WSJ
THE WALL STREET JOURNAL WEEKEND

DOW JONES | News Corp ********* SATURDAY/SUNDAY, FEBRUARY 1 - 2, 2025 ~ VOL. CCLXXXV NO. 26 WSJ.com ★★★★ $6.00

What's News

Business & Finance

◆ **Meta is discussing** moving its incorporation to Texas from Delaware, where most big U.S. companies are legally housed, people familiar with the matter said. The paperwork change wouldn't relocate its California corporate headquarters. **B9**

◆ **OpenAI's Sam Altman** said his company should consider giving away its AI models, a potentially seismic shift as China's DeepSeek has upended the AI industry. **B9**

◆ **The estate** of Joseph Shuster, the co-creator of "Superman," is suing Warner Bros. Discovery and DC Comics, alleging overseas copyright infringement. **B9**

◆ **Novartis forecasts** further profit and sales growth this year after beating analysts' expectations in the fourth quarter of 2024. **B10**

◆ **Walgreens will suspend** its quarterly dividend, citing its need for cash amid litigation and turnaround efforts. **B10**

◆ **The annual profits** of Exxon Mobil and Chevron fell in 2024, as anemic natural-gas prices and narrowed refining margins took a toll. **B11**

◆ **Financial markets finished** a bumpy month broadly higher, with the Dow, S&P 500 and Nasdaq gaining 4.7%, 2.7% and 1.6%, respectively, in January. **B11**

World-Wide

◆ **The U.S. will impose** tariffs on computer chips, pharmaceuticals, steel, aluminum, copper, oil and gas imports as soon as mid-February, Trump said, opening a new front in his looming second-term trade wars. **A1, A2**

◆ **The Army helicopter** that collided with an American Airlines flight was training to transport top U.S. leaders to a safe zone in the event of an attack on the capital. **A6**

◆ **Trump administration** officials ordered eight senior FBI employees to resign or be fired, and asked for a list of people who worked on the Jan. 6 cases, people familiar with the matter said. **A3**

◆ **Universities are suspending** research projects, canceling conferences and closing offices in response orders from Trump banning DEI across the U.S. government. **A3**

◆ **Venezuela released** six detained Americans, after a meeting between Maduro and a visiting U.S. envoy. **A8**

◆ **Israel is accusing** Iranian diplomats and tens of millions of U.S. dollars stuffed into suitcases through the Beirut airport to the militant group Hezbollah. **A7**

◆ **Hamas named** the next three hostages to be freed under the Gaza cease-fire deal, including the first American to be released in the latest truce. **A7**

NOONAN
Trump and the collapse of the old order **A13**

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Crash Victims Mourned Amid Search for Answers

ROBERTO SCHMIDT/AGENCE FRANCE-PRESSE/GETTY IMAGES

GRIEF: Roberto Marquez sets up a memorial Friday near Ronald Reagan Washington National Airport in Arlington, Va., as crews worked to recover bodies from the Potomac River after the midair collision between a passenger jet and an Army helicopter.

'Can't Wait to Be Home': Final Moments of Flight 5342

By Valerie Bauerlein, Scott Calvert, Allison Pohle and Louise Radnofsky

Rowan Le Coq, a 17-year-old ice dancer, considered his best friend Spencer Lane more than just a fellow skater—he was like a brother. They traded daily messages about their dreams of athletic glory, but also spent hours doing what teenage boys do: sharing TikToks and playing Roblox.

They had both traveled from the East Coast to Wichita, Kan., for the U.S. Figure Skating Championships, where Rowan was competing in the junior event, and Spencer, 16, had been invited for an elite development camp, proudly wearing the coveted red jacket given to young skaters chosen for the program.

The friends had planned to play "Cabin Crew," a favorite flight-attendant simulation game, in the lobby of the Drury Plaza Hotel in Wichita, but time slipped away. No problem, they assured each other—they would connect again soon at "SCOB," the Skating Club of Boston, where Spencer trained.

On Wednesday afternoon, Rowan, who had gone home earlier, messaged Spencer to see if he was "still at Drury." Spencer's reply was simple, the kind you dash off when you're certainly going to write more later: "nah i leave now."

When he heard that American Airlines Flight 5342 from Wichita had collided with a helicopter and plunged into the Potomac River, Rowan frantically checked Spencer's location again. It showed Indiana—the last update registered from the flight.

At 11:49 p.m., he sent a des-

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◆ Helicopter helped to ferry top officials........................ A6

President Threatens To Widen Trade War

Trump plans sector-based levies on eve of expected Mexico-Canada-China duties

By Gavin Bade and Natalie Andrews in Washington, Vipal Monga in Toronto and Santiago Pérez in Mexico City

The U.S. will impose tariffs on computer chips, pharmaceuticals, steel, aluminum, copper, oil and gas imports as soon as mid-February, President Trump said Friday, opening a new front in his looming second-term trade wars.

"That'll happen fairly soon," Trump told reporters in the Oval Office, adding that he also wants to hike tariffs on the European Union, which has "treated us so horribly," though he didn't specify when the duties would be imposed or how high they would be.

A representative for the EU didn't respond to a request for comment.

The announcement for those sector-based and EU tariffs appeared separate from the 25% tariffs on Canada and Mexico, and 10% tariffs on China, which he had said would be implemented Saturday.

The duties previewed by Trump would come on top of existing tariffs on those products, he said, waving away any concern about the levies increasing inflation or snarling global supply chains.

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◆ Expect tariffs to bring confusion, higher prices... A2
◆ Auto companies scramble to make Plan B, C, D........ B1

DeepSeek Pride Is Sweeping Over China

By Liyan Qi

In China, DeepSeek's sudden shot to fame with artificial-intelligence models rivaling American ones has inspired a moment of national pride.

In a week where attention on DeepSeek's low-cost AI models caused a bloodbath on Wall Street and propelled DeepSeek's app to the top of iPhone download rankings in the U.S., China was celebrating. Emojis of "DeepSeek pride," often with smiling cats or dogs, flooded Chinese social media, adding to the festive Lunar New Year atmosphere.

Chinese state media, as well as tech and business leaders, raved about DeepSeek.

"We need to believe that the moon in other countries is not necessarily rounder: Whatever others can do, we can also do it and even do it better," read a profile of DeepSeek, published by the government of Zhejiang province, where the company is located.

Local media reported that the small Guangdong province hometown of DeepSeek founder Liang Wenfeng has become a hot destination for tourists during the weeklong Lunar New Year holiday.

In China, the buzz around

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◆ Deep freak: What happens next in AI B1
◆ Altman suggests giving away OpenAI tech.............. B9

Trump, Facing Two Crises, Spreads the Blame Around

By Natalie Andrews And Meridith McGraw

WASHINGTON—President Trump's handling of two crises this past week—one, a bureaucratic mess and the other, a horrific tragedy—quickly shifted the White House from inaugural euphoria to the realities of governing.

His defiant stand in the face of nationwide confusion and fear left some aides scrambling to fortify the image of a White House that could do no wrong. But he handled both problems with the same approach: deflecting blame and attacking Democrats, the media and his predecessors. His message was an amplified version of what he has tried to exude since taking office: He is in charge.

The country also received its first live-action glimpse of a White House and cabinet being hastily assembled and crafting policies on the fly that in one case had to be quickly reversed.

On Monday, a memo written by an acting director of the White House's budget office caused a widespread panic and might have inadvertently led the Medicaid system to freeze in less than 24 hours. On Thursday, Trump's new Defense and Transportation chiefs were thrust in the middle of investigating the worst domestic airplane crash in two decades.

As Trump introduced Transportation Secretary Sean Duffy, the president said, "It's not your fault, and I know you agree with me very strongly on intellect and even psychological well-being of the air-traffic controller."

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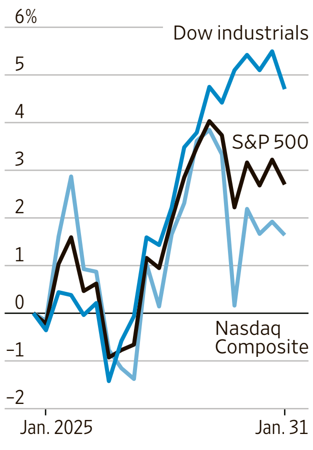
◆ Universities retreat in wake of Trump moves... A3
◆ Aid whiplash hits refugees, AIDS patients globally... A7

Stocks Log January Gain

Major stock indexes fell Friday but rose for the month. **B11**

Performance in January



Source: FactSet

These People Come for the Magic Of the Movie Ad Everyone Hates

* * *

Nicole Kidman spot has long been mocked. But when it vanished, theatergoers rose up.

By Joseph Pisani

Fans were just settling into their seats to watch Nicole Kidman's new film "Babygirl" when a scandal erupted. It had nothing to do with the movie, an erotic thriller starring the actress as a CEO who has a torrid affair with a much younger intern. The real shock was what didn't appear on screen: a 30-second ad that plays before almost every film at AMC theaters.

Nicole Kidman

Since it first appeared four years ago, few things have divided moviegoers more than the commercial, in which Kidman walks into an empty theater, stares at the screen and touts the virtues of the theatergoing experience. "We come to this place for magic," she says.

The ad has been mocked, spoofed and criticized as redun-

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Was That a Van Gogh At the Garage Sale?

By Kelly Crow

In 1889, Vincent van Gogh committed himself to a psychiatric asylum in Southern France, where he spent a turbulent year creating roughly 150 paintings, including masterpieces such as "Irises," "Almond Blossom" and "The Starry Night."

Now, a former curator of ancient art at the Metropolitan Museum of Art has teamed up with a group of conservators, scientists and historians who believe they've discovered No. 151—a previously unknown portrait of a fisherman plucked from a Minnesota garage sale by an unsuspecting antiques collector for less than $50.

The thickly painted piece depicts a pensive fisherman with a white chin-beard and a round hat who clutches a pipe in his mouth as he repairs his net. In the lower right, the name Elimar is scrawled.

The discovery could represent a notable addition to the oeuvre of one of the world's most famous artists. "Elimar" could also prove to be a lucrative windfall for LMI Group International, the New York-based art-research firm that bought it from the anonymous collector for an undisclosed sum in 2019 and has investigated it ever since, pouring in

Please turn to page A4

Trump's Tariff Plans Risk Jolting Economy

Border chaos and higher prices for fruit, oil and other goods expected

By Jeanne Whalen

Supply-chain upheavals. Pricier avocados. Higher heating bills. And a happier U.S. steel industry.

President Trump says he will levy 25% tariffs on goods this month from America's two top trade partners, Mexico and Canada, unless they both stop unauthorized migrants and drugs from entering the U.S. He also has threatened an additional 10% tariff on goods from China—the nation's third-biggest trading partner—accusing it of flooding the U.S. with fentanyl. Trump also has described tariffs as a tool to protect and expand U.S. manufacturing.

Tariffs on the top three trading partners—not including other levies the president promised on Friday—would ripple through the economy, affecting everything from grocery prices to the steel and energy industries. Businesses are already making plans for how to respond.

Here is what to expect:

Confusion

North American businesses have gotten used to decades of tariff-free trade mandated by the North American Free Trade Agreement, and its 2020 successor, the United States Mexico Canada Agreement, USMCA.

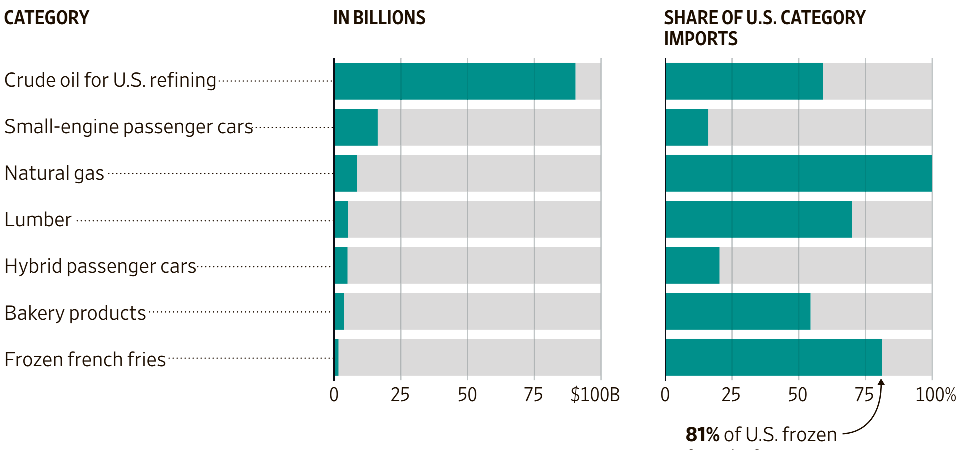
So some confusion is likely to follow the imposition of tariffs. Long lines of trucks could back up on bridges in Texas and Detroit if the rules aren't immediately clear, delaying deliveries.

