said that it is targeting Hezbollah in accordance with international law and seeks to mitigate civilian harm. Israel has launched waves of airstrikes on southern Beirut that have driven most civilians to flee.

One of the projectiles launched from Lebanon hit a home in a Haifa suburb, where Israeli medics evacuated 10 people to nearby hospitals. The rocket fire followed a smaller barrage at northern Israel on Sunday night that also caused injuries.

Hezbollah has been battered since Israel launched an aggressive campaign against it last month, including killing Secretary-General Hassan Nasrallah and much of the U.S.-designated terrorist group's senior leadership. Israeli Prime Minister Benjamin Netanyahu said Tuesday that Israel's killings of senior Hezbollah leaders have left the group without obvious successors.

"We killed thousands of terrorists, including Nasrallah himself, the successor of Nasrallah, and the successor to the successor of Nasrallah," Netanyahu said in a video addressed



A man inspected an apartment in Kiryat Yam, near Israel's northern city of Haifa. Hezbollah said the attack was retaliation.

to Lebanese civilians. "You have an opportunity to save Lebanon before it falls into the abyss of a long war that will bring destruction and suffering similar to what we see in Gaza."

Hezbollah Deputy Secretary-General Naim Qassem is now leading the group. It released a prerecorded speech by Qassem on Tuesday, in which he declared Hezbollah's fighting capabilities were still intact. Qassem's whereabouts is unknown.

"What our enemies say about our fighting capabilities is an illusion. They are lying," he said.

Hezbollah's strike on Haifa and its suburbs followed weeks of speculation about how much of Hezbollah's missile arsenal remains. Israel claims to have significantly degraded the group's stash of missiles and rockets, which,

according to both Israeli and western estimates and analysts close to Hezbollah, was about 150,000 before the war.

For the past year, Hezbollah has primarily aimed at military targets in northern Israel, demonstrating an increased precision in its weaponry compared with the last war it fought with Israel in 2006, when it often relied on unguided weapons to hit civilian targets.

Sam Heller, a Beirut-based security analyst with Century International, a policy institute in New York, said the Haifa attack follows Hezbollah's past threats to strike Israeli population centers in response to Israeli attacks on Beirut. "This may be an attempt to inflict more pain on the Israelis and to actually follow through on the deterrent or retaliatory

equation that they had laid out previously," he said.

Israeli airstrikes on southern Beirut have sent civilians fleeing to other parts of the capital, where they are camping in public squares and crowding into schools and other shelters.

More than 2,100 people have been killed in Lebanon since the war began last year, according to the Lebanese Health Ministry, including 36 people on Monday. It wasn't clear how many were combatants. Most of those deaths have occurred since Israel intensified its campaign against Hezbollah in mid-September. Hundreds of thousands of people in Lebanon have been displaced by the fighting.

The rising death toll comes as Israel continues to expand its ground offensive. Since begin-

ning limited ground incursions from the eastern part of the border last week, the military's operations have moved west, each time adding new divisions.

On Tuesday, the military said its 146th reserve division began operations in southwestern Lebanon against Hezbollah targets and declared Israeli communities near the western part of its border with Lebanon as closed military zones.

An Israeli security official said the current ground operation would include the navy. From the sea, Israeli ships could provide covering fire for Israeli ground forces maneuvering up the Lebanese coast, as they did during Israel's invasion into Gaza a year ago, said Michael Horowitz, head of intelligence for consulting firm Le Beck.

The Israeli military sepa-

rately said it had destroyed a tunnel in Lebanon that crossed into Israel that was discovered several months ago. The tunnel crosses about 30 feet into Israel. The military said it found weapons, explosives and antitank missiles in the tunnel.

The military said it wasn't aware of any other cross-border tunnels. This was the first cross-border tunnel Israel said it found on the border with Lebanon since 2019, when it destroyed six tunnels on the border, two of which crossed into Israeli territory.

The Israeli military also said it took control of a Hezbollah compound in Maroun al-Ras, a village that overlooks Israeli towns and was the site of a significant battle between Hezbollah and Israel in 2006. Footage verified by Storyful shows Israeli troops planting their country's flag atop a toppled structure in the village. Storyful is owned by Wall Street Journal parent News Corp.

The United Nations Interim Force in Lebanon said Sunday that it was concerned by Israeli military activity next to one of the international peacekeeping force's bases near Maroun al-Ras, on the eastern part of the Lebanese border.

"This is an extremely dangerous development. It is unacceptable to compromise the safety of U.N. peacekeepers carrying out their Security Council-mandated tasks," the peacekeeping force said.

Israel warned Lebanese civilians Monday to stay away from the coastal area south of the Awali River, which is located a little more than halfway between the Israel-Lebanon border and Beirut. "Refrain from being in the sea or on the beach from now until further notice," an Israeli military spokesman said in a social-media post.

Israel has issued wide-ranging evacuation orders for civilians in southern Lebanon, far beyond the range of the current ground operation.

Suicide Bombings Return

Continued from Page One

In the past week, Hamas has claimed two separate shooting attacks in Israel—one in Tel Aviv that killed seven and a second in Beersheba that killed a female Israeli soldier.

Sinwar, who has been Hamas's top leader in Gaza for years, took control of the politburo in August after Israel killed the previous leader, Ismail Haniyeh, in July. His ascension was the culmination of a yearslong internal struggle over how to balance two competing visions for the group.

For years, Hamas had been split between hard-liners such as Sinwar, who view the deaths of civilians as necessary to destabilize Israel, and militants who countenance violence but want the group to preserve some political legitimacy as a route to achieving its aims of a Palestinian state. Sinwar is now imposing his more violent vision on Hamas as the Israeli military squeezes the group in Gaza.

Hamas didn't respond to requests for comment.

As Israel's focus shifts toward a ground offensive in Lebanon, having killed Hezbollah's leader there, talks for a ceasefire in Gaza appear to be going nowhere. Internally, Sinwar has disparaged more-mainstream Hamas officials living relatively comfortable lives in Qatar, where the group interfaces with the rest of the world, people familiar with the matter said.

"Under Sinwar, Hamas can be expected to be a much clearer-cut, hard-line fundamentalist organization," said Matthew Levitt, a senior fellow at the Washington Institute think tank, who wrote a book on the group.

Sinwar and Haniyeh rose to power after the previous Hamas leader, Khaled Meshal, stepped down as head of Hamas's political bureau in 2017. Haniyeh succeeded him as head of the politburo and Sinwar became the leader in Gaza.

Haniyeh and Sinwar steered Hamas toward closer relations with Iran. But tensions mounted

between Sinwar and Haniyeh, who began to believe his counterpart in Gaza had spent too much time in Israeli prison and was failing to understand that Hamas needed to portray an image of a legitimate political organization to engage with Arab states, the intelligence officials involved in mediation between the two men said.

Egypt organized a meeting in July 2023 to unite Hamas with rival Palestinian factions. Sinwar declined to attend, telling interlocutors he was worried a Haniyeh-led faction would upset him while he was outside the strip, these officials said.

A few months later, Sinwar mounted the Oct. 7 attacks, in which Hamas and other militants killed 1,200 people and kidnapped around 250 others. The attack led to the conflict in Gaza, where Palestinian health authorities said almost 42,000 people have been killed, most of them civilians. The figures don't tally the number of combatants killed.

W hile Hamas's political leadership in Doha, led by Haniyeh, was aware of a potential attack, the timing caught them off guard, current and former Arab and Israeli officials said. Iran and Hezbollah offered only limited help in the aftermath.

Hamas officials in Doha, while publicly praising the Oct. 7 attack, began privately criticizing Sinwar as a "megalomaniac," Arab and Hamas officials said.

Haniyeh, Meshal and others were talking about Sinwar in "no uncertain terms," said Ehud Yaari, a veteran Israeli columnist who interviewed Sinwar in prison and said he maintains a communication channel with him. "That he made a mistake, that he's a political amateur."

Israel's ground invasion of Gaza dismantled Hamas's military structures. Hamas's political leadership began meeting other Palestinian factions in early December to discuss reconciliation and a postwar plan without consulting Sinwar.

Haniyeh was open to demilitarizing and pressuring Sinwar and Hamas's military wing to acquiesce to a cease-fire deal in Gaza. Sinwar, in a message to

the political leaders, blasted the bypass as "shameful and outrageous" and began privately criticizing Haniyeh and Meshal.

As Israel's army got bogged down, Sinwar became more confident that international criticism of Israel would force its military into a cease-fire, leaving Hamas intact. Then, on July 31, Haniyeh was killed by a bomb placed in his room at an Islamic Revolutionary Guard Corps guesthouse in Iran.

For six days in August, Hamas officials in Gaza, the West Bank and those outside the Palestinian territories relayed messages seeking a consensus candidate to succeed Haniyeh, Arab and Hamas officials familiar with the deliberations said. Members first suggested Meshal. Sinwar interrupted with a message that the new leader must be someone close to Iran. Then members of Hamas's armed wing, Izz ad-Din al-Qassam Brigades, sent a message: The leader

must be Sinwar.

When Sinwar became leader in August, his elevation reflected a view among some members that more-conciliatory figures had failed to achieve much, people who study the group said.

Sinwar's plan appears to be to try to survive Israel's military onslaught in Gaza and emerge from hiding to claim leadership of the Palestinian cause, with an ultimate goal of eliminating Israel. Arab mediators involved in trying to negotiate a cease-fire in Gaza describe Sinwar discussing the war, and his role in it, in increasingly grandiose terms.

Following the 40-day Islamic period of mourning for Haniyeh, Sinwar sent letters in his name to Hezbollah, Yemen's Houthis and others who have supported Hamas. Hamas is prepared for a long war of attrition to break Israel's will, he wrote in one letter viewed by The Wall Street Journal.

The efforts will pave the way for Israel's demise, he wrote, before quoting the Quran: "And they ask, 'When will that be?' Say, 'Perhaps it will be soon.'"

—Menna Farouk and Saleh al-Batati contributed to this article.

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WORLD NEWS

Weakened Iran Still Has Nuclear Option

As its missiles fail to do much damage and Hezbollah is reeling, focus is on program

BY LAURENCE NORMAN
AND SUNE ENGEL RASMUSSEN

Israel has shown Iran's two most important deterrents against an attack—its ballistic missiles and allied militia Hezbollah—are less powerful than previously thought. Now attention is turning to whether Iran will accelerate its nuclear program to deter its regional foe.

For months, Iranian officials have said Tehran has accumulated most of the knowledge needed to build a weapon, and that it might reconsider Supreme Leader Ayatollah Ali Khamenei's two-decade-old pledge not to procure weapons of mass destruction.

In late September, a former head of Iran's atomic agency, Fereydoun Abbasi, suggested Tehran could start producing 90% enriched, weapons-grade uranium. U.S. officials have said it would take Iran less than two weeks to convert its 60% nuclear-fuel stockpile into weapons-grade material.

The 2015 nuclear deal curbed Iran's program in return for sanctions relief. In the years since the U.S. pulled out, Tehran has significantly advanced its program, leaving it on the cusp of being able to develop a nuclear weapon.

"The weakening of its capabilities versus Israel will force Tehran to develop new sources of deterrence, increasing pressure on expanding the nuclear program," said Gregory Brew, senior analyst on Iran and energy at the Eurasia Group consulting firm. "What we're likely to see is more pressure to advance the program and warnings that it

may not stay 'peaceful.' While it claims its nuclear program is for purely peaceful purposes, Iran is the only non-nuclear weapons power that produces highly enriched uranium. It has enough near-weapons-grade fuel for nearly four nuclear weapons, according to the most recent data from the International Atomic Energy Agency. Iran also has been conducting experiments with uranium metal, a key component of a nuclear weapon, and has cut back much of the international oversight granted by the nuclear deal.

U.S. intelligence officials and the IAEA no longer offer what were once standard assurances that Tehran isn't working on a weapons program. U.S. officials said this summer that Tehran had begun activities to gain more of the knowledge needed to build a bomb. Iran's weaponization work would be harder to swiftly detect. Some experts believe Iran could produce a crude nuclear device in months.

Israel has in the past taken action against Iran's nuclear program through sabotage without permanently setting back Tehran's enrichment efforts. Still, a dash for a nuclear weapon—which the U.S. has vowed to prevent—would carry big risks for Iran.

Israel has demonstrated deep intelligence penetration into Iran and its allies through its recent attacks. Israel could strike Iran's nuclear sites if Tehran accelerates its nuclear work.

Israeli Prime Minister Benjamin Netanyahu said last week that Iran had "made a big mistake" with its missile attack and would pay for it.

Hezbollah, the world's most heavily armed nonstate militia, has long been seen as Iran's main insurance policy. The Lebanese group is positioned on Israel's border. But the recent Israeli military

campaign has weakened the group, killing its longtime chief, Hassan Nasrallah, and targeting its weaponry. Israel has launched the first ground operation into southern Lebanon in about two decades to attack Hezbollah positions.

Iran's other major threat is its estimated stockpile of at least 3,000 ballistic missiles. While a number of missiles made it through Israel's air defenses in a 180-missile barrage last week, they did little damage. Tehran has threatened to unleash a bigger attack.

The head of Iran's atomic agency, Mohammad Eslami, said last week that the country's armed forces have created the necessary deterrence against what he said were Israeli threats against his country's nuclear facilities.

Israel so far has chosen not to act alone in hitting Iran's nuclear facilities. While the Biden administration has said the U.S. would ensure that Iran faces severe consequences for last week's attack, there is no appetite in Washington for a broader war, particularly ahead of November's presidential election.

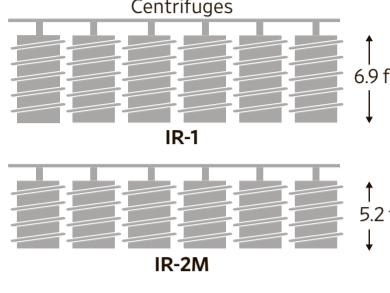
Israeli airstrikes would damage Iran's nuclear-enrichment sites, but fully disabling its nuclear program would pose significant challenges, people familiar with Iran's nuclear program said. It is unclear how deeply Israeli strikes could penetrate new facilities Tehran has built deep underground.

A nuclear push comes with political liability for Iran. Recently elected President Masoud Peshkian wants to use diplomatic outreach to win relief from Western sanctions. Any hope of achieving that likely hinges on Iran taking steps to end its production of highly enriched uranium and granting improved access for the United Nations' nuclear agency.

Steps to Nuclear Weapon

Iran is believed to have mastered most of the techniques for building a nuclear weapon, using enriched uranium. Experts believe Iran could produce a crude nuclear weapon in several months, but it would take far longer for Iran to develop nuclear warheads that are missile-deliverable. Iran says its nuclear work is peaceful.

- 1 Iran converts pure uranium into gas form and then uses thousands of centrifuges in its enrichment sites to spin the material into a highly enriched form. Once it has enriched uranium to around 90%, it is usable for a nuclear weapon.



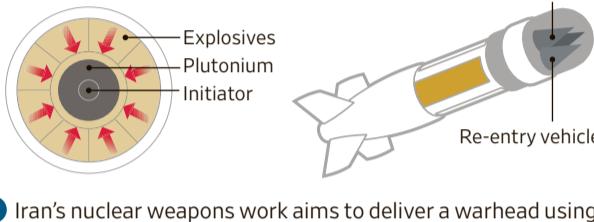
IRAN'S STATUS: Iran is currently employing almost 13,000 centrifuges, including thousands of more advanced machines. It is the only nonnuclear weapons country to be producing 60% highly enriched uranium.

- 2 The weapons-grade enriched uranium needs to be converted from its gas form into metallic form through a chemical process. The metal then needs melding and casting into hemispheric forms, a mechanical process requiring high-precision machinery.



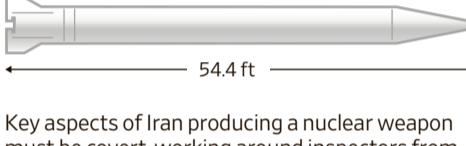
IRAN'S STATUS: Iran resumed work on uranium metal in 2021.

- 3 To make a warhead, Iran has worked on creating an implosion weapon that uses high explosives to compress fissile material to start a chain reaction. Among the ingredients required is a wiring system that sends an electrical impulse to a detonator that uniformly ignites the high explosives in the weapon. The core of a nuclear weapon is made up of the uranium metal and a neutron initiator, which triggers a burst of neutrons to set off the chain reaction in a nuclear explosion.



IRAN'S STATUS: Iran is known to have produced and worked on many of the components of a warhead in the past.

- 4 Iran's nuclear weapons work aims to deliver a warhead using its Shahab-3 liquid-based ballistic missiles. A warhead could be delivered by truck or ship. The Shahab-3 employs a separating re-entry vehicle, protecting the weapon during launch and re-entry into the atmosphere.



IRAN'S STATUS: Iran is believed to have kept its missile system largely separate from its past nuclear weapons work. It is believed not to have carried out all the usual tests on how a warhead would actually perform with its missiles.

- 5 Key aspects of Iran producing a nuclear weapon must be covert, working around inspectors from the U.N. atomic agency and foreign scrutiny. That would require Iran to build facilities to make nuclear weapons components and fine tune its knowledge of building a weapon and possibly to enrich uranium. Such a covert breakout would take time, and the U.S. and Israel are among the powers that have said they would act to prevent Iran from developing the bomb.

IRAN'S STATUS: Iran built a number of nuclear facilities in the past secretly without informing the U.N. atomic agency.

Key Iranian nuclear sites



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WORLD NEWS

China's Stock Rally Loses Steam

Continued from Page One

benchmark CSI 300 up more than 10% in the first minute of trading before gains pattered out and it finished a more modest 5.9% ahead.

Hong Kong's benchmark Hang Seng Index, which is packed with large Chinese stocks, declined 9.4%—enough to unspool the collective 9.3% rise over the past four trading sessions, as mainland China was on vacation.

The sinking feeling that set in among investors was, for many, a familiar one.

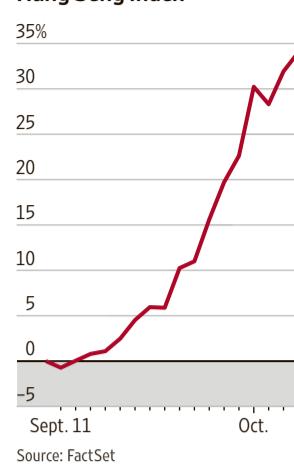
In recent years, China's stock market has enjoyed similar stimulus-fueled bull runs, only to have them end in tears. Since the beginning of the Covid-19 pandemic, Chinese stocks have languished alongside the broader economy, with the country's post-pandemic recovery sagging under the weight of a prolonged property-sector crisis and anemic consumer sentiment.

That all seemed to suddenly change two weeks ago when China's central bank and the Communist Party's top policy-making body rolled out interest-rate cuts and other pronouncements of support for the economy—a seeming concession to months of pleas from economists for more government support.

The show of strength sent stocks soaring, right up until mainland China went on its seven-day National Day holiday beginning Oct. 1. In the five trading sessions before the holiday, the CSI 300 index soared 25%, erasing the previous nearly 14 months' losses in one go.

As optimism swelled, individual investors took to social media to jokingly suggest that Beijing should cancel the seven-day holiday so that they could keep buying stocks. The number of new trading accounts at major brokerage firms hit a record during the weeklong break, state broadcaster China Central Television reported.

One-month performance of Hang Seng Index



key ingredient in any sustainable economic recovery.

Some strategists, referencing various market rumors and media reports, offered guesses on how big a notional stimulus package might be, with many putting the number somewhere between one trillion yuan and three trillion yuan, equivalent to \$142 billion and \$427 billion, respectively. Some influential Chinese market commentators even touted a potential package of more than 10 trillion yuan, equivalent to about 8% of China's gross domestic product last year.

All those hopes hit a cre-

scendo on Sunday, when the country's economic planning agency, the National Development and Reform Commission, announced a press conference for Tuesday morning, raising hopes for a big announcement.

On Monday, Goldman Sachs urged clients to clamber aboard the market rally. "This time is different in terms of policy response," analyst Kingler Lau and colleagues told clients in a note titled: "If Not Now, When? 10 Reasons to Buy China Equity."

BlackRock, in a commentary published the same day, told its clients it was taking a more optimistic stance on Chinese stocks after policy signals "suggested that major fiscal stimulus may be coming."

As Tuesday morning dawned in China, optimism among individual investors had reached a fever pitch.

Stock trading in Shanghai, Shenzhen, Beijing and Hong Kong opened with a bang at 9:30 a.m., with the benchmark CSI 300 surging more than 10% in the opening seconds, as mechanisms capped the daily rise in individual shares by that amount. (Stocks trading on one of the constituent exchanges of the CSI 300 can rise as much as 20% before triggering the limit.)

Central-bank regulators, meanwhile, made it known that they were keeping a close eye on commercial banks to ensure they didn't channel their own funds into the stock market—an attempt to tamp down the feeding frenzy.

But as the news conference began in Beijing at 10 a.m., the market excitement quickly evaporated as China's economic planners made few mentions of any new concrete stimulus measures. Instead, officials repeated old promises, reiterating a plan to continue destocking the housing market and issuing ultralong special Treasury bonds.

By the end of the news conference and the morning trading session in Shanghai, Shenzhen and Beijing, some \$356 billion of stocks had changed hands—almost as much as the \$372 billion turnover for the full day on Sept. 30, the previous historic high.

By the end of the day, the CSI 300 saw its morning gains cut roughly in half, though the gain was still enough for it to finish at the highest level since July 2022. Hong Kong's benchmark Hang Seng Index, which had had four days to price in the mounting excitement, finished with its worst daily decline since October

2008.

It is a healthy pause after the recent sudden market moves, said Winnie Wu, chief China equity strategist at BofA Global Research, who expects the period of unwavering gains to give way to a choppy period. "Investors still want to get exposure, but valuation is no longer cheap," she said, adding that valuations have returned to long-term average levels.

Some investment bank analysts, offering some comfort on Tuesday, said investors shouldn't have expected too much from the economic-planning agency, whose main duty is to formulate and implement strategies on economic and social development—and which doesn't ordinarily announce bold fiscal measures, HSBC economists Jing Liu and Erin Xin wrote in a note after the Tuesday morning letdown.

China's domestic stock markets dropped on Wednesday morning with the benchmark index CSI 300 declining by 3.2% within half an hour of market open. Trading was intense. Turnover surpassed 1 trillion yuan, or \$142 billion, within the first 30 minutes.

—Jason Douglas
in Singapore
contributed to this article.

FROM PAGE ONE

Battle Over Robots at Ports Is On

Continued from Page One

concede to machines?

The new dockworker agreement extends only until mid-January. Daggett's opposition to automation of any kind threatens to derail the continuing negotiations over the next three months and push the dockworkers back to the picket lines.

The long march of technological advancement has transformed manufacturing and countless industries over the decades—and brought attempts to defy change. Workers in a range of industries today fear being displaced by ever-more sophisticated machines, particularly with the rapid rise of artificial intelligence.

"Someone has to get into Congress and say, 'Whoa, time out,'" Daggett said in a recent video interview. "What good is it if you're going to put people out of work?"

Lagging behind

Shipping executives note with frustration that U.S. ports lag behind facilities in Europe and Asia in automation. Major Asian and European ports consistently rank higher than their U.S. counterparts in an annual ranking by the World Bank that measures factors such as port productivity and the amount of time a ship spends in port.

One issue of contention is the effect of adapting automation on jobs. Employers say it creates new jobs as automation requires new roles and drives more cargo through ports. Unions point to roles lost to machines—a dockworker, for instance, might not be equipped to slot into a new job that requires specialized or high-tech skills.

It's challenging to quantify the impact. Many factors impact the amount of work at any given terminal, including the size and frequency of ships arriving and departing.

Across all industries, Daron Acemoglu, an economist at the Massachusetts Institute of Technology, estimates that around six jobs are lost for every robot implemented. About 700,000 American jobs—many of them in manufacturing and other blue-collar trades—have been lost over the past 30 years due to automation, he said.

For dockworkers and others, "the real issue is what does this look like five years, 10 years into the future?" said Timothy Bartl, CEO of the HR Policy Association, a trade group representing chief human-resources executives. "How do we start anticipating that?"

Shipping industry officials say they need machines, like automated stacking cranes powered by artificial intelligence, to squeeze ever-growing volumes of cargo through ports hemmed in by sprawling met-



Above, union leader Harold Daggett spoke in Elizabeth, N.J., last week. Right, the Packer Avenue Marine Terminal in Philadelphia.

ropolitan areas. Some of the world's most efficient ports, such as Khalifa Port in Abu Dhabi, are built on greenfield or offshore sites where space is abundant.

The U.S. already boasts some advanced cargo-handling operations. In sections of ports around the country, automated cranes lift massive containers from ships, autonomous vehicles carry boxes across the docks, and yet more autonomous cranes organize giant container stacks. Cameras and computer systems read codes on containers and truck trailers to automatically allow trucks into and out of ports and to track and speed the flow of cargo.

More efficiency

Automation drives predictability and consistency. Machines don't call in sick, stop to chat in the parking lot with friends or text friends and family members during work hours. But they can't solve everything. The supply-chain snarls during the Covid pandemic that led more than 100 container ships to back up off the coast of Long Beach and Los Angeles were caused as much by shortages of warehouse space, trucking equipment and railcars as they were by inefficiencies on the docks.

Still, the sole fully automated terminal at Long Beach worked ships and managed container stacks better than all of its peers in the pandemic. Now shipping companies are looking to add autonomous cranes and vehicles to terminals large enough to accommodate them. In terminals too small or awkwardly shaped to deploy robots, they're aiming to make better use of cameras, artificial intelligence and other technologies.

The ILA and its West Coast counterpart, the International Longshore and Warehouse Union, are opposing, stalling and drawing out expensive concessions from employers in return for allowing the technology.



Total Terminals International at the Port of Long Beach recently negotiated a deal with the West Coast union to install automated technologies. The details are still being worked out but are likely to include taller cranes that will be operated from a remote room and automated stacking cranes on the docks, said Ammar Kanaan, the chief executive of the terminal's owner.

Kanaan said the total number of jobs at the terminal won't be cut, but the mix of jobs will change. He said the improvements will allow the terminal to move twice as much cargo without expanding the facility.

Some in the shipping industry are concerned the company made costly commitments to the union on staffing requirements, according to one industry official. Dockworkers, meanwhile, are worried that the West Coast union is allowing automation at too many terminals, the official said: "The East Coast has seen what has happened on the West Coast and they want to prevent that from happening."

The East Coast union says the Los Angeles automation project beamed into the ILA from \$39 an hour was reached on the condition that dockworkers agree to efficiency gains that include more technology.

Marc Santoro remembers the anxiety he felt when his terminal at Bayonne, one of the smallest at the Port of New York and New Jersey, installed automated dockyard cranes 10 years ago. Santoro, 44 years old, said the employer gave the impression the cranes would handle larger

If you have kids, you should be concerned about automation.

the French ocean shipping company that bought the Port Liberty terminal two years ago, has said beefed-up automation will help the facility double its capacity so that it can move more than four million boxes annually over the coming years.

Daggett said he wants to take his fight worldwide. He has talked in recent months about joining with unions around the world to punish ocean shipping companies that push automation by temporarily refusing to work their ships.

"I don't care about lawyers and governments," he said. "It's time to stop machines from taking our jobs, destroying our lives and crippling the American economy. It's time we put companies out of business that push automation."

German lessons

Over the past century, machines have upended many industries. In the U.S., robots have been used on automotive assembly lines since at least the early 1960s, with carmakers turning to automation to increase productivity, cut labor costs and reduce injuries, particularly on repetitive tasks. Robots took on the difficult work of lifting, welding and painting cars. Today, the auto industry is a top consumer of robots around the world.

Breakthroughs in AI now threaten the jobs of highly skilled professionals, such as software developers.

To lessen the pain for workers today, the U.S. may be able to draw lessons from how German firms incorporated automation and technology, MIT's Acemoglu said. There, unions and worker councils represent the workforce and advocate for technological changes and training programs that can allow employees to take on new jobs within the same organization. "The ILA saying no to robots is never going to work," he said. The challenge for workers is how to adapt, said Michael Chui, a partner at the McKinsey Global Institute, the research arm of the consulting firm.

"It's very rare that a machine will come in and do everything that's in someone's occupation," Chui said. "Typically, what we see is automation doing pieces of people's jobs. It's less about, 'In comes the robot and out goes the person.'"