Higher inflation

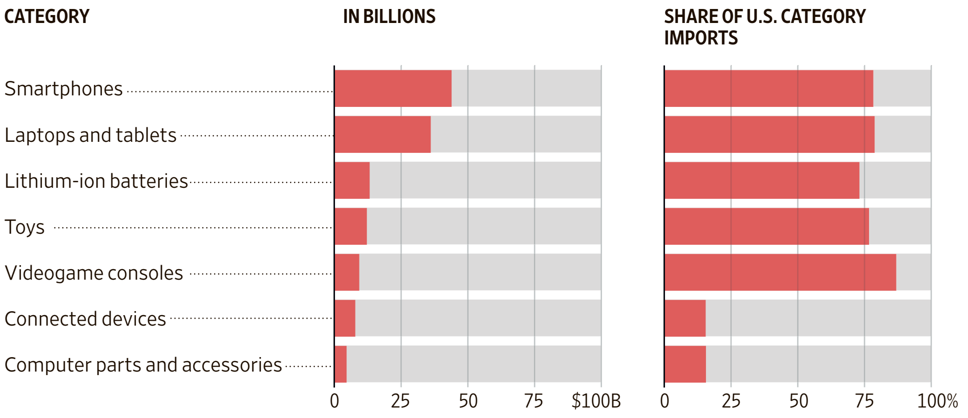
The Federal Reserve's preferred measure of inflation showed that consumer prices rose 2.6% in December over a year earlier. A 25% tariff on goods from Canada and Mexico could bring the inflation rate up to about 3.2%, keeping it well above the Fed's 2% target, according to Capital Economics, an analysis firm.

The Trump administration has played down the risk of inflation and said that higher tariffs would bring more revenue to federal coffers.

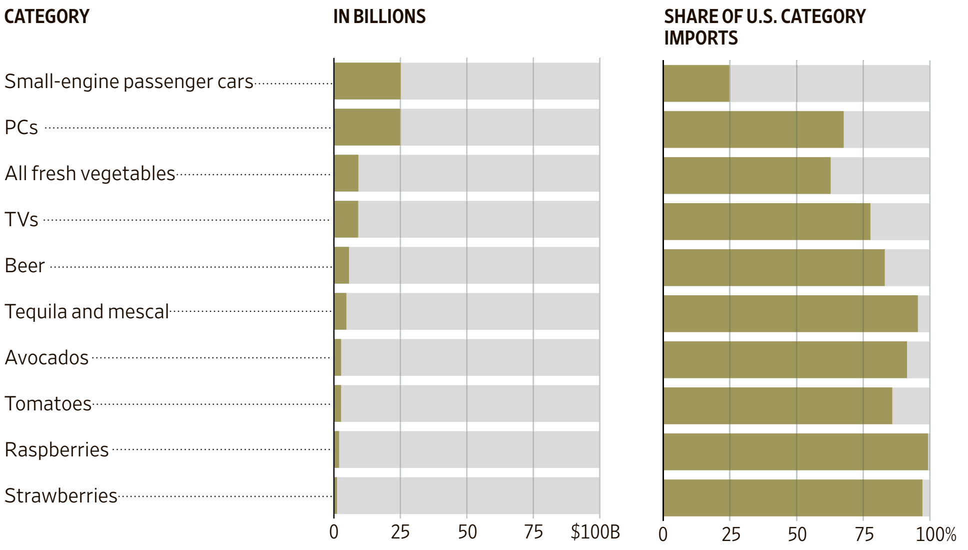
Select imports to the U.S. from Canada, 2023



Select imports to the U.S. from China, 2023



Select imports to the U.S. from Mexico in 2023



Source: Trade Partnership Worldwide analysis of U.S. Census Bureau data

Pricier groceries

Grocery-price increases could be the inflation consumers notice first , economists say. Mexico provides about half of U.S. fresh produce imports and is a particularly important supplier in the winter, according to Ed Gresser, a former assistant U.S. trade representative now working at the Progressive Policy Institute. More than 80% of U.S. avocados come from Mexico, according to the U.S. Agriculture Department. Canada is a big supplier of everything from kidney beans to cherry tomatoes.

Auto industry

Domestic and foreign automakers have built a complex web of factories all over the U.S., Canada and Mexico. Parts and half-finished vehicles sometimes cross the northern or southern border several times before production is complete. Hitting each of those import crossings with a 25% tariff would raise costs and possibly cause automakers to raise prices.

Some auto-parts manufacturers in Mexico and Canada are adding overtime shifts and stepping up deliveries to the U.S. in efforts to get ahead of tariffs, while others are considering moving some manufacturing lines to the U.S., said Ambrose Conroy, chief executive of the consulting firm Seraph.

Steel-industry

The steel-and-aluminum sector has long called for protection against low-cost competitors overseas, and likely would applaud stiff tariffs.

A coalition of domestic producers last week urged Trump to impose new tariffs on Mexican steel and aluminum. They argued that Mexico's producers were flooding the U.S. market with steel and aluminum in violation of Mexican commitments, leading several U.S. plants to close or idle.

Domestic buyers of steel probably would have the opposite view. Trump's steel tariffs during his first term caused U.S. prices to rise.

Reshoring (maybe)

If a large chunk of manufacturing moves home permanently in response to tariffs, it would fulfill one of Trump's stated goals for the levies.

That's a big if, economists say. Trump is widely seen as using tariffs as a bargaining cudgel and not necessarily as a permanent tool, said Brad Setser, a former U.S. Treasury official and now a senior fellow at the Council on Foreign Relations.

Energy-price rises

New tariffs could raise U.S. prices for gasoline, jet fuel and home heating oil, because Canada supplies about 60% of U.S. crude-oil imports and Mexico an additional 10%, Gresser said.

Together, those imports make up about 30% of the crude oil used in the U.S. Many domestic refineries are set up to process Canadian oil, and adjusting away from it isn't a simple task, he added.

Costlier electronics

Trump has issued a variety of tariff threats toward China, including his latest suggestion of an extra 10% tariff starting Feb. 1. Consumer electronics, including smartphones and laptops, are one category that could face price increases.

Inflation Remains Just Above Fed Target

By Matt Grossman

The measure of price increases targeted by the Federal Reserve speeded up in December, reflecting a stubborn spell of inflation that remains modestly higher than the central bank's target.

The personal-consumption expenditures price index rose by 0.3% in December, compared with 0.1% in November, contributing to a 2.6% increase over all of 2024.

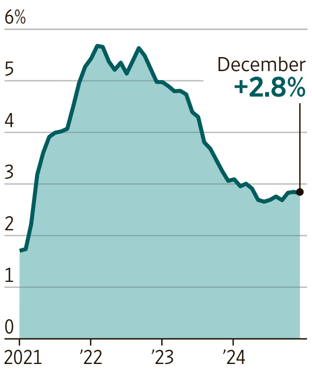
Excluding volatile food and energy prices, the core version of the PCE price index rose by 0.2% in December, compared with 0.1% in November, and by 2.8% during the past 12 months. December was the third straight month that core PCE inflation stalled at 2.8%.

After peaking above 5.6% in 2022, core PCE inflation fell to 2.6% last June but then reaccelerated. The Fed wants to see PCE inflation fall back to its 2% target, but in December, officials projected that still might take until 2027.

Slower progress on inflation led the Fed to hold interest rates steady recently, breaking a string of rate cuts that had begun in September.

The December PCE figures were closely in line with projections of economists polled by The Wall Street Journal. The gauge draws on government inflation data published in January, which makes it easy for analysts to forecast PCE inflation with precision.

Core PCE price index*, change from a year earlier



*Seasonally adjusted; excludes food and energy
Source: Commerce Department via St. Louis Fed

CORRECTIONS & AMPLIFICATIONS

Army secretary nominee Daniel Driscoll's Senate confirmation hearing was Thursday. In some editions Friday, a Page One article about Washington's airspace incorrectly said the hearing took place on Wednesday.

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

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President Threatens New Levies

Continued from Page One

"I think there could be some temporary, short-term disruption and people will understand that," Trump said. "The tariffs are going to make us very rich and very strong."

In the short term, leaders in Mexico, Canada and China—and CEOs of American companies—were hyperfocused on whether the president would include carve-outs for major industries that have lobbied him hard in recent days. His team has been in negotiations over how to potentially dial back the tariffs on those countries from the across-the-board version the president has pledged, but officials have warned that Trump may still decide to go through with a full-throated approach.

Trump has said the Mexico and Canada tariffs will take effect if the countries don't take steps to stop migration and drug trafficking over U.S. borders. Trump had promised to take a combative position with China over its role in the fentanyl crisis.

White House press secretary Karoline Leavitt on Friday said the Mexico, Canada and China tariffs were coming but declined to speak on exemptions for certain products or what—if anything—the trading partners could do to avoid the duties. Trump's team had also been considering a grace period between the announcement of the tariffs on Saturday and when they would actually be imposed, but Leavitt seemed to play down that possibility on Friday, telling reporters Trump would "implement his tariffs tomorrow."

Stocks pared morning gains and turned negative after her remarks.

Trump told reporters in the Oval Office that there was nothing Canada, Mexico and China could do to avoid the tariffs before Saturday. But he did say he was considering a lower tariff on Canadian crude oil—10% instead of 25%.

The decision on carve-outs for the first round of duties expected Saturday would provide an early indicator on the level of economic risk the president is willing to take in sparking new trade wars and pushing other nations to adhere to his policy demands. For weeks, large U.S. industries such as the oil and automotive sectors have lobbied him for exemptions from the tariffs, warning of higher prices and continental-wide supply chain issues, while Canada and Mexico have prepared a list of retaliatory measures to hit U.S. products with tariffs in kind.

Trump advisers have considered exemptions for oil imports and automobiles that comply with the U.S.-Mexico-Canada Agreement, the updated Nafta deal that Trump negotiated and signed in his first term.

Trump on Thursday gave some indication that exemptions could be coming, saying that he would consider a carve-out for oil, but reiterating that the tariffs would be imposed on Saturday, despite extensive talks with Canada and Mexico this week. His administration has insisted that none of the duties would add to inflation.

The China tariff threat, meanwhile, has flown under the radar compared with the North American tariff pledges. While Trump said earlier this past week that he was still considering duties on the world's second-largest economy, he has rhetorically targeted Canada and Mexico much more often, and his team had appeared to have less contact with Chinese diplomats than officials from the U.S.'s continental neighbors.

Depending on carve-outs, this round of Trump tariffs could cover more trade in dollar value than his first-term duties. Trump's four tranches of tariffs on Chinese goods in 2018-19 covered imports valued at roughly $360 billion at the time. New tariffs on Canada and Mexico plus additional tariffs on China would—if all items are subject to the action—cover imports valued at more than $1.3 trillion in 2023.

Canada and Mexico combined supplied about 28% of U.S. imports in the first 11 months of 2024, according to Census Bureau data. China accounted for an additional 13.5%.

U.S. Customs and Border Protection reported that last fiscal year 21,148 pounds of fentanyl was seized at the southwest border, the vast majority from U.S. citizens coming through legal ports of entry. On the northern border, CBP reported seizing 43 pounds of the drug.

Officials from both U.S. neighbors mounted a concerted campaign this past week to avoid the tariffs, opening new migration and drug working groups with the administration while also preparing retaliatory measures to hit U.S. products with tariffs.

Throughout the process, Mexican and Canadian officials have expressed frustration that they don't know what actions would satisfy Trump's demands, despite weeks of meetings between senior officials. Indeed, the looming tariff announcement Saturday would follow the White House saying publicly this past week that negotiations were progressing well with both nations.

On Friday morning, Canadian Prime Minister Justin Trudeau reiterated that Canada would have a "forceful but reasonable" response to U.S. tariffs. He warned that the Canadian economy could suffer. "I won't sugar coat it," he said.

Canada's central bank warned this past week that trade conflict with the U.S. would throw the Canadian economy into turmoil. Friday, Canada's public safety minister, who is in charge of the border, as well as its immigration and foreign ministers were all in Washington for last-minute meetings with Tom Homan, Trump's border czar.

Mexican President Claudia Sheinbaum, meanwhile, said her government was ready for Trump's tariffs and would respond in kind.

"We have Plan A, Plan B, Plan C for whatever the U.S. government decides," Sheinbaum said. "It's important to remember the implications that imposing tariffs could have for the U.S. economy."

—Anthony DeBarros in Washington contributed to this article.

GEOFF ROBINS/AGENCE FRANCE-PRESSE/GETTY IMAGES

Trucks waited to cross the border Wednesday between Sarnia, Ontario, and Port Huron, Mich.

U.S. NEWS

New Ruling Blocks Trump's Spending Freeze

By Jan Wolfe

A federal judge on Friday blocked the Trump administration from temporarily freezing federal spending, saying the White House's withdrawal of a policy memo on the issue wasn't enough.

U.S. District Judge John McConnell Jr. in Rhode Island granted a request by 22 states and the District of Columbia for a temporary restraining order that says the administration can't "pause, freeze, impede, block, cancel, or terminate" its federal financial-assistance obligations to the states.

McConnell, who was appointed by former President Barack Obama, said in a 13-page ruling that President Trump cited no legal authority to suspend the payment of federal funds to the states. He said the state plaintiffs likely would succeed in showing that Trump had unconstitutionally usurped power from Congress.

The judge also said judicial intervention was warranted even though the White House's Office of Management and Budget had rescinded its initial directive instructing agencies to pause payments.

"The evidence shows that the alleged rescission of the OMB Directive was in name-only and may have been issued simply to defeat the jurisdiction of the courts," McConnell said. "The substantive effect of the directive carries on."

At issue was a memo issued on Monday by the acting head of the White House budget office instructing federal agencies to pause funding while it assessed whether federal programs complied with Trump executive orders cracking down on foreign aid, diversity initiatives and green-energy projects.

The initial directive noted exemptions to Medicare, Social Security benefits and assistance provided directly to individuals—but gave few other clues as to what it did and didn't cover. The rollout of the policy sowed confusion among state governments, nonprofits and lawmakers who were trying to understand which programs would be halted.

A separate judge in Washington, D.C., issued a temporary order on Tuesday blocking immediate implementation of the pause, and the White House then withdrew the memo the next day.

◆ U.S. aid whiplash hits refugees, AIDS patients.. A7

Officials Target Agents Over Jan. 6 Probes

Eight FBI employees ordered to resign or be dismissed; many prosecutors fired

By Sadie Gurman And C. Ryan Barber

Trump administration officials ordered eight senior FBI employees to resign or be fired, and asked for a list of agents and other personnel who worked on investigations into the Jan. 6, 2021, attack on the U.S. Capitol, people familiar with the matter said, a dramatic escalation of Trump's plans to shake-up U.S. law enforcement.

On Friday, the Justice Department also fired roughly 30 prosecutors at the U.S. attorney's office in Washington who have worked on cases stemming from Capitol riot, according to people familiar with the move and a Justice Department memo obtained by The Wall Street Journal. The prosecutors had initially been hired for short-term roles as the U.S. attorney's office staffed up for the wave of more than 1,500 cases that arose from the attack by Trump supporters.

Trump appointees at the Justice Department also began assembling a list of FBI agents and analysts who worked on the Jan. 6 cases, some of the people said. Thousands of employees across the country were assigned to the sprawling investigation, which was one of the largest in U.S. history and involved personnel from every state. Acting Deputy Attorney General Emil Bove gave FBI leadership until noon on Feb. 4 to identify personnel involved in the Jan. 6 investigations and provide details of their roles. Bove said in a memo he would then determine whether other discipline is necessary.

Acting FBI Director Brian Driscoll said in a note to employees that he, too, would be on that list, as well as acting deputy Robert Kissane.

"We are going to follow the law, follow FBI policy and do what's in the best interest of the workforce and the American people," Driscoll wrote.

Across the FBI and on Capitol Hill, the preparation of the list stirred fear and rumors of more firings to come—potentially even a mass purge.

In their first two weeks in office, Trump appointees have been eager to swing back at people the president says targeted him unfairly during the Biden era. More than a dozen prosecutors involved in special counsel Jack Smith's Trump investigations were fired this week, and more than 20 career officials, some of them senior, have been reassigned to more marginal positions.

Law-enforcement officials around the country have watched the dismissals with dismay, and said a mass firing of FBI agents wouldn't help

SHAFKAT ANOWAR/ASSOCIATED PRESS

Officials asked for a list of personnel who worked on investigations into the Jan. 6, 2021, attack on the U.S. Capitol.

the Trump administration achieve its tough-on-crime agenda. Unions supporting federal agents condemned the firings and said they would fight any potentially illegal disciplinary action.

"We are aware many people are apprehensive and stressed with the rapid changes at the FBI, lack of clear information and guidance from FBIHQ, and the litany of rumors," the FBI Agents Association said in an email to members. In a separate statement, the organization said that dismissing potentially hundreds of agents would "ultimately risk setting up the Bureau and its new leadership for failure."

On Thursday, several senior executives promoted by former Director Christopher Wray were told they need to leave their posts, some of the people said. Wray stepped down in January before Trump could fire him. The dismissed officials include the heads of the Miami and Washington field offices, which were both involved in investigations into Trump.

Trump's nominee to run the bureau, Kash Patel, said during his confirmation hearing Thursday that he hasn't participated in Justice Department personnel decisions and was unaware of any plans to punish agents and prosecutors who participated in investigations of Trump. Under questioning from Sen. Cory Booker (D., NJ), Patel said he would follow standard review processes when it came to investigating and firing personnel.

"I don't know what's going on right now over there, but I'm committed to you, Senator, and your colleagues, that I will honor the internal review process of the FBI," Patel said.

He didn't commit to opposing the firings of agents who participated in Trump or Jan. 6 investigations, but said "every FBI employee will be held to the same standard and no one will be terminated for case assignments...All FBI employees will be protected against political retribution."

In a memo about the prosecutor firings, Bove said he ordered the move because the Biden administration had converted the prosecutors to permanent status in the weeks leading up to Trump's inauguration.

Bove, who previously served as Trump's criminal defense lawyer, said that personnel move has "improperly hindered" the interim U.S. attorney, Ed Martin, from staffing his office "in furtherance of his obligation to faithfully implement the agenda that the American people elected President Trump to execute."

His memo referenced the clemency Trump issued to all Jan. 6 defendants on his first day in office, saying the president had "appropriately characterized" the cases against them as a national injustice.

Inside the office, prosecutors were bracing for additional firings. The move came just days after Martin opened an internal review of the office's decision to charge hundreds of Jan. 6 defendants with a felony obstruction charge.

Universities Retreat on DEI After Trump's Order

By Nidhi Subbaraman And Douglas Belkin

Universities are suspending research projects, canceling conferences and closing offices in response to a volley of orders from President Trump banning "diversity, equity and inclusion" across the U.S. government. The directives threaten vital federal funding and have thrown university leaders into disarray.

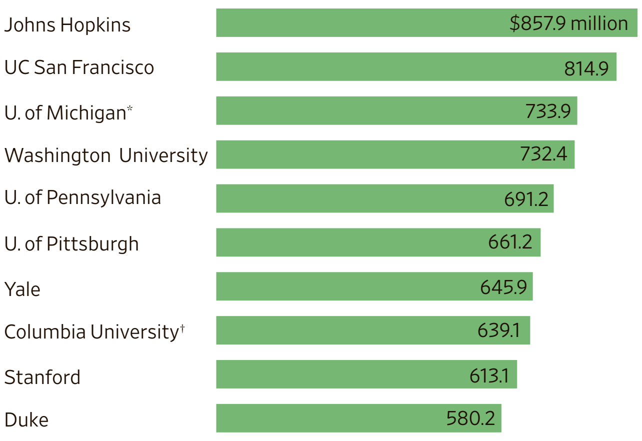
To avoid running afoul of the orders, which include "the termination of all discriminatory programs," some school leaders have assumed a defensive posture on anything associated with DEI.

Arizona State University told researchers to immediately stop work on federally funded DEI-related projects and avoid using unspent funds.

Michigan State University canceled a DEI webinar and began a review of campus programs to understand how they could be affected by the executive orders.

North Carolina State University directed faculty to stop working on any projects that

Universities receiving the most NIH funding, FY 2024



*Ann Arbor †Health Sciences

Source: U.S. Department of Health & Human Services

"included the terms diversity, equity and inclusion" in the program's proposal.

Trump pledged during his campaign to end DEI, but the breadth of his executive orders still stunned universities, which have spent years incorporating DEI practices, values and personnel into curriculum, hiring and research.

Among the executive actions recently issued, one order directs federal agencies to end "equity-related" grants. Another would require universities to certify that they don't run "programs promoting DEI that violate any applicable Federal antidiscrimination laws" when they get grants.

Federal funding in the form of research grants is critical to the financial health of major research universities.

For instance, the University of California, San Francisco, received about $815 million in research funding from the National Institutes of Health for fiscal year 2024, making it one of largest recipients in the country. The school keeps about 40% of that for administrative costs.

The University of Arizona is likely to lose more than $10 million in annual diversity-associated grants from NIH and the National Science Foundation intended to pay for current and future postdoctoral scholars and graduate students, said Jacob Schwartz, the associate director for cancer training and education.

Last week, the NIH emailed Northern Arizona University to terminate funding for a project Naomi Lee hosts for mostly Native American high-school students at science labs at the university. The NIH cited a Trump executive order. "We thought we were fine until the end of the fiscal year," Lee said.

Universities are also facing delays in getting money unrelated to DEI. The NIH and NSF paused reviews of grant applications following the directives.

Johns Hopkins University computational biologist Steven Salzberg was reviewing graduate applications and set to make multiple offers for new students until last week. "Right now, I feel like I cannot make any offers because I don't know when the funding situation will be resolved," he said.

Scott Goldschmidt, a lawyer specializing in higher education at Thompson Coburn in Washington, urged universities to look at how public institutions have adapted in states that have already passed legislation banning DEI.

More than a dozen states controlled by Republican legislatures and governors have moved to limit or prohibit DEI. In 2023, Missouri State University stopped requiring diversity statements from job applicants, eliminated diversity hiring policies and removed scholarship requirements that limited eligibility based on race and sex.

On Wednesday, the school said it would stop DEI programs on campus and close its office of inclusive engagement.

"The world didn't end, right?" Goldschmidt said. "They're still able to fulfill their mission."

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President Puts Blame Elsewhere

Continued from Page One

It was there, at the news briefing, when Trump announced the appointment of a new acting Federal Aviation Administration director, less than 24 hours after an American Airlines plane collided with an Army helicopter over the Potomac River, killing 67 people. It was also there that he speculated the accident could have been caused because of "diversity, equity and inclusion" policies stretching back to the Obama administration.

When asked to explain what he was basing this on, he said, "Because I have common sense and unfortunately a lot of people don't."

Outward confidence

On camera and on social media, Trump governed with his usual confidence and bravado. But behind the scenes, there was evidence of frustration and breakdowns in communication in the administration.

"In his second week in office, President Trump has shown resolute leadership in the face of tragedy and robustly pushed through on enacting the agenda that the American people gave him a historic mandate to implement—and Americans can count on President Trump to continue delivering," said White House spokesman Kush Desai.

The budget memo calling for a pause in federal spending on an unspecified number of programs effective the next day was issued without knowledge of senior staff, people familiar with its release said, even though they were forced to quickly defend it.

A White House official, speaking on condition of anonymity, said the Office of Management and Budget memo was "poorly written" and "too vague, so it left everything up to interpretation."

The memo wasn't run by many top advisers in the West Wing, including deputy chief of staff Stephen Miller, before it was issued, according to people familiar with what happened.

"Memos are supposed to offer guidance, and this was the opposite of guidance," the official said. It suggested, for example, that $3 trillion in federal spending needed more scrutiny and that most programs could be on the chopping block aside from Social Security and Medicare.

Republican lawmakers immediately defended the spending freeze but were hit with questions from constituents about veterans programs being halted as well as potential cuts to Medicaid, which provides benefits to low-income Americans and many with disabilities.

"There's real people that depend on these grants, and real people with real jobs, with missions," said Rep. Don Bacon (R., Neb.). "All I could say right now, I hope it's short lived…again, this stuff is appropriated by Congress. It's already been signed" into law.

At his signing of a new immigrant law known as the Laken Riley Act, Trump said he wanted to "correct any confusion" on the spending freeze, saying his administration had stopped "$50 million being sent to Gaza to buy condoms for Hamas," though aides couldn't provide evidence that the money had been allocated for this.

Confusion unfolds

Meanwhile, consternation was unfolding across the country. Kelly Neidel, executive director of a Head Start agency that serves more than 240 children outside Chicago, said even a partial-day freeze of federal funding for her organization created massive stress for her employees and families they serve.

OLIVER CONTRERAS/AGENCE FRANCE-PRESSE/GETTY IMAGES

President Trump arrived Thursday to speak about the crash.

"We notified parents that your child no longer has a place to go," she said. "It was chaos."

Neidel said she had a notice in her email on Tuesday morning informing her that the federal payment system would be offline. Her staff then tried to draw down funding, as her agency does weekly on Tuesdays to help meet payroll.