Proponents point to technology's safety benefits. Dockworkers work long hours, sometimes around the clock, in heat and cold and rain, and around large containers, vehicles and cranes. Automation allows them to work in the comfort and relative safety of a climate-controlled office.

Many see efforts to hold off advances in technology as ultimately doomed to fail.

"Ever since the Luddites, it's been pretty hard for workers to really slow down automation over the longer term," said Harry Holzer, an economist at Georgetown University. "Unions can slow it down a bit, but really, not very much, and not for very long."

—Costas Paris
contributed to this article.

PERSONAL JOURNAL.

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THE WALL STREET JOURNAL.

Wednesday, October 9, 2024 | A9

BY JACOB PASSY

Forget window seats versus aisle seats. The most contentious debate in travel is what type of suitcase you should buy.

The popularity of hard-shell luggage has exploded over the past decade. It has been driven by advances in material technology that made hard-sided suitcases more durable, and the rise of direct-to-consumer brands like Away. Hard-sided bags tend to cost more than comparable soft-sided luggage.

Fans of each luggage category aren't quiet about their preferences. Hard-shell die-hards regularly cite the durability and aesthetics of their favorite suitcases. Soft-sided aficionados appreciate the flexibility a fabric-encased bag provides.

Even luggage executives who sell both types hold strong convictions on which they favor.

Away co-founder and CEO Jen Rubio says she tests every product her company releases, including its new line of soft-sided luggage. When testing the softer bags, she says they worked great, but she found herself missing her hard-sided ones. She has grown accustomed to organizing her belongings to fit the hard bags' clamshell design, with two main compartments. Like most soft-shell bags, Away's options have a single main compartment.

Richard Krulik, CEO of luxury luggage company Briggs & Riley, likens hard-shell bags to "shiny new objects" that appeal to people who follow trends.

"I own the company, so we have a little of everything, but when I grab a bag for myself, it's usually a soft-sided bag," Krulik says.

Companies have data to support both cases. Hard-shell suitcases used to account for only 25% of American sales for Samsonite, with the rest going for soft-shell bags. Now the opposite is true, says David Oksman, the company's vice president of marketing and direct to consumer.

Away, a brand synonymous with hard bags, added soft-sided luggage after seeing internal research suggesting more than 90 million U.S. travelers preferred them.

The Away effect

Niki Verma worked as a consultant for eight years, traveling almost weekly. At the start of her consulting career, Verma relied on a soft-sided Samsonite suitcase similar to the suitcases her parents used when she was a kid. Two years in, she switched to an Away hard-sided carry-on.

"It leveled up my game," she says. She felt the bag looked sleek and



Travelers Argue Over Which Luggage Type Suits Them Better

Frequent fliers and even suitcase CEOs admit to picking favorites between hard and soft

professional, and its design made organizing easier. She stores clothes on one side of the bag, with toiletries, shoes and her hair straightener on the other. The inflexible sides also prevent her from overpacking.

Verma, who now works in strategy for a financial-services company in Chicago, travels less but still swears by Away bags.

The pendulum swing is largely

generational. Many hard-side luggage fans say they don't want their suitcases to resemble the bulging bags with bulky zippers that their parents owned.

"It's like the difference between tapered jeans and flared jeans," says Dan Henry, a Washington, D.C.-based attorney who prefers hard-shell luggage.

Not everyone is making the switch. Raj Mainthia, a tech com-

pany employee in New York, dislikes the way hard-sided bags are typically organized. "I don't get the argument that a hard shell is much more durable," Mainthia says. "I've never had issues of durability unless a bag is over 10 years old."

Flexible options

Flexibility means different things for hard-sided and soft-sided devotees. Henry, the hard-shell enthusiast, regularly travels overseas on work trips and often tucks on a few vacation days. The clamshell opening of his hard-sided luggage lets him pack work clothes on one side and leisure attire on the other. "The dress shirts, the blazers and the trousers all end up in the zipped-up side and then I just get to ignore that for the remaining days," he says.

When Nate Call goes on business trips, he must allot space in his luggage for souvenirs

for his four children between the ages of 1 and 9.

"My experience has been the soft shells are just easier to jampack full of whatever I want," says Call, CEO of a Salt Lake City consulting firm.

Product reviewers maintain that the debate between hard- and soft-shell bags isn't straightforward. Many travelers consider hard-shell bags to be more durable because the outer layer isn't prone to tears like fabric bags, is impervious to water and can be easily cleaned. But Consumer Reports testing has shown that many soft-sided bags are just as durable, if not more so, says Tanya Christian, senior home content manager at the consumer review publication.

Some fabrics are more durable than others, just as some plastics are more shatterproof. "There's no hard and fast rule," Christian says.

Some travelers have both hard- and soft-shell bags in their closets. Chicago-based flight attendant Hannah Kimmel uses the standard black, soft-sided luggage most flight crews swear by when traveling for work. On personal trips she switches to a hard-sided pink suitcase that allows her to show off more personality.

"I love sparkly, crazy colors," she says. "I love to walk the airport with a bright pink suitcase."



◀ Despite being an Away loyalist, Niki Verma says she plans to stick with the company's hard-shell offerings.

'Inflammaging' Seen As a Serious Threat

BY ALEX JANIN AND BETSY MCKAY

"INFLAMMAGING" SOUNDS LIKE just another marketing buzzword wellness companies are throwing around. You would be wise to take the condition seriously.

A combination of inflammation and aging, the term describes a simmering form of inflammation—the immune system's response to a perceived threat—that is chronic and low-grade, and builds stealthily as you age.

It is associated with an increased risk of heart attack, cancer, Alzheimer's and other conditions.

Inflammaging happens to everyone to some degree as we age, and some people don't develop much. But scientists say we should pay closer attention. More research is showing the damage it can cause.

"Inflammation is an intrinsic component of all chronic disease," said Dr. Luigi Ferrucci, a geriatrician and scientific director of the National Institute on Aging.

What is inflammaging? The term "inflammaging" was coined by Dr. Claudio Franceschi, a retired professor of immunology at

the University of Bologna, in a 2000 paper. Last year, scientists proposed adding chronic inflammation to a list of biological features that manifest with age and can accelerate it, dubbed the "hallmarks of aging."

Inflammation isn't inherently bad. It is the body's natural way of protecting itself from harm. It normally subsides once the healing is done.

Chronic inflammation comes from the body trying to protect itself. But it doesn't subside, and can harm rather than heal. People develop systemic inflammation as they age, as their bodies respond to substances or conditions they perceive as abnormal: a

buildup of fat cells in the abdomen, for example.

What inflammaging does One likely source of inflammaging is cellular senescence, when damaged aging cells stop dividing, build up and secrete inflammatory proteins.

Levels of chronic inflammation rise in people as they age, but people develop it at different ages and to different degrees.

Studies show how important a role chronic inflammation plays in the biggest diseases of aging, both

triggering and worsened by them.

"It's a vicious cycle," Ferrucci said. "Inflammation creates damage, and the damage in the tissue generates inflammation."

High levels of inflammation have been linked to an increased risk of death from any cause—a seven times higher risk compared with those with the lowest levels of inflammation, according to one study examining blood samples from more than 160,000 patients.

Women with high levels of chronic inflammation had a 70% greater risk of a heart attack, stroke or death from a cardiovascular cause than those with low levels, according to a separate study published in August by researchers at

Brigham and Women's Hospital in Boston, who followed the women for 30 years.

"There's tremendous risk with inflammation alone," Dr. Paul Ridker, lead author of the study and director of the Center for Cardiovascular Disease Prevention at Brigham and Women's.

"We need to start prevention a lot earlier."

Chronic inflammation also drives Alzheimer's disease.

Plaques and tangles that build up over many years can trigger a chronic inflammatory response, said Rudolph Tanzi, director of the McGovern Center for Brain Health at Massachusetts General Hospital in Boston.

Testing and treating

Blood tests measure markers of inflammation such as high-sensitivity C-reactive protein (hs-CRP), erythrocyte sedimentation rate (ESR) and ferritin, but most can't distinguish between temporary and prolonged inflammation. They also don't pinpoint the source.

Treating chronic inflammation can be tricky.

A drug has to tamp down inflammation without blocking the immune system. Some patients who have atherosclerosis or are at high risk of cardiovascular disease are treated for inflammation with a low-dose version of the drug colchicine.

Researchers are studying whether other drugs, including GLP-1s, can lower inflammatory markers. Novo Nordisk and CSL Behring are testing potential anti-inflammatory medications in patients who have cardiovascular disease or are at high risk.

The best ways to ward off inflammaging today: Exercising consistently, not smoking, maintaining a healthy weight and eating healthfully.

Some research suggests the Mediterranean diet, which emphasizes nuts, whole grains, fish, fruits and vegetables, is particularly protective against inflammation. Red meat, by contrast, promotes inflammation.

Most important for brain health is seven to eight hours of sleep a night, said Tanzi. The brain gets rid of amyloid that triggers inflammation then, he said.

"Every time you go from dreaming or REM to deep sleep, I call it a rinse cycle."



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PERSONAL JOURNAL.

BY ANNE TERGESEN

Switching jobs can boost your pay and prospects. It can also drag on retirement savings.

The majority of people who change jobs wind up putting less of their pay into their 401(k)s, often without realizing it, according to new research from Vanguard Group. That is because many job switchers either forget to sign up for the 401(k) plan, or get auto-enrolled at a lower savings rate.

Over a four-decade career, that can mean as much as \$300,000 less in retirement wealth for someone with average pay, Vanguard found.

The 401(k) was supposed to solve a key problem of pensions: Workers had to stay in a job for decades to get a decent benefit. Even though 401(k) savings remain with workers who switch jobs to seek better salaries and more fulfilling work, this research suggests people who stay put keep the most momentum in their retirement savings.

The savings rate of the median job switcher in the Vanguard study drops by nearly a percentage point, despite a 10% raise. Some also save less because of pay cuts or life changes.

Because the typical American changes jobs every five years or so, 401(k) savings rates can resemble a "saw-toothed pattern" of ups and downs over time rather than the steady increase financial advisers typically recommend, said Fiona Greig, Vanguard's global head of investor research and policy and co-author of the new report.

"The job switch is a time when a number of bad things can happen to retirement savings," said Greig. "It's a point of weakness in the U.S. retirement system."

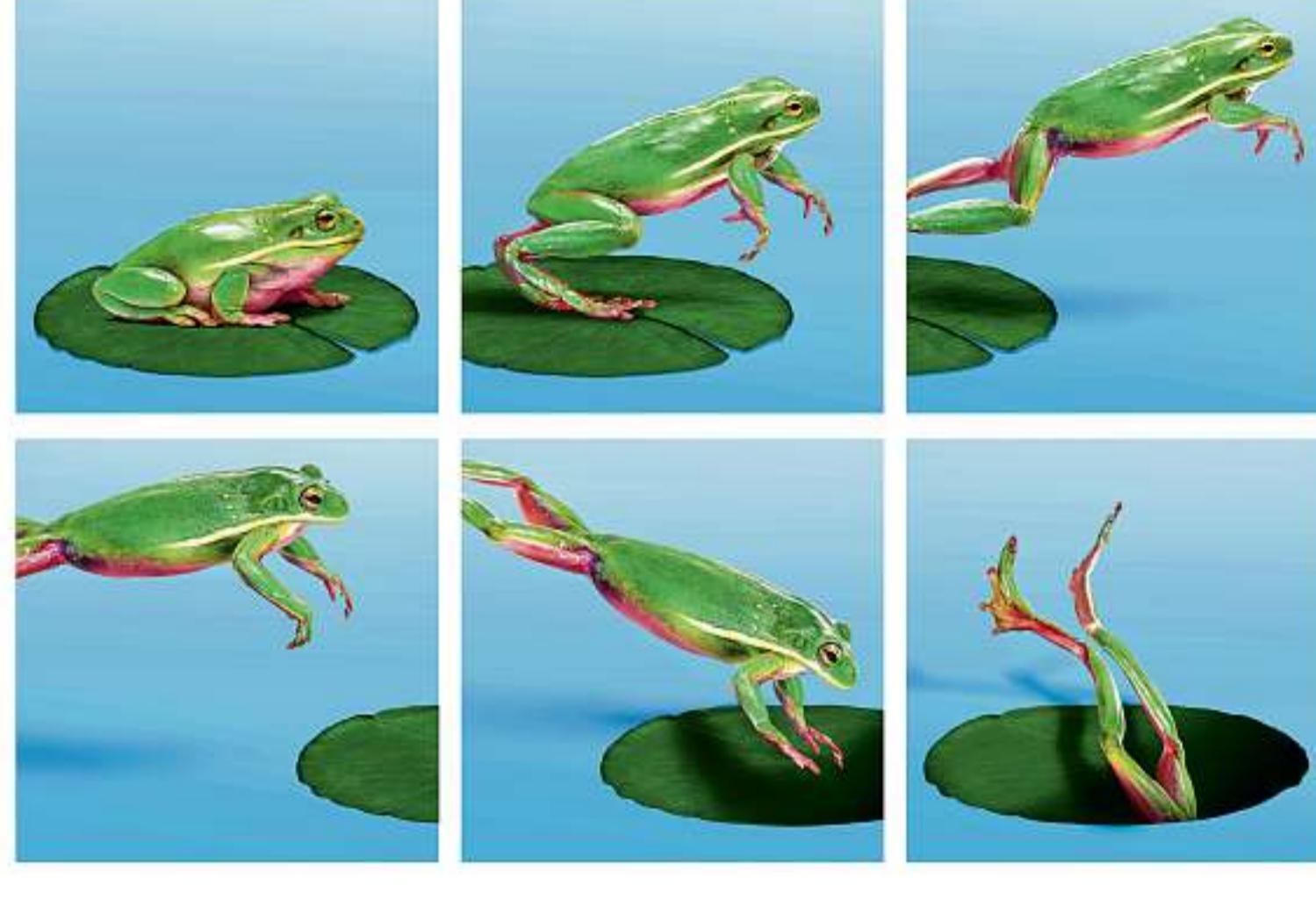
Falling back

Financial advisers recommend that people start saving money in 401(k) accounts early in their careers, and increase their savings rate as they get annual raises until reaching 12% to 15% of pay.

About 60% of plans that use Vanguard's record-keeping services automatically enroll new hires in retirement savings plans. The most popular default contribution rate is 3%. Many employers automatically increase workers' savings rates by 1 percentage point annually until reaching 10% of pay. When combined with employer matching con-

When Changing Their Jobs, Workers Neglect 401(k) Plans

Job switchers often reset the savings rate lower on their retirement accounts without realizing it



tributions, that can get them to the recommended 12% to 15%.

But workers frequently fall back to a lower savings rate when they change employers, and can take years to bring it back up.

Carolyn Bolton, 36 years old, was saving 10% at her previous job at a nonprofit, which contributed another 15% of pay. When she switched to a more fulfilling job at another nonprofit, she took a substantial pay cut. Until she receives a raise, she plans to keep her contributions at the 2% of pay that her new employer automatically enrolled her at.

Mistakes people make

After leaving jobs, many workers also break into their old 401(k)s, often to meet emergency needs. Others roll their 401(k) money into an individual retirement account but forget to invest it.

The Vanguard research tracked 54,793 workers who moved out of one Vanguard-administered 401(k) plan into another between 2015 and 2022. It found:

► Some 64% of job-switchers got a raise, but only 44% maintained or increased their savings rate.

► More than half of auto-enrolled workers remained at the default savings rate within the first year in a new job.

► In 401(k) plans that require workers to sign up on their own, nearly one-quarter of job-switchers failed to do so.

The long-term costs of slowdowns in retirement savings can be significant.

A 25-year-old earning \$60,000

who is automatically enrolled at 3% of pay and raises that by 1 percentage point a year to 10%

would end up with nearly \$800,000 by age 65, according to Vanguard,

which assumed a 50% employer matching contribution on the first 6% of employee contributions.

In contrast, someone who changes jobs eight times and whose savings rate falls to 3% each time would have less than

\$500,000, assuming the same matching contribution and 1 percentage point annual increase in savings rate.

Vanguard is discussing with companies the benefits of automatically enrolling workers at 6%

of pay, in part to reduce or eliminate savings-rate declines when

changing jobs, said Kelly Hahn, head of retirement research at Vanguard. Another solution is for federal lawmakers or regulators to allow employers to automatically enroll new hires at the rate they had in their previous 401(k) plans.

'A lot comes at you'

Sarah Behr, a financial adviser in San Francisco, said about a fifth of her clients have switched jobs every couple of years. Workers who are automatically enrolled often assume, mistakenly, that the default savings rate is enough, she said.

"While changing jobs, a lot comes at you," she said. "Often, the 401(k) falls off the list."

Adam Haller, 51, said he generally kept his savings rate at around 6% over the years, despite job changes and pay raises. In 2021, the Raleigh, N.C., resident landed a new job with a big raise, and boosted his savings to roughly 10%.

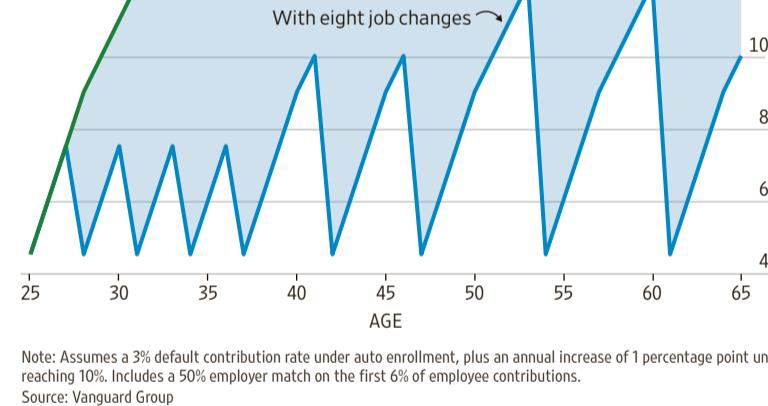
After his employer filed for bankruptcy in 2022, he took a position at a mortgage lender that pays him commissions. The father of three said his income isn't yet high enough to allow him to contribute to his new employer's plan.

He figures his retirement savings balance of \$420,000 would be at least \$100,000 higher had he saved 10% through his career.

"Changing jobs has not been as advantageous as I had hoped," he said.



▲ Adam Haller says he thinks his retirement savings would be \$100,000 higher if he had contributed 10% of his salary through his career.

Hypothetical total contribution rate in a typical 401(k) plan

Note: Assumes a 3% default contribution rate under auto enrollment, plus an annual increase of 1 percentage point until reaching 10%. Includes a 50% employer match on the first 6% of employee contributions.

Source: Vanguard Group

People Can't Stop Seeing This Show

Continued from Page One
production is set. An A-list actor is such a zealot that he arranged to appear in the show and has celebrated birthdays in the space.

All of them will soon have to find something else to obsess about. The interactive show, in which audience members wearing masks walk through a darkened, multi-floor set that resembles a 1930s-era hotel, is going away. "Sleep No More" is set to close later this year, capping a 5,000-plus performance run that started in March 2011. Its producer, which has announced the show's closing date a few times only to keep extending its run, says this time it's serious.

Over the years, the cast and crew has gotten used to seeing attendees who keep coming back. The Springles sometimes do what they call "double doubles," a run of four performances over a Saturday and Sunday. Occasionally they add a fifth show on Friday evening.

"For us, it's like buying season tickets to a sports team," says Mike, a 52-year-old software company executive. He says that while the couple is practical about money, their "Sleep No More" tab over the years probably runs in the tens of thousands of dollars in airfare, hotel stays and tickets.

In 2012, Emma Story decided to immortalize her "Sleep No More" devotion. The 43-year-old software engineer from Brooklyn, N.Y., had a tattoo of the thistle logo from the hotel etched into her right inner forearm.

Story, who has now seen the show more than 100 times, says she's often asked if the tattoo grants her any special privileges inside the production. (It doesn't.) She calls "Sleep" her "very expensive hobby," but says she's made treasured friends among fans: "At a certain point, the show became a part of my social life."

Nicodemus Boggs is looking to make Story seem like an amateur. The 31-year-old law student in Athens, Ga., has plans to change her last name to McKittrick, after the fictitious hotel that's the setting for the production. Boggs is a relative newcomer – she's seen it 27 times – but insists her fandom runs that deep. She said the suggestion came when she and her future husband were trying to decide on a new family name.

"I said, 'That's the best idea I ever heard,'" Boggs recalls.

Neil Patrick Harris, the Tony and Emmy Award-winning actor, is such a "Sleep No More" obsessive that he has performed in the show. When he turned 40, Harris had a birthday gathering at the show in which the "Sleep No More" team arranged to recreate his childhood bedroom as a



▲ 'Sleep No More' is an interactive show in which audience members wearing masks walk through a darkened, multi-floor set.

temporary addition to the set.

"I'm still just mesmerized by it. I don't know how it all works and I've seen the sausage get made," Harris says of the complex production, which features dozens of cast members constantly moving from one part of the set to another, typically with a trail of audience members behind them.

Jonathan Hochwald, one of the principals of show producer Emursive, says he's as stumped as anyone by the level of devotion. "I wish I

could say we were so smart that we built it into the brand," he says.

Hochwald adds that the decision to close the show is an organic one. "It just felt like it had reached the natural end of its cycle," he said. "Sleep No More" didn't invent the repeat-attendee phenomenon.

The trend took off when "Rent," the Tony Award-winning rock-influenced musical about a group of struggling artists, made it to Broadway in 1996. The show had a rebellious appeal and cultivated a following among a younger set who came to be known as Rentheads.

Kevin McCollum, one of the "Rent" producers, says any long-running show has this "repeatabil-

ity" potential. One of his more recent Broadway efforts, the cheeky musical "Six" about the wives of King Henry VIII, has built up a die-hard fan base in its three-year-run.

Zak West, a 33-year-old middle-school English teacher from Oneonta, N.Y., says he's seen "Six" 73 times. "I never thought I would be that guy," he says.

Even though "Back to the Future: The Musical," the Broadway show based on the 1985 movie, has been running for little more than a year, Stephanie Fuentes has seen it at least 50 times. The 29-year-old New Yorker is such a fixture that when she attended on her last birthday, the cast was clued in and sang "Happy Birthday" to her.

Fuentes says friends don't understand. "They are like, 'Why are you seeing it again?'"

Chris Frost, a 43-year-old Santa Cruz, Calif., theater fan who's traveled to New York and seen "Sleep No More" 200-plus times, says the show demands repeat viewing because of its intricate nature. He says you need about 20 viewings to sort things out.

And after that? "When I explain it beyond 20," he says, "I sound a little bit crazy."

What will fans like Frost do after "Sleep No More" closes? Some have already migrated to "Life and Trust," a new, similarly ambitious interactive show from the Emulsive team. Others are still sorting it out.

As for the Springles, the couple is looking forward to more visits to New York that don't revolve around the show, said Lisa, a former teacher.

"We could actually go to a museum," she said.

FROM TOP: DOUG CHAYKA; RONA HALLER

ARTS IN REVIEW



MUSIC REVIEW | MARK RICHARDSON

An Indie Supergroup

Pavement guitarist Stephen Malkmus leads a lively new rock band



Stephen Malkmus has been very busy over the past few years, but he's issued very little new music during this period. He made his name fronting Pavement, the band whose impeccable run of albums defined indie rock in the 1990s and, to an extent, the sound of the genre ever since. The band has been engaged in a reunion tour on and off since 2022, and its work has been featured in a 2022 off-Broadway jukebox musical and a related experimental film by Alex Ross Perry called "Pavements" that premiered at the Venice International Film Festival last month.

Mr. Malkmus's group has been hugely influential and plays bigger rooms now than it did during its initial run, having reached two generations of young fans since its split in 1999. But there are no more reunion gigs on the calendar after a show earlier this month, and Mr. Malkmus seems ready to put nostalgia aside and return to the present. Given the context, the time is right for a return to rock with a new clutch of songs. The eponymous debut from Mr. Malkmus's new side project, the Hard Quartet, out now on Matador, is everything fans of his distinctive style could hope for.

While the record features nine

new songs sung by Mr. Malkmus, it is not a solo album. The Hard Quartet is actually something of a supergroup, though its three other members are less well known to those who don't follow underground rock. Guitarist and singer Matt Sweeney is an in-demand session musician who has appeared on dozens of albums—by acts like Cat Power and Run the Jewels—and he fronted the '90s band Chavez. Multi-instrumentalist and vocalist Emmett Kelly

worked with Bonnie "Prince" Billy and garage-rocker Ty Segall, in addition to fronting the Cairo Gang. And busy Australian drummer Jim White's main project is Dirty Three, who released an excellent album this year.

Mr. Malkmus's Hard Quartet bandmates are serial collaborators and rock lifers, working musicians who excel in a wide range of contexts. Here, they come together on songs that channel their most primal influences. It's a loose, noisy, low-stakes, and highly enjoyable collection with a lot of energy and little pretense. On the opening "Chrome Mess," the album begins with every instrument in the red while Mr. Malkmus's voice is treated with a watery effect, imparting a '60s psychedelic tint. It's easy to imagine any of the players grooving to a version of such a song as music-obsessed kids, and they bring decades of experience and instrumental skill to bear on what's ultimately a loud, catchy garage-rock number.

The essence of this album's appeal is that the band draws from the full range of its members' earliest inspirations while retaining

their individual voices. So it never scans as a retro exercise, even when lines to the music of the past are easy to trace. The second track, "Earth Hater," also sung by Mr. Malkmus, touches on progressive rock, with a trickier chord progression and an elliptical melody, but it's executed with as much verve as its comparatively crude predecessor. Both "Rio's Song," sung by Mr. Sweeney and propelled by a beautifully knotty guitar solo by Mr. Malkmus, and "Our Hometown Boy," sung by Mr. Kelly, draw from the stirring harmonies and guitar jangle of the legendary power-pop outfit Big Star. And "Killed by Death," with Mr. Sweeney on lead vocals, has a rootsy mix of delicacy and menace that evokes the Rolling Stones of the mid-'70s.

Some of Mr. Malkmus's contributions bring to mind styles he first explored with Pavement. The gorgeous "Hey" is a dreamy ballad with spiky edges, and it can't help but recall "Here," the classic slow-burn track from his early group's 1992 album, "Slanted and Enchanted," while the twangy "Heel Highway" connects to the countri-

▲ Mr. Malkmus and the rest of the Hard Quartet; the group's debut album is out now.

fied experiments of Pavement's late-'90s period. He writes some funny couplets—see "I wasn't made to be / Unfazed by all I see / Hazing the frat boys / That was a joke to me" in the rumbling "Six Dear Rats"—but his words are sometimes tossed off, though in a way that doesn't hurt the songs. On the blaring punk tune "Renegade" he seems to make up lines live in the studio, but the sheer force of the playing makes the cryptic jumble of the lyrics beside the point.

Self-consciousness is built into Mr. Malkmus's art, but he's less concerned than usual with cleverness here. And he appears fully liberated from "next album syndrome," where a collection of songs is assembled knowing that the world will view the result as a statement about where you want your career to head. Would "The Hard Quartet" have been better if it had 12 tracks instead of 15? Yes, absolutely—it flags by the end. But a bit of sprawl isn't the end of the world in this case. These veterans have earned the right to have some fun and create without worrying about perfection, and when we're listening, their joy becomes ours.

Mr. Richardson is the Journal's rock and pop music critic. Follow him on X @MarkRichardson.

TELEVISION REVIEW | JOHN ANDERSON

'Disclaimer': A Series of Buried Secrets

The literal disclaimer in "Disclaimer" appears at the beginning of the book that eventually causes everyone no end of trouble: "Any resemblance to persons living or dead is not a coincidence." It is a dare, an invitation, and the kind of hook from which it is impossible to wriggle free.

The necessary disclaimer in this review of "Disclaimer": Not a lot can be revealed. The pleasures to be had in creator-director Alfonso Cuarón's extraordinary seven-part

Kline) is finally clearing out the closets of his late wife, Nancy (Lesley Manville), when he comes across a purse. In which there is a key. Which unlocks a drawer. Wherein he finds a manuscript Nancy left behind, a novel about their dead son, Jonathan (Louis Partridge), and his treacherous lover, and which blames the boy's drowning death in Italy on a barely disguised Catherine. Also in that purse: incriminatingly erotic photographs.

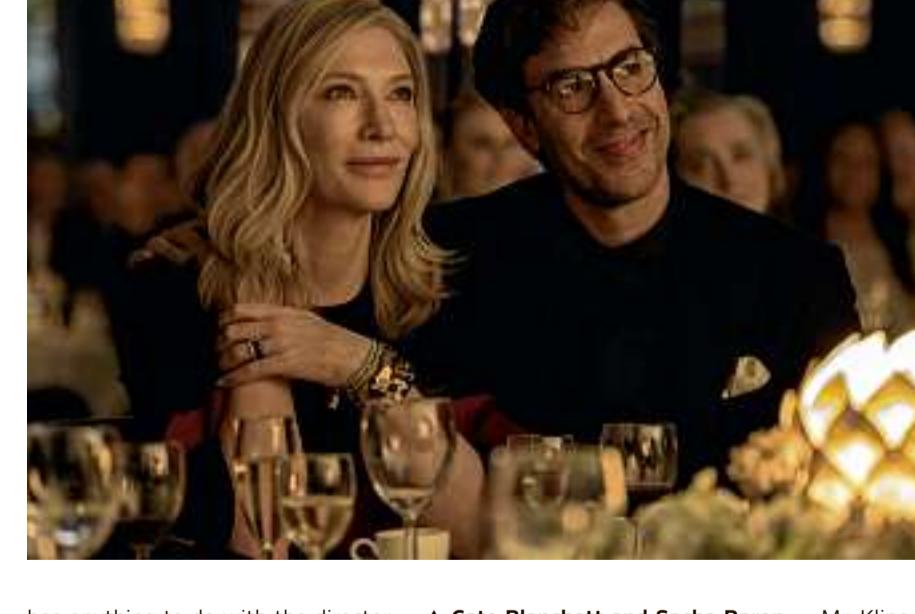
Renée Knight's novel, tailored into screenplay form by the director, is about long-buried secrets, trust betrayed, self-absorption of epic proportions and the perilous intersection of honesty and perception. In creating the series, Mr. Cuarón ("Children of Men," "Roma" and many people's favorite Harry Potter, "The Prisoner of Azkaban") has fashioned it all into a seamless fabric of flashbacks, flash-forwards and what may or may not be outright untruth. The "code," so to speak—and I may be giving too much away—is Mr. Cuarón's use of the iris, a sort of reverse-dilation of the camera's eye and a way to conclude a scene that was commonly used in the silent era (the picture disappearing into a kind of keyhole, into which we may no longer peek).

Not every scene ends that way. And no question, or objection, that a viewer might raise along the way

has anything to do with the director losing the thread. He never does. Not even when his story seems to contradict itself as it revisits Jonathan's trip to Europe; Nancy's bitter grief; Stephen being sacked at the private school where he has too long suffered the "devious behavior of spoiled entitled brats." The series is not remotely a fantasy story, nor is it horror—at least in any way not connected to human nature. So it seems safe to make a comparison to "The Sixth Sense": A viewer might be tempted to watch "Disclaimer" twice, just to see if Mr. Cuarón has been as tidy as we

think he has. He has.

The general tone of "Disclaimer," focusing as it does on loss, is often downbeat, though it misses an opportunity to leave us on a truly haunting note in order to wrap things up too neatly. (It also includes sex scenes that are beyond explicit.) But the mood is rescued regularly by Mr. Kline, playing older than he is but doing it with great mischief, making Stephen into a devilish avenging angel with a



▲ Cate Blanchett and Sacha Baron Cohen in the seven-part series from Alfonso Cuarón.

sense of glee about the scheme he's hatched, publishing his wife's book as his own, seeing it become a local hit, making sure that Catherine's literary avatar is known to be just that—and, even as an internet novice, finding a way to unleash social media's vicious power. Ms. Blanchett, Mr. Cohen and the predictably glorious Ms. Manville are all wonderful—there are moments that are startling in their frankness and genuine emotion; "Disclaimer" may prove a watershed in the gravitation of grown-up cinema to television, out of the Marvel universe of the multiplex and into a realm where someone like Mr. Cuarón and company can construct a story that deserves seven parts to tell.

All that being said, Mr. Kline is sublime, turning Stephen into a kind of King Lear with a laptop. And an agenda. Each time he travels through London, setting a trap or a snare and undermining his enemies, he pulls the pin on an imaginary grenade, tosses it over his shoulder and mimes a "boom." He is something of a mad bomber, with the actor giving a cerebral yet explosive performance.

Disclaimer
Begins Friday, Apple TV+

Mr. Anderson is the Journal's TV critic.

SPORTS

JASON GAY

The Jets Fire Their Head Coach. One Problem: They're Still the Jets.

Robert Saleh is shown the door but bad vibes and chronic problems still reside with the team.



Here lies the “contender” New York Jets, same as the old New York Jets.

The latest episode of this inextinguishable NFL sitcom: The abrupt firing of head coach Robert Saleh in early October of a season in which the Jets were predicted by experts and assorted dopes like yours truly to be a Super Bowl favorite.

A Super Bowl favorite? Should have known better. Should have seen this clown car caper coming.

Because it's the Jets, after all—a team that puts the melancholy into misery, even when times are allegedly good. These Jets aren't the worst club in football—they're 2-3, quite afloat in the wretched AFC East—but they have taken on a weathered, disconsolate look, like they're already dreaming of frozen daiquiris and sunset rounds of golf.

Saleh now pays the price, after a brutal loss to Minnesota in London. He leaves with a record of 20-36 over three seasons and change.

Don't be sad for him. Saleh is free. Fly, Robert, fly!

If it wasn't clear before, it is now: The wheel of this rusty schooner formally belongs to Aaron Rodgers, the aging Hall of Famer and podcast flamethrower who arrived in the Meadowlands two offseas ago with promises of playoff relevance and relief from perpetual punch lines.

After all, that's what the Jets have mostly been since Broadway Joe delivered Super Bowl III: a laugh. Other franchises have played lousy football, but none are as consistently funny as the keepers of the Buttumble, who have raised their ineptitude into a comic art form.

Rodgers assumed he could change all that, but a brutal Achilles injury in his debut drive wearing Jets green ended his 2023 sea-



Aaron Rodgers, left, and Robert Saleh, right, denied any friction, but it didn't appear chummy.

son before it started. It felt like a sign: Nobody escapes the Jets.

This year, Rodgers is back, but he's clearly hampered physically. He's moving around the pocket like great-grandpa trying to find

the remote.

There have been flashes of the old magic—a cleverly-thrown dart here and there, a nice night against the pathetic Patriots—but overall, Rodgers hasn't been close to his former MVP self.

Worse, the vibes are off. Rodgers looks grumpy and over it. He and Saleh clearly weren't on the same page. They denied any friction, but it didn't appear chummy. On Sunday they looked more bummed to be in London than

Harry & Meghan. (Not great, considering Jets owner Woody Johnson was recently U.S. Ambassador to the U.K.)

If Rodgers didn't feel like a Jets quarterback before, he does now. Looking back, it was obvious hubris, expecting the creaky legend would come in and transform a team with such a grim history. These Jets have talent—they're thick with high draft picks and excellent players at skill positions—but it's hard to shake decades of pessimism.

A plain fact remains: the Jets have the longest playoff drought in the NFL (not since the 2010 season).

Be alert for some of that pre-season hubris to return. You'll be told that Saleh was the issue, that this firing will liberate a gifted team that badly needed a new leader. You'll hear that the Jets need to make a bold trade for receiver Davante Adams, another former Rodgers attaché.

(Davante: run screaming as far away as possible.)

Something will have to give. Another season is spinning apart. Defensive coordinator Jeff Ulbrich is the next coach up, and best of luck to Jeff and his spectacular, Most Interesting Man in the World beard. The upcoming schedule isn't easy: the Bills, the Steelers, a brief respite against crummy New England, then Halloween Thursday versus Houston.

It could get uglier, rather quickly.

Could the Jets stop their slide and turn it around? It'd sure be fun to see. Few sports rides are more entertaining than this misbegotten team on a heater. Fans now look back on the goofy Rex Ryan days—two AFC championship appearances, throwing down with the Belichick Pats—like it was the peak Lombardi era in Green Bay.

If they ever get it together again, it would be wild.

Alternative theory: This is what the Jets are.

They are a franchise put on this Earth to make people happy in a different manner—not with epic victories, but with light comedy. They are jesters of football, more fraught than feared, no matter who is wearing the helmet.

Super Bowl contender? Read the label, folks. These are the New York Jets.

BRAD PENNER/REUTERS

The WSJ Daily Crossword | Edited by Mike Shenk



PLUS ONE | By Gary Larson

- | | | | | |
|---------------------------------------------------|------------------------------------------|--------------------------------|----------------------------------|--------------------------------------|
| Across | 24 Perennial used in herbal medicine | 57 Shoot for the stars | 7 ___ Cristo (grilled sandwich) | 28 Soldier for hire, for short |
| 1 Web site, frequently | 25 Society newcomer | 58 Start for angle or athlete | 8 Store up | 29 Champagne pop? |
| 6 Thurman of "Dangerous Liaisons" | 26 Incorrigible ones | 59 Speckled stallions | 9 Sink the cue ball | 30 Draft card org. |
| 9 Building material for a little pig | 31 Some losing throws at a craps table? | 60 Kind of group, in chemistry | 10 In that case | 31 Cat's-paw |
| 14 "Hailing frequencies open" speaker | 36 Tile problem | 61 Mendes of "Training Day" | 11 Twist makeup | 32 Month leading up to Rosh Hashanah |
| 15 Huck's pal | 37 Bourbon barrel material | 62 Chilled | 12 Hill dwellers | 33 Quagmire |
| 16 Fine dinnerware | 38 Hockey's Bobby and Colton | 63 Allow to be known | 13 Used to be | 34 Fail to be up-to-date |
| 17 Birth-related | 39 Centaurs? | 64 Low | 21 Home to some Mongolian nomads | 35 ___ out a win |
| 18 Santa follower, in California | 44 Sites of some loud strikes | 65 About half of deliveries | 22 Bit of lab work | 36 Juilliard degree |
| 19 Monopoly payments | 45 Husk contents | | 25 "The Chronic" rapper | 40 Making use of for sleeping |
| 20 Part of a complete bedroom furniture ensemble? | 46 Dressing option | | 27 Cheering raucously | 41 Latin word on Idaho's flag |
| 23 Outdated atlas abbr. | 50 Solver's exclamation | | | 42 Word with a handshake |
| | 53 Not a fan of bills depicting Lincoln? | | | 43 Fled |
| | | | | 47 Pot starters |
| | | | | 48 Grub, e.g. |
| | | | | 49 Troy story |
| | | | | 50 Be of benefit |
| | | | | 51 Therefore |
| | | | | 52 Beasts that bray |
| | | | | 53 Capitol feature |
| | | | | 54 Life preserver? |
| | | | | 55 Lover of the grape |
| | | | | 56 Inner Hebrides island |
| | | | | 57 Gadot of "Wonder Woman" |
| | | | | |
| | | | | |

Down

1 Some wedding guests

2 Warms up

3 Coach

4 OPEC member

5 Bore

6 Jazz fan, often

Previous Puzzle's Solution

R	E	B	I	D	S	E	C	O	L	A	B	E
U	S	E	N	E	T	L	A	B	O	H	E	M
T	E	A	T	R	O	E	N	L	I	S	T	I
R	O	E	G	C	O	O	S	S	O	L	D	
P	O	T	K	I	T	T	E	N	O	N	E	S
A	P	R	J	E	E	R	G	M	T			
B	R	A	K	E	X	I	S	I	T	S	M	E
S	A	D	A	T	A	C	C	C	O	H	O	S
T	H	E	R	E	N	A	H	R	I	O	T	S
A	R	F	L	M	A	O	R	T	E			
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J	I	U	J	I	T	S	V	I	A			
R	U	N	A	F	O	U	N	I	B			
S	M	A	R	T	S	E	T	S	E			



Kerry Carpenter hit a game-winning home run against the Guardians in Game 2 of the ALDS.

The Entire Detroit Tigers Roster Costs Less Than \$20 Million

BY JARED DIAMOND

SCOTT HARRIS, the architect of one of the most unlikely playoff teams ever assembled, entered the season convinced that the Detroit Tigers' vast collection of prospects would be ready at some point in 2024. They just needed a little more time.

At least, that's how Harris justified not doing more to improve a squad that hadn't sniffed October in a decade. He signed a few secondary free agents on the fringes, careful to leave spots available for when those talented minor-leaguers merited a promotion.

It turns out Harris, Detroit's president of baseball operations, might have known what he was doing all along. The Tigers are inexplicably two wins away from advancing to the American League Championship Series, and it's largely because the young talent Harris refused to block has now blossomed into a juggernaut.

They have done it with a roster that almost defies belief: The Tigers' 26 players for the division series cost about \$18.4 million. That's \$18.4 million—in total. As in, all of them combined.

That means that each player, on average, was paid around \$707,500 this year—

in a sport where the minimum salary is \$740,000.

To put that number in perspective, there are 21 players still alive in the postseason with larger salaries by themselves than the Tigers' entire payroll. The Philadelphia Phillies have seven alone. The New York Yankees have four different players making more than \$30 million this season.

And yet all of them are in the exact same place as the Tigers, six victories away from the World Series—with a budget that is the baseball equivalent of loose change.

"We believe in these young players," Harris said Monday night, hours after Tigers evened the ALDS at 1-1 with a win over the Cleveland Guardians. "We've been building around them since I got here in Detroit, and we're going to keep building around them."

The story of these Tigers has already become legend. They were seven games under .500 on Aug. 11, and the statistics website FanGraphs calculated their odds of advancing to the playoffs at 0.2%. They then commenced to finish on a 30-13 tear to surge into a wild-card spot before sweeping the Houston Astros in the first round of the postseason.

Meanwhile, pitcher Kent Maeda is making \$14 million as part of a two-year, \$24 million contract he signed with the Tigers in November. He's not injured—he just hasn't performed well enough for the Tigers to put him on the playoff roster.

SCOTT GALTIN/REUTERS

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

OPINION

The Veeps Were Sane on Climate

BUSINESS WORLD
By Holman W. Jenkins, Jr.

A climate watershed occurred in last week's vice presidential debate, albeit unremarked. Neither Republican JD

Vance nor Democrat Tim Walz called for banning fossil fuels. Neither mentioned human extinction.

They spoke realistically of energy options. They spoke feelingly of the need for the U.S. to up its disaster-relief game, even if they were unlikely to broach the delicate topic of government inducements to build in vulnerable areas. Lacking was any fantasy talk of "climate policy" as a solution for millions in the path of severe weather, as many are experiencing again this week with Hurricanes Helene and Milton.

The discussion, given the limits of TV, was surprisingly dispassionate until CBS moderator Norah O'Donnell, apparently deciding to have the final word, harumphed that the "overwhelming consensus among scientists is that the earth's climate is warming at an unprecedented rate."

This unnecessary contribution came in response to Mr. Vance, who, with Mr. Walz raising no objection, cited uncertainties in climate science. If the press were going to wake up just once in 30 years, it might have been for the United Nations climate panel's 2021 adjustment, the first since 1979, of its ex-

pected worst-case and central warming scenarios, both in a less worrisome direction.

If this sounds like science wrestling with uncertainties, it is. These forecasts are based on computer simulations whose biggest variable isn't CO₂ but imperfectly identified and quantified "feedbacks," some of whose effects may take a century to unfold and yet account for two-thirds of the expected warming in the commonly cited simulations.

Yes, it's complicated and so the press prefers a binary yes-no question about whether climate change exists. This facilitates their easy virtue signaling, which is the sole use the climate press has for its subject matter anymore.

One might even suspect Messrs. Vance and Walz of conspiring in advance to hijack precious minutes of TV time to lift the level of the discussion.

Mr. Walz spoke glowingly of new energy technologies, including wind and solar but also alluding to fracking, which has boosted U.S. natural-gas production and thus reduced domestic emissions in absolute terms by displacing coal.

It fell to Mr. Vance to peel the onion further with some ironies. Nonetheless, activist opposition to domestic energy infrastructure still helps to shift U.S. industry to China, leading to higher overall global emissions because of China's dependence on coal.

He might have mentioned something else. The Biden

approach of extravagantly subsidizing green energy, especially subsidies to electric vehicles, doesn't actually reduce emissions. This was well understood even when the Obama administration set down this road. I've quoted many economists on this point. Here are two more, Penn State's Jennifer Baka and Loyola Marymount's Ty-

Last week's Vance-Walz debate was free of hysterics and full of energy realism.

ler Harlan, in a recent paper:

"Rather than replacing a fossil fuel-based energy system, we argue that renewable energy is 'stacked' atop it"—subsidizing green energy, that is, enlarges humanity's appetite for energy. It doesn't displace fossil fuels.

Nevertheless, the Walz-Vance abandonment of the usual climate shibboleths, their remarkable choice to focus on realistic energy economics, was a giant step forward.

A carbon tax didn't come up and you shouldn't have expected it to. American voters are deeply distrustful of green plots to undermine their living standards. Voters perhaps also understand better than the press that nothing the U.S. does by itself can make a difference. The U.S. accounts for a mere 13% (and falling) of global emissions.

What accounts for the phlegmatic tone of the veep

climate discussion? With real and horrible wars in Europe and the Middle East, politicians everywhere have seen a diminution in public taste for "climate crisis" histrionics. In the wake of serious storms, climate talk comes across as a pie-in-the-sky distraction from on-the-ground relief efforts.

I will further speculate that another pending crisis, the fiscal unraveling of U.S. and other Western welfare states, eventually will revive bipartisan interest in taxing carbon.

Paul Krugman and others on the left have told us for years that a carbon tax is politically undoable in the U.S. context. Listen closely and they mean a *Democratic* carbon tax, passed without Republican votes, designed as a giant tax hike to fund Democratic spending priorities.

Three decades ago honest greens laid out a different and plausible win-win strategy, involving simultaneous cuts in taxes on work, savings and investment, which are especially damaging to economic growth. Explained Richard Morgenstern of Resources for the Future in 1996: "Taxes on labor discourage work effort; those on savings reduce the pool of capital available for investment; and those on investment discourage risk-taking."

To preserve the possibility of economic growth in our overwheeled welfare states, economists have long expected countries to move toward consumption taxes—and a carbon tax is essentially a broad-based consumption tax.

BOOKSHELF | By Tunku Varadarajan

The Oppressive Ruling Class

Born to Rule

By Aaron Reeves and Sam Friedman

Harvard/Belknap, 328 pages, \$29.95

Even the sturdiest heart must sink at the thought of a disquisition on "elites" by two progressive academic sociologists. In that limited (but fearful) sense, "Born to Rule," by Aaron Reeves and Sam Friedman, meets our expectations. The book argues that Britain is as much in the grip of a tiny sociopolitical caste today as it was in the late 19th century. It makes its assumptions clear from the get-go: Elites are undemocratic by nature. Inequality is inherently unacceptable. Whites are always privileged; ditto males. People of color are disadvantaged outsiders. Meritocracy and upward mobility are myths spun by elites to prop up their privilege. Wealth exists to be whittled down. And surely enough, a host of confiscatory remedies are imperative to fix the injustices that flow from Britain's social structure.

The authors express some sheepishness over their own privileges—to wit, their race, sex and institutional affiliation: "There is a certain irony to two white male professors from Oxford [Mr. Reeves] and the London School of Economics [Mr. Friedman] writing a critical book about the British elite." And yet their book is (they say) a pressing extension of their previous work on "the long shadow that social class casts over people's lives" (Mr. Friedman's métier)

and the uncovering of how "classed assumptions" are built into policies focused on the poor (Mr. Reeves's).

Who counts as elite, anyway? The authors cite John Scott, an English sociologist, who wrote in 2003 that "elite" is "one of the most misused words in the sociological lexicon." They sidestep the definitional quicksand by regarding as elite all those who've appeared in "Who's Who"—Britain's biographical bible of noteworthy and influential people—which has been published every year since 1897. If you're in it, you're elite; if you're not in it, you're not.

"Who's Who" gives the authors a lavish empirical resource, which they mine with gusto—sifting, parsing and collating. They examine where people went to school and university, whom they're descended from, and how much money they have. The latest edition of "Who's Who" features 33,000 people, which may, the authors say—puzzlingly—"still feel too big to really represent a national elite." So they draw on the theories of Karl Marx and others and compose an additional category, the "wealth elite." These people comprise only 6,000 of the 33,000 in "Who's Who," or 0.01% of the British population. The smallness of the fraction is, of course, intended to make us gape.

Particularly compelling is the authors' focus on the "recreations" of the elite. Aristos hunt, fish and ride; the more educated types are highbrow, favoring opera and good literature. In recent decades, entrants in "Who's Who" list recreations that are, Messrs. Reeves and Friedman say, intended to take the politically insensitive edge off their elite status. Preferred activities include déclassé things like spending time with family and pets and listening to pop music.

Older generations, Messrs. Reeves and Friedman note, were unabashed about their snobbishness and about the connections that got them a place at Oxford or a job at a big firm. By contrast, today's elites often insist that they got to the top by dint of effort and merit. Such claims, the authors say, are a "cosplay of ordinariness" designed to make wealth-inequality more palatable by giving a "meritocratic legitimacy" to privilege.

Aristos hunt, fish and ride; some are highbrow, favoring opera and good literature. They also seem to get the good jobs. Is this fair?

In chapter after empirical chapter, the authors show us that schools like Eton and universities like Oxford and Cambridge still furnish the country with a disproportionate quantum of people in "Who's Who." And there's much fun to be had in trawling through the numbers. Some confirm our suspicions: 23% of all the great officers of state (members of Parliament, home and foreign secretaries, chancellors of the exchequer) have come from Eton. But did we know that in recent decades top scientists from working-class backgrounds are "almost completely nonexistent"?

So what should we do? Is Britain, the world's sixth-largest economy, really a bad place to live in if you're not a member of the magic circle? The numbers of (nonelite) people clamoring to emigrate there would suggest not. And it is just possible that the selection—for college admissions, coveted jobs and much else in modern society—does indeed measure merit, as the "elitists" claim.

Messrs. Reeves and Friedman won't have any of it. Under the spell of such inequality-obsessed economists as Thomas Piketty, they believe that Britain needs wholesale reconstruction. Its "patterns of elite reproduction"—in which children follow parents into apparent privilege—"demand urgent political attention." The authors would introduce harsh new property taxes on the rich, as well as an annual wealth tax. The tax would start at £2 million—about \$2.6 million—at a rate of 0.6%. It would raise around £10 billion a year, the authors calculate. Capital flight would be discouraged by "robust enforcement procedures."

That's just the start. Messrs. Reeves and Friedman also offer a hare-brained blueprint for social engineering. They would, by law, cap at 10% the number of students from private schools admitted to Britain's best universities. For Oxford and Cambridge—Britain's acme of higher education—they'd end all selective admission and replace it with a lottery system whereby the top 5% of students from all Britain's schools are randomly admitted. They'd also make it compulsory for all corporate boards to reserve 50% of seats for workers and revamp "voting rights connected to capital investment" to cripple the power of large shareholders (basically undoing capitalism as we know it).

Oh, and the House of Lords—Britain's upper house of Parliament—would be replaced by a chamber of citizens selected at random. After all, the authors say, "democracies should work hard to ensure that everyone has the chance to become a politician." The chance to become a politician! Even Marx never thought of that.

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

A Masked Mob Outside a Lawmaker's Home

By Jillian Lederman

Anti-Israel protesters marked a year since Hamas's Oct. 7 massacre by setting up camp Sunday on the street outside Rep. Greg Landsman's Cincinnati home, in what the Ohio Democrat calls "an attempt to intimidate my Jewish family." They remained through Monday before packing up and leaving Monday night. For two days, the Landsmans needed a police escort to enter or leave the house. The protesters appeared to be acting within the law, but it's reasonable for Mr. Landsman to think their purpose was intimidation. They wore all black, and their faces were hidden beneath kaffiyehs or black masks.

Masked protesters are nothing new. They were ubiquitous at Brown University when I was a senior there last year. At Columbia in April, they smashed windows and invaded campus buildings. In

June a faceless mob swarmed a New York City subway car, offering "Zionists" a "chance to get out." Last month at Cornell, masked rioters pushed past police to disrupt a career fair. This started long before Oct. 7. In the 19th and 20th centuries, Ku Klux Klan mem-

Anti-Israel protesters cover their faces to intimidate targets and avoid accountability.

bers covered their faces as they burned crosses and engaged in acts of intimidation and violence. In response, many states banned the wearing of masks in public, and 18 states and the District of Columbia continued this policy until 2020. But during the Covid pandemic, states and localities repealed these laws or

established exemptions, most of which still stand.

Anti-Israel demonstrators aren't covering their faces for their health, but to intimidate the targets of their protests and to escape accountability for their actions. They want to avoid being prosecuted for crimes, blacklisted by employers or canceled on the internet for the sentiments they promote. The American Civil Liberties Union complains that mask bans would "target protesters with controversial views."

But the courts' decisions have long held that the right to anonymous speech may be weighed against the government's interest in preventing and prosecuting crime. In 1990 the Georgia Supreme Court wrote of the state's antimask laws that "the incidental restriction on First Amendment freedom is no greater than necessary to further the governmental interest." In a 2004 case involving a New York City

KKK rally, the Second U.S. Circuit Court of Appeals upheld New York state's antimask law and held that while the Klansmen had the right to express their views, the First Amendment "does not guarantee ideal conditions for doing so." (New York repealed its mask law in June 2020.)

The ACLU claims to defend those with "controversial views," but at Brown last year it was much more controversial to walk to class with an Israeli flag than to shriek "Intifada!" in the middle of campus. As in the days of the Klan, those who wear masks seek not to express their views but to dominate others. Members of the mob outside Mr. Landsman's house have joined America's long history of people who hide their faces in the name of bigotry and intimidation.

Ms. Lederman is a Joseph Rago Memorial Fellow at the Journal.

OPINION

REVIEW & OUTLOOK

Michigan and the EV Mandate Backlash

The Biden-Harris Administration keeps selling the wonders of its electric-vehicle rules and subsidies, but the politics of this supposed gift aren't turning out so well. Republicans in the swing state of Michigan are campaigning on the issue, and Democrats are suddenly on the defensive.

The Trump campaign and others are blanketing Michigan with ads targeting the Administration's EV policies. "Attention auto workers: Kamala Harris wants to end all gas powered cars," warns a new Trump campaign ad. Her "push requiring electric-only is failing big. And Michigan autoworkers are paying the price. Massive layoffs already started. You could be next."

Ms. Harris tried to counter the ads at a rally on Friday in Flint by declaring, "contrary to what my opponent is suggesting, I will never tell you what kind of car you have to drive. But here's what I will do. I will invest in communities like Flint. We will retool existing factories, hire locally and work with unions to create good paying jobs."

Translation: The government will provide reparations to auto workers whose jobs are destroyed by its climate policies.

* * *

Here's the policy background: The Environmental Protection Agency's new greenhouse gas emissions rules require that battery-powered and plug-in hybrid vehicles make up 32% of auto maker sales in 2027. By 2032 no more than 29% of new cars can be gas-powered. Ergo, there will be only one gas-powered model for every two electric cars on dealer lots.

Ms. Harris and Democratic Senate candidate Elissa Slotkin claim the Biden rule isn't an EV mandate. "No one should tell us what to buy, and no one is going to mandate anything," Ms. Slotkin says in an ad.

The reality is that there will be many fewer gas-powered cars available, and they'll cost much more owing to the government's limit on supply. As her GOP opponent, Mike Rogers, points out in a dueling ad, Ms. Slotkin voted last month to keep the Administration's mandate in place—an accurate reference to a House resolution to overturn the EPA rules.

Mr. Trump likes to say EVs are great, if not for everyone. They're especially impractical for Americans who commute long distances and live in colder climates, which drain batteries more quickly. EVs cost about 15% to 20% more than gas-powered cars despite large sales discounts, and luxury models make up about three-quarters of EV sales.

Nonetheless, auto makers must spend tens

As auto layoffs mount, Democrats are on the political defensive.

of billions of dollars to ramp up EV production to meet government mandates. The financial pain is growing for companies as sales of gas-powered cars decline, reducing profits available to invest in the EV "transition."

• Stellantis last month announced nearly 200 layoffs at its plant in Sterling Heights, Mich., citing "intense external market conditions." This followed 2,450 layoffs announced in August at its plant in Warren, Mich. CEO Carlos Tavares compared the EV transition to a Darwinian struggle and warned that some auto makers might not survive.

• Stellantis last December cut shifts in Detroit and Toledo, Ohio, citing "the need to manage sales of the vehicles they produce to comply with California emissions regulations," which Ms. Harris has endorsed.

• GM in December laid off 945 workers in Orion, Mich. The state had awarded the company \$600 million to convert the plant to produce electric trucks, but GM has delayed its restart owing to flagging EV demand. "We are adjusting our spending plans to make sure we're capital efficient and moving in lockstep with customers," CEO Mary Barra said.