"All of a sudden we were locked out," she said. "We had to make an immediate decision."

On Tuesday, a federal judge intervened and delayed any spending freezes until next week. By Wednesday, the White House budget office issued a two-line memo rescinding the entire directive. Still, Karoline Leavitt, the president's press secretary, maintained in a social-media post that a spending freeze was still in place, causing more confusion.

The White House budget flip-flop created an opening that congressional Democrats had been waiting for. When Democratic senators huddled for lunch on Tuesday in the Capitol, they readied a plan to hit back with speeches and events highlighting families that would be immediately hurt by a pause to so many government programs. On Wednesday, when the memo was overturned, they celebrated.

"I could see all of the razorblades in the apple," said Sen. Tim Kaine (D., Va.), who represents hundreds of thousands of federal workers who were offered a buyout this week in an unsolicited email. Kaine warned federal workers: Don't trust Trump.

Tragic crash

Then, just hours after the spending freeze was rescinded, the tragic aviation collision occurred a few miles from Capitol Hill.

The deadly crash was the first major crisis faced by Trump and the handful of members of his cabinet who have been confirmed by the Senate. By the time he took the podium on Thursday at 11 a.m., he offered comments to mourn the dead but said he needed to offer his "opinions" about what might have happened.

"I put safety first, Obama, Biden and the Democrats put policy first," Trump said. "They came out with a directive that said 'too white.' We want the people that are competent."

His inference was that diversity policies of past administrations could have allowed unqualified people to be involved in high-risk jobs. He didn't offer any evidence of this, however.

"I don't know," Trump said when asked if race or gender played a role. "Incompetence might have played a role."

Former U.S. air-safety officials recoiled. Aside from his focus on the FAA's efforts to diversify its workforce, they said Trump upstaged the National Transportation Safety Board and threatened to undercut its status as the world's gold standard for investigations by quickly assessing the crash's cause and assigning blame.

"It's extraordinary," said Ben Berman, a former senior NTSB investigator and former 737 pilot. "I can't even imagine what effect it will have. I think we're going to have to stay tuned, but have our seat belts fastened. I have never seen anything like it, and I can't imagine what it will do."

The NTSB is highly regarded for its expertise in aviation safety circles worldwide. The safety board, designed to be independent from politics, typically takes over major crash investigations, tightly controls information and sharply limits what parties such as the FAA can say publicly.

Thursday afternoon, as government officials were still searching for answers in the aviation accident, Trump summoned reporters to the Oval Office to sign an executive order aimed at bolstering his concerns about diversity efforts in the federal workforce.

Trump said the Washington plane crash was a "tragic, tragic story."

"I don't know. Do you blame it on the air-traffic controller, too, in addition to the pilots? They should've seen it. I would've thought they should've seen it," Trump said.

—Tarini Parti, John McCormick and Andrew Tangel contributed to this article.

FCC Seeks Transcripts Of Harris's '60 Minutes' Interview

BY JESSICA TOONKEL AND JOE FLINT

The Federal Communications Commission requested that **Paramount Global** hand over its footage and transcripts from an October **CBS** News "60 Minutes" interview with former Vice President Kamala Harris as part of its review of the company's planned merger with Skydance Media.

The interview prompted a personal lawsuit from then-presidential candidate Donald Trump.

CBS News said in a statement Friday that it is working to comply with the FCC's request for the "full, unedited transcript and camera feeds from our interview with Vice President Harris which aired on October 7, 2024."

Trump's lawsuit against CBS, which seeks $10 billion in damages, alleges that the network committed election interference by editing portions of an interview with Harris, favoring her campaign for president. Trump claimed CBS aired one version of the interview in a segment on its Sunday morning news magazine show "Face the Nation" that wasn't flattering to the vice president, and then another version in the full interview on that evening's episode of "60 Minutes."

CBS has said it aired a more succinct version of Harris's interview on "60 Minutes."

FCC Chairman Brendan Carr has made it clear to Paramount executives that the agency's review of its merger with Skydance will be tough and has said that bias accusations against Paramount's CBS News are fair game for the agency.

The FCC has authority over the transaction because it would involve the transfer of broadcast television licenses held by CBS. The commission is currently comprised of two Republicans and two Democrats, with one open seat.

Democratic FCC Commissioner Anna Gomez called the commission's request for the "60 Minutes" materials "a retaliatory move by the government against broadcasters whose content or coverage is perceived to be unfavorable."

—Drew FitzGerald contributed to this article.

Was That Canvas a Van Gogh?

Continued from Page One

well over $30,000 and involving a team of around 20 experts from chemists to curators to patent lawyers.

They will soon unveil their find in private viewings to Van Gogh scholars and dealers. They believe it is worth at least $15 million.

But is it really a Van Gogh?

"That's the big question," said Richard Polsky, an art authenticator who wasn't involved in the project. "People love it when things fall through the cracks, and it would be wonderful if they found a Van Gogh—but they've got to pin everything down and get a scholar at the Van Gogh Museum to sign off on it."

Doing so could prove to be a tall order. The discovery, if accepted, comes at a time when artist foundations and estates are increasingly shying away from making ultimate rulings on the authenticity of artworks for fear of being sued by unhappy owners. Museums touting deep holdings in certain artists like Amsterdam's Van Gogh Museum turn down most examples shown to them.

The Van Gogh Museum declined to comment to The Wall Street Journal on LMI's purported version, but after this article was published online, LMI told the Journal that it received an email from the museum saying it didn't think it was an authentic Van Gogh. The museum said the previous owner had submitted it for consideration more than five years ago and that it had said at that time that it couldn't be attributed to Van Gogh, LMI said.

LMI added that it has asked the museum to agree to study the work firsthand to reconsider.

The Van Gogh Museum couldn't be reached for further comment about its reply to LMI Group, but it earlier told the Journal that it had a rigorous procedure to sift out legitimate finds. Until a few years ago, the museum said it was shouldering up to 200 authentication requests a year, "99% of which could not be attributed to Van Gogh in our opinion," a spokeswoman said.

After requests recently surged to 500 a year, the museum altered its process to consider candidates only after they've first built up a groundswell of approval from galleries, auction houses or other art professionals. That amounts to about 40 a year.

Maxwell Anderson, the former Met curator, is staking his reputation on "Elimar" being the real deal. Anderson, who went on to serve as director of New York's Whitney Museum of American Art as well as other museums in Dallas and Indianapolis, was recruited to become LMI's chief operating officer in 2022 by the firm's founder, art lawyer Lawrence Shindell. The firm's goal is to step into a perceived industry void and offer answers that combine scientific data with art-historical sleuthing—and ostensibly a financial upside.

The two men first learned of the painting's existence in 2019, when an antiques picker in Minnesota called to say he had spotted it in a bin of other paintings at a garage sale; he had bought it because he liked the work's impasto, or thickly painted brush strokes, Anderson said. The buyer was told the garage-sale pieces may have previously belonged to the owners of a local antique shop.

That's not much to go on, but Anderson and Shindell agreed to take a look. Anderson said the piece lacked the vivid hues of Van Gogh's best-known pieces, but there were telltale signs of a deft painter. He noted the confidently painted smile lines framing the older man's mouth, and he wondered about a cross that appears to have been cryptically scored into the green-glass floater in the net. There was also a red hair embedded in the paint.

"Was I all in? No," Anderson said, "but I was super intrigued."

From an art-history perspective, Anderson thinks the fisherman differs from the artist's vivid signature palette in part because it belongs to a series of modified copies of other artists' works that Van Gogh painted while he was hospitalized. During his stay, he often pored through books on old master painters and painted his own retooled versions. Van Gogh called them translations.

FROM TOP: LMI GROUP INTERNATIONAL; IODOCOMMONINC.

Some experts believe they have discovered a previously unknown van Gogh portrait of a fisherman, above. At left, a close-up of the handwriting in 'Elimar,' which LMI Group posited uses similar brush strokes to an 1885 work.

In 1890, he described his approach to his art-dealer brother Theo, writing that his intent was "not copying pure and simple" but rather "translating into another language, the one of colors."

Museums haven't focused on the 33 known translations in part because they stand out from his instantly recognizable compositions, according to William Havlicek, an art historian who has written a book on Van Gogh and was paid by LMI to research this lesser-known subset of Van Gogh's works. Yet the marketplace considers them significant, with Van Gogh's version of a Jean-François Millet field worker, "The Reaper (After Millet)," selling for $31 million in 2017.

While scouring auction catalogs, LMI researchers found what they consider to be the inspiration for "Elimar": Danish painter Michael Ancher's 1870s-1880s "Portrait of Niels Gaihede." It sold in Copenhagen in 2011 for $4,484, according to auction database Artnet.

In Van Gogh's day, Ancher was a popular member of a group of Scandinavian artists who hung out in the Danish village of Skagen and were known to paint outside like the French Impressionists that Van Gogh already knew well.

"As soon as we saw the Ancher, I knew we were right," Havlicek said.

The LMI team has also posited, in a report that spans 450 pages, that Van Gogh signed the work Elimar, rather than with his own name, using brush strokes similar to those he used in an 1885 work featuring a Bible and a book by Émile Zola. (The E's, M's and A's were nearly identical.) Because it is widely accepted by Van Gogh scholars that the artist didn't sign dozens of his works, the lack of his traditional "Vincent" signature isn't necessarily a deal breaker.

Pigments nearly were, though. Jennifer Mass, president of Scientific Analysis of Fine Art, was paid by LMI to study the work's pigments and fibers, among other factors. Mass found one of the pigments was PR-50, an organic compound that provided the violet hues in the sky. Conservators commonly credit this compound to a French patent from 1905-06, which would have dated the work after Van Gogh died in 1890.

But because every other pigment checked out, she wondered if an earlier patent may have existed. Ben Appleton, a lawyer with Wilson Gunn, was hired to search without knowing the purported artist.

Appleton said France hadn't routinely published its patents until after 1902, so hunting for anything earlier involved scouring scanned copies of handwritten documents. After a month of following a breadcrumb trail of chemical manufacturers across Europe and the U.S., his firm found it: An 1883 patent registered by the Colored Materials and Chemical Products of Saint-Denis, a Paris suburb.

Mass said the revelation amounted to a find-within-a-find for conservators, who can now date and authenticate works containing this red pigment to the late 19th century, rather than the early 20th.

All of this may help the fate of "Elimar," which will now need to be paraded before a swath of Van Gogh scholars if it hopes to garner the one thing that artworks universally seek: validation.

U.S. WATCH

CDC

Gender-Identity Mentions Removed

References to gender identity disappeared from federal health websites as officials acted on a Trump administration order to scrub them from communications and programs.

The administration instructed agencies in a memo Wednesday to end all "programs that use taxpayer money to promote or reflect gender ideology."

At the Centers for Disease Control and Prevention, teams scoured webpages for words the agency had been instructed to remove including "transgender," "nonbinary," "inclusivity" and "gender," according to people familiar with the matter.

Federal employees, including at the CDC and State Department, received emails instructing them to remove signature lines that included their pronouns.

—Dominique Mosbergen

LOUISIANA

N.Y. Doctor Indicted For Abortion Pill

A New York doctor was indicted by a Louisiana grand jury on Friday for allegedly prescribing an abortion pill online in the Deep South state, which has one of the strictest near-total abortion bans in the country.

Grand jurors in the Parish of West Baton Rouge issued an indictment against Dr. Margaret Carpenter; her company, Nightingale Medical PC; and a third person. All three were charged with criminal abortion by means of abortion-inducing drugs, a felony.

Carpenter didn't return a message seeking comment.

—Associated Press

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Spain has become a nightmare destination for US Citizens trying to do their jobs, accumulate wealth and foster investment in the Spanish economy.

All US citizens, as well as the international tax authorities and financial regulators should take notice: Spain is ostensibly conducting an audit crusade based on arbitrary criteria and motivated solely by revenue maximization. The foreign earners targeted moved to Spain under false pretenses, having relied – to their detriment – upon receipt of a state certificate of their status under the Beckham Law.

The Spanish Tax Authority (STA) is now applying discriminatory tactics to improperly extract additional tax dollars from these individuals when they have already fully complied with the law. In the pursuit of these foreigners, the STA acts in a manner inconsistent with fundamental European Union law and human rights.

Regulatory changes that provide incentive bonuses to tax auditors (considered inappropriately excessive when benchmarked internationally) have encouraged waves of 'shoot first, ask questions later' audits. Foreign employees who came to Spain and expected to be protected by due process and a robust rule of law have instead been subjected to a tax inquisition that has left them distressed and bitterly disappointed.

Victims are subjected to a draconian process which is an international outlier: often denied any explanation of why they are being audited and any right to challenge investigations until just before they conclude. Victims cannot prevent full scale global fishing expeditions, and find their fundamental right to appeal does not stay the enforcement process, leading to potentially disastrous results.