• Stellantis last year closed its Belvidere, Ill. plant and laid off 1,200 workers. In July the Administration awarded the company \$335 million to retrofit the factory to make EVs. Yet Stellantis tapped the brakes on this plan last month amid slowing EV sales. The United Auto Workers are threatening to strike, but the union backed the Administration's EV push despite knowing it would cost jobs.

A UAW study in 2019 projected that EVs would kill 35,000 jobs at its plants. "The workers who are making engines and transmissions today, their jobs will be eliminated when we make a transition to electric vehicles," said UAW research director Jennifer Kelly.

EVs require fewer parts than internal combustion engines, and as the report explained, "EV batteries are mostly made by suppliers in other countries, with China in the lead." Michigan has lost 9,500 jobs in auto and parts manufacturing over the last five years. Most new EV investment is flowing to Sun Belt states with right-to-work laws and lower operating costs.

* * *

All of this is creating the popular backlash that the GOP is understandably using to good political effect. The election is forcing the policy debate that Congress never had. Michigan's Senate and presidential races are tight, and if Democrats lose either one, their EV coercion will be a big reason.

Harris's Fiscal 'Sandwich' Plan

Congratulations to Bill Whitaker of CBS for trying to pin down Kamala Harris on "60 Minutes" Monday on how she would pay for her many political promises. He couldn't get a straight answer, but that was still revealing. Meanwhile, the Vice President raised the ante by pitching a new entitlement for home healthcare.

She pitches another new entitlement, this one for home healthcare.

ments so seniors don't live as long? Mr. Whitaker tried to pin her down about how she planned to pay for her \$25,000 in down-payment assistance, \$3,600 child tax credit, \$6,000 baby bonus, universal pre-K, paid family leave and more. She at first dodged the question by saying "other economists that have reviewed my plan versus

my opponent and determined that my economic plan would strengthen America's economy. His would weaken it."

Prodded to answer, she said "my plan is about saying that when you invest in small businesses, you invest in the middle class, and you strengthen America's economy. Small businesses are part of the backbone of America's economy." After Mr. Whitaker tried again, she fell back on the Democratic Party patent medicine of making the "richest" "pay their fair share."

She ought to know there aren't enough "rich" to pay for all of her free lunches. The "sandwich" Americans who are likely to pay more are those between the rich and the poor.

Another \$1.8 Trillion Deficit

You'd think the political class would be grateful, but they always want more.

As usual, Social Security (8%) and Medicare (9%) kept rising at an unsustainable pace, not that either presidential candidate, or either party, wants to do anything about it. Who cares? The crisis will come on somebody else's watch.

The biggest non-surprise is that net interest on the debt held by the public soared 34%, or \$240 billion. Treasury Secretary Janet Yellen has been financing the growing federal debt with short-term bonds to keep long-term rates down, but refinancing those bonds has cost more as the Federal Reserve kept rates high to fight inflation.

Scary thought: Interest payments on the debt are now larger at \$950 billion than the entire defense budget of \$826 billion or Medicare (\$869 billion). Interest payments soak up 14% of the budget. They'll keep rising if the debt also does, which it will if politicians keep spending.

Their preferred response, as ever, will be to raise taxes on wealth producers. Ms. Harris hasn't specified all of the taxes she'd raise, but she hasn't opposed President Biden's budget that seeks some \$5 trillion more over 10 years. The tax and spending won't stop until the voters, or the bond vigilantes, yell "enough."

Tuesday it was the report that the federal budget deficit for fiscal 2024 clocked in at \$1.83 trillion. That's 13% larger than the year before taking into account timing shifts in outlays, and it comes despite a growing economy and no pandemic, financial crisis, or war involving large U.S. forces.

Do not expect a White House press release on this one. A deficit of this magnitude in an otherwise benign economic environment is unprecedented—except for the previous years of the Biden Presidency. It also comes despite an 11%, or \$479 billion, increase in receipts for the fiscal year that ended Sept. 30.

Total revenue hit \$4.92 trillion, as individual income taxes rose 11% or \$249 billion. Corporate income taxes rose 26% or \$109 billion. This revenue boom is with the 21% corporate tax rate that Kamala Harris decries as too low. She wants to raise it to 28%, which including state taxes would make the U.S. rate one of the highest in the developed world.

The deficit ought to decline when revenues rise that much, but the problem is that spending also rose 11%—by \$699 billion to \$6.75 trillion. Yes, Leviathan now spends about one in four of every dollar that Americans produce.

Spending rises 11%, more than offsetting booming tax revenue.

The biggest non-surprise is that net interest on the debt held by the public soared 34%, or \$240 billion. Treasury Secretary Janet Yellen has been financing the growing federal debt with short-term bonds to keep long-term rates down, but refinancing those bonds has cost more as the Federal Reserve kept rates high to fight inflation.

Scary thought: Interest payments on the debt are now larger at \$950 billion than the entire defense budget of \$826 billion or Medicare (\$869 billion). Interest payments soak up 14% of the budget. They'll keep rising if the debt also does, which it will if politicians keep spending.

Their preferred response, as ever, will be to raise taxes on wealth producers. Ms. Harris hasn't specified all of the taxes she'd raise, but she hasn't opposed President Biden's budget that seeks some \$5 trillion more over 10 years. The tax and spending won't stop until the voters, or the bond vigilantes, yell "enough."

OPINION

LETTERS TO THE EDITOR**The Inflation Tax Behind U.S. Labor Unrest**

Your editorial "Bentley Drivers of the World, Unite!" (Oct. 3) rightly notes that the head of the International Longshoremen's Association, Harold Daggett, has enriched himself while presenting as a man of the people, a fighter for blue-collar workers. Americans should also remember what caused the labor unrest in the first place and increased the likelihood of these strikes: government.

The International Longshoremen's Association strike came about a year after the largest auto workers' strike in American history, and for the same reason: Workers thought their scheduled pay increases would make them wealthier, but instead their standard of living has fallen. Although the average American's weekly paycheck is larger than ever before, it buys less than it did four years ago. Similarly, corporate profits are at record highs, but down after adjusting for inflation.

The Biden-Harris administration has used the hidden tax of inflation to take from workers and manage-

ment alike. That leaves government as the only winner.

E.J. ANTONI
The Heritage Foundation
Washington

Regarding your editorial "American Ports Are Global Laggards" (Oct. 7): Bidenomics is reducing the standard of living of America's middle class by encouraging bad labor settlements that favor unions—not workers—with featherbedding and other inefficient automation clauses at our ports. The U.S. is the world's largest importer, so inefficiency at our ports has a huge impact on the rest of the economy.

Unions can be a force for good, but they also can be self-serving and hurt the U.S. economy vis-à-vis the world economic system. Unfortunately, the Biden-Harris economic team is very union-oriented, as can be seen from the port settlement, and that means higher costs for the rest of us.

CHARLES H. GESSNER
Marblehead, Mass.

You'll Be Paying for Biden's Pre-Election Gift

Your editorial "A Medicare Election Bribe for Seniors" (Oct. 1) gets it right: "This Biden project 2025 instead rewrites the IRA"—the Inflation Reduction Act—"to spend money that Congress didn't appropriate to fix Democrats' handiwork."

At my request, a Congressional Budget Office report released this week shows that the Biden-Harris administration's legally dubious funding transfer will cost taxpayers \$5 billion in 2025 alone, and grow even more costly in subsequent years.

The Congressional Budget Office also highlighted that earlier projections had underestimated the costs of the Inflation Reduction Act's Medicare prescription-drug benefit rewrite by a staggering \$10 billion to \$20 billion. With this added administrative gimmick, a future U.S. president from

either party can justify pre-election taxpayer-funded subsidies, timed to maximize political gains while side-stepping Congress.

Instead of championing one of any number of congressionally backed, bipartisan measures to avert premium hikes, the Biden-Harris administration has decided to snatch billions more with the stroke of a pen, while praising the Inflation Reduction Act, legislation that exacerbated inflation, despite its title.

When the election season ends, American families working paycheck to paycheck will be left with an ever-ballooning bill, burdened not only by what has been, but also by what has been inflicted by the Biden-Harris administration.

SEN. MIKE CRapo (R., Idaho)
Idaho Falls

The Downside of Living in a Florida Paradise

Potential homeowners need to be aware of their flood zones as well as the history of flooding in the area of the city where they purchase ("Floodings Again Strikes a Florida Enclave," U.S. News, Oct. 2). I have lived in St. Petersburg, Fla., for more than 40

years, and I lived on the water for a few years, but my home was raised by 20 feet. I knew that anything on the first floor wasn't insurable and could be lost from rising waters. Many of the homes in Shore Acres and other low-lying areas are only one story and, therefore, are at risk of life-threatening flooding and significant property damage.

Property values likely will fall soon here, but I and most homeowners are more concerned about the cost and availability of insurance. Typical homeowners' policies don't cover damage due to rising waters. It is a costly error not to carry flood insurance. Many of these flooded homes will be rebuilt higher and safer.

Anyone who lives or wants to move here should know that, as in many areas of the country, there is always a downside to the benefits of living in paradise.

DAVID MOKOTOFF
St. Petersburg, Fla.

A Tale of Two Death Squads

William Beach and Erica Groschen's op-ed "Can We Still Trust the Unemployment Rate?" (Oct. 4) is informative and important. Another important but overlooked issue is how Social Security Disability Insurance has become a supplemental unemployment fund over the past few decades, as a way to assist people who lose work in economically disadvantaged areas.

Further, the unemployment number has been distorted for years by the practice of striking people off the list after a set amount of time. If we really want to know how many people are unemployed, we should count for however long a person capable of working and wishing to work is unemployed, even if he or she is no longer receiving benefits.

EDWARD MEGARGEY

Princeton, N.J.

Mr. Beach and Ms. Groschen lament underfunding of the Bureau of Labor Statistics (BLS). They state, "Even now, BLS can't break down unemployment rates for specific racial and ethnic minorities in many states due to funding shortages." Oh, the horror.

Might we have to look deeper than skin for the reasons for unemployment? That sounds like much harder work than checking an identity box. But they need more money.

MARK McALLISTER

Johnston, Iowa

I appreciate the letter to the editor

"The Crimes Against Language We All Endure" (Oct. 1). Please add to your readers' list the examples of sloppy speech that have become common verbs: "gonna" and "wanna." How would you conjugate the verb "gonna"? I gonna, you gonna, he/she gonna, we gonna, you gonna, they gonna?

It's also difficult to tolerate a sentence in which a subject is singular and the modifier is the plural "they" because it is unfashionable to specify the modifier "he" or "she." I stop reading when I see that construction.

JANET CHANCE

Greenwell Springs, La.

The Holocaust always will be a singular example of evil. Michael Roth's review of "No Road Leading Back" by Chris Heath (Bookshelf, Oct. 3) gives us a microcosm of that evil in 1941 Lithuania, when more than 70,000 Jews were shot and buried in pits. As Mr. Roth writes, the bodies were exhumed because "the Nazis decided that it would be too easy for their enemies to find this massive proof of their genocidal war." They might not have felt guilt, but they recognized that what they had done violated civilized norms and would be condemned.

By contrast, Hamas displayed no restraint during its Oct. 7 attack. Beyond the shocking brutality of the murders, one terrorist even called his mother to brag of the slaughter. The killing spree was its own brand of evil, perhaps best described as satanic glee.

ROGER H. LEEMIS

Southfield, Mich.

Pepper ... And Salt

THE WALL STREET JOURNAL



"The golden buzzer is nice, sir, but I was hoping for a raise."

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

OPINION

Biden-Harris Mismanaged Hurricane Helene

By JD Vance

During times of crisis and war, presidential leadership is critical to cut through competing bureaucratic fiefs and protect Americans from death and devastation. The Biden-Harris response to Hurricane Helene, the deadliest storm since Katrina, has the people of the Southeast and especially Appalachia paying an extraordinary price for the administration's incompetence.

A White House that tried to shift FEMA's priorities left the citizens of North Carolina suffering for days.

Shortly after Helene made landfall in the U.S. on Sept. 26, Joe Biden was at his house in Rehoboth Beach, Del. Vice President Kamala Harris was flying between ritzy California fundraisers, hobnobbing with celebrities. Homeland Security Secretary Alejandro Mayorkas was in Los Angeles, presiding over an awards ceremony. Before the storm, Ms. Harris had blown off her disaster-response briefings, which were a staple of the Trump administration's disaster-response planning. The lack of prioritization had real-world ramifications.

While Ms. Harris and Mr. Biden flouted their duties, a bureaucratic

bottleneck was delaying the deployment of active-duty military personnel to the western mountains of North Carolina. On Oct. 2, six days after the storm made landfall, the Defense Department announced that 1,000 troops had been authorized to deploy to the hurricane-response zone, including elements of the 82nd Airborne Division from Fort Liberty, N.C. These troops bring with them debris-clearing and water-purification equipment—critical resources for communities with blocked roads and orders to boil drinking water. As evening fell on Friday, Oct. 4, fewer than half of the 1,000 troops were conducting operations and deployed to Western North Carolina.

Deployment delays became severe enough that North Carolina Sens. Ted Budd and Thom Tillis issued a joint statement on Oct. 4 calling for "an active-duty military leader who has extensive experience with operations of this magnitude to lead moving forward." The statement seemed to have an effect: The rest of the active-duty forces were deployed by the evening of Oct. 6, and the Pentagon authorized an additional 500, including advanced command-and-control resources.

In disaster response, every second counts. A week went by while the citizens of North Carolina suffered without the equipment and soldiers needed to save lives and begin recovery. This is the sort of bureaucratic hiccup that engaged political leaders solve. A competent leader would have ordered those men and women into



TRAVIS LONG/ZUMA PRESS

Cleaning up after the French Broad River flooded in Marshall, N.C., Oct. 1.

motion earlier, bureaucracy be damned. Ms. Harris and Mr. Biden treated the situation like a public-relations disaster instead of a real one.

Even the Obama administration was better at deploying assets in disaster zones. When an earthquake struck Haiti in 2010, it took just two days to deploy troops, including the 82nd Airborne, from Fort Liberty (then known as Fort Bragg) to help with disaster recovery. Large numbers of active-duty troops were deployed more rapidly during the Katrina response, which was sharply criticized at the time for being insufficient.

Federal Emergency Management Agency staff are working hard. The agency's response to Helene has been praised in some quarters and criticized elsewhere. But it too has

been the victim of misplaced Biden-Harris political priorities. Under Ms. Harris and Mr. Biden, FEMA has funneled millions of dollars to nongovernmental organizations whose stated goal is facilitating mass migration into the U.S. The effort stems from a White House directive to reorient FEMA's institutional focus away from U.S. citizens and toward aliens who either have no legal right to be here or whose legal status depends on the say-so of the Biden-Harris administration.

Mr. Biden and Ms. Harris have been sending that message since the beginning of their tenure. In 2021 Mr. Mayorkas directed FEMA to participate in a "government-wide effort" to receive and shelter migrants. By 2023 FEMA Administrator Deanne Criswell was testifying that

although FEMA is not an immigration agency, it would "continue to focus on supporting jurisdictions that are managing the care of immigrants through our Shelter and Services program." While some have claimed the funding going to these programs is distinct from disaster-relief funding, the same can't be said for the attention and focus of Biden-Harris officials—that all comes from the same limited supply.

FEMA even seems to be picking winners and losers among the American people. In March 2023, FEMA hosted a panel titled "Helping the LGBTQ+ Community Before Disasters: Preparedness and Mitigation Considerations." Ordinary Americans of all backgrounds know that especially when it comes to disaster relief, federal agencies exist to serve all Americans, not to give some groups special treatment.

President Trump and I are realists. We know there's no perfect disaster recovery and that a storm like Helene will bring hardship to American towns no matter how well the government responds. But this wasn't the response that the people of Western North Carolina deserved. As Hurricane Milton barrels toward the Florida coast and Secretary Mayorkas claims FEMA is running out of disaster funds, it's time the Biden-Harris administration got its act together.

Mr. Vance is a U.S. senator from Ohio and the Republican nominee for vice president.

Gavin Newsom Does Something Conservatives May Like

UPWARD MOBILITY
By Jason L. Riley

The Supreme Court began a new term this week, but its landmark 2023 decision on racial preferences in college admissions continues to reverberate. Last week Gov. Gavin Newsom signed legislation that bans private universities in California from favoring "legacy" applicants, those whose parents are alumni or whose families have donated to the school. It was California's response to *Students for Fair Admissions v. Harvard*, the ruling that outlawed preferences based on race and ethnicity. Conservatives often want progressive policies that emanate from the Golden State to stay there. This may be an exception.

The left's rebuttal to the *Harvard* decision has been to push against legacy preferences at selective schools on the grounds that they amount to affirmative action for affluent white people. That's not an unreasonable argument on its face. Granting favorable treatment to the offspring of Stanford and University of Southern California graduates would tend to benefit white

applicants more than their nonwhite counterparts. And if these schools are aiming to admit the most deserving students, as they claim, why should lineage but not race give certain applicants who otherwise wouldn't qualify for admission a bump in the selection process?

Legacy admissions to the public University of California system were banned in the 1990s, and some elite private schools, including Johns Hopkins University in Baltimore, Amherst College in Massachusetts and Wesleyan University in Connecticut, voluntarily ended the practice. Virginia, Illinois and Colorado have proscribed it at public colleges and universities. But California now becomes only the second state after Maryland to pass a law that forbids consideration of legacy and donor status at private institutions.

Such bans at public schools are an easier call. It's hard to justify why state taxpayers should subsidize a university that chooses its students based on factors that have nothing to do with merit. Still, some might argue that legacy prohibitions at private schools are another matter, and court challenges are a possibility. Even critics acknowledge that

however unfair legacy considerations may be, they don't violate the Constitution. Just as sororities, country clubs and other private groups can legally select some members and reject others—so long as they don't discriminate on unlawful grounds—the right of association

The California governor signs a bill banning legacy preferences at private colleges and universities.

protected by the First Amendment arguably allows private-school administrators to give relatives of alumni and donors a leg up.

In an opinion that accompanied an earlier Supreme Court decision on affirmative action, *Grutter v. Bollinger* (2003), Justice Clarence Thomas, who is no fan of legacy preferences, nevertheless warned about comparing them to racial preferences. "The Equal Protection Clause does not... prohibit the use of unseemly legacy preferences or many other kinds of arbitrary admissions procedures,"

Justice Thomas wrote. "What the Equal Protection Clause does prohibit are classifications made on the basis of race. So while legacy preferences can stand under the Constitution, racial discrimination cannot."

The economist Richard Vedder, who also frowns on special treatment for the offspring of alumni and donors, has written that so much federal funding now flows to private institutions—either directly through research grants or indirectly through student loans and in other ways—that the public-private distinction no longer makes sense.

"The Ivy League, for example, gets more government support per student than most so-called state universities," according to Mr. Vedder. "The notion that public monies should be used to subsidize preferential treatment to less qualified [legacy] students, most of whom come from wealthy white families, is abhorrent to the American belief that anyone, regardless of wealth, race, gender or other group attribute, can with hard work rise to the top in our society."

Supporters of legacy admissions insist that schools depend on them for fundraising and recruitment, and

that may be true at institutions that don't have large endowments, including historically black colleges. But most donations from alumni are for smaller amounts and out of loyalty and appreciation, not because the donor wants or expects a relative to receive special consideration. An empirical analysis of alumni philanthropy at the nation's top 100 colleges over a nine-year stretch found "no evidence that legacy-preference policies themselves exert an influence on giving behavior."

Many of the nation's most selective schools, including all eight Ivy League institutions, still consider the legacy status of applicants. But since 2015, more than 100 colleges and universities have adopted legacy-blind policies, according to the Institute for Higher Education Policy. And in a nationwide Washington Post-Schar School survey from 2022, 75% of respondents said it was wrong for children of alumni to receive preferential treatment. Americans want public and private institutions to retire legacy admissions, and rightly so. Ideally, schools would act on their own, as some already have. Hopefully, it's just a matter of time before others fall in line.

An Alliance to Counter Beijing's Aggression

By Rahm Emanuel

China's operating principle—power and might equals right—is evident in its combative diplomacy, military aggression against its Indo-Pacific neighbors, and economic coercion. These strategies, however, have backfired. China's attempts to undermine its neighbors' sovereignty have had the opposite effect. Over the past three years, the U.S. and its allies in the region have strengthened their partnerships and transformed the security landscape, isolating China.

The Biden administration has upgraded its arrangement of individual security partnerships, often called the "hub and spoke" alliance system, with an Indo-Pacific latticework of multilateral security, political and diplomatic partnerships. In the past year alone, two key partnerships have been formed: one between the U.S., Japan and South Korea, and another between the U.S., Japan and the Philippines.

We can further isolate China by confronting Beijing's economic tactics, the area in which its determination to dominate is most apparent. It uses coercion, mercantilism and

debt-trap diplomacy to crush competition and control countries. To punish neighboring nations for adopting stances that go against its wishes, China has boycotted them, imposed regulatory measures and created export restrictions. But China's economic strategy provides the same opportunity for deterrence that its wolf-warrior diplomacy does on the political front.

Australia offers a valuable lesson in how to counter Beijing. After Canberra called for an independent inquiry into Covid's origins in 2020, China imposed tariffs and trade restrictions on Australian coal, beef, barley, wine and other goods. By taking advantage of its network of allies, Australia expanded its markets and reduced its dependence on China. Refusing to capitulate, Australia ultimately forced Beijing to back down.

Lithuania rallied similar support from partners in 2021 when China used trade as a weapon against the Baltic state after Taiwan opened a trade office there. The incident prompted the European Union to adopt an Anti-Coercion Instrument, a toolbox of economic countermeasures. Australia's and Lithuania's re-

sponses provide a blueprint for the way forward.

China's mercantilist strategy is as pernicious and persistent as its economic coercion. The country's dumping of subsidized steel has triggered protests from the EU and even from nations friendlier to China like Brazil, Mexico and South Africa. Chile's largest steelmaker, unable to compete with cheap Chinese imports, closed its plant in September, affecting some 20,000 people directly and indirectly. As China continues to export its domestic economic woes to the world, electric vehicles and critical minerals represent the next major battles.

Beijing also uses debt-trap diplomacy to ensnare countries in its web. According to the Wilson Center, around 80% of Chinese government loans to developing countries have gone to nations in debt distress. Many nations that have borrowed from China to fund infrastructure projects have faced a Hobson's choice of cutting domestic spending to repay loans or losing control of ports and rail networks. Sri Lanka experienced this in 2017, when it was forced to hand over control of a port to China after being unable to repay loans. The Kenyan president's chief economic adviser highlighted in a

tweet last year the African nation's dilemma of having to choose between repaying loans and paying government employees: "Salaries or default? Take your pick."

Princeton political scientist Aaron Friedberg argues a trade-defense coalition could reduce its members' exposure to China. To be effective,

The U.S. and its allies can isolate China economically by forming a new trade-defense coalition.

such a coalition would need the economic equivalent of the North Atlantic Treaty Organization's Article 5—an attack on one is an attack on all—at its core. Countries would support allies under economic assault with a unified response.

Countermeasures would be critical. For example, updating the U.S.'s 1977 International Emergency Economic Powers Act for the digital economy and the Chinese challenges would provide a tool for deterring coercion and mercantilism.

Further, individual nations and institutions like the International Mon-

etary Fund need to revamp and streamline their loan programs to assist recipient countries better. We should also proactively educate the public about the true costs of borrowing from China to prevent nations from signing away their sovereignty.

China has provided the free world with an opening. The U.S. must now further integrate economic statecraft into its wider strategic latticework architecture. This is what it did during the Cold War in its successful containment of the Soviet Union. Its "strong resistance" to Soviet expansionism, as U.S. diplomat George F. Kennan advocated in his famous 1946 Long Telegram, was accomplished through integrated political, security and economic policies.

The U.S. has started to turn the tables on China's regional belligerence by exploiting the inherent weakness of its actions. By employing President Biden's multilateral approach and adding new economic countermeasures, we can curtail China's aggression. Most important, we can provide allies and friends in the developing world with the economic leadership necessary for these times.

Mr. Emanuel is U.S. ambassador to Japan.

Notable & Quotable: Biden vs. Harris

Vice President Kamala Harris responding to a reporter's question at Andrews Air Force Base, Oct. 7:

Q: NBC is reporting Governor [Ron] DeSantis is ignoring your calls on hurricane resources and help. How does that hurt the situation here?

Harris: You know, moments of crisis, if nothing else, should really be the moment that anyone who calls themselves a leader, says they're going to put politics aside and put the people first. People are

in desperate need of support right now, and playing political games with this moment in these crisis situations—these are the height of emergency situations—is just utterly irresponsible, and it is selfish,

and it is about political gamesmanship instead of doing the job that you took an oath to do, which is to put the people first.

President Biden at the White House Oct. 8:

The governor of Florida has been

cooperative. He said he's gotten all that he needs. I have talked to him again yesterday, and I said boy, I really—I said, no, you're doing a great job, it's all being done well, we thank you for it. And I literally gave him my personal phone number to call. So I don't know—there was a rough start in some places, but every governor—every governor from Florida to North Carolina has been fully cooperative and supportive and acknowledged what this team is doing, and they're doing an incredible job. We've got a lot more to do.

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WORLD NEWS

Mexico Aims to Cut Chinese Imports

Government seeks to boost domestic supply chains amid U.S.-Beijing tensions

By SANTIAGO PÉREZ

MEXICO CITY—Mexico wants to reduce its dependence on imports from China and is asking some of the world's biggest manufacturers and tech firms operating in the country to identify Chinese products and parts that could be made locally.

The administration of leftist President Claudia Sheinbaum, who took office last week, wants U.S. carmakers and semiconductor manufacturers as well as global giants in the aerospace and electronics sectors to substitute some goods and components manufactured in China, Malaysia, Vietnam and Taiwan, Deputy Trade Minister Luis Rosendo Gutiérrez said.

"We want to focus on supporting our domestic supply chains," Gutiérrez said in an interview.

The proposed measures will be focused primarily on China, Mexico's longstanding rival in the global race to attract investment in manufacturing, Mexican consulting firm Emprsa said in a note to investors on Friday.

"The atmosphere in the U.S. has changed, there is a new consensus regarding greater



Source: Mexican government

protectionism," said a government presentation seen by The Wall Street Journal that outlines some of Mexico's trade and industrial priorities.

"We are facing a trade war between the U.S. and China."

The initiative comes as the Sheinbaum administration gears up for a review of the U.S.-Mexico-Canada Agreement in 2026. Consultations on the trade pact are set to begin in the second half of 2025, according to the document.

The talks among the three North American trading partners are expected to be more complex than in 2018 when the USMCA was signed to replace its forerunner Nafta, according to the presentation. Subjects to be discussed are expected to in-



President Claudia Sheinbaum took office last week.

clude trade with China and requirements for increased North American content in goods imported tariff-free into the U.S.

U.S. legislators and industry groups have raised concerns about China using Mexico as a back door to circumvent U.S. import tariffs. Mexican officials say there is no evidence supporting such claims.

Chinese high-tech goods have flooded the global economy this year. The U.S. and Canada imposed tariffs on imports of Chinese electric vehicles, steel and aluminum to protect domestic manufacturing. Chinese officials have said in the past that the country's electric vehicles, solar panels and other products are simply better and cheaper than those

made in the West.

"This isn't an issue about China, but rather about the evolution of the Mexican economy," said César Fragozo, executive vice president of the China Chamber Mexico, a bi-national industry group that represents Chinese companies in Mexico and Mexican exporters to China.

Whereas 15 years ago, Mexico imported cheap finished goods from China such as toys, now it brings in billions of dollars of sophisticated components for various industries, he said.

"We believe that it's positive for Chinese firms to establish themselves in Mexico or to have co-investments with Mexican companies, and

we agree that more domestic products should be purchased," Fragozo said.

Mexico has continued to expand its exports to the U.S. under the USMCA and in 2023 it overtook China as the biggest foreign supplier of goods to the U.S., largely as trade disputes caused China to lose market share. But Mexico has struggled to attract new foreign investment from companies aiming to move production out of China.

China's exports to Mexico have also risen steadily in recent years to reach 20% of total imports, according to Mexican government data. About 70% of Mexico's imports from Asia, primarily Chinese goods and components, are brought in by about 50 foreign companies operating in Mexico, Gutiérrez said. Half of them are U.S. firms in the automotive, semiconductor and aerospace industries.