This effectively impedes access to justice and can leave individuals and families financially devastated and unable to defend themselves effectively while sustaining reputational harm. This is a tax trap of the worst kind.

And the STA allocates to their auditors a percentage cut of the sums recovered, with no disincentive for failed audits or clawback from assessments later overturned. In what is one of Europe's worst kept secrets, this encourages tax investigators to extort victims into disproportionate settlements, with scant regard for the rule of law or fundamental fairness, contrary to the STA's Code of Ethics.

Fairness, proportionality, and access to legal redress are cast aside, because the priority is to maximize government revenue at all costs. Unsurprisingly, this has resulted in the lopsided targeting of foreigners in Spain. Not exactly the warm welcome they were sold and detrimental to Spain's reputation.

For the sake of all of those individuals, families and firms whose time, efforts and contribution have been totally undermined by the pickpocketing Spanish Tax Authority, we need to address the STA's underlying denial of justice. We need to curb its revenue-driven enforcement mechanism, and its pay-to-appeal policy must be reformed. The STA needs to stop bullying tax professionals.

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U.S. NEWS

Helicopter Helped to Ferry Top Officials

The Black Hawk in Wednesday's crash belonged to 'air taxi service' for VIPs

The U.S. Army Black Hawk helicopter that collided with an American Airlines flight landing at Ronald Reagan National Airport was training to perform one of the unit's key missions: transporting top U.S. leaders to a safe zone in the event of an attack on the nation's capital.

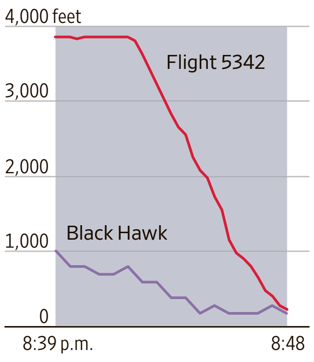
By Nancy A. Youssef, Gordon Lubold and Brett Forrest

Above, a pair of Black Hawk helicopters flew near the Lincoln Memorial in 2019. Use of helicopters around Washington has become frequent. Below, a National Transportation Safety Board investigator examined one of the crashed jet's recorders.

ERIK S LESSER/EPA/SHUTTERSTOCK

NATIONAL TRANSPORTATION SAFETY BOARD/ASSOCIATED PRESS

Altitude of Black Hawk and CRJ700



Note: CRJ700 is using WGS84 altitude measurements. Blackhawk is using barometric altitude measurements. Eastern standard time.
Source: FlightRadar24

But the deadly Wednesday crash between the military helicopter and the commercial airliner that killed 67 people underscored the risks of flying demanding training missions in Washington's congested airspace, and raises questions about the unit's more-routine role ferrying senior officials around Washington.

The Federal Aviation Administration on Friday indefinitely suspended most helicopters from flying near Reagan National, and the Army ordered the 12th Aviation Battalion, the unit involved in the accident, to suspend flights until Saturday, later amended by the Transportation Department to extend until after the National Transportation Safety Board completes its initial investigation, likely weeks away. A group of congressional lawmakers representing districts surrounding the airport asked Defense Secretary Pete Hegseth in a letter Friday to extend the pause indefinitely and conduct a comprehensive safety review.

The Army on Friday identified two of the Black Hawk aviators—Chief Warrant Officer 2 Andrew Loyd Eaves, 39, of Great Mills, Md.; and Staff Sgt. Ryan Austin O'Hara, 28, of Lilburn, Ga. The Army didn't name the third crew member, a woman, at the request of her family, an unusual move by the military.

The Army's website on casualty guidance says that families can request that the name of a soldier be withheld, but "it is a matter of public record and may be released without their permission."

The 12th Aviation Battalion, based at nearby Fort Belvoir, Va., has a decadeslong history of flying top officials in and out of hot spots, from Vietnam to Lebanon. Today the unit operates primarily inside the U.S. and is also responsible for "continuity of operations plan," to allow the government to keep running should an event like 9/11 take place.

It also ferries top military and other officials in and around the capital in helicopters known as "gold tops" for their livery. Gold tops have effectively become a high-end air taxi service for Washington VIPs, taking passengers to bases and other locations.

The use of helicopters around Washington has become so frequent that the sound of the whirling blades has become ubiquitous at the Pentagon. Defense officials can look out their windows daily and see helicopters landing and taking off, sometimes in pairs.

Army helicopters sometimes ferry two- and three-star generals from Fort Belvoir to the Pentagon, shaving 45 minutes or more off a trip by car, said Andrew Logan, a Washington resident who co-founded Helicopters of DC, a website that tracks helicopter operations.

The Air Force's 1st Helicopter Squadron, based at Joint Base Andrews in Maryland, also has responsibility for ferrying senior government officials and VIPs, Logan said.

"I've heard pilots saying they like being a taxi service for generals," he said

The Army battalion's role is a critical one, military officials said, and transporting top military officers to make more efficient use of their time is largely necessary, especially when they need to get to between meetings outside the region, and then return to the Pentagon or White House, said one retired senior aviation officer.

But the crash has prompted debate about how that role should be carried out in the congested airspace around the nation's capital, particularly close to Reagan National.

While pilots noted that helicopters and planes have flown safely in proximity for decades around Reagan National, there have been close calls, including one earlier this past week, officials said.

"Let's make their flight path at least a mile laterally separate," said one former Army helicopter pilot who now flies for a major commercial air carrier. "At no point should [military helicopters] cross the approach corridor; at least, if it does, it should be at least a mile away from the airport where it crosses the approach corridor."

The pilot said Reagan National is his least favorite airport because of the short runways and prohibited airspace, but also because of the sheer volume of traffic. He estimated that he encounters military helicopters in the area about 75% of the time.

Finding new routes for the helicopters is challenging due to the amount of restricted airspace around the White House, the Capitol and other sites. Some former pilots insist the training and the flight operations the battalion does along the Potomac River near the airport are critical.

"Fewer flight hours result in reduced proficiency and reduced proficiency can result in more accidents and more accidents could lead to more deaths," said Brad Bowman, senior director at the Foundation for the Defense of Democracies and a former commander of Charlie Company of the 12th Aviation Battalion, who flew officials around on Sept. 11, 2001, and the days after.

The Pentagon and NTSB have launched investigations into the midair collision. Investigators are probing what the air-traffic control operator told the helicopter pilots, what prompted the runway change for the jet, and if the Black Hawk was flying too high. Defense officials said the Black Hawk was as much as 100 feet higher than authorized and may have been off course.

Accident investigators have recovered black boxes from both the American Airlines jet and the military helicopter involved in the crash, according to NTSB member Todd Inman.

An internal FAA review of the accident said configuration of tower staffing was "not normal for the time of day and volume of traffic." The review said responsibilities overseeing helicopters as well as airplane departures and arrivals were combined, as were other positions, according to the internal FAA report. Periodically combining responsibilities in air-traffic control facilities is common.

The crew of the Black Hawk had at least 1,500 flight hours among them, according to the Army, and hundreds of those hours were flying around Washington, D.C.

O'Hara, the crew chief on the flight, was a decorated soldier who had served in the military for 10 years and had deployed to Afghanistan from March 2017 to August 2017. He was married, with an 18-month-old son. His remains are believed to have been recovered from the crash site, the Army said.

—David S. Cloud and Andrew Tangel contributed to this article.

Routine Trip Turns To Disaster

Continued from Page One

perate message on Instagram: "I hope ur okay." There was no response.

The next day, Rowan sent his best friend one final message: "Ily never forget that."

I love you, never forget that.

The deadliest plane crash in decades was a reminder that lives are made up of ordinary moments and there is no way to know when the extraordinary might intervene. Millions of Americans were shaken by the idea that it could have been them, including frequent fliers grounded by the tragedy and parents who had flown that weekend for their own kids' travel sports. It was also a reminder that people fleetingly share spaces with strangers every day, without knowing whether those same people might be beside them when they draw their last breath.

The trip was a midweek, midrange regional flight, indistinguishable from dozens of others flying into Ronald Reagan Washington National Airport that night. Many of the 64 people on board might have never met otherwise: There was a flight attendant who switched careers midlife to travel the world, a mother and father traveling with two cats to visit their daughter in college, the incoming president of the National Association of Biology Teachers en route to an event.

Half of the plane was filled with people who were used to seeing each other day in, day out, because of figure skating. There were more than a dozen parents flying with their children, including Justyna Beyer and her 12-year-old daughter, Brielle, and Luciano Aparicio and his son, Franco. Several coaches were also traveling with their students, among them Aparicio's coach, Inna Volyanskaya.

And all of them pulled into the same rinks in the early hours of the morning and then stayed there all day, on the ice, chatting on the boards, doing online school, stretching together, or talking while clutching large flasks of coffee.

Justyna Beyer and her 12-year-old daughter, Brielle, were among the passengers aboard the flight from Wichita, Kan.

ANDY BEYER

Vadim Naumov and his wife, Evgenia Shishkova, were at the airport several hours before the Washington flight took off, said fellow figure skating coach Tom Zakrajsek, who saw them just as he was preparing to head back to Colorado with a noon departure. Later that night, he went to bed thinking there was no way they could have been on a 5:18 p.m. flight.

"You just start going back in your mind, going: How does this work out like this?"

The crash occurred with no apparent warning, around the time of night when passengers flying into the capital tend to look out the window and marvel at the monuments.

Mikey Stovall, a steamfitter from Charles County, Md., had been texting with his mother Christina throughout the flight. He had been on an annual waterfowl hunting adventure in central Kansas with his buddies, including some from his union, United Association Local 67.

Three of them had chosen to drive the 1,300 miles home to haul their game, hunting dogs and shotguns, according to Chase White, owner of Fowl Plains, the outfitter running the trip. The other seven flew.

Mikey told his mother that he'd had fun but needed some rest. He was taking his 11-year-old son on a snowboarding trip in a few days' time. "Can't wait to be home super long trip," he wrote. "We're in the air and [the pilot] said we have a 100 mph tailwind so we might get there an hour earlier."

"That's cool," Christina Stovall said. "Texting while flying."

When Mikey's landing time came and went with no word, she texted him at 9:12 p.m. "I said, 'Did you land yet?' " she said, in an interview with WINK, the CBS affiliate in Fort Myers, Fla., near her home on the Gulf Coast. "I didn't hear anything and I said, 'Mikey, are you there?' "

That was when she turned on the TV, and, with a sense of dread, verified her son's flight number: AAL 5342.

The aftermath of the crash has left families in a waking nightmare. There are newly widowed parents who lost one child doing their best to comfort the others, arranging playdates so they can sort out funeral arrangements and the logistics of GoFundMe donations and Meal Train deliveries. There are loved ones facing the grim task of dealing with remains and choosing to drive to Washington, D.C., instead of accepting the offer of an American Airlines complimentary flight.

Then there were those left behind—shattered teenage training mates, coaches, choreographers, and a newly orphaned Maxim Naumov, the 23-year-old son of Shishkova and Naumov, who had left Wichita two days ahead of his parents.

And there was Doug Lane, whose son Spencer had gushed on social media hours before his flight home about his experience in Wichita: *"I learned so much new information that i can apply to my everyday life, and met so many amazing people!"*

—Jennifer Levitz contributed to this article.

Plane Carrying Six Crashes in Philadelphia

By Ginger Adams Otis

A Learjet with six people on board crashed Friday in Northeast Philadelphia, according to the Federal Aviation Administration.

The plane was en route to Springfield-Branson National Airport in Missouri, the FAA said. It crashed around 6:30 p.m. The FAA initially said the aircraft carried two people, but later updated that number.

The aircraft was a Learjet 55, the FAA said. The midsize jet can typically carry up to seven passengers and requires a two-person crew.

Jet Rescue Air Ambulance, which provides medical flights, said one of its aircraft crashed after takeoff from Philadelphia on Friday. The craft carried four crew, a pediatric patient and an accompanying passenger.

No additional information would be released until family members were contacted, the company said.

Video of the crash captured a large fireball as the aircraft made impact. Fire and police department personnel rushed to clear people from the area around Roosevelt Mall on Cottman Avenue. Several dwellings and vehicles were damaged, officials said.

The National Transportation Safety Board and FAA will both handle the investigation into the cause, the FAA said.

WORLD NEWS

Iran Is Smuggling Cash to Rebels, Israel Warns

Tens of millions of U.S. dollars are going to Hezbollah via Beirut, Israelis say

By Dov Lieber, Michael R. Gordon, Benoit Faucon and Adam Chamseddine

Israel is accusing Iranian diplomats and others of smuggling tens of millions of U.S. dollars stuffed into suitcases through the Beirut airport to militant group Hezbollah, said a U.S. defense official and people familiar with the matter.

Israel has lodged complaints with the U.S.-led committee overseeing a cease-fire that has halted fighting in Lebanon, saying that in addition to the Iranian envoys, Turkish citizens have flown from Istanbul to Beirut with cash for the U.S.-designated terrorist organization.

The cease-fire committee, which doesn't adjudicate alleged violations, has passed on the complaints to the Lebanese government, said the U.S. official, who was speaking for the committee.

The panel includes representatives from Israel, Lebanon, the U.S., France and the United Nations.

Officials of some governments represented on the committee said they were aware of Iran's use of the airport to smuggle cash or considered the allegations credible.

The cease-fire deal requires Lebanon to secure the country's ports of entry and prevent the flow of arms and related materiel to groups like Hezbollah. The terms don't specifically address deliveries of cash.

MURAT SENGUL/ANADOLU/GETTY IMAGES

Lebanon must secure its ports of entry to stop the flow of aid to Hezbollah, a truce says.

The Lebanese government and armed forces didn't reply to requests for comment.

A spokesman for the Iranian mission at the United Nations in New York and representatives of Hezbollah also didn't reply to requests for comment.

Behnam Khosravi, a diplomat at the Iranian Embassy in Lebanon, told Iranian state media last month that Tehran doesn't use passenger planes to smuggle funds into Lebanon.

Turkish officials said any large amounts of cash moving through Istanbul Airport would have been detected by X-ray machines or other security measures. The officials indicated no such movements have been found, and they said no third party has raised the issue with Turkey.

Cash shipments from Iran to Hezbollah could deepen friction between Israel and the two Shia allies. In two months of fierce fighting last autumn, Israel wiped out most of Hezbollah's top leaders, killed or injured many of its militants and significantly degraded its arsenal of missiles.

Israel has said it is committed to keeping Hezbollah from rebuilding, and has threatened to strike Beirut's airport if it is used to smuggle in aid for the group.

The two sides largely have stopped fighting under a cease-fire that has held for two months, though Israel has carried out hundreds of strikes on Hezbollah targets that it says violated the deal, including two attacks Tuesday on vehicles Israel's military said were transporting military equipment.

Lebanon has called the strikes a violation of the cease-fire.

On Jan. 2, Lebanese authorities searched passengers on a Mahan Airlines flight that landed in Beirut after a Saudi news station reported the plane was being used to transport funds to Hezbollah. An Iranian diplomat aboard refused to comply and entered Lebanon with two bags Iran said contained documents and cash for embassy operations, according to Lebanon's Foreign Ministry.

Hezbollah needs cash as it tries to recover from the conflict, which killed or wounded many of its members and did extensive damage to its strongholds in southern Lebanon and the southern suburbs of Beirut, said the people familiar with the matter and Lebanese security officials.

The group, which has a political party and social organization in addition to its militant wing, uses money to pay and recruit fighters, support families of the injured, compensate supporters for property that was destroyed and cover the cost of continuing social-support programs.

Israel has targeted Hezbollah's sources of cash to hamper its ability to fight and slow its recovery. During the past year, Israel killed central figures in Hezbollah and Iran who it said were responsible for keeping funds flowing to the Lebanese militia.

It also used airstrikes during the fighting last fall to destroy several sites where Israel said Hezbollah was keeping cash and gold, including branches of Al-Qard al-Hassan, a bank that is sanctioned by the U.S. for its role as a financial hub for Hezbollah.

"First, Hezbollah just literally has just lost a whole lot of money. Second, they now have massive expenses," said Matthew Levitt, former deputy assistant secretary for intelligence and analysis at the U.S. Treasury Department and now at the Washington Institute for Near East Policy.

Iran is dealing with a crisis in its sanctions-hit economy. Still, it sees Hezbollah as an important ally and deterrent against Israel and won't let the group wither away, Levitt added.

There are some signs Hezbollah is struggling to cover its commitments. The head of a Lebanese charity helping displaced people in southern Lebanon said experts appointed by Hezbollah had visited his area but underestimated the cost some people would incur to rebuild.

"There is a lot of discontent against Hezbollah," the person said.

A person familiar with Hezbollah's thinking said the group wasn't experiencing a liquidity crisis and was paying compensation for badly damaged property that ranges from $12,000 to $14,000 a year for rent, in addition to extra payments for furniture.

Since the cease-fire came into effect in late November, Al-Qard al-Hassan has reopened 28 branches, and Hezbollah has used the bank to issue $500 million worth of checks—a sign the person said showed that the group doesn't have a cash-flow problem.

But the extent of the damage in Lebanon, as well as the crimped pipeline of support through Syria and increased scrutiny at the Beirut airport, will limit Hezbollah's ability to fully fund reconstruction, the person said.

Until recently, Iran's main smuggling route for supplying cash and weapons to Hezbollah ran through Syria, though Israeli officials have said Iran also used the Beirut airport to funnel in cash and gold in the past.

The Syrian option largely was cut off after the fall of the Assad regime late last year, increasing the importance of the Beirut-airport route, said the people familiar with the matter.

Lebanese officials said that according to the cease-fire agreement, the airport is under the tight control of the Lebanese army to ensure funding and weapons aren't transported to Hezbollah.

It would be hard to smuggle large amounts of cash through the airport, a senior Lebanese security official said, though valuable items such as precious stones and diamonds might bypass detection.

U.S. officials who recently left office following the change of administrations expressed concern that Hezbollah might hold enough influence over Lebanese security forces for Iranian-backed couriers to escape rigorous searches at the airport.

—Saleh al-Batati contributed to this article.

Hamas Says First American Captive Will Be Released

By Summer Said, Anat Peled and Rory Jones

Hamas on Friday named the next three hostages to be freed under the Gaza cease-fire deal, including the first American to be released in the latest truce.

The militant group said it would free 65-year-old Israeli-American Keith Siegel, who was kidnapped from his home on Oct. 7, 2023, when Hamas launched attacks on Israel that sparked the 15-month war in Gaza. Siegel was taken with his wife Aviva Siegel, who was released in the previous cease-fire deal in November 2023.

Alongside Siegel, Hamas said it would free Yarden Bibas, 35, whose wife and children are also hostages, and Ofer Kalderon, 54, an Israeli-French citizen, whose two children were also kidnapped but released in November 2023.

The families of the hostages set to be released Saturday have been informed, said the Israeli prime minister's office said.

The release of Yarden Bibas in this round will draw attention to his wife, Shiri Bibas, and their two children, Ariel and Kfir, who were four years and nine months old, respectively, when taken hostage.

The family became a symbol of the Oct. 7 attack, and videos of Shiri and her two redheaded children being taken were some of the first to be widely seen. Hamas said in November 2023 that they were killed in an Israeli bombing. The Israeli military said it investigated the claim but hasn't confirmed their deaths. The Israeli military's chief spokesman, Daniel Hagari, said Israel is "extremely concerned" about the three hostages' welfare.

BRING THEM HOME NOW (3)

Hostages to be released, from left: Israeli-American Keith Siegel, 65 years old, Yarden Bibas, 35, and Ofer Kalderon, 54.

Siegel's wife, Aviva, was released in the brief November 2023 cease-fire without her husband. Keith Siegel, who was born in North Carolina, immigrated to Israel in his early 20s with his brother.

He was last seen in a video released by Hamas in April 2024 in which he broke down in tears as he spoke, describing how he found the protests calling for his release in Tel Aviv and Jerusalem encouraging.

Siegel's release would leave two additional living American hostages in Gaza. One is a male civilian and the other is an Israeli soldier. The bodies of four dead American hostages also remain in Gaza.

Kalderon was last seen alive by hostages freed in November 2023. His two children, Sahar and Erez, who were released then, have campaigned for his return.

The initial stage of the multiphase deal involves a total of 33 hostages to be released over six weeks. As part of the truce, Israel is expected to free more Palestinian prisoners on Saturday, including some serving life sentences.

Jockeying between Israel and Hamas over hostage releases in recent days has illustrated the fragility of a deal only in its second week, and which mediators hope can become the basis of a permanent end to the fighting in Gaza.

The deal calls for female hostages—civilians and soldiers—to be released first, followed by elderly and wounded men and then the bodies of the dead.

U.S. Aid Whiplash Hits Refugees, AIDS Patients Worldwide

By Nicholas Bariyo Feliz Solomon and Michael M. Phillips

Myanmar refugees, many elderly and needing oxygen, are being turned away from hospitals that closed when the U.S. pulled funding this past week.

A South African organization that provides HIV testing has closed under orders from Washington. Some Ugandan AIDS clinics that still have lifesaving drugs are crowded with desperate patients fearing their next dose might be their last.

In Kenya, clinics are continuing to dispense AIDS treatments bought with U.S. funds, while health officials try to determine whether Washington is barring them from providing drugs that prevent people from catching HIV in the first place.

A week after the Trump administration suspended most U.S. foreign aid, global charities are still working to decipher the messages out of Washington and figure out just what they are and aren't allowed to do with American money.

"It really is chaos—and chaos that's going to impact millions of lives," said one senior humanitarian-aid official.

President Trump's executive order put a three-month hold on new foreign assistance while such spending is reviewed. Four days later, the administration said the freeze applied to existing aid—with the exception of emergency food relief—and ordered charities and international organizations that implement U.S. aid programs to stop work immediately on everything from distributing childhood vaccines to assisting war refugees.

"Americans are a hardworking and generous people, who have sacrificed their blood and treasure to help their fellow man across the globe," the State Department said. "But no foreign nation is entitled to those benefits, and no foreign aid program is above scrutiny."

The move provoked a backlash at home and abroad. Within days, Secretary of State Marco Rubio issued a waiver to cover "lifesaving humanitarian assistance," including "core lifesaving medicine, medical services, food, shelter, and subsistence assistance."

However, administration officials didn't clarify which aid programs can resume under Rubio's waiver. The result has been a worldwide patchwork of U.S. charitable services provided and denied.

In an internal staff call, a senior U.S. Agency for International Development official said the administration hasn't made clear how it wants to apply the humanitarian waiver to programs on the ground. "Guidance is constantly changing," the official said, according to a recording of the call heard by The Wall Street Journal. Under those circumstances, the official urged agency staff not to discuss the waiver with private charities and other entities that implement U.S. aid programs.

'It really is chaos —and chaos that's going to impact millions of lives.'

USAID didn't respond to a request for comment.

Among the biggest U.S. aid endeavors left in limbo is the President's Emergency Plan for AIDS Relief, a President George W. Bush-era initiative that provides antiretroviral drugs to HIV-infected patients worldwide. Officials say PEPFAR, which has spent more than $110 billion since its inception in 2003, has saved 25 million lives and prevented millions of new infections in 50-plus countries.

When the initial freeze order reached them, Ugandan authorities planned to close PEPFAR-funded clinics. They held off when they caught wind of the waiver. But the back-to-back orders have sowed confusion among the medical professionals treating the country's 1.4 million HIV-infected patients.

The State Department hasn't publicly provided details of how PEPFAR-funded efforts are affected by the waiver for lifesaving programs.

At a Ugandan clinic run by Reach Out Mbuya Community Health Initiative, patients still receive antiretroviral drugs, but the facility's lab has closed because the technician was paid through a PEPFAR grant.

"This is more than just funding," said Gibstar Makangila, executive director of Circle of Hope, a health charity in the southern African nation of Zambia. "It's about the lives of mothers, fathers, and children who rely on these programs to survive and thrive."

The group has closed about a dozen clinics since the stop-work order came down this past week, putting at risk some 50,000 HIV patients it supports, Makangila said.

Martha Tholanah, a 60-year-old Zimbabwean, has been on PEPFAR-funded antiretroviral medication since 2003. "I am both concerned and fearful over how Zimbabwe will fill the gap," she said as concern over the future of the program grew. "How will the ordinary person survive? I am horrified just thinking of this."

The uncertainty caused by Trump's aid freeze goes well beyond AIDS programs.

The Thailand-based Karen Refugee Committee says hospitals in five refugee camps near the border with war-torn Myanmar closed Monday after the federal government issued stop-work orders to the International Rescue Committee, a U.S.-based charity.

Many of the patients were pregnant women and elderly people with respiratory illnesses, some of whom have resorted to asking relatives for help obtaining oxygen supplies that they can use at home. U.S. funds also provided the camps with water services, which also have been suspended, said Bwe Say, secretary of the Karen Refugee Committee.

Since the closures, emergency patients are being referred to public hospitals in Thailand, Bwe Say said. "We're told we need to wait three months, but for refugees that's very difficult to do," Bwe Say said. "We're worried, but we believe many people in the world, including in America, will continue to support us."