Mexico's government initiative also aims to reduce the risk of supply-chain disruptions and take advantage of Mexico's proximity to U.S. markets, he said.

"While this needs to make sense case by case, substituting Chinese imports with Mexican inputs strengthens a more integrated North American trade network," said Pedro Casas Alariste, general director of AmCham Mexico, the industry group that represents more than 1,400 U.S. firms operating in Mexico.

Beijing Sets Plan To Impose Tariffs on EU Brandy

By ANDREA FIGUERAS

China said it would impose provisional tariffs on brandy imports from the European Union, deepening tensions between the two trading powers.

The move reverses China's earlier stance days after the EU decided to impose duties on China-made electric vehicles, and it marks the latest fit-for-tat in a trade relationship that has become increasingly confrontational.

China's commerce ministry said Tuesday that the tariffs would range from 30.6% to 39% and take effect Friday, a U-turn on its decision in August to temporarily hold back the measures despite saying it found evidence of dumping.

In a separate statement Tuesday, the commerce ministry also said it is continuing to look at raising import duties on large-engine gasoline vehicles from the EU, many of which are made in Germany. China is a major market for many European carmakers, several of which have come out against the EV tariffs.

The ministry's announcements come after EU member states voted Friday to impose tariffs of up to 45% on EVs made in China for the next five years, in a move aimed at protecting European carmakers amid rising competition with Chinese counterparts.

China's plans for brandy tariffs hurt share prices in European distillers, which have been under pressure this year as the industry navigates a demand slowdown.

The threat of levies has been a source of concern for investors in European liquor makers since the Chinese government launched an anti-dumping investigation in January. Analysts consider Rémy Cointreau and Pernod Ricard particularly exposed, given that brandy accounts for a larger share of their sales compared with peers Diageo or Campari.

The European spirits sector is a collateral victim of a broader trade conflict, as China's decision is a reaction to the EU's vote on EV tariffs, industry association spiritsEurope said.

China is a major destination for European spirits, and the decision means exporters will face a financial burden when selling to the country, the industry group said. The association called on the European Commission—the EU's executive arm—to make efforts to find a negotiated solution with Chinese authorities.

The tariffs also come at a time when liquor makers are trying to boost sales in China after a boom during the pandemic ended, with demand weakening amid a sluggish property market and subdued consumer sentiment.

Kashmir Opposition Wins Long-Awaited Vote

By VIBHUTI AGARWAL

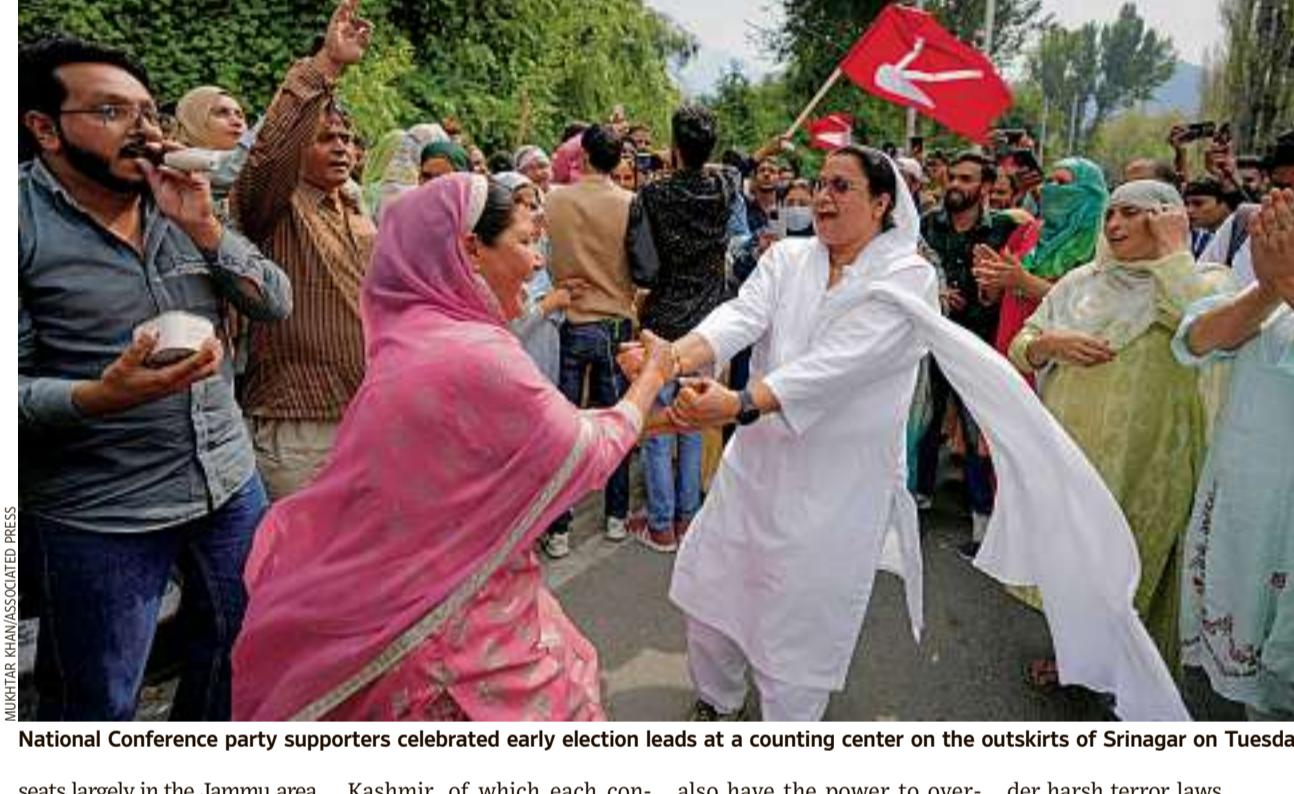
Kashmiris voted for an opposition alliance in the Indian-administered Himalayan region's first local election in a decade, in a protest against Prime Minister Narendra Modi's 2019 decision to scrap its special autonomous status.

The election will bring some self-rule back to the region after years of being administered directly by New Delhi, and offer local leaders a platform to air grievances. But the new government will have limited powers after the scrapping of Article 370, a long-standing provision that granted India's only Muslim-majority state—which Pakistan also claims—far more say over its affairs than other states.

The National Conference, a prominent Kashmiri party, won 42 seats, and India's main opposition Congress Party won six seats in the 90-member legislature after a campaign that promised to restore the region's lost status and free people jailed in a clampdown on civil liberties.

Farooq Abdullah, president of the National Conference, said the party would address day-to-day economic concerns for Kashmiris. "The people of Kashmir have given their mandate to us. We will work hard to control price rise and create more jobs."

Modi's Bharatiya Janata Party, which campaigned on economic development and ending violence in Kashmir, won 29



National Conference party supporters celebrated early election leads at a counting center on the outskirts of Srinagar on Tuesday.

seats largely in the Jammu area, home to most of the region's Hindu population of what was the state of Jammu and Kashmir until the 2019 decision.

The Hindu nationalist government had argued that the special status worked against the unity of India, and fostered separatist sentiment. The opposition Congress Party and other parties criticized the move.

India and Pakistan have gone to war several times over

Kashmir, of which each controls a part but claims in full. India accuses Pakistan of backing militants in Kashmir, which has a heavy presence of Indian armed forces, and of being behind terrorist attacks inside its territory, claims Islamabad has denied.

New Delhi will continue to have direct control over key decisions including security, law and appointment of key officers in the region. It will

also have the power to overturn regulations passed by the local legislature.

The move to scrap Kashmir's special status sparked fears the region would lose its distinct identity and was accompanied by mass arrests of opposition leaders and mainstream politicians, and a lengthy internet and communications blackout to limit protests. In the years since, many activists and local journalists have been held un-

der harsh terror laws.

India's Supreme Court last year upheld the government's move in a ruling that said the status was never intended to be permanent. It also ordered the government to hold local elections by the end of September.

About nine million people were registered to vote in the elections that kicked off Sept. 18 and drew a turnout of about 64% across three polling dates, according to official data.

UNITED KINGDOM

Spy Chief Warns of Russian 'Mayhem'

The Kremlin's spy services are on a "sustained mission to generate mayhem" on Europe's streets, the head of the U.K. domestic spy agency warned Tuesday, saying that the number of probes into state-orchestrated threats his agency is handling has jumped by nearly half in the past year.

M15 Director General Ken McCallum said Russia and Iran increasingly are leaning on low-level criminals to undertake arson, sabotage and attacks on dissidents aimed at sowing chaos across Europe. Russia in particular is ramping up cyberattacks and reliance on criminal proxies after its spy network largely was dismantled by the expulsion of 750 Russian diplomats after the Kremlin's decision to launch a full-scale invasion of Ukraine, M15 said.

McCallum also said Iran is becoming more hostile with 20 known Iran-backed plots since 2022 targeting people based in the U.K. Many of the plots involved using "international drug traffickers to low-level crooks," McCallum said.

—Max Colchester

TUNISIA

Saied Is Re-elected In Landslide Win

President Kais Saied has won a landslide victory keeping his grip on power after a first term in which opponents were imprisoned and the country's institutions overhauled to give him more authority.

The North African country's Independent High Authority for Elections said Saied received 90.7% of the vote, a day after exit polls showed him with an insurmountable lead in the country known as the birthplace of the Arab Spring more than a decade ago.

"We're going to cleanse the country of all the corrupt and schemers," the 66-year-old populist said in a speech. He pledged to defend Tunisia against threats foreign and domestic.

That raised alarm among the president's critics including University of Tunis law professor Sghayer Zakraoui, who said Tunisian politics were once again about "the absolute power of a single man who places himself above everyone else and believes himself to be invested with a messianic message."

—Associated Press

FRANCE

Government Survives Vote

France's minority government survived a no-confidence vote on Tuesday, two weeks after taking office, getting over the first hurdle placed by left-wing lawmakers to bring down new conservative Prime Minister Michel Barnier.

The vote was a key test for Barnier, whose cabinet is forced to rely on the far-right's good will to stay in power, as the nation grapples with economic challenges exacerbated by global inflation.

The no-confidence motion was brought by a left-wing coalition, the New Popular Front, composed of the hard-left France Unbowed, Socialists, Greens and Communists.

It received 197 votes, far from the 289 votes needed to pass.

Following the June-July parliamentary elections, the National Assembly, France's powerful lower house of parliament, is divided into three major blocs: the New Popular Front, Macron's centrist allies and the far-right National Rally party. None of them won an outright majority.

—Associated Press

WORLD WATCH



ALL THAT GLITTERS: A restorer works on the Chair of St. Peter in Saint Peter's Basilica in the Vatican. It is the first restoration in 250 years of Gian Lorenzo Bernini's masterpiece.

FILIPPO MONTEFORTE/AGENCE FRANCE PRESSE/GETTY IMAGES

BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

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U.S. Weighs a Breakup of Google

Antitrust enforcers search for tough remedies for alleged monopoly abuses

By DAVE MICHAELS AND JAN WOLFE

WASHINGTON—U.S. antitrust enforcers haven't broken up a company in 40 years. Several high-stakes cases, including two involving Google,

could determine whether that dormant period comes to an end.

The Justice Department submitted a filing Tuesday that presented a federal court with a range of potential options—from conduct restrictions to a breakup—aimed at ending what a judge said was Google's unlawful monopoly in search.

The filing said the government is considering a “full range of tools” to restore com-

petition, including “structural” changes to Google’s business that would prevent it from using products such as its Chrome browser or Android operating system to advantage Google’s engine search.

Google responded in a blog post that the Justice Department’s initial proposal for overhauling the search-engine market is “radical and sweeping” and could have “negative unintended consequences for

American innovation and America’s consumers.”

U.S. District Judge Amit Mehta in August found that Google ingrained its monopoly by paying billions of dollars to operators of web browsers and phone manufacturers to be their default search engine. Mehta will now spend the better part of a year deciding what to do about it.

Google also faces the threat of breakup in a separate government lawsuit targeting its

online-advertising business.

And Ticketmaster-owner Live Nation and Meta Platforms are defendants in antitrust cases that could lead the Justice Department and Federal Trade Commission to ask courts to unwind the megamergers that helped forge their corporate empires.

The agencies alone can’t order a breakup; that power lies with courts. But there is little modern precedent to guide

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Musk’s X Cleared to Resume Operating In Brazil

By SAMANTHA PEARSON AND ALEXA CORSE

Brazil’s Supreme Court granted Elon Musk’s X permission to resume operations in the country, drawing to a close months of legal wrangling for the social-media platform in one of its most important markets.

The decision comes after Musk made concessions, including blocking accounts under investigation for spreading misinformation and hate speech, and appointing a local legal representative—a step required by the court to ensure compliance with Brazilian law.

The social-media platform also paid the remainder of a total of some \$5.2 million in fines, the court said Tuesday, adding that the company could only continue to operate in the country as long as it obeyed local legislation.

X said the company is proud to return to Brazil. “Giving tens of millions of Brazilians access to our indispensable platform was paramount throughout this entire process,” the company posted on X. “We will continue to defend freedom of speech, within the boundaries of the law, everywhere we operate.”

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Interview Over Israel Sparks CBS Furor

By JOE FLINT AND JESSICA TOONKEL

A CBS morning-show interview about Israel with author Ta-Nehisi Coates has triggered turmoil inside the network, with executives saying it failed to meet their standards and some staffers saying management came down hard on an anchor who was doing his job.

In the interview, which aired on Sept. 30, anchor Tony Dokoupil opened by stating the content in Coates’s new book “The Message,” which is critical of Israel, “would not be out of place in the backpack of an extremist.”

Dokoupil deviated from the plan for the interview with his sharp critique of Coates’s book, people familiar with the matter said.

The incident is one of several that led management to criticize Dokoupil’s work—without naming him directly—during a staff meeting on Monday, people familiar with the matter said.

While the network planned a tough interview, CBS’s race and culture unit expressed concern that Dokoupil’s tone and phrasing gave a perception that he was biased, a person close to the matter said.

Shari Redstone, the controlling shareholder of CBS parent Paramount Global, conveyed to CBS executives that she disagreed with how the situation was handled and that she didn’t believe the in-

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GM has been urged to scale down its China business or retreat entirely. Models of past GM vehicles are shown in Shanghai.

CFO/DP/ZUMA PRESS

Faltering GM Faces Reckoning in China

By CHRISTOPHER OTTS

General Motors, long a dominant player in China, was hoping to reinvigorate its faltering business in the world’s largest car market with an influx of new models over the past two years.

Among them was the electric Cadillac Lyriq, a flashy luxury car that executives hoped would appeal to Chinese consumers who were increasingly gravitating to plug-in cars.

“We think that’s going to be a really, really strong vehicle for us in China and, I think, a good test of things to come,” GM Chief Financial Officer Paul Jacobson said in 2022.

Two years later, the Lyriq is barely a blip on GM’s sales

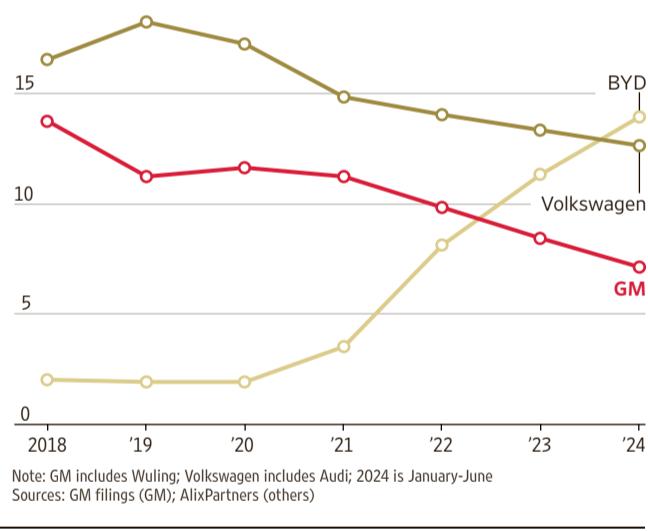
charts in China, and the automaker’s market share in the country has shriveled. After years of consistent profits in China, GM swung to a loss in the first half of this year.

On Tuesday, GM executives fielded questions during the company’s investor conference on their plans for China—this time under more pressing circumstances. The market-share losses have prompted calls for GM to scale down its business there or even retreat from China altogether.

Most every foreign automaker faces slowing or shrinking business in China, where consumers are flocking to Chinese cars that were once viewed as inferior to the larger

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Auto market share in China



Short-Seller Claims Roblox Inflates Data

By BEN FOLDY AND SARAH E. NEEDLEMAN

Short-selling firm Hindenburg Research said in a report released on Tuesday that the videogame platform Roblox reported inflated user metrics to investors and has favored growth over child safety.

Hindenburg alleges Roblox has been exaggerating daily user and engagement figures to investors since it went public in 2021. The firm also accuses Roblox of giving priority to growth over measures that would better protect children from pedophiles and mature content. The firm said its research is based in part on in-

terviews it conducted with multiple former Roblox employees and firsthand experience on the platform.

A spokeswoman for Roblox said the company rejects the claims made in Hindenburg’s report, saying they are “simply misleading” and the authors of the report “have an agenda.”

“We firmly believe that Roblox is a safe and secure platform and in the financial metrics we report,” the spokeswoman said.

The company previously defended itself against claims of failing to keep predators at bay by child-advocacy groups and others, saying safety and

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Samsung Trails Its Rivals in AI Chips

By JIYOUNG SOHN

SEOUL—For a major maker of semiconductors such as **Samsung Electronics**, the artificial-intelligence boom should be a time of great promise.

Instead, the South Korean technology giant is whiffing on opportunities and falling behind the early winners of the AI era such as **Taiwan Semiconductor Manufacturing**, known as TSMC, and local rival **SK Hynix**.

Though it is the world’s top memory-chip maker, Samsung is trailing its competitors in high-bandwidth memory chips, a type integral to AI computing. Its business of manufacturing custom chips for outside cus-

tomers is losing ground to TSMC’s. And its consumer-electronics business, known to people worldwide for its Galaxy smartphones and appliances, is laying off some workers.

Samsung’s vice chairman and head of its semiconductor business, Jun Young-hyun, apologized in a public letter on Tuesday, saying the company was failing to meet expectations.

“We have caused concerns about our technical competitiveness, with some talking about the crisis facing Samsung,” Jun said. He said Samsung would improve its technology and revamp its organizational culture where

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FAA Alerts Airlines With Faulty Rudders

By SABELA OJEA

The Federal Aviation Administration issued a safety alert to airlines regarding Boeing 737 airplanes equipped with certain rudder components.

The air-safety regulator said Tuesday the operators of Boeing 737 NG and 737 MAX airplanes with SVO-730 rudder rollout guidance actuators should instruct flight crews that the rudder-control system could potentially become jammed or restricted in flight or during landing.

Boeing said in a statement it has reminded operators of the proper actions that flight crews should take if they encounter rudder restriction and has also shared technical guidance from its supplier.

“We continue to work under the oversight of regulators regarding the actuator on an optional autoland system on a subset of 737s,” Boeing said.

The safety alert follows a recent event that involved a Boeing 737 MAX, where the flight crew was unable to move the rudder pedals during landing rollout, the regulator said.

The FAA said it was taking the National Transportation Safety Board recommendations seriously regarding the issue, would conduct additional simulator training and had alerted international regulators.



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BUSINESS & FINANCE

U.S. Mulls A Breakup Of Google

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judges on when such a forceful remedy is appropriate. The last major ruling came in 2001, when a federal appeals court in Washington, D.C., found a trial judge overstepped in ordering the breakup of **Microsoft**.

"If there is liability and a judge agrees that breakup is appropriate, that will become the new precedent that brings greater legitimacy to the notion of a breakup remedy," said Gene Kimmelman, a senior policy fellow at Yale's Tobin Center for Economic Policy and a former Justice Department official.

Most of the nation's prominent breakups came in the trustbusting era of the early 20th century, when Standard Oil, American Tobacco and a railroad trust known as Northern Securities were split up.

The last major one came with the 1984 breakup of AT&T, which then controlled long-distance and local phone service and had the telephone equipment market locked up. The telecommunications company negotiated the split with



Live Nation is a defendant in a case that could lead to a push to seek a merger unwind.

the Justice Department instead of waiting for a judge's ruling on whether it had violated antitrust laws.

Jonathan Kanter, the head of the Justice Department's antitrust division, said last month that earlier breakups were necessary to end and repair the harm from longstanding monopolies.

Kanter, speaking at an event sponsored by Semafor, a news site, said his office has "some of those" kinds of cases now, without disclosing which lawsuits could land in the breakup category.

Others, he said, might not

need to go that far. In some cases, the government's intentions are clear.

Kanter's lawsuit against entertainment company Live Nation, filed in May, explicitly seeks the spinoff of Ticket-

master, which the company previously was allowed to buy in 2010. The case alleges that time has shown the combination to be anticompetitive, including by allowing Live Nation to push venues to long-

term agreements that lock in Ticketmaster as the exclusive ticketing service.

The FTC, meanwhile, sued Facebook and called for forcing the sale of Instagram and WhatsApp, which were acquired a decade or more ago. The FTC alleges that Facebook bought the smaller companies to blunt the threat of any disruption of its social-media monopoly. Meta says that it doesn't have a monopoly in social media and that its acquisitions of Instagram and WhatsApp were good for consumers.

To secure a breakup, government lawyers would need to convince courts that lesser remedies won't work.

"The justification for a breakup has to be based on the particular findings of the illegal behavior and the specifics of the market," Kimmelman said. "It's not a philosophical question."

As an alternative to a breakup, Mehta could order Google to scrap the exclusive agreements that make Google

the default search engine on iPhones and other devices. Or he could cap how much ad revenue Google is allowed to share through those agreements.

Judges view breakups as an extreme remedy that could have unintended consequences, said Cornell University law professor Erik Hovenkamp.

"Breakups are surprisingly hard from a practical standpoint," Hovenkamp said, citing the challenge of divining how to split a company apart.

Tim Wu, a Columbia University law professor who advised President Biden on antitrust policy, argued in a 2018 book that breakups aren't that different from the spinoffs that Wall Street sometimes engineers to inject new life into sluggish companies. Merging firms also sometimes agree to divest themselves of assets or parts of their businesses to avoid government challenges.

The Justice Department has until Nov. 20 to decide the specific fix it will propose in the Google search case.

GM Faces Reckoning In China

Continued from page B1
global brands.

Traditional automakers haven't kept pace with China's rapid move to electric and plug-in hybrid vehicles. Chinese brands also have leapt ahead in tech features and often are priced below foreign rivals.

GM President Mark Reuss on Tuesday told investors the company has scrutinized vehicles from Chinese brands, and has brought some to the U.S. to test drive and dissect. "We have very good read on what they're doing, how they're doing it," he said.

GM Chief Executive Mary Barra has said the company will stick it out there. The automaker in July disclosed plans to restructure the business, a process that often results in a reduction of factories, models and jobs. The company has shuffled its leadership in China as it hashed out a plan with its main joint-venture partner, state-owned **SAIC Motor**. Their agreement expires in 2027.

Barra told investors Tuesday that GM and SAIC "are taking bold steps to make sure our joint venture in China is profitable and sustainable," and said signs of a turnaround would be evident by later this year.

Rivals **Ford Motor** and Jeep maker **Stellantis** have responded to shrinking sales in China by cutting factory output, focusing on niche slices of the market and using their Chi-

nese factories to export vehicles to other countries. Stellantis two years ago terminated a money-losing joint venture with a Chinese partner and took a roughly \$300 million write-down.

Such an approach could prove more complex and costly for GM because it has more factories and employees in the country, analysts say.

GM could close some factories and trim the number of models it offers, said Bill Russo, the Shanghai-based principal of consulting firm Automobility. It also could look to forge ties with a more digitally savvy, homegrown EV maker, as rival **Volkswagen** did when it invested in **XPeng**.

A GM spokesman said the company sees promise in new EVs and plug-in hybrids as well as new driver-assistance features and other technology. GM also is working to pare back production and "take cost out of the business" in China, he said.

Under Barra, GM has pulled out of many overseas markets, including Europe, India, Australia and parts of Southeast Asia. Retreating from China would further shrink its global presence and leave it more heavily reliant on its home market of North America, its main profit source.

GM's market share in China has fallen in recent years to 8.4% in 2023 from 13.7% in 2018, according to GM figures. Its downturn reflects a broader trend in which Chinese brands have grown from about one-third of the market early this decade to nearly 60% in the first half of this year, according to investment bank Bernstein.

—Yoko Kubota and Grace Zhu contributed to this article.

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BUSINESS NEWS

Honeywell to Spin Off Materials Unit

Move is part of CEO's plan to simplify the business around three core trends

By LAUREN THOMAS

Honeywell International on Tuesday unveiled plans to spin off its advanced-materials division.

The business could be worth more than \$10 billion as a separately traded public company, people familiar with the matter said. The Wall Street Journal earlier reported on Honeywell's plans for the tax-free separation.

The move would support Honeywell Chief Executive Vimal Kapur's plan to simplify the company's business around its three core trends of aviation, automation and the energy transition.

Charlotte, N.C.-based Honeywell has a market value of more than \$130 billion, with its shares down about 1.3% this year as of Tuesday. That compares with the S&P 500's rise of 20.5% over the same period. Honeywell's stock climbed about 2% on Tuesday.

The materials business is on track to notch revenue in 2024



The materials business is on track to notch revenue of roughly \$3.8 billion this year.

of roughly \$3.8 billion, or about 10% of Honeywell's overall revenue.

It makes everything from polymers to performance fluids to additives used in industrial paints, plastics and asphalt, and includes its well-known Solstice brand,

according to the company's website.

The separation comes as the industrials conglomerate has been on an acquisition spree in recent months, announcing many smaller, so-called bolt-on deals that build on a fresh strategy laid out by management roughly one year ago.

Kapur, a longtime Honeywell executive, took over the CEO role from Darius Adamczyk in June 2023.

Last December, Honeywell struck a roughly \$5 billion deal to buy Carrier Global's security business. That was fol-

lowed by a \$2 billion deal for aerospace-and-defense technology company CAES Systems, and a \$1.8 billion acquisition of the liquefied natural-gas process technology and equipment business from **Air Products**.

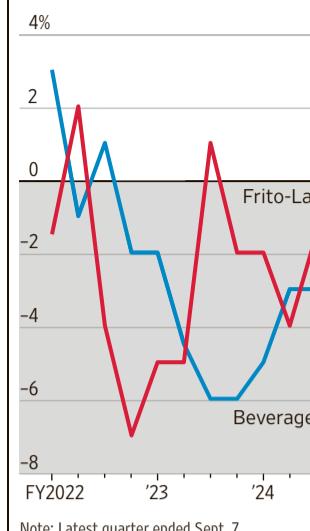
By separating its advanced-materials arm, Honeywell hopes that both it and the remaining company will have greater financial flexibility for dealmaking and other opportunities.

Companies across industries have been streamlining their operations as investors demand clearly defined businesses that make stocks easier to value. Storied conglomerates including **DowDuPont** and General Electric have completed spinoffs or breakups in recent years.

Such separations can prime individual companies to make more acquisitions or become takeover targets themselves. Such was the case with **Kellogg**'s snacks-heavy business, Kellanova, which was spun off last year and recently agreed to be sold to Mars for around \$30 billion.

Kapur had already teased to investors that Honeywell would look to get rid of non-core pieces of its business.

PepsiCo sales volumes in North America, change from a year earlier



Note: Latest quarter ended Sept. 7

Source: the company

PepsiCo Cuts View For Year As Sales Decline

By DEAN SEAL

PepsiCo cut guidance for the year after sales unexpectedly declined in the summer quarter.

The maker of drinks and snacks blamed subdued consumer demand in North America and ongoing pressure from recalls in the Quaker Foods North America division, while geopolitical tensions disrupted some international markets.

PepsiCo now expects full-year organic revenue to grow in the low-single-digit percentage range, it said Tuesday, instead of rising 4% as previously projected.

Shares climbed 1.9% in Tuesday's trading, putting the stock up 0.3% in the year to date. **Coca-Cola**'s shares have risen 17% over the same period.

Chief Executive Ramon Laramore said that cost controls bolstered profitability while sales sagged.

For PepsiCo's quarter ended Sept. 7, sales edged down to \$23.32 billion. Analysts had expected a small gain to \$23.86 billion, according to FactSet.

Quarterly profit decreased to \$2.93 billion from \$3.09 billion a year earlier.

Stripping out one-time items, adjusted earnings were \$2.31 a share, slightly ahead of analyst forecasts.