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Women Face New Trauma Amid Congo Fighting

A battle for the city of Goma again puts the region's women at risk of violence

BY GABRIELE STEINHAUSER

The moment Renatha Mwamini pressed "send" on the last known message from her phone recently, she was once again on the run.

"We are fleeing and we don't know where to go," Mwamini wrote to a volunteer.

That morning, rebels from the March 23 Movement, or M23, the Rwanda-backed militia that has taken swaths of eastern Congo, entered the sprawling displacement camp of Kanyaruchinya on the outskirts of the border city of Goma. The men rampaged through the camp, knocking down makeshift shacks and ordering its inhabitants to leave.

The attack sent hundreds of thousands of people, most of them women and children who previously had been displaced by the group, on a desperate trek into Goma, a longtime hub for international aid groups working in the war-torn region.

Since then, fighters from M23, supported by troops from neighboring Rwanda, have taken control of much of Goma, trapping more than a million civilians and threatening to open a bloody new chapter in a decades-old war set off by the 1994 genocide in Rwanda.

Senior U.N. officials said streets in Goma were littered with bodies and hospitals were flooded with hundreds of wounded. Several World Food Program warehouses were looted, and officials warned of severe shortages. Swaths of the city were without power and water, deepening what already was one of the world's largest humanitarian crises.

Some 1,500 miles away in Kinshasa, Congo's capital, mobs angered about the city's fall set fires and besieged the U.S., French, Belgian, Ugandan and other embassies, as well as the headquarters of the U.N. peacekeeping force.

Observers and diplomats fear that the M23's gains could encourage the rebels and Rwanda's army to advance on Kinshasa in an echo of the 1990s wars, which sucked in several other Africa countries and led to the deaths of more than five million people. Rwandan officials have denied that the country has deployed troops inside Congo, and say its military is defending Rwanda's territory and security.

Caught in the middle of the violence was Mwamini, one of six women who last year gave rare testimony to Wall Street Journal reporters about an unprecedented proliferation of sexual violence in the camps around Goma. Psychologists, nurses and others working with survivors of sexual violence estimate that about 80% of women in the camps—which at the time housed more than 500,000 displaced people—had been raped, including girls as young as 8.

"I am speaking out so there is help and so that the war ends and that other women don't get raped," Mwamini said last year.

Mwamini, who turned 29 in December, was pregnant with Gabriel when three armed men tied her to a tree and raped her in a forest near Goma. She and the other women said lack of food and other essentials in the camps forced them to venture into Virunga forest, a known hideout for a growing number of armed men involved in the war with M23, in search of edible plants and firewood. They spoke out despite the risk of reprisals from the armed men who attacked them.

The Journal article documented how international efforts to curb the use of rape as a weapon of war has fizzled.

A seamstress, Mwamini had been living in Kanyaruchinya camp since October 2022, when M23 took her home village of Rugari, some 20 miles north of Goma. She said her husband left her after she was raped, making it even harder to care for her two children.

Still, in recent months, Mwamini's life had taken a turn for the better. Rather than going back to the forest and risking another assault, she started begging on the streets of Goma, and eventually earned enough money to restart a small sewing business. On Jan. 19, a week before M23 fighters entered the camp, Mwamini, accompanied by two other women profiled in the Journal article, sent greetings to a Journal reporter in a voice message.

A Journal reporter and the volunteer Mwamini had written to on Jan. 26 were unable to reach her after she sent her message, and her phone appeared to be off. Espérance Kanyamanza, who told Journal reporters last year that she had been raped by armed men in Virunga forest on three separate occasions, reached the volunteer by phone on Monday and said she was hiding in another part of Goma close to the camp.

On Tuesday, Congolese soldiers, fighters from government-aligned militias and countless civilians streamed into U.N. peacekeeping bases in Goma and surroundings looking for protection.

U.N. "bases are not able to accommodate the large number of surrendering elements and civilians," Vivian van de Perre, deputy head of the peacekeeping mission, known as Monusco, told the U.N. Security Council.

U.N. officials said Tuesday that there were already reports of rape and sexual violence from Goma. On Monday shells struck a maternity hospital in the city, killing and injuring several people, including newborns and pregnant women.

M23 briefly occupied Goma in 2012, but withdrew after international pressure on Rwanda. Named for a failed 2009 peace treaty, the group says it is defending Congolese Tutsi from persecution by the government and other militias.

Rights organizations say M23 fighters, like those of the Congolese military and other armed groups, have abused civilians, including through summary executions, forced conscription and mass rapes, during their current offensive, which started in late 2021. A group spokesman said this past week that M23 had entered Goma to protect civilians.

A Goma-based activist who has been working with survivors of sexual violence for years said she is concerned about women in Goma and the region. She said thousands of displaced people are camped out on the city's streets with no protection from the fighting. "The situation remains worrying," she said. "The pillaging has started."


MICHEL LUNANGA/AGENCE FRANCE-PRESSE/GETTY IMAGES

Women sell vegetables at a market in Goma. Rebels have taken control of most of the city.


JONATHAN TORGOVNIK FOR WSJ (2)

Espérance Kanyamanza, left, said last year that she was raped by armed men. At right, Renatha Mwamini, also a rape victim, said recent fighting has reignited fears of attacks.

Six Americans Released From Venezuela Detention

Six Americans were released Friday from detention in Venezuela after a top Trump administration official made a rare visit to the country to strike a deal on deportations.

By Kejal Vyas, Vera Bergengruen and Patricia Garip

The release of the Americans was announced by special envoy Richard Grenell on X, where he posted a photo with the men smiling aboard a U.S. Air Force jet.

The rare visit by an American official to the capital, Caracas, where the U.S. has had no official presence since 2019, was expected to convey a message to Venezuelan officials that the U.S. would continue to allow Chevron and other Western oil companies to operate in Venezuela, and that President Trump would back off pressure on strongman Nicolás Maduro to make short-term democratic concessions, the people said. Maduro claims he won an election last July that the U.S. and other international observers say he clearly lost to the opposition.

The U.S. State Department said Grenell was on a specific special mission to tell Maduro's government that Trump expects them to "take back all of the Venezuelan criminals and gang members that have been exported to the U.S., and to do so unequivocally and without condition." Maduro had stopped accepting deportation flights early last year as talks with the Biden administration broke down.

Among the released Americans was Phoenix resident Greg Werber, who had been arrested a few months earlier after traveling with a girlfriend to Venezuela, where the government publicly accused him of being a hacker plotting attacks against the country.

"We were ecstatic seeing his face," his brother Marc Werber said after seeing Grenell's photo. "This is an incredible feeling, and he looked good in the picture."

Some nine other U.S. citizens remain detained in Venezuela, some facing charges of terrorism and espionage.

Despite the prisoner release, it was unclear whether any deportation deal was reached.

The negotiations in Caracas mark a policy shift for Trump. During his first term, his administration imposed what it called "maximum pressure" economic sanctions to try to topple Maduro and recognized a parallel government.

The visit shows that the White House is willing to move fast and break from bipartisan consensus to punish Maduro's increasingly dictatorial regime with sanctions and international isolation, said Geoff Ramsey, who tracks Venezuela at the Atlantic Council policy group in Washington.

"The question is where do talks go beyond deportation flights," said Ramsey. "Are these negotiations to lock in the status quo or will there be any meaningful hopes of a return to democracy?"

Publicly, the Trump administration has taken a hard line on Venezuela. Mauricio Claver-Carone, U.S. special envoy for Latin America, told reporters on Friday that there would be no "quid pro quo."

"It's not a negotiation in exchange for anything. President Trump himself has made very clear, we don't need Venezuelan oil," Claver-Carone said.

Maduro called the meeting positive and said both sides had reached agreements without providing more details. "I am free from pressure, I'm in the hands of God," he said.

Maduro has signaled that he wants a fresh start with Trump. The U.S. in recent years tried unsuccessfully to coax Maduro into holding free and fair elections but instead saw him tighten his autocratic grip on the oil-rich country. The Trump administration is looking for Venezuela's help to send undocumented migrants back home, something Maduro's aides have publicly said they are willing to consider.

Though Maduro has survived severe U.S. sanctions for years, Washington has a lucrative carrot to offer by continuing to exempt American oil companies from U.S. sanctions that were leveled during the first Trump administration. After the Biden administration allowed Chevron to restart its oil operations in Venezuela in 2022, the country's lifeblood industry has begun to recover, helping to keep the wider economy afloat. Industry lobbyists say that forcing Chevron and other companies to withdraw would invite U.S. adversaries China, Russia and Iran to expand their presence.


RICHARD GRENELL/AGENCE FRANCE-PRESSE/GETTY IMAGES

U.S. envoy Richard Grenell, standing in white shirt, posted a photo of the freed Americans aboard a U.S. Air Force jet.

WORLD NEWS

Germany and France Post Inflation Figures That Boost the ECB

By Ed Frankl
And Joshua Kirby

Eurozone heavyweights France and Germany both reported good inflation news Friday, though Germany also posted a bump in unemployment, a day after the European Central Bank cut its key interest rate by a quarter point in hopes of boosting an economy stuck in neutral.

German consumer prices in January were up 2.8% from a year earlier, matching December's pace, EU-harmonized numbers from German statistics agency Destatis showed Friday. Economists polled by The Wall Street Journal had expected a slight acceleration. Though above the central bank's 2% target, its being below expectations supports the ECB's decision to reduce borrowing costs.

It remains considerably higher than in France, where consumer prices in January were up 1.8% from a year earlier, the same rate as in December, according to EU-harmonized numbers published by France's statistics authority on Friday. That was a little lower than expected by economists polled by the Journal.

1.8%
January's yearly pace of French consumer-price inflation, matching December's.

Services inflation, which last year was a key driver of inflation overall, slowed over the month, though energy prices picked up pace against a low comparison base.

Inflation data for the whole eurozone is due Monday.

While German inflation is moving in the right direction, a further slowing will require that services providers reduce the pace of price increases, KfW Research economist Stephanie Schoenwald said.

"This should only be a matter of time, as the ongoing economic downturn is restricting companies' scope for price increases and wage pressure is also easing noticeably," she added. German services inflation, a labor-intensive component that has been sticky in recent months, fell minimally in January, edging down to 4.0% from 4.1%.

German elections are scheduled for Feb. 23, and among the abundant economic challenges facing the next government will be rising joblessness. The adjusted unemployment rate in Europe's largest economy was 6.2% in January, data from the Federal Employment Agency said Friday, up from the 6.1% of December. Registered job vacancies stood at 632,000, around 66,000 fewer than the same point last year. Jobless claims ticked up 11,000 in January from 10,000 in December.

Workers in the manufacturing sector, where output is a long way from its prepandemic peak, appear to be bearing the brunt. Major industrial firms such as **Thyssenkrupp** and **Bosch** have said in recent months they would lay off workers, while car giant **Volkswagen** said it would reduce its workforce by 35,000 by 2030.

"The labor market remains weak at the turn of the year," KfW Research labor-market expert Martin Mueller said, adding, "The structural problems in the economy and the gloomy mood among companies and consumers mean that no far-reaching recovery can be expected for this year either."

Germany's economy contracted in 2024 for the second year running, and economists anticipate only a small recovery toward the end of this year. Still-high energy prices, slowing demand for Germany's exports and the threat of trade tariffs from the Trump administration in the U.S. remain as hurdles to growth. Political fragmentation could also emerge after elections.

The ECB on Thursday said it would reduce its deposit rate to 2.75% from 3%, its fifth cut in eight months as inflation in the eurozone eases. The latest cut followed data showing the French and wider eurozone economies stagnated in the final months of 2024, with economists seeing little hope of a rapid rebound at the beginning of the new year.

ECB President Christine Lagarde said the eurozone's economy is set to remain weak in the near term, suggesting that interest rates would continue to fall to a level at which they no longer restrict economic activity.

Some policymakers, including French central-bank chief François Villeroy de Galhau, have warned the currency area's inflation could chronically undershoot the optimal inflation level this year.

WORLD WATCH

MARIE RUWET/AGENCE FRANCE-PRESSE/GETTY IMAGES

HEEDING THE CALL: Followers of Seydina Limamou Laye, who declared himself the Mahdi—a messianic figure in Islam—and founded a Sufi order, gathered Friday near his tomb in Senegal to mark the anniversary of what the faithful refer to as his Call.

GERMANY

Controversial Bill On Migration Fails

The German parliament narrowly rejected on Friday an opposition-sponsored bill calling for tougher rules on migration that became a focus of a controversy about the attitude toward the far right of opposition leader Friedrich Merz, front-runner in Germany's Feb. 23 election.

Merz has put demands for a more restrictive approach to migration at the center of his campaign. The way he has done so prompted opponents to accuse him of breaking a taboo and endangering mainstream parties' "firewall" against the far-right Alternative for Germany. He insists that he didn't and won't work with the party.