Volumes in North America fell 17% at Quaker Foods, 2% in its Frito-Lay unit and 3.5% in beverages.

♦ Heard on the Street: Snack slump may be a trend.. B14

Hurricane Forecast to Hit Disney's Earnings

By ROBBIE WHELAN

Disruptions and theme-park closures caused by Hurricane Ian could reduce **Disney**'s earnings for the current quarter by between \$150 million and \$200 million, Goldman Sachs analysts said Tuesday.

The storm could reduce Disney's domestic parks attendance for the quarter by 4 percentage points, Goldman said.

So far, Walt Disney World, the company's flagship resort and theme park complex near Orlando, remains open. Disney said Tuesday that the Florida parks would be closed in phases starting Wednesday afternoon and they would likely remain closed the following day.

The closures mark the first weather-related shutdown for Disney's Florida parks since November 2022. That year, Hurricane Nicole prompted Disney to shut the parks on a Wednesday morning, the company said, reopening them the following afternoon. During the pandemic in 2020, Walt Disney World was closed for about four months. Disneyland, in California, stayed shut more than a year until reopening in April 2021.

Goldman said in 2017, Hurricane Irma, a Category 5 storm that forced Disney to close its parks for two days



Walt Disney World saw bands of Hurricane Helene weather in September. Milton comes during Disney's 2025 fiscal first quarter.

and disrupted some cruises, lopped about \$100 million off of Disney's earnings before interest and taxes. Irma reduced attendance at the domestic

theme parks by about 3 percentage points for the quarter, Goldman estimates.

Hurricane Ian arrives

during the first quarter of Disney's 2025 fiscal year, which began in October. Goldman reduced its projection for earnings per share for fiscal 2025 from \$5.22 to \$5.14 due to the

expected disruptions caused by the storm.

Disney's theme-parks division has seen growth slow over the past two quarters.

Gucci Gets a New CEO As It Attempts Revamp

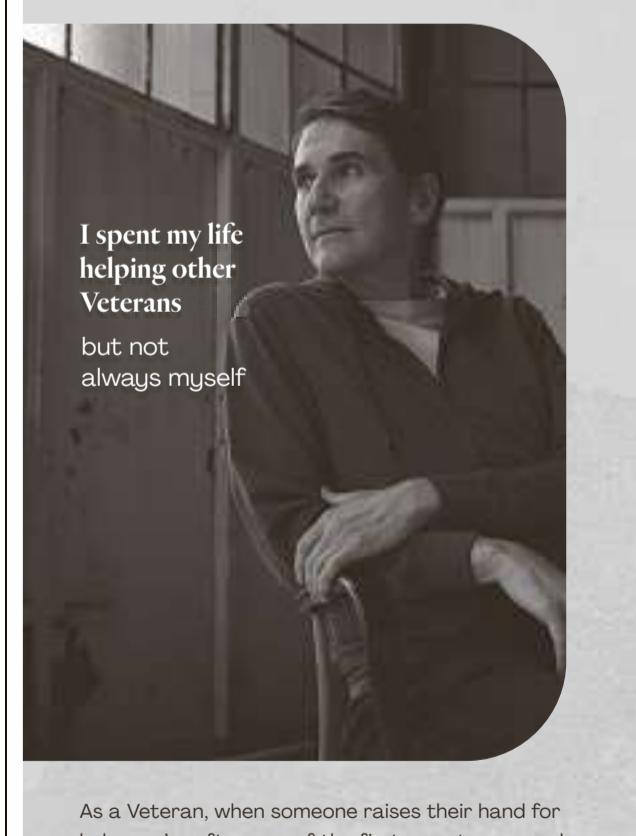
By CRISTINA GALLARDO AND MAURO ORRU

Kering appointed Stefano Cantino as chief executive of Gucci as the French luxury-goods giant seeks to revamp its flagship brand at a difficult time for the industry.

The group said Cantino, who served as Gucci's deputy CEO since May, would take the helm of the brand from Jean-François Palus in the new year. Cantino will have a seat on Kering's executive committee and will report to Francesca Bellettini, deputy CEO of Kering in charge of

brand development. The announcement comes as Kering—home to other brands such as Balenciaga and Yves Saint Laurent—seeks to inject new life into Gucci and reduce its reliance on seasonal designs and younger, less-affluent customers, and instead focus on higher-spending, aesthetically conservative customers.

After years of strong results fueled by a surge in demand for luxury goods, the industry is grappling with slowing sales globally. China's economic woes added to the wider slowdown.



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Vodafone, Google Expand Partnership for AI Features

By ADRIÀ CALATAYUD

Vodafone Group and **Alphabet's** Google expanded an existing partnership to add artificial-intelligence features across a range of products and services in a 10-year, billion-dollar deal.

The partnership between the U.S. technology giant and the U.K. telecommunications group aims to extend the use of devices powered by generative AI, through Google's Gemini models, to Vodafone's cus-

tomers in Europe and Africa, the companies said.

As part of the agreement, Vodafone will be able to offer Google One AI Premium subscription plans in select territories by next year and will add AI capabilities to its TV offering, the companies said.

Vodafone also will use Google Cloud's Vertex AI enterprise platform and develop a new cloud-security service, they added. The companies didn't detail the financial elements of the agreement.

Cyber Providers Are Wary of Going Public

Funding rounds and demand are up, but companies still shy away from IPOs

BY JAMES RUNDLE

Cybersecurity startups are seeing funding rounds rise from the doldrums of 2022, while their customers are spending money and rivals are acquiring each other. But few feel comfortable enough to plunge into public markets.

Part of the reluctance stems from the mixed results cybersecurity companies have posted since 2021, amid a tougher environment generally for technology companies. Cybersecurity sales have picked up, but changing customer spending behaviors have sometimes stretched contracts and caused uncertainty. Meanwhile, valuations for private companies plummeted in recent years as economic conditions tightened, and investors revised their calculations for when and where to deploy capital.

Nowhere is this more evident than in the pipeline for



The April listing of data company Rubrik was the first cybersecurity IPO since 2021.

over the next several years.

Merger-and-acquisition activity also has picked up. This month, **Darktrace** applied to delist from the London Stock Exchange as part of a \$5.3 billion acquisition by private-equity firm **Thoma Bravo**, while **CyberArk Software** completed its \$1.5 billion purchase of Venafi from the same firm. Also,

Check Point Software Technologies completed its acquisition of Cyberint, and industrial cyber provider **Dragos** announced that it bought Network Perception, both for undisclosed amounts.

That all followed **Mastercard's** September announcement that it plans to acquire cybersecurity intelligence company **Recorded Future** for \$2.65 billion.

While many companies say they are planning to list in the future, few are in a rush to do so. Cloud-security company **Wiz** will list once it reaches \$1 billion in annual recurring revenue, said Chief Executive Assaf Rappaport in a July email to staff, after talks regarding a proposed \$23 billion acquisition by **Alphabet's** Google fell apart.

At email-security company

Abnormal Security, which raised \$250 million in Series D financing in August, Chief Executive Evan Reiser said the company is provisionally planning to list in its 2025 fiscal year and preparing for that. However, the date could easily change depending on market conditions and the company's needs, he said.

"We have to plan for a very specific milestone, but your attitude and mindset is like, it's going to happen at some point," he said.

Thousands of companies sell cybersecurity products, but only around 70 that wholly or primarily focus on security are publicly traded.

"From an investment perspective, the need to have exposure to that creates a little bit of imbalance in supply and demand," said TD Cowen's Eyal.

The S&P Kensho Cyber Security Index from S&P Global, which tracks around 30 U.S. cybersecurity stocks with a market capitalization of \$300 million or more and that have more than \$2 million in daily traded value, has returned 28.15% over the past year.

"There's healthy demand to own these assets," Eyal said.

Samsung Trails in AI Chips

Continued from page B1
needed.

On Tuesday, Samsung estimated its operating profit for the July-September quarter was the equivalent of about \$6.8 billion. That was nearly four times the figure a year ago but still only about half the recent peak in 2021.

Samsung's share price has dropped by around 23% since the beginning of this year, while shares of two rival makers of

high-bandwidth memory—South Korea's SK Hynix and **Micron Technology** of the U.S.—have gained more than 20%. TSMC's shares have jumped about 70% this year.

The divergence reflects who is dominating AI-related hardware. Training and operating generative AI models such as the one behind the chatbot ChatGPT requires advanced processor chips, most often from **Nvidia**. Those chips in turn work with high-bandwidth memory chips to enable the type of algorithms powering generative AI systems.

SK Hynix has emerged as the main supplier of high-bandwidth memory chips to Nvidia. While SK Hynix and Micron began supplying the newest generation of these chips to Nvidia

this year, Samsung is still in the final stages of passing Nvidia's quality standards, according to people familiar with the matter.

Samsung on Tuesday acknowledged delays in bringing the latest version of high-bandwidth memory, HBM3E, to major customers.

"AI is the way to go, but Samsung made a lot of mistakes" that "are taking time to rectify," said Sanjeev Rana, a Seoul-based technology analyst at brokerage CLSA.

In May, Samsung replaced the head of its semiconductor business, who had admitted to early missteps in developing the AI memory chips.

In 2019, Samsung laid out its vision to become the No. 1 player not only in memory chips but also in the logic-chip

foundry and chip-design businesses by 2030. The foundry business involves making chips on a contract basis for customers such as Nvidia, **Qualcomm** and **Apple** that design chips but don't have their own factories to manufacture them.

But Samsung's gap with TSMC has only widened. TrendForce, a research firm, estimates that TSMC's share of global foundry revenue this year will be about 64%, up from 51% in 2019. Samsung's share is forecast at 10%, down from 16% over the same period.

In recent months, Samsung's foundry division has decided to delay installing equipment at facilities in Pyeongtaek, South Korea, and Taylor, Texas, as part of cost-cutting measures, according to people familiar

with the matter. A Samsung spokesman said there was no change to the construction schedule for both sites.

While TSMC has focused solely on making chips for customers since its founding, Samsung's traditional strength lies in memory chips where all steps from design to manufacturing are handled in-house. Intel, with roots as an all-in-one logic chip designer and producer, has similarly struggled to build out its foundry business. TSMC also maintains a lead in advanced chip packaging, an area that is rising in importance for improving chip performance.

On the consumer-electronics side, Samsung has been trimming global head count, focusing on support staff in roles such as sales and marketing, ac-

cording to people familiar with the matter. A Samsung spokesman said some overseas subsidiaries were conducting routine workforce adjustments to improve efficiency.

Overall growth in smartphones has slowed down in recent years amid economic uncertainties and lengthier phone-upgrade cycles. In recent years, Samsung ceded share to Apple in the high-end segment while battling Chinese competitors in less-expensive phones that run the Android operating system. Smartphones with AI capabilities have yet to become a must-have for consumers.

But there was a sign of promise in Tuesday's earnings preview. Samsung said it saw strong sales of its flagship smartphones in the quarter.

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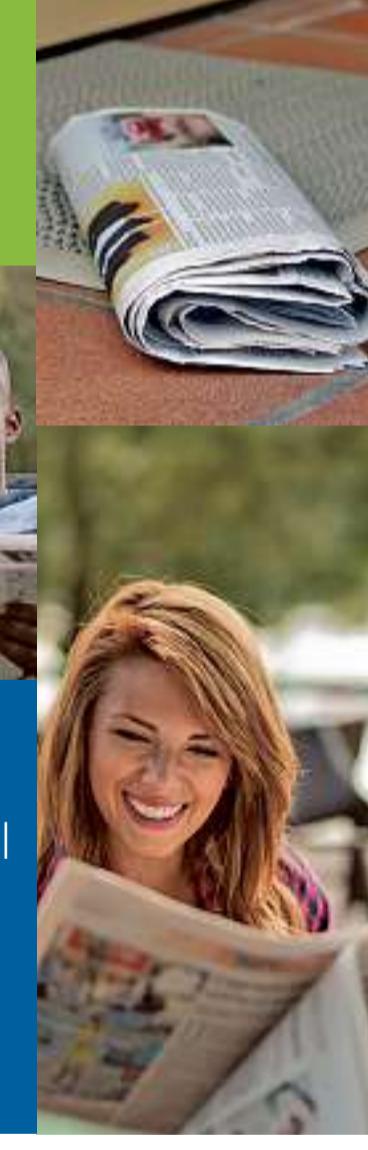
THE MEN'S ISSUE

'Outer Banks' star Chase Stokes strikes Hollywood gold

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THE PROPERTY REPORT

Robots Reshape Grocery-Delivery Business

Save A Lot pilot
uses automation to
help fill orders—and
keep prices down

By KATE KING

Robots are coming to compete with your neighborhood grocery store. And the company behind this technology says shoppers will save nearly one-third on their grocery bills.

The pilot program for this project is unfolding inside a small warehouse in Brooklyn, N.Y. Robotic arms pluck plastic bins filled with groceries and deliver them to dozens of robots on the ground. The robots send the items to workers, who pack them into grocery bags before handing them off to Uber drivers for delivery. The machine can assemble 50-item orders in six to eight minutes.

It is the first location in New York City in more than 20 years for discount grocery chain Save A Lot, which doesn't have any current plans to open traditional grocery store in New York City.

The facility starts taking orders this week and will save shoppers time and money, said Curt Avallone, co-chief executive of Fabric, an Israeli company that has developed the technology.

Grocery prices will be about 30% lower than those sold at a traditional supermarket thanks to the automation, he said.

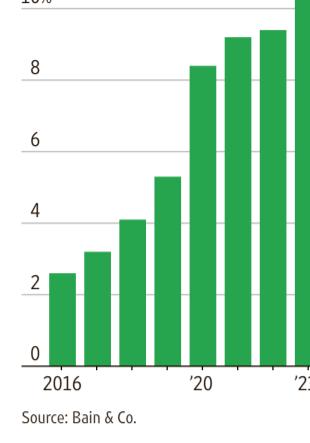
Avallone also said that the groceries can be delivered in as little as half an hour to Brooklyn customers within an 8-mile radius. That would be a big improvement over most supermarkets, which promise delivery in windows of four hours or more, he said.

The new automated micro-fulfillment center in Brooklyn is part of a movement to reinvent grocery delivery with robotics, making it faster and cheaper for consumers and companies.



Discount grocery chain Save A Lot is opening a micro-fulfillment center in Brooklyn, N.Y., to fill e-commerce orders for Uber Eats.

Source: Bain & Co.



ANN HERMES FOR WSJ

cery prices, Avallone says.

The entire fulfillment center is staffed by 10 people across two shifts, with workers largely responsible for loading groceries into the machine or customers' grocery bags.

Aly Waddy, secretary-treasurer of the United Food and Commercial Worker Union's Local 1500, which represents grocery and other food employees in New York, said she's worried that automated micro-fulfillment centers like this one will mean fewer jobs for her members.

"The way that we see it is, we're looking at a minimized workforce," she said.

Increased automation was one reason dockworkers at dozens of U.S. ports recently went on three-day strike, and the issue is still under negotiation after the two sides agreed to a contract extension through Jan. 15, 2025.

Fabric said its facilities have lower rates of turnover compared with a normal warehouse or grocery environment, in part because the work is less physically taxing with robots responsible for lifting heavy groceries.

While smaller than many other grocers, Save A Lot stores still typically need at least 12,000-square-feet of space for a traditional grocery store.

Wringing profits from online orders is challenging for all retailers, but it is especially hard for grocery e-commerce. The industry contends with thin profit margins and the complexity of assembling and delivering a wide variety of often perishable items: bananas bruise, milk spoils, ice cream melts.

Even fulfilling online orders for boxed or canned goods is time and labor-intensive. "You've got people walking around with cans of soup, putting them on the shelf and then the next day you pay a different set of people walking around to take it off the shelf and put it into a box," said Marshall Fisher, a professor at the University of Pennsylvania's Whar-

ton School. "It's not hard to see how it doubles labor costs."

Online grocery shopping has surged since the pandemic but still accounted for just 10% of total grocery sales in 2023, according to management consulting firm Bain & Co. Customers' growing interest in online grocery shopping, however, has compelled large grocery chains to search for cost-effective approaches.

Some grocers, such as

Trader Joe's, are avoiding online entirely. Others, such as **Wegmans**, work with third-party companies like **Instacart** and charge higher prices for items bought online.

Walmart, the nation's largest grocer, is building mini-warehouses next to existing

stores and stocking them with dozens of its bestselling items. Robots help assemble the orders for pickup or delivery, while workers manually collect the remaining items from the store.

Save A Lot, which operates 750 stores across the U.S., uses the third-party delivery services Instacart, Uber Eats and DoorDash to deliver online orders from about two-thirds of its stores.

The grocer's partnership with Fabric in Brooklyn is its first experiment with robotic-powered fulfillment of online orders, said Bill Mayo, chief operating officer of Save A Lot. Two more fulfillment centers are planned for New York City and Dallas.

As a licensee of Save A Lot, Fabric leased the warehouse, owns all the technology and purchases the groceries from the retailer.

Avallone said his facility solves some issues that have tripped up previous grocery delivery services and kept costs higher for shoppers. Save A Lot offers only a limited assortment, one type of wheat bread instead of 20, for example.

That means consumers have fewer choices. But it also allows for a smaller, less expensive real-estate footprint. The technical operations in Brooklyn are monitored from a command center in Tel Aviv, meaning Fabric doesn't need to have a high-paid technology specialist on site. The result is lower gro-

BUSINESS & FINANCE

A Furor Arises at CBS News

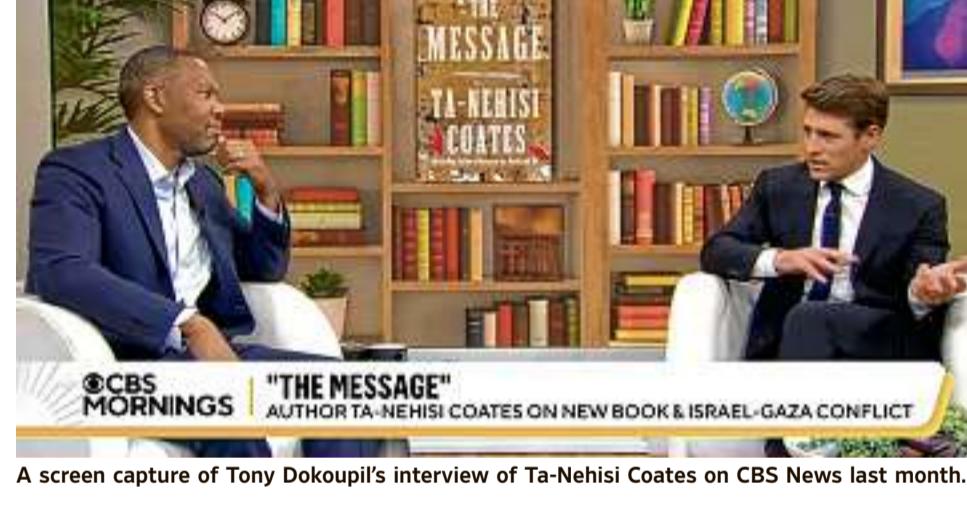
Continued from page B1
Interview violated editorial standards, according to a person familiar with the situation.

Redstone, who spends time speaking out against antisemitism, has told people that it was insensitive for CBS News to address the matter on Oct. 7, the anniversary of the Hamas attack on Israel.

Other elements of the questioning by Dokoupil, such as when he said Coates failed to include important historical context, also weren't part of the preplanning for the interview.

"Why leave out that Israel is surrounded by countries that want to eliminate it? Why leave out that Israel deals with terror groups that want to eliminate it?" Dokoupil asked. "Is it because you just don't believe that Israel in any condition has a right to exist?"

"There is no shortage of that perspective in American media," Coates replied.



A screen capture of Tony Dokoupil's interview of Ta-Nehisi Coates on CBS News last month.

Dokoupil, whose former wife and children live in Israel, is expected to address the issue with the morning-show team.

As in many newsrooms, tensions over coverage of the Middle East have been high inside CBS News, current and former staffers said.

After the interview, several dozen CBS staffers raised questions about Dokoupil's handling of the segment to CBS News President Wendy McMahon and Adrienne Roark, head of newsgathering and editorial manager, a person familiar with the situation said.

Inside CBS, tensions over the interview mounted throughout the past week and weekend. In Monday's editorial meeting, CBS executives addressed the matter without calling out Dokoupil by name.

"This goes way beyond one interview, one comment, one story. This is about preserving the legacy of neutrality and objectivity that is CBS News," Roark said, according to a person familiar with the meeting.

Roark added the network will still report objectively and ask tough questions but, "we have to check our bias and opinions at the door."

Soon after the meeting ended, the publication The Free Press posted audio from it in an article titled, "How Is CBS Marking October 7? By Admonishing Tony Dokoupil."

Some executives and staffers were concerned that Dokoupil, in their view, monopolized the conversation. Co-host Gayle King was set to ask Coates about Hamas's role in the conflict with Israel.

She and Nate Burleson, the morning show's third host, were mostly sidelined during the Dokoupil-Coates discussion.

During an interview on Trevor Noah's podcast, Coates said King's copy of his book was full of handwritten notes and that she told him what she planned to ask about.

It isn't unheard of for an anchor to go off script or speak in passionate terms about an issue in the news.

King made pointed comments during a May 2020 broadcast about a woman in New York City's Central Park who called police, falsely claiming she was being threatened by a black male. That story came days after the George Floyd killing by police, leading King to remark that "sometimes it's not a safe place to be in this country for Black men."

King has been outspoken on issues such as guns and abortion.

There were two other segments involving Dokoupil from the Sept. 30 broadcast that some CBS executives and staffers weren't pleased with, people familiar with the matter said.

In one, Dokoupil wrapped up a report from CBS foreign correspondent Imtiaz Tyab that raised eyebrows among network staffers and leadership, the people said.

Tyab was filing a report from Beirut on Israel's air-strikes and its assassination

of Hezbollah leader Hassan Nasrallah and commenting on the increased violence in the area. Tyab closed with: "Israel is preparing for some kind of ground invasion, something that has the potential of being far deadlier than anything we've seen so far."

Dokoupil then commented that, "If Hezbollah thought that Israel was going to graciously take a year full of rockets, Hezbollah miscalculated."

Tyab could be seen looking displeased with the remark as his camera went off.

Last Monday's broadcast wasn't the first time CBS News staffers raised questions about Dokoupil. Last April, in a report about a pro-Palestinian student not being allowed to deliver her valedictorian address, Dokoupil set off some alarm bells when he said there is a "bigger question about what is acceptable public speech."

In an email to staff Monday night, "CBS Mornings" executive producer Shawna Thomas said staffers wouldn't be able to attend Tuesday's morning show editorial meeting from home via video call, an effort to curb leaks.

—Isabella Simonetti contributed to this article.

X Cleared To Operate In Brazil

Continued from page B1

Musk's compliance with the court's orders marks a dramatic about-face for the billionaire since the platform was banned on Aug. 30. Vowing to fight for free speech on behalf of Brazil's more than 200 million people, Musk made a point of refusing to bow to the court's demands over recent months, accusing the country's authorities of authoritarianism and censorship.

But millions of Brazilians, including top companies and President Luiz Inácio Lula da

Silva, simply switched to rival social-media platforms such as Threads and Bluesky—a trend that analysts said had likely raised concerns for X's business.

"X can't afford to lose Brazil, literally and figuratively," said Jasmine Enberg, principal analyst at market research firm Emarketer, adding that Brazil represents one of X's biggest markets.

In September, X said access to the social-media platform in Brazil was "essential for a thriving democracy," adding in a post on the platform that it would continue to "defend freedom of expression and due process of law through legal processes."

Brazil's Supreme Court banned X following a ruling by Justice Alexandre de Moraes, who accused the platform of spreading disinformation and fostering hate

speech, as well as failing to pay fines or appoint a legal representative in the country.

It was the first weeks-long ban on any major social-media platform in Brazil, as Latin America's biggest country struggles to introduce tighter regulations on what can—or cannot—be said online. Brazil's courts have also imposed bans on the messaging apps WhatsApp and Telegram over recent years, accusing them of failing to cooperate in similar probes into hate speech, but those shutdowns typically lasted only several hours.

As part of its ban, the Supreme Court had ruled that anyone caught accessing X via a virtual private network, or VPN, would be subject to a fine of about \$8,900, more than twice Brazil's minimum annual wage.

The ban soon escalated

into a public battle between Musk and de Moraes, who has positioned himself as a defender of Brazilian democracy in the face of rising political extremism.

While thousands of supporters of right-wing former President Jair Bolsonaro came out to protest the ban in São Paulo in September, polls show that Musk did not have the support of many others.

Some 44% of Brazilians said they had a "negative impression" of Musk in a survey in September by polling firm AtlasIntel.

Tensions deepened further in September when X switched network providers, a move that temporarily restored access to the platform for some Brazilian users.

De Moraes accused Musk of deliberately trying to circumvent the ban and undermine the court's authority.



The decision comes after X's Elon Musk made concessions.

EVARISTO SA/AFP/GT IMAGES

BUSINESS & FINANCE

Short Seller Takes Aim At Roblox

Continued from page B1
civility are core to its mission and that it invests heavily in moderation technology, including artificial intelligence.

The Wall Street Journal hasn't independently verified the report's allegations.

Shares of Roblox fell sharply Tuesday morning but regained some ground to finish 2.1% lower.

Roblox is free and populated mostly with games made by its own users, many of whom are under the age of 13. The company, which is unprofitable, has a market value of \$27 billion and generated \$2.8 billion in revenue last year. The spokeswoman said its bookings, a figure it has emphasized with investors, grew more than 20% in the past 12 months.

In August, Roblox was blocked in Turkey for allegedly containing content that exploits children. The company has said it is working with local authorities there to resolve the matter.

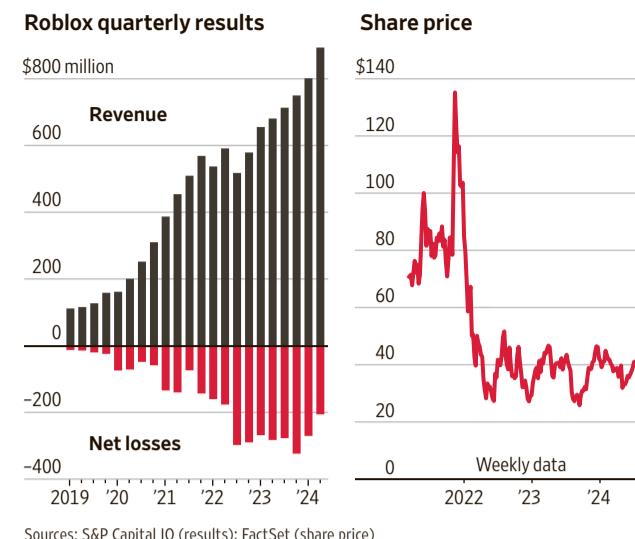
Hindenburg's business is designed to generate profits both from bets against their targets' shares as well as awards paid by the Securities and Exchange Commission's whistleblower program, which offers tipsters up to 30% of penalties the agency collects from an investigation.

Counting users

Roblox generates revenue mainly from sales of virtual currency and advertising, where the measure of daily active users is a key metric.

Roblox most recently said it had 79.5 million daily active users on its platform who spent 17.4 billion hours during the quarter ended June 30.

Hindenburg's Roblox report points out the company at-



Sources: S&P Capital IQ (results); FactSet (share price)

tracted high-profile investors such as Cathie Wood's **ARK Invest**.

The firm accuses Roblox of telling investors and the SEC contradictory information about how it measures users and engagement—essential numbers for showing the platform's popularity.

Hindenburg estimates that for years the company has been inflating its daily user numbers by 25% to 42% and its engagement hours by 100%.

Hindenburg said it hired technical consultants to design a system to monitor Roblox game servers over a 10-day period to test its thesis and found many games that remained active for more than 24 hours straight without interruption.

In one example, the report says Roblox's second-most-visited game, "Blox Fruits," was dominated by traffic from Vietnam, where numerous Facebook groups—each with tens of thousands of members—run more than 20 Roblox bots at a time.

"A former data scientist told us that activity in Vietnam inflated a lot of our numbers. Like crazy, insane," the report says, referring to daily user engagement.

The firm claims Roblox has been counting bots as users and treating multiple accounts made by the same individuals as unique users. It further accuses Roblox of telling inves-

tors and advertisers that its daily-active-user figure represents unique people, while telling the SEC it can't measure the number of unique individuals on its platform.

Child safety

Hindenburg said it registered itself as a child under the age of 13 and claimed to find chat rooms with tens of thousands of users openly soliciting sexual favors and trading child pornography. It said it was able to access games such as "Escape to Epstein Island" and "Diddy Party," a reference to rapper Sean "Diddy" Combs, who was indicted last month on sex-trafficking charges.

The firm said Roblox's social-media features allow pedophiles to "efficiently target hundreds of children."

With its child account, Hindenburg said it conducted a search of the word "adult" and the results led it to an experience on Roblox called "Adult Studios" with 3,334 members openly trading child pornography and soliciting sexual acts from minors.

The experience is now marked as "blocked."

Hindenburg said it tracked some of the members and found 38 more groups—one with 103,000 members—doing the same. It said chat rooms trading in child pornography had no age restrictions.

Green Hydrogen's Cost Is Steep, Study Says

Capturing CO₂ from atmosphere is more cost effective in U.S., researchers write

BY YUSUF KHAN

A Harvard University study casts doubt on the viability of hydrogen as a fuel in the U.S.

The researchers say the costs of producing, moving and storing the gas are higher than they are for using fossil fuels and removing carbon from the atmosphere afterward.

The study, published Tuesday in the scientific journal Joule, says for every metric ton of carbon dioxide it now reduces, green hydrogen costs between \$500 and \$1,250. But carbon capture and storage prices currently range between \$100 and \$1,000 a ton, making it more viable to simply extract atmospheric carbon dioxide instead.

"The argument made is that hydrogen is expensive now but [production] costs will come down," said Roxana Shafiee, postdoctoral researcher at the Harvard University Center for the Environment who led the study.

"If you look at the value proposition as a whole, there is no way [it's cost effective]. It has to be cost competitive."

Hype around hydrogen and in particular green hydrogen, which is made through renewable energy, cooled this year, as rising costs and low interest from energy producers and heavy industry put a number of projects on hold.

Policy makers had seen the gas, which can be burned and create the high temperatures needed to produce materials like cement and steel in an environmentally friendly way, as a sort of Swiss-army knife for



Pierre-Etienne Franc of specialist investment manager Hy24.

clean energy production, Shafiee said. "People are becoming more and more skeptical of hydrogen and challenging this notion of a silver bullet."

The report comes a week after the International Energy Agency published its latest global review on the hydrogen economy, which noted global hydrogen demand reached 97 million tons in 2023, an increase of 2.5% compared with 2022.

While hydrogen demand is growing, the Paris-based organization noted most of the potential production is still in planning and that "for the full project pipeline to materialize, the sector would need to grow at an unprecedented compound annual growth rate of over 90% from 2024 until 2030, well above the growth experienced by solar PV during its fastest expansion phases."

It added that "unclear demand signals, financing hurdles, delays to incentives, regulatory uncertainties, licensing and permitting issues and op-

erational challenges" were the main barriers to growth.

"The hype was so strong that it was expecting hydrogen to deliver in 10 years what LNG has not been able to achieve in 50 years, nor nuclear, which has hardly achieved half of this progress in 70 years," said Pierre-Etienne Franc, CEO of Hy24, a clean-hydrogen specialist investment manager.

"People are getting realistic with what it takes to deliver a significant new energy wave—the last needed to make the transition work."

Franc added the U.S. is "marching ahead" with blue hydrogen, pointing to several large projects in the U.S. reaching final investment decisions.

Blue-hydrogen projects involve production of hydrogen using fossil fuels as an energy source, with the carbon emissions then being captured. In the U.S., the 45Q tax-credit program provides credits to encourage investment in carbon capture and storage.

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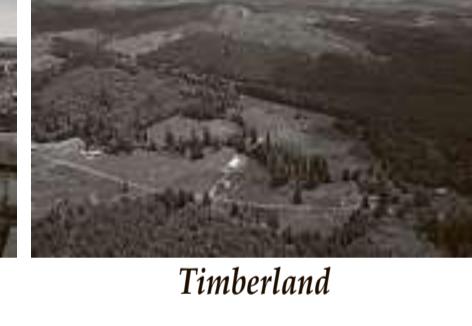
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- 40± acre recreation tract near Leavenworth, WA to be sold with **No Minimum Bid**

Sealed Bids due November 13, 2024

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BIGGEST 1,000 STOCKS

Continued From Page B8

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				
InfoSys	INFY	23.32	.01	Macom Tech	MTSI	112.80	-.91	Nutrience	NTRN	61.19	.07	RegalRefridgeration	RXX	165.49	-.86	Schlumberger	SLB	44.14	-1.45	Stryker	SYK	350.79	5.65	TenetHealthcare	THC	150.75	-2.12
IngersollRand	IR	98.87	-.15	MAGNITech	MGM	177.52	-.31	NutriSystem	NTRX	48.11	-.46	RegencyCtrs	REG	70.16	-.25	SchwabC	SCHW	64.90	.61	SumitomoMits	SMFG	12.62	-.36	Unilever	UL	62.89	.66
Ingredion	INGR	134.03	.03	MGM Resorts	MGM	39.81	-.19	oNtel	NTWR	48.57	-.10	RegionsFinl	REG	22.74	-.07	Sea	SEA	95.33	.18	SumitomoMits	SMFG	12.62	-.36	UnionPacific	UNP	237.56	.69
Insmed	INSM	71.37	.07	MLPX	MLPX	47.38	-.29	oNtel	NTWR	70.66	-.11	Reliance	RGA	213.63	2.17	Seagate	STX	108.65	2.52	UnitedAirlines	UAL	60.01	.03				
Insulet	PDO	229.33	1.54	MSCI	MSCI	596.83	12.24	oNVIDIA	NVDA	132.89	5.17	ReinGroup	RGA	283.46	-.21	Sempra	SE	81.00	-.10	UnitedMicro	UMC	81.87	-.06				
InteractiveBrks	IBKR	147.59	-.08	Magnavntl	MAGN	40.49	-.05	oNVIDIA	NVDA	207.00	1.00	Renault	RTO	23.55	-.07	Serviceline	SCI	73.39	-.61	Suncom	SUN	52.13	-.12				
ICE	ICE	162.09	2.55	MarketMyt	MMYT	99.47	4.55	oNVIDIA	NVDA	207.00	1.00	Renault	RTO	92.00	16.06	ServiceNow	NOW	109.62	1.31	SuperMicroComp	SMCI	45.55	-.29				
InterContHlts	IHG	110.71	.01	MarketMyt	MMYT	286.28	5.61	oNVIDIA	NVDA	207.00	1.00	Renault	RTO	92.00	16.06	ShinhanFin	SHW	373.40	5.62	T	TUV	176.30	1.33				
Int'lFlavor	IFF	102.44	.26	Marsteller	MFR	29.82	-.07	oNVIDIA	NVDA	207.00	1.00	Revolvntl	RTO	92.00	16.06	Shopify	SPI	82.58	1.72	TC Energy	TRP	44.69	-.17				
Int'lPaper	IP	47.34	-.05	MarketMyt	MMYT	286.28	5.61	oNVIDIA	NVDA	207.00	1.00	Revolvntl	RTO	92.00	16.06	Shopify	SPI	167.23	-.70	TC Energy	TRP	44.69	-.17				
Interpublic	IPG	30.87	.21	MarketMyt	MMYT	286.28	5.61	oNVIDIA	NVDA	207.00	1.00	Revolvntl	RTO	92.00	16.06	Shopify	SPI	167.23	-.70	TC Energy	TRP	44.69	-.17				
Intuit	INTU	163.37	10.94	MarketMyt	MMYT	286.28	5.61	oNVIDIA	NVDA	207.00	1.00	Revolvntl	RTO	92.00	16.06	Shopify	SPI	167.23	-.70	TC Energy	TRP	44.69	-.17				
IntuitiveSurgical	ISRG	48.07	9.56	Marriott	MAR	254.59	1.42	oNVIDIA	NVDA	207.00	1.00	Revolvntl	RTO	92.00	16.06	Shopify	SPI	167.23	-.70	TC Energy	TRP	44.69	-.17				
InvatHome	INVH	33.19	-.01	MarshallMcLenn	MCLL	222.97	4.19	oNVIDIA	NVDA	207.00	1.00	Revolvntl	RTO	92.00	16.06	Shopify	SPI	167.23	-.70	TC Energy	TRP	44.69	-.17				
Iron Mountain	IRM	118.84	2.07	MarshallMcLenn	MCLL	222.97	4.19	oNVIDIA	NVDA	207.00	1.00	Revolvntl	RTO	92.00	16.06	Shopify	SPI	167.23	-.70	TC Energy	TRP	44.69	-.17				
ItauUnibanco	ITUB	64.42	-.02	MarshallMcLenn	MCLL	222.97	4.19	oNVIDIA	NVDA	207.00	1.00	Revolvntl	RTO	92.00	16.06	Shopify	SPI	167.23	-.70	TC Energy	TRP	44.69	-.17				
J K L				MarshallMcLenn	MCLL	222.97	4.19	oNVIDIA	NVDA	207.00	1.00	Revolvntl	RTO	92.00	16.06	Shopify	SPI	167.23	-.70	TC Energy	TRP	44.69	-.17				
JD.com	JD	43.54	-.54	MarketMyt	MMYT	286.28	5.61	oNVIDIA	NVDA	207.00	1.00	Revolvntl	RTO	92.00	16.06	Shopify	SPI	167.23	-.70	TC Energy	TRP	44.69	-.17				
JPMorganChase	JPM	210.75	-.18	MarketMyt	MMYT	286.28	5.61	oNVIDIA	NVDA	207.00	1.00	Revolvntl	RTO	92.00	16.06	Shopify	SPI	167.23	-.70	TC Energy	TRP	44.69	-.17				
Jabil	JBL	123.34	1.04	MarketMyt	MMYT	286.28	5.61	oNVIDIA	NVDA	207.00	1.00	Revolvntl	RTO	92.00	16.06	Shopify	SPI	167.23	-.70	TC Energy	TRP	44.69	-.17				
JackHenry	JHY	191.29	1.48	MarketMyt	MMYT	286.28	5.61	oNVIDIA	NVDA	207.00	1.00	Revolvntl	RTO	92.00	16.06	Shopify	SPI	167.23	-.70	TC Energy	TRP	44.69	-.17				
JacobsSolvns	JLL	137.35	1.62	MarketMyt	MMYT	286.28	5.61	oNVIDIA	NVDA	207.00	1.00	Revolvntl	RTO	92.00	16.06	Shopify	SPI	167.23	-.70	TC Energy	TRP	44.69	-.17				
JamesHerdle	JHR	36.99	-.01	MarketMyt	MMYT	286.28	5.61	oNVIDIA	NVDA	207.00	1.00	Revolvntl	RTO	92.00	16.06	Shopify	SPI	167.23	-.70	TC Energy	TRP	44.69	-.17				
JefferiesFinl	JEF	63.66	.28	MarketMyt	MMYT	286.28	5.61	oNVIDIA	NVDA	207.00	1.00	Revolvntl	RTO	92.00	16.06	Shopify	SPI	167.23	-.70	TC Energy	TRP	44.69	-.17				
JKL				MarketMyt	MMYT	286.28	5.61	oNVIDIA	NVDA	207.00	1.00	Revolvntl	RTO	92.00	16.06	Shopify	SPI	167.23	-.70	TC Energy	TRP	44.69	-.17				
JPM	JPM	210.75	-.18	MarketMyt	MMYT	286.28	5.61	oNVIDIA	NVDA	207.00	1.00	Revolvntl	RTO	92.00	16.06	Shopify	SPI	167.23	-.70	TC Energy	TRP	44.69	-.17				
JPMorganChase	JPM	210.75	-.18	MarketMyt	MMYT	286.28	5.61	oNVIDIA	NVDA	207.00	1.00	Revolvntl	RTO	92.00	16.06	Shopify	SPI	167.23	-.70	TC Energy	TRP	44.69	-.17				
Jabil	JBL	123.34	1.04	MarketMyt	MMYT	286.28	5.61	oNVIDIA	NVDA	207.00	1.00	Revolvntl	RTO	92.00	16.06	Shopify	SPI	167.23	-.70	TC Energy	TRP	44.69	-.17				
JackHenry	JHY	191.29	1.48	MarketMyt	MMYT	286.28	5.61	oNVIDIA	NVDA	207.00	1.00	Revolvntl	RTO	92.00	16.06	Shopify	SPI	167.23	-.70	TC Energy	TRP	44.69	-.17				
JacobsSolvns	JLL	137.35	1.62	MarketMyt	MMYT	286.28	5.61	oNVIDIA	NVDA	207.00	1.00	Revolvntl	RTO	92.00	16.06	Shopify	SPI	167.23	-.70	TC Energy	TRP	44.69	-.17				
JamesHerdle	JHR	36.99	-.01	MarketMyt	MMYT	286.28	5.61	oNVIDIA	NVDA	207.00	1.00	Revolvntl	RTO	92.00	16.06	Shopify	SPI	167.23	-.70	TC Energy	TRP	44.69	-.17				
JefferiesFinl	JEF	63.66	.28	MarketMyt	MMYT	286.28	5.61	oNVIDIA	NVDA	207.00	1.00	Revolvntl	RTO	92.00	16.06	Shopify	SPI	167.23	-.70	TC Energy	TRP	44.69	-.17				
JKL				MarketMyt	MMYT	286.28	5.61	oNVIDIA	NVDA	207.00	1.00	Revolvntl	RTO	92.00	16.06	Shopify	SPI	167.23	-.70	TC Energy	TRP	44.69	-.17				
JPM	JPM	210.75	-.18	MarketMyt	MMYT	286.28	5.61	oNVIDIA	NVDA	207.00	1.00	Revolvntl	RTO	92.00	16.06	Shopify	S										

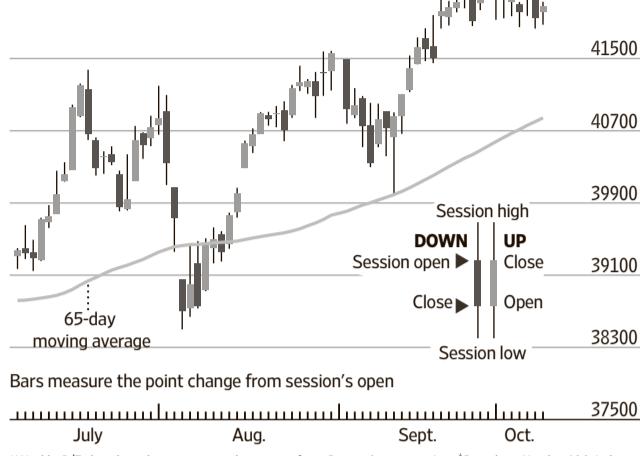
MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

42080.37 ▲126.13, or 0.30%
High, low, open and close for each trading day of the past three months.

Current divisor 0.15221633137872



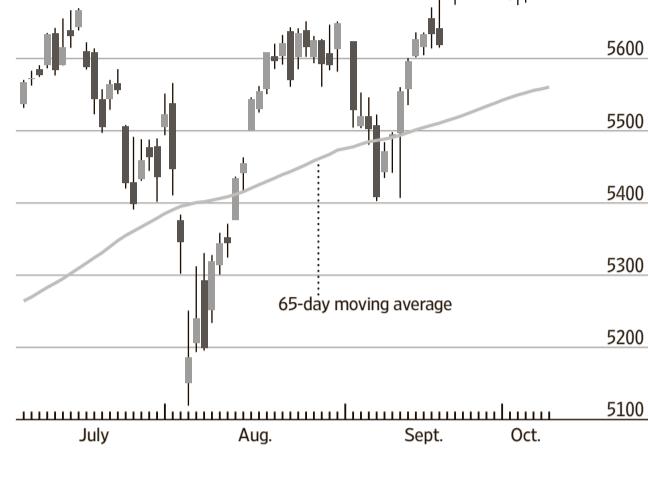
Bars measure the point change from session's open

July Aug. Sept. Oct.

*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; ¹Based on Nasdaq-100 Index

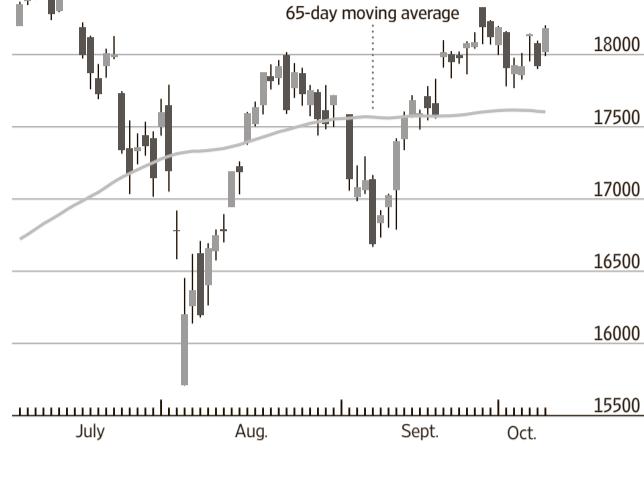
S&P 500 Index

5751.13 ▲55.19, or 0.97%
High, low, open and close for each trading day of the past three months.



Nasdaq Composite Index

18182.92 ▲259.01, or 1.45%
High, low, open and close for each trading day of the past three months.



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	42128.56	41874.72	42080.37	126.13	▲0.30	42352.75	32417.59	▲24.7	11.6	6.6
Transportation Avg	15923.72	15806.51	15863.60	80.86	▲0.51	16331.72	13556.07	▲5.2	-0.2	2.7
Utility Average	1036.43	1029.11	1030.31	2.94	▲0.29	1065.16	801.98	▲25.8	16.9	5.2
Total Stock Market	56957.77	56554.51	56896.72	495.45	▲0.88	57046.41	40847.04	▲31.1	19.1	7.7
Baron's 400	1227.26	1219.60	1225.02	2.80	▲0.23	1233.21	907.97	▲26.2	14.2	6.0

Nasdaq Stock Market

Nasdaq Composite	18203.04	17989.70	18182.92	259.01	▲1.45	18647.45	12595.61	▲34.1	21.1	7.6
Nasdaq-100	20132.67	19881.08	20107.78	307.04	▲1.55	20675.38	14109.57	▲32.9	19.5	10.7

S&P

500 Index	5757.60	5714.56	5751.13	55.19	▲0.97	5762.48	4117.37	▲32.0	20.6	9.4
MidCap 400	3107.51	3083.61	3096.61	1.38	▲0.04	3124.92	2326.82	▲24.0	11.3	4.8
SmallCap 600	1397.06	1386.51	1392.05	-1.26	▲-0.09	1435.83	1068.80	▲21.5	5.6	0.8

Other Indexes

Russell 2000	2201.91	2188.24	2194.98	1.89	▲0.09	2263.67	1636.94	▲23.6	8.3	-0.6
NYSE Composite	19452.82	19370.30	19435.03	2.73	▲0.01	19538.68	14675.78	▲25.8	15.3	5.6
Value Line	614.55	611.25	613.42	-0.23	▲-0.04	622.54	498.09	▲14.4	3.3	-2.2
NYSE Arca Biotech	5852.24	5814.27	5829.05	3.66	▲0.06	5949.95	4544.40	▲15.2	7.6	1.3
NYSE Arca Pharma	1073.95	1066.50	1069.58	2.64	▲0.25	1140.17	845.32	▲18.7	17.5	12.9
KBW Bank	114.99	114.19	114.52	0.04	▲0.03	115.93	71.71	▲48.1	19.3	-5.7
PHLX [®] Gold/Silver	154.85	152.82	154.81	-1.11	▲-0.71	167.37	102.94	▲40.9	23.2	7.8
PHLX [®] Oil Service	80.41	78.85	79.46	-2.28	▲-2.79	96.64	72.67	▲-14.8	-5.3	8.8
PHLX [®] Semiconductor	5282.56	5177.27	5266.10	69.30	▲1.33	5904.54	3185.18	▲49.9	26.1	17.5
Cboe Volatility	23.14	21.14	21.42	-1.22	▲-5.39	38.57	11.86	▲25.8	72.0	4.5

\$Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
World	MSCI ACWI	844.78	1.06	▲0.13	16.2
	MSCI ACWI ex-USA	346.37	-4.76	▲-1.35	9.4
	MSCI World	3694.30	15.55	▲0.42	16.6
	MSCI Emerging Markets	1156.23	-27.55	▲-2.33	12.9

Americas

MSCI AC Americas	2163.98	18.64	▲0.87	19.3	
Canada	S&P/TSX Comp	24072.51	-30.20	▲-0.13	14.9
Latin Amer.	MSCI EM Latin America	2209.75	-21.11	▲-0.95	-17.0
Brazil	Bovespa	131511.73	-506.11	▲-0.38	-2.0
Chile	S&P/IPS	3516.88	9.53	▲0.27	1.4
Mexico	S&P/BMV IPC	51764.64	-275.23	▲-0.53	-9.8

EMEA

STOXX Europe 600	516.64	-2.84	▲-0.55	7.9	
Eurozone	Euro STOXX	510.30	-1.78	▲-0.35	7.6
Belgium	Bel-20	4225.17	-39.01	▲-0.91	14.0
Denmark	OMX Copenhagen 20	2050.18	-8.35	▲-0.33	9.7
France	CAC 40	7521.32	-54.70	▲-0.72	-0.3
Germany	DAX	19066.47	-37.63	▲-0.20	13.8
Israel	Tel Aviv	2098.39	5.32	▲0.25	12.5
Italy	FTSE MIB	33733.90	-80.62	▲-0.24	11.1
Netherlands	AEX	910.19	-2.58	▲-0.28	15.7
Norway	Oslo Bors All-Share	1644.97	-22.33	▲-1.34	8.3
South Africa	FTSE/JSE All-Share	85491.22	-817.0	▲-0.95	11.2
Spain	IBEX 35	11734.70	-17.20	▲0.15	16.2
Sweden	OMX Stockholm	995.65	-5.45	▲-0.54	10.3
Switzerland	Swiss Market	12010.99	2.29	▲0.02	7.8</

COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures

	Contract	Open	High	Low	Settle	Chg	Open interest
	Open	High	hilo	Low	Settle	Chg	interest
Copper-High (CMX) -25,000 lbs.; \$ per lb.							
Oct	4,4280	4,4330	4,4065	4,4120	-0,1070	1,455	
Dec	4,5595	4,5810	4,4235	4,4565	-0,1100	139,205	
Gold (CMX) -100 troy oz.; \$ per troy oz.							
Oct	2639,00	2639,00	2609,30	2615,00	-29,80	336	
Nov	2649,60	2660,40	2612,70	2623,50	-30,50	1,275	
Dec	2662,80	2672,40	2623,40	2635,40	-30,60	445,477	
Feb'25	2685,30	2695,20	2646,40	2658,20	-30,90	40,097	
April	2705,30	2714,90	2667,20	2677,70	-31,20	22,711	
June	2723,60	2735,00	2686,80	2697,40	-31,50	11,231	
Palladium (NYM) -50 troy oz.; \$ per troy oz.							
Oct	1041,00	1049,50	1041,00	1003,60	-19,40	4	
Dec	1024,00	1031,50	992,50	1006,90	-19,40	17,773	
Platinum (NYM) -50 troy oz.; \$ per troy oz.							
Oct	965,90	965,90	953,20	951,70	-25,30	39	
Jan'25	985,60	988,30	961,00	962,00	-25,10	69,715	
Silver (CMX) -5,000 troy oz.; \$ per troy oz.							
Oct	31,385	31,405	30,575	30,355	-1,390	10	
Dec	31,945	32,020	30,345	30,600	-1,404	123,667	
Crude Oil, Light Sweet (NYM) -1,000 bbls.; \$ per bbl.							
Nov	77,33	78,46	72,69	73,57	-3,57	242,047	
Dec	76,63	77,70	72,12	72,98	-3,49	261,700	
Jan'25	76,17	77,04	71,73	72,54	-3,34	153,821	
March	74,95	75,91	71,08	71,87	-3,02	109,055	
June	73,82	74,53	70,37	71,15	-2,56	155,293	
Dec	71,69	72,35	69,92	69,92	-1,88	147,622	
NY Harbor ULSD (NYM) -42,000 gal.; \$ per gal.							
Nov	2,3952	2,4183	2,2705	2,2972	-0,090	108,319	
Dec	2,4090	2,4268	2,2830	2,3101	-0,0965	89,392	
Gasoline-NY RBOB (NYM) -42,000 gal.; \$ per gal.							
Nov	2,1550	2,1753	2,0449	2,0681	-0,0857	105,507	
Dec	2,1232	2,1515	2,0233	2,0467	-0,0836	76,427	
Natural Gas (NYM) -10,000 MMBtu.; \$ per MMBtu.							
Nov	2,733	2,781	2,699	2,733	-0,013	254,890	
Dec	3,202	3,230	3,162	3,199	-0,019	155,517	
Jan'25	3,479	3,501	3,435	3,462	-0,033	190,004	
Feb	3,373	3,394	3,331	3,357	-0,030	100,500	
March	3,113	3,127	3,070	3,103	-0,020	174,722	
April	2,976	2,990	2,944	2,974	-0,012	84,387	

Agriculture Futures

Corn (CBT)-5,000 bu.; cents per bu.

Dec	426,00	428,00	419,25	420,75	-5,25	735,558
March'25	442,50	444,50	436,50	438,25	-4,50	331,988

Oats (CBT)-5,000 bu.; cents per bu.

Dec	393,00	396,75	380,75	389,00	-6,75	3,284
March'25	388,00	393,25	381,00	386,00	-5,25	610

Soybeans (CBT)-5,000 bu.; cents per bu.

Nov	1032,50	1039,50	1011,50	1016,25	-17,75	374,017
Jan'25	1051,50	1058,00	1030,25	1034,50	-18,00	181,942

Soybean Meal (CBT)-100 tons; \$ per ton.

Oct	324,00	324,70	322,80	323,60	-1,20	361
Dec	324,00	326,40	319,60	323,00	-1,00	244,478

Soybean Oil (CBT)-60,000 lbs.; cents per lb.

Oct	43,38	43,92	42,80	43,37	-1,19	404
Dec	44,64	44,91	42,53	43,09	-1,48	238,959

Rough Rice (CBT)-2,000 cwt.; \$ per cwt.

Nov	15,14	15,27	15,09	15,14	.02	7,664
Jan'25	15,26	15,40	15,21	15,27	.03	1,517

Wheat (CBT)-5,000 bu.; cents per bu.

Dec	592,75	599,00	587,50	594,75	2,25	212,195
March'25	618,00	622,75	611,50	618,25	1,75	97,603

Wheat (KC)-5,000 bu.; cents per bu.

Dec	603,00	609,25	598,25	603,75	.50	126,936
March'25	619,50	626,00	614,75	620,25	.25	58,688

Cattle-Feeder (CME)-50,000 lbs.; cents per lb.

Oct	249,150	250,625	248,525	250,325	1,475	7,190
Nov	249,350	250,725	248,275	250,300	1,150	18,747

Cattle-Live (CME)-40,000 lbs.; cents per lb.

Oct	187,475	188,650	187,400	188,475	1,000	14,303
Dec	186,800	187,975	186,725	187,875	.850	138,358

Hogs-Lean (CME)-40,000 lbs.; cents per lb.

Oct	84,100	84,400	83,97

FINANCE

Two New Funds Target Wealthy Individuals

The Hamilton Lane vehicles aim to give investors access to infrastructure assets

By LUIS GARCIA

Hamilton Lane has launched two evergreen funds to provide wealthy individuals access to investments in established infrastructure assets such as renewable-energy plants, data centers and waste-management systems.

Hamilton Lane Global Private Infrastructure Fund is open to qualified investors from markets that include Europe and the Middle East, as well as Southeast Asia, Australia, Canada and Latin America. Hamilton Lane

Private Infrastructure Fund, in turn, is open to U.S. investors, according to the Conshohocken, Pa.-based firm. That fund has a \$1 billion maximum offering amount, according to regulatory filings.

Investors who don't back the fund through a financial intermediary must be accredited—or typically earn at least \$200,000 a year or have a net worth of more than \$1 million, excluding a primary residence, the filings show. The new evergreen funds will allow investors to periodically withdraw a portion of their capital either on a monthly or quarterly basis, Hamilton Lane said.

The funds joined three other evergreen funds that Hamilton Lane manages across private equity and credit strategies, as the

firm saw an opportunity to capitalize on growing demand for assets that can protect against inflation, said Peter Larsen, a managing director at Hamilton Lane's real assets investments group. At the end of August, Hamilton Lane managed a total of roughly \$8.1 billion through its evergreen funds. Overall, the firm managed or advised on more than \$940 billion in assets as of June 30, according to Hamilton Lane.

"Interest in infrastructure has included institutional investors for a long period of time. But more recently, smaller investors also have expressed interest in adding infrastructure into their portfolios," Larsen said. "Inflation in the post-Covid environment was one factor that spurred the additional interest."

Hamilton Lane focuses on infrastructure operators in the power, energy, environmental, transportation as well as data and telecommunications sectors, according to the firm. It seeks to benefit from efforts to reduce carbon emissions as well as from rising demand for data centers, fiber networks and cell towers, he said. The firm favors "asset-heavy investments that provide essential services," typically with revenue tied to long-term contracts with users, he added.

In a deal in August, Hamilton Lane tapped the new funds to back a preferred-equity investment in **VFN Holdings**, a Boulder, Colo.-based fiber infrastructure operator and broadband-internet provider. Hamilton Lane participated in the \$80 million

deal alongside private-equity firm **Delta-v Capital**.

A shift to clean energy has attracted more capital to relatively new technologies such as hydrogen fuels, battery systems, carbon capture and electrical vehicles. As a result, some investors have extended the definition of infrastructure to assets that aren't yet mature or generate a steady income, according to industry consultants. Mario Giannini, Hamilton Lane's executive co-chairman and former chief executive, was one of a number of investment-firm leaders that have cautioned about the new definitions of infrastructure.

"We define infrastructure in the traditional sense," Larsen said. "We've seen a lot of infrastructure-adjacent investment activity out there in the market

and some of that has come into infrastructure portfolios."

"We really think that some of those adjacent strategies would actually belong more to the [riskier] private-equity side," he added.

For example, Larsen said Hamilton Lane will avoid investing in battery- and renewable-energy-project operators that look to take advantage of fluctuations in electricity prices. The firm also wouldn't invest in infrastructure-focused providers of services and equipment that may benefit from rising infrastructure markets, but would be less protected in a downturn because they don't own the infrastructure assets, he added.

"We'd rather own the mine than the picks and shovels," Larsen said.

Renovus Capital Collects \$875 Million for Buyouts

By ROD JAMES

Renovus Capital Partners has surpassed its target for its latest fund to acquire businesses in the knowledge and talent sectors at a time when many smaller asset managers have struggled to attract investors.

Wayne, Pa.-based Renovus raised \$875 million for Renovus Capital Partners IV Core Buyout and related vehicles, including a \$50 million commitment from the firm, which had a \$750 million goal for the fund. Renovus said it plans to use the pool to back education and human-capital-related companies in the technology, healthcare and professional services sectors, among others.

Investors in the fund include the U.S. Small Business Administration, which extends low-

cost, government-backed capital to buyout firms to provide financial support to small businesses, the firm said.

A predecessor investment program closed to new investors in December 2021 with commitments totaling \$500 million.

With its latest vehicle, Renovus aims to acquire control positions in businesses with less than \$10 million in adjusted pretax earnings and no institutional backing, according to Jesse Serventi, a founding partner of the firm.

"Founder-owned businesses have built something that is working but they've done it with very limited resources," Serventi said. Renovus brings financial and operational resources to help professionalize these businesses, of which there are tens of thousands in the U.S.

alone, and expand them by acquiring smaller peers, he added.

On Monday, Renovus said it acquired a majority stake in Angeion Group, a Philadelphia-based provider of services for managing class-action lawsuit settlements. Angeion expects Renovus to help it build out its management team, expand its client service and delivery teams, and boost investment in proprietary technology, according to Renovus.

The firm raised its latest fund even as private-equity investors in recent years have tended to allocate growing amounts of capital to the largest fund managers. Cash constraints and over-allocation issues related to a slack mergers and acquisitions market have led many institutional investors to take fewer risks and make placing capital with big, well-es-

tablished firms a priority. The 25 largest fund raisings in private markets accounted for 41% of all capital raised by closed-end funds last year, according to a McKinsey & Co. report. Fewer than 1,700 funds of less than \$1 billion closed during the year, or about half the total in 2022 and the fewest of any year since 2012, the industry consultant said.

Atif Gilani, another Renovus founding partner, attributed the firm's success in its latest fund-raising effort to a consistent, transparent strategy as well as the strong performance of predecessor funds.

In April, Renovus led the HEC Paris Business School's ranking of more than 600 buyout firms focused on smaller companies, based on returns

over a 10-year period. Renovus led the rankings for the second straight year.

The firm also benefits from investing big in its own funds, a practice giving leaders of companies Renovus backs confidence that the firm's interests are aligned with their own, Gilani said. Renovus staff chipped in \$50 million to its latest fund, or about 5.7% of the total.



Renovus founding partners Brad Whitman, left, Jesse Serventi, center, and Atif Gilani.

RENOVUS CAPITAL PARTNERS

AMAZON PRIME BIG DEAL DAYS

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MARKETS

Focus Turns to Nontech Sector

By HARDIKA SINGH

Several low-key sectors have been leading the stock market higher in recent weeks. Their gains will soon be put to the test.

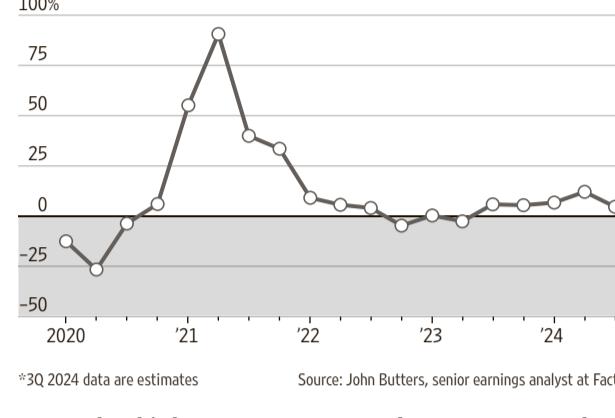
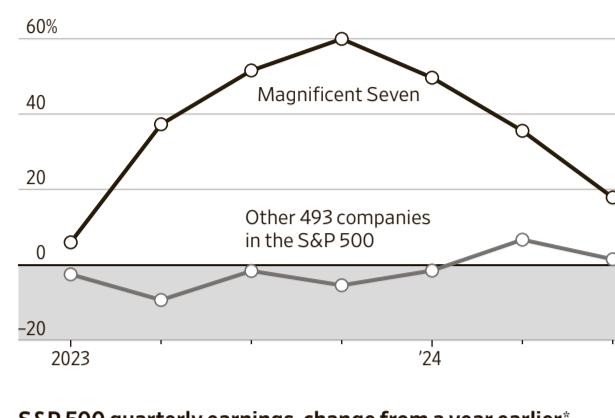
The S&P 500 has advanced 19% this year, driven higher in the first half of 2024 by tech titans and their artificial-intelligence ambitions. Since the start of the third quarter, a less-glitzy group of sectors—including utilities, materials and industrials—has picked up the baton to broaden the market's rally.

The coming earnings season could offer evidence of whether the widening advance is sustainable.

Wall Street expects earnings for the Magnificent Seven group of tech giants to rise 17.5% in the third quarter from a year earlier, compared with a 1.1% climb in profits for the rest of the S&P 500, according to John Butters, senior earnings analyst at FactSet. That would be the smallest earnings gap between the groups since the first quarter of 2023.

"The Magnificent Seven and their profits are decelerating from a pretty high base. The rest of the market, their earnings are accelerating," said Lauren Sanfilippo, senior investment strategist at Bank of America's Chief Investment Office.

Optimism about the economy has been helping fuel share gains across industries.



*3Q 2024 data are estimates

Source: John Butters, senior earnings analyst at FactSet (earnings growth); FactSet (S&P 500 earnings, sectors)

For the third quarter, companies in the S&P 500 overall are expected to report a fifth straight quarter of earnings growth, with profits projected to have climbed 4% from a year earlier, according to FactSet.

Some of the country's biggest banks and asset managers

are due to report results this week, including **JPMorgan Chase, Wells Fargo and BlackRock**. Investors also will get fresh inflation data, which could influence the Fed's path on interest rates.

Tech stocks overall are still expected to be top earnings con-

S&P 500 sector performance, year to date

Technology	30.8%
Communications	28.5
Utilities	25.4
S&P 500	20.6
Financials	20.5
Industrials	18.7
Consumer staples	14.0
Healthcare	11.3
Consumer discretionary	11.1
Materials	10.5
Energy	9.6
Real estate	8.1

tributors for the quarter. The information-technology sector, home to **Nvidia** and **Apple**, is expected to report earnings growth of 15% from a year earlier. The communication services sector, which includes **Meta Platforms** and **Alphabet**, is forecast to post a 10% rise.

Stocks Jump Ahead Of Earnings Reports, Asia Markets Volatile

Technology stocks are back in business.

Gains by the tech sector pushed the S&P 500 higher, while all the big tech stocks in the Magnificent Seven advanced. The S&P 500 rose 1%, while the tech-heavy Nasdaq Composite climbed 1.4%. The Dow Jones Industrial Average added 0.3%, or about 126 points.

In recent months, a range

of stocks, including groups like utilities, real estate and industrials, have driven the market. Most sectors climbed on Tuesday as investors looked past concerns about rising oil prices and the approaching U.S. elections.

Investors are preparing for earnings season to kick off in earnest Friday when JPMorgan Chase, Wells Fargo and BlackRock give results. They are looking ahead to the next big read on consumer inflation Thursday.

Many investors have grown more confident that the Federal Reserve is succeeding in taming price pressures without driving the economy into a recession.

"What we're cautioning investors is not to read too much into each data point," said Todd Walsh, CEO and chief technical analyst at Alpha Cubed Investments. "The Fed seems to be on track from

what we're looking at."

Overseas, a Chinese stock-market rally lost steam after a top planning body disappointed investors with a lack of specifics on further stimulus.

Elsewhere:

◆ Oil prices fell as traders awaited developments in the Middle East. Global benchmark Brent crude lost 4.6% to \$77.18 a barrel, snapping a five-session winning streak.

◆ The yield on the benchmark 10-year Treasury note ticked higher, to 4.034%, its highest 3 p.m. Eastern Time level since July, up from 4.025% on Monday.

◆ Asian indexes diverged. The Shanghai Composite rose 4.6%. Hong Kong's Hang Seng Index, which had rallied while the mainland was on holiday, declined 9.4% in its worst pull-back since 2008.

—Karen Langley and Caitlin McCabe

STOCK SPOTLIGHT

Trump Media & Technology

Shares of the parent of Donald Trump's Truth Social rose 19% and are now up 32% for the week. The stock has tended to perform well when the Republican candidate's political fortunes seem to be on the rise. Tuesday's rally followed a Wall Street Journal article reporting that some Democrats fear Kamala Harris is struggling to break through with working-class voters.

LVMH, Rémy Cointreau

China said it would impose new tariffs on brandy

imports from the European Union. Shares of Rémy Cointreau fell 6.4%, while LVMH, which owns Hennessy cognac, lost 3.6%.

PDD, Alibaba, JD.com U.S. shares of Chinese e-commerce companies sank as China's stock-market rally showed signs of faltering. PDD fell 5.4%, Alibaba declined 6.7% and JD.com slid 7.5%.

Honeywell International The company unveiled plans to spin off its advanced-materials division. Shares gained 1.8%.

DocuSign S&P Dow Jones Indices said Monday that the e-signature company will replace MDU Resources Group in the S&P MidCap 400 on Friday. DocuSign shares jumped 6.6%.

Freepoint-McMoRan, Alcoa A selloff in commodities like copper hit shares of both companies, which fell 4.3% and 4.4%, respectively.

Super Micro Computer The server maker's stock retreated 5%, after surging 16% Monday. The company said Monday that it recently

deployed more than 100,000 graphics processing units with liquid-cooling solution to large AI factories.

WEDNESDAY'S EVENTS: The Federal Reserve is due to release minutes of its most recent policy meeting at 2 p.m. ET, providing extra context on its decision to cut rates for the first time since 2020.

EARNINGS EXPECTED: Helen of Troy

Mutual Funds

Data provided by LSEG

Top 250 mutual-funds listings for Nasdaq-published share classes by net assets.

e-Ex-distribution. f-Previous day's quotation. g-Footnotes x and s apply. J-Footnotes e and s apply. k-Recalculated by LSEG, using updated data. p-Distribution costs apply, 12b-1. r-Redemption charge may apply. s-Stock split or dividend. t-Footnotes p and r apply. v-Footnotes x and e apply. xr-Ex-dividend. z-Footnote x, e and s apply. NA-Not available due to incomplete price, performance or cost data. NE-Not released by LSEG; data under review. NN-Fund not tracked. NS-Fund didn't exist at start of period.

Tuesday, October 8, 2024

Fund	Net NAV	YTD Chg %	Net Ret %	Fund	Net NAV	YTD Chg %	Net Ret %	Fund	Net NAV	YTD Chg %	Net Ret %	Fund	Net NAV	YTD Chg %	Net Ret %
AB Funds	11.41	-0.01	6.0	Artisan Funds	42.69	+0.27	19.5	Purith	26.95	+0.16	16.6	LgCapGwth	77.09	+1.19	28.2
MunIncmShare	30.00	-0.01	1.0	US CoreEq1	38.18	+0.23	18.7	JPMorgan R Class	22.33	+0.10	19.6	Putnham Funds Class A	10.41	+0.01	4.1
AB Funds - ADV	112.68	+1.75	21.4	US CoreEq2	36.83	+0.60	24.8	SALUSQyldfx	21.65	+0.27	10.8	Putnham Funds Class Y	7.33	+0.01	4.7
LgCpGrAdv	11.27	+0.17	14.5	US Small	40.07	+0.10	13.8	CoreBond	10.41	+0.01	4.1	Lord Abbott I	18.35	+0.27	28.5
American Century Inv	10.20	+0.01	4.1	US SmCpVal	47.71	+0.01	11.5	SrsEmrgMktx	21.65	+0.27	12.3	SputLangCap	37.03	+0.01	21.2
Ultra	91.76	+1.54	23.1	US TdgVal	33.57	-0.13	6.4	SrsGlobal	15.58	-0.13	12.5	Metropolitan West	9.20	+0.01	3.5
BlackRock Funds	7.19	-0.01	7.8	US LgQva	50.48	-0.14	15.0	SrsGroCoRetail	25.21	+0.41	23.3	SputLangCap	8.90	+0.05	21.8
Calmatos Funds	44.43	+0.10	15.7	Freedom2030	18.41	+0.01	11.7	ShtDurinc p	3.88	+0.01	4.8	SputLangCap	12.38	+0.51	10.8
EupcaA	59.51	-0.17	11.3	Freedom2030 K	16.38	+0.01	13.4	TotRetBdI	9.20	+0.01	10.6	SputLangCap	10.22	+0.01	3.8
FdnWVA	85.82	+0.63	21.6	Freedom2040	12.07	+0.01	12.0	TotRetBdI	8.90	+0.05	21.8	SputLangCap	10.39	+0.01	4.8
GwtbA	78.01	-0.08	13.5	dx2030nsPre	20.99	+0.04	11.2	TotRetBdI	8.63	+0.01	3.5	TSM Sel r	9.74	+0.02	20.3
BalAdm	36.27	+0.17	14.5	Income	12.79	+0.01	4.6	TREBdPnl	9.67	+0.01	4.2	TIP SiX Adm	24.51	+0.01	4.6
BlackRock Fund Inst	9.84	-0.01	8.7	dx2040nsPre	25.42	+0.04	14.7	MidCap	9.16	+0.01	4.5	TotBd2	9.62	+0.01	3.1
StratCOpplins	9.57	+0.01	5.3	IncomeA	18.47	+0.01	11.0	MSFunds	36.61	+0.01	11.1	TotBd2	9.75	+0.01	3.2
BondA	11.46	+0.01	3.0	IncomeA1	9.65	-0.01	4.1	Fidelity SAI	9.16	+0.01	4.5	TotBd2	9.75	+0.01	2.9
CapBA	73.15	+0.07	12.6	IncomeAdv	10.20	+0.01	11.7	Growth	216.48	+0.24	26.0	TotBd2	9.75	+0.01	2.9
TotRetBd	10.06	-0.01	4.0	IncomeAdv	12.07	+0.01	12.0	Putnham Funds Class I	34.51	+0.51	42.3	TotBd2	9.75	+0.01	2.9
CapWGrA	68.76	+0.10	15.7	IncomeAdv	12.07	+0.01	12.0	Putnham Funds Class I Z	36.11	+0.64	26.7	TotBd2	9.75	+0.01	2.9
Calamos Funds	14.90	+0.01	6.0	IncomeAdv	12.07	+0.01	12.0	PIMCO Funds Instl	28.59	+0.38	23.1	TotBd2	9.75	+0.01	2.9
ArticNeut	25.29	-0.43	14.9	IncomeAdv	12.07	+0.01	12.0	PIMCO Funds Instl	12.13	+0.01	11.0	TotBd2	9.75	+0.01	2.9
CausewayInst	16.04	+0.34	32.2	IncomeAdv	12.07	+0.01	12.0	PIMCO Funds Instl	11.27	+0.01	11.0	TotBd2	9.75	+0.01	2.9
Columbia Class I	21.57	-0.08	10.3	IncomeAdv	12.07	+0.01	12.0	PIMCO Funds Instl	11.27	+0.01	11.0	TotBd2	9.75	+0.01	

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

China Ghost Cities Haunt Luxury Brands

Chinese consumers watching the value of their homes fall are losing the confidence to spend on European designer goods

How closely is demand for \$3,000 handbags tied to home prices in China? Quite closely, it turns out, which is unfortunate for luxury brands.

Europe's luxury stocks fell Tuesday after China's economic-planning agency failed to announce additional measures to kick-start growth that some investors had hoped for. The sector is still up 12% on average since Beijing launched its initial stimulus plans late last month.

Beijing hopes a cut to mortgage rates—and lower down-payment requirements for buyers of second homes—will revive the country's troubled housing market. A package of loans to brokers and insurers to buy Chinese shares has had initial success at lifting the stock market.

Luxury spending in China has traditionally been more correlated with its home prices than with the financial markets or overall economic growth. Around 60% of net household wealth was tied up in property before prices peaked in 2021. Barclays estimates that falling home prices have destroyed about \$18 trillion in household wealth since then, which is equivalent to roughly \$60,000 per family.

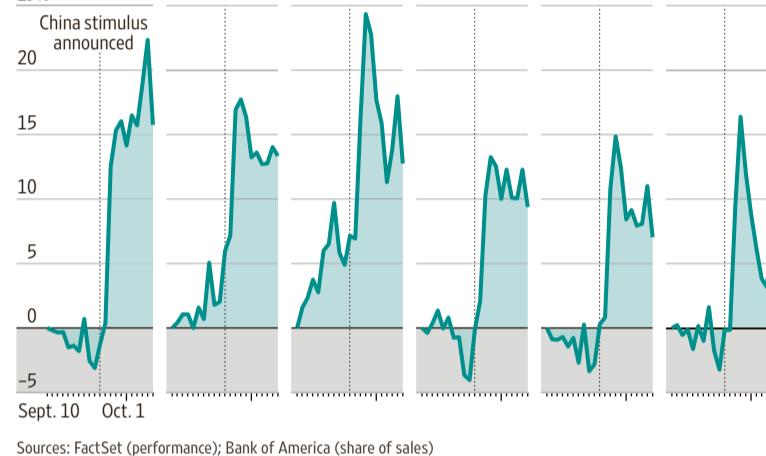
This, along with worries about the wider economy, is hurting consumer confidence. Retail sales rose just 2.1% in August compared with the same month last year, according to data from China's National Bureau of Statistics. When global luxury brands start to report their third-quarter results next week, Chinese demand is expected to have slowed since they last updated investors.

Flagging sales come at an inconvenient time for Europe's luxury companies, which rely on Chinese consumers for one-third of global luxury spending. After several bumpy years during the pandemic, luxury brands and their investors hoped that a comeback in Chinese spending would compensate for a



A housing-estate model at a Tianjin sales center. China's property sector is struggling.

Share-price performance over the past month



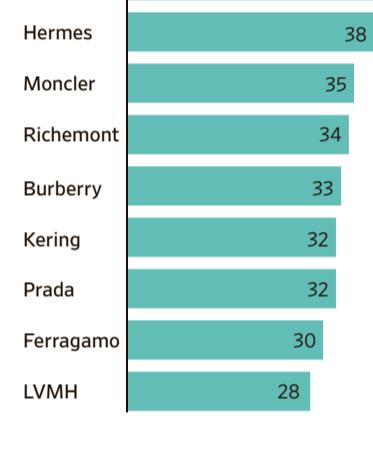
Sources: FactSet (performance); Bank of America (share of sales)

slowdown among Europeans and Americans.

This looks increasingly unlikely. Luxury sales to Chinese shoppers are expected to shrink 7% in 2024 and by 3% next year, according to

UBS estimates. As luxury brands have high fixed costs, including the most-expensive retail rents in the world, a slowdown with such key customers could have an outsize impact on profit margins.

Share of sales to Chinese consumers



The last time the luxury industry went through such a rocky patch in China, barring the pandemic, was between 2014 and 2016 when Beijing was cracking down on corruption, including officials who were

gifting Louis Vuitton handbags and Rolex watches in exchange for political favors. The global luxury industry barely grew for two years during China's anticorruption drive, which also coincided with a property-market correction in the country. It didn't help that shoppers in other markets were also tiring of logos back then.

Europe's luxury stocks look expensive today compared with that time. As a multiple of expected earnings, listed brands' shares now trade at a roughly 40% premium to their 2014-to-2016 average.

To justify the higher price tag, Beijing's housing and wider economic stimulus would need to indirectly lift luxury demand. Measures rolled out so far may not be enough to slow the slide in home prices. China's housing market is oversupplied by around 60 million units, according to Bloomberg Economics estimates.

New incentives to kick-start consumption are expected soon but will probably target mass-market products like white goods. China already rolled out trade-in subsidies for home appliances earlier this year and a range of consumption coupons.

None of this is very helpful for sellers of expensive luxury goods. For brands to register a recovery, Chinese consumers that spend anywhere from \$7,000 to \$43,000 a year on luxury products would need to feel much better about their finances than they currently do. Spending by this group has fallen 17% so far this year compared with the same period of 2023, according to a report by Boston Consulting Group.

Half-finished, abandoned housing estates are a big headache for China's government, and are also on the mind of executives in Paris and Milan. Though the fortunes of luxury bosses likely isn't high on Chinese officials' priority list, their fates may be intertwined.

—Carol Ryan

Pfizer CEO Needs to Find Discipline to Protect His Job

When former executives team up with an activist investor to "help" a struggling company, it is often bad news for the current chief executive.

That is one implication behind activist investor **Starboard Value**'s \$1 billion stake and its push to make changes at **Pfizer**, which The Wall Street Journal reported has support from former Pfizer Chief Executive Ian Read and former Chief Financial Officer Frank D'Amelio. Another important takeaway is that investors are eager to see a more disciplined and focused development strategy from the company.

With Pfizer's stock down more than 30% over the past two years, speculation is growing that Albert Bourla's position as CEO might be in jeopardy.

"We've sensed investor frustration with CEO Albert Bourla since at least the beginning of 2023," BMO Capital Markets analyst Evan Seigerman wrote. Don Bilson at Gordon Haskett wrote that Starboard might have "positioned itself to get the old band back together with Ian on guitar and Frank playing drums." He noted

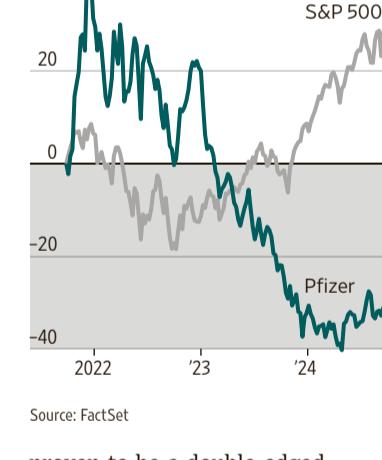
that the activist effort has some "Disney vibes," alluding to Bob Iger's return to the helm of **Walt Disney** after his successor was ousted.

Pressuring Bourla to step down might offer frustrated investors an easy scapegoat, but pharmaceutical companies' history suggests a mere change at the top wouldn't be enough to lift the stock price over the long term. As Seigerman noted, for example, the sudden departure of **Gilead Sciences** CEO John Milligan in 2018 did little to lift the company's struggling shares over the past six years. Ultimately, promising drug pipelines drive long-term stock performance in the pharmaceutical industry, and developing those pipelines takes time.

That doesn't mean Starboard's likely push for belt-tightening won't help bring much-needed discipline to Pfizer. The company played a critical role in helping the world recover from the pandemic, developing the top-selling vaccine and treatment pill for Covid-19.

However, from a financial standpoint, the Covid windfall has

Share-price and index performance, past three years



Source: FactSet

proven to be a double-edged sword. While profit surged during the pandemic, Pfizer used the tens of billions of dollars in additional cash flow to fund a dealmaking spree that failed to boost its valuation. Despite spending nearly \$70 billion on acquisitions since 2020, including \$43 billion on biotech cancer specialist Seagen, Pfizer's stock is now below its pre-

demic levels.

One of the main criticisms from investors is that Pfizer's business-development strategy has been too scattered, with acquisitions spanning neuroscience, blood disorders and cancer—lacking a clear, cohesive focus. Additionally, there is concern that in Bourla's push to meet revenue targets through deal making, Pfizer might have overpaid for its acquisitions.

With little financial room for further large acquisitions, Starboard and former Pfizer executives are likely to advocate for a more-focused strategy and deeper cost cuts. Although Pfizer has already announced a multibillion-dollar cost reduction plan, Starboard probably sees room for more. While larger cuts would be painful, they could have the added benefit of forcing Pfizer to clarify what it sees as its most promising areas for growth.

Bourla likely isn't entirely surprised by these developments, given the pressure he has faced for nearly two years. At a JPMorgan Chase conference earlier this year, he acknowledged missing earnings expectations and Pfizer's

weak commercial performance. However, he promised better execution and argued that investors haven't fully appreciated the potential value of the Seagen acquisition. In an email, a Pfizer spokeswoman wrote that the company doesn't comment on market speculation. She added that Pfizer is focused on continued innovation, cost reduction and capital allocation to enhance shareholder value.

There are clear signs that Bourla is being attentive to Wall Street's critics. Earlier this year, for instance, he hired Andrew Baum, a former Pfizer bear at Citi, to be chief strategy and innovation officer. The move seemed to echo **Novartis**'s hiring of former outspoken Wall Street analyst Ronny Gal to "shake the tree" at the Swiss drugmaker.

Perhaps no pharma executive played as key a role in helping the world recover from Covid as Bourla. But just as developing a vaccine required partners, there would be no shame in tapping outside help to pull Pfizer shares from the abyss.

—David Wainer

Pepsi's Snack Slump Shows Sign of a Possibly Concerning Trend

PepsiCo's Frito-Lay business, and the snacking industry, might have a bigger problem on their hands than they realize.

Within packaged food, snacks were the standout performer for a few years following the onset of the pandemic.

Industry executives and analysts spoke of a fundamental shift in the way consumers eat, with more consumption occasions spread out over the day.

But recent quarters have seen a decline in snack consumption. Food executives attributed the pullback to various causes, including pressure on consumer budgets from years of cumulative inflation and a general "normalization" after years of outsize growth in snack sales.

Pepsi on Tuesday reported un-

derwhelming results for its third quarter. Organic revenue, which strips out the impact of mergers and currency movements, rose just 1.3% from a year earlier. Notably, Frito-Lay North America volumes were down 1.5%.

Pepsi shares climbed nearly 2% on Tuesday, as the weak results were anticipated by the market. But the stock is basically flat this year, compared with a 17% rise for Coca-Cola, which doesn't have a snack business.

On a conference call, Wells Fargo analyst Chris Carey asked if the decline in snack sales is really cyclical, or something more enduring. "Are you seeing any consumption habits which may feel more structural or secular that are moving away from the business?" he asked, adding that this could have

been a driver for the recently announced acquisition of Mexican tortilla maker Siete Foods.

In response, Pepsi Chief Executive Ramon Laguarta said the trend toward more eating occasions is intact, while also acknowledging that consumers are looking for "more permissible" snacks—in other words, healthier ones. He cited an example of a consumer making a light meal of a couple more-permissible Pepsi brands: "A Sabra hummus with a Tostitos and a banana."

What he didn't mention is how Frito-Lay stalwarts like Cheetos and Doritos fit into that picture.

If consumers really are looking to eat healthier, the reckoning for the snack industry might just be starting.

—Aaron Back



The Cheetos maker said consumers are moving toward healthier snacks.