—*Associated Press*

CONGO

Rebels Advance In Eastern Congo

Rebels were expanding their presence in eastern Congo after capturing Goma, the region's major city, the U.N. said Friday. The M23 rebels have captured several towns and said they would march to Congo's capital, Kinshasa, nearly 1,000 miles away. Congolese forces repelled an offensive toward South Kivu's provincial capital of Bakuvu on Thursday, residents and local officials said.

M23 is the most potent of more than 100 armed groups fighting over Congo's east, site of vast deposits of minerals critical to much technology. They are backed by around 4,000 troops from neighboring Rwanda, U.N. experts say.

—*Associated Press*

NORWAY

Ship Detained Over Cable Suspicions

A Norwegian-owned and Russian-crewed ship that authorities suspect may have been involved in damage to an underwater fiber-optic cable has been stopped off Norway, police said Friday. The Silver Dania was brought into port Friday morning for inspection, Norwegian police, after a request from Latvian authorities and a ruling by a Norwegian court.

Tormod Fossmark, CEO of the ship's owner, SilverSea, denied that the vessel caused any damage when it had sailed through the area of the cable, and said that the company was cooperating with authorities on what it considered a "serious" matter.

—*Associated Press*

GREECE

Alleged Trafficker Of Relics Arrested

Authorities in Greece said Friday they arrested a suspect accused of setting up online auctions to sell ancient Greek artifacts across countries including the U.S., Britain, Canada, Australia and Italy. Described as a foreign national but not further identified, she was detained by police tasked with combating antiquities trafficking, the agency said.

Relics seized at her home included pottery fragments, figurine pieces, and a statuette of a satyr. Transferring ownership of antiquities without legal authorization is punishable by up to two years in prison, with sentences of up to 10 years for more serious related offenses.

—*Associated Press*

DeepSeek Stirs Pride In China

Continued from Page One

DeepSeek was a timely confidence boost as the Chinese leadership faces prolonged economic gloom and potentially another trade war with the Trump administration.

Feng Ji, co-founder of Game Science, the developer of popular videogame "Black Myth: Wukong," hailed DeepSeek's advancement as one that can change "a nation's fortune."

"So lucky, so happy! Such a shocking breakthrough came from a pure Chinese company," he wrote on the Chinese social-media platform Weibo.

Several state-media outlets went so far as to repost a clip from "The Daily Show" where host Jon Stewart facetiously asked: "Has Chinese AI put American AI out of a job?"

Zhou Hongyi, chairman of Chinese internet-security firm Qihoo 360, said China has already caught up with the U.S. in the AI race.

U.S. export controls on high-technology equipment and high-performance chips to China have hampered China's ability to advance its technologies, although there have been loopholes that allowed Chinese companies to get some access to such technology and chips. Washington is trying to close those loopholes.

Beijing has sharply criticized the controls, calling them malicious attempts to suppress China. Elsa Kania, an adjunct senior fellow at the bipartisan think tank Center for a New American Security, said Beijing's rhetoric around DeepSeek's success suggests a sense of pride and vindication, with state media conveying it as a triumph that a Chinese company has achieved technology advances despite U.S. export controls.

"But there's also a sober recognition that U.S. export controls that have been trying to exploit chips as a chokepoint will continue to have major impacts," Kania said. "This is a breakthrough, but not a game changer in terms of the fundamentals of the competition."

DeepSeek has faced questions over whether it made its quick advances by copying rivals' models. ChatGPT maker OpenAI said it is investigating whether DeepSeek trained its new chatbot by repeatedly querying the U.S. company's AI models. DeepSeek hasn't commented.

Also discussed is DeepSeek's reluctance to dive into topics that are politically sensitive in China. When The Wall Street Journal asked it questions on topics that are routinely censored within China, including the so-called taboo "three Ts": Tiananmen Square, Taiwan and Tibet, it returned more limited and often propaganda-infused answers.

Meanwhile, an investigation by Cyabra, a disinformation-detection firm, found that some of the hype about DeepSeek was driven by accounts it identified as fake. Cyabra said it had identified 12% of the profiles engaging with the topic on X as fake.

A spokesman at the Chinese Embassy in Washington dismissed allegations of a state-led effort to promote positive DeepSeek content as groundless. "We always oppose attempts to manipulate social media to spread disinformation," said the spokesman, Liu Pengyu.

FROM PAGE ONE

AMC Ad Divides Moviegoers

Continued from Page One

dant.

"It just grates on my nerves," said Jessica McGuire. "I don't need her to sell me on the movies," said McGuire, a 46-year-old from Hays, Kansas. "I'm already at the movies!"

It also has passionate fans who cheer when it plays or recite the words along with Kidman.

Rachel Zyzda was looking forward to a double dose of Kidman when she sat down to see "Babygirl" in December. Instead, the movie jumped straight from previews to the sounds of Kidman's character moaning. Zyzda heard two people behind her gasp and ask, "What is happening?"

"It was kind of jarring as a frequent AMC goer," the 34-year-old from Chicago said. "I'm kind of a loyalist to that ad."

Last year, she bought a $80 backpack from AMC designed to look like the gray pinstripe jumpsuit Kidman wears in the commercial. "Yeah, I spent my adult money on that," she said. Zyzda took to TikTok to wonder why the ad disappeared. So did others.

"We got numerous inquiries why such an ad was not

CHRIS PIZZELLO/ASSOCIATED PRESS

Actor Morgan Freeman appeared in a re-creation of the ad during a tribute to Kidman.

playing before Nicole's new 'delicious, spicy and daring' movie BABYGIRL," Adam Aron, the CEO of AMC Entertainment Holdings, wrote on X.

Aron explained the company had a rule not to play the ad before any movies starring Kidman. "No one seems to remember why we made that exception," Aron said in the post.

He said that going forward, the AMC ad will play before Kidman movies. The spot was added before "Babygirl" more than two weeks after the movie's Christmas Day debut.

Ryan Noonan, a spokesman for AMC, said feedback about the ad has been overwhelmingly positive and "a key reason why the spot continues to play to AMC audiences."

Representatives for Kidman didn't respond to a request for comment.

The commercial first made its debut in 2021, part of a $25 million campaign that included airtime on TV. At the time, movie theaters were struggling to get people back into seats as the Covid-19 pandemic eased.

The spot—which was originally 60 seconds—quickly became a pop culture phenomenon. "Saturday Night Live" spoofed it. Other celebrities, including pop singer Olivia Rodrigo and Academy Award winner Morgan Freeman, have re-created it. Gray pinstripe jumpsuits have become a popular Halloween costume.

Aron told investors in 2022 that the campaign was "so effective" that the company extended Kidman's contract. Last year, Aron announced that three shorter versions of the ad would be released.

Avoiding the ad can be hard. Sometimes AMC, the largest chain in the country, is the only theater in town. Others say AMC has other features that make enduring the ad worth it, like heated reclining seats and a subscription that lets them watch up to three movies a week for $25 a month.

Kyra Price, a 28-year-old housing coordinator in Los Angeles, has sat in crowded theaters multiple times when the audience will erupt in applause as the ad plays. "I boo," she said.

Price said a theater is no place for an ad. "If you wouldn't clap for a commercial at home, why would you clap for a commercial at the theater?"

It has followed her outside the theater. Memes about the ad pop up on her timeline periodically. She once sat behind a vehicle with a bumper sticker with a quote from the ad: "Somehow, heartbreak feels good in a place like this."

"It's hard for me to avoid it," she said.

McGuire, the 46-year-old from Kansas, started the "We Hate Nicole Kidman's AMC Ad Support Group" on Facebook last year. "I just felt like there were probably other people out there," she said. It has 25 members.

She doesn't let Kidman keep her away from her favorite movies. She watched "Wicked" six times in two weeks, which also meant watching the ad six times in two weeks. "You know how painful that was for me?"

Ryan Edsall, an account manager in Morgantown, W.VA., complained about the ad so much that a friend bought him a Nicole Kidman T-shirt with photos of her face as a gag gift. Edsall, 38, said seeing the ad over and over again drove him crazy. So did Kidman's Australian accent, which he said seems to come and go during the commercial.

But then, after seeing it for two years, something changed. "I grew to love it," Edsall said.

He now recites the words when it comes on. His 10-year-old son salutes it.

"Is that like Stockholm syndrome or something?," Edsall said jokingly. "I am now sympathetic to the person torturing me."

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SPORTS

The Mystery Quarterback Crashing College Football's All-Star Game

Laurier's Taylor Elgersma, a 6-foot-6 former hockey player from Ontario, came to the Senior Bowl on a Hail Mary bid to become the NFL's first Canadian signal-caller in over 20 years

By Joshua Robinson

Mobile, Ala.

By the time a mob of NFL scouts arrive here each January to evaluate some of the best talent college football has to offer, they already know exactly what they're looking at. They've spent years dissecting these prospects on film and in person, compiling meticulous files on them as they light up elite squads around the country.

But this week, there was one prospect that hardly anyone here at the Senior Bowl had ever laid eyes on. And he was hard to miss.

He was the 6-foot-6 Canadian former hockey player hoping to become an NFL quarterback.

Taylor Elgersma recognizes that he's a long shot. He knows that there have only been two NFL quarterbacks from Canada in the past half-century—and both played their college football in the U.S. Elgersma, meanwhile, starred for the Wilfrid Laurier University Golden Hawks in Waterloo, Ontario, in the slightly different 12-man version of the sport.

"This is my first time playing 11-on-11 ball," Elgersma said this week.

The only reason the Senior Bowl, an annual all-star game for dozens of players entering the NFL draft, had a spot for him at all was because of a game that Elgersma was nowhere near.

After Ohio State beat Notre Dame to become national champion, the Buckeyes' starting quarterback Will Howard pulled out of the showcase in Mobile. That's when the Senior Bowl's director, Jim Nagy, remembered a kid that he'd been hearing about since last year from a private quarterback coach he knew. Elgersma took the call late last week and packed a bag to fly down. NFL scouts had no idea where Nagy had come up with him.

"Most teams didn't even have a report on him," Nagy says. "We sent them scrambling to find Canadian tape."

What the scouts have seen so far is a rangy right-hander who used this winter to bounce between showcase exhibition games and private quarterback clinics in a mad dash to catch up to his American counterparts. After all, the 22-year-old Elgersma only began playing football in 10th grade after a buddy noticed he had a rocket for an arm. Now, just six years later, he's at his third showcase in three weeks, relearning the sport to compete at its pinnacle.

"The Canadian game is so much about motion and formation and letting your guys run to green grass because the field is so wide," Elgersma says. "Down here, it's a much tighter window for throws."

Like any athletic Canadian kid who loves to crash into people, Elgersma always thought his future lay on an ice rink. Throughout his teens, he lived the junior hockey life of long drives through the Ontario darkness, hyper-intense games, and regular trips to the dentist. But his first taste of football soon made him reconsider.

Taylor Elgersma is part of the National team for the Senior Bowl. He played college football for the Laurier Golden Hawks in Canada.

"I fell in love with the cerebral aspect of the game," Elgersma says. "Hockey doesn't have that."

At least not the way he played it. By his own admission, Elgersma made his name on the ice by being a physical menace—a hulking defenseman whose specialty was throwing himself in front of pucks and killing penalties. "My job was to protect the skill guys," he says. "Different from what I do on the football field."

What Elgersma lacks in years taking snaps he makes up for with a little more professional experience than most college kids. The reason is that players in Canada are allowed to spend their summers taking part in training camps with Canadian Football League teams—like interns who occasionally get crunched by defensive ends.

So without ever jeopardizing his college eligibility, Elgersma put in two camps with the Toronto Argonauts and one with the Hamilton Tiger-Cats, where he learned more sophisticated playbooks and picked up important points that might help him make the leap south. One of them was basic American football terminology.

"It's not like he didn't know anything," says Ben Neill, who coaches him privately at QB Country. "He just didn't know what we called it."

The learning curve has been steep. But standing in the pocket at Senior Bowl practices this week, Elgersma hasn't looked out of place, despite a Golden Hawks helmet that no one on the field had ever seen before. Whether scouts still find him rough around the edges remains to be seen. What Elgersma can be sure of, at the very least, is that NFL teams now know he exists.

"It's a lot easier to take a tough guy and give him a little finesse than the other way round," Neill says. "He's a man on a mission."

BUTCH DILL/ASSOCIATED PRESS; GEOFF ROBINS/ASSOCIATED PRESS

The Force in Women's Sports More Powerful Than Caitlin Clark

By Rachel Bachman

IT WAS A MONDAY IN OCTOBER, and a group of executives hoping to win the rights for a new pro women's soccer franchise were about to unveil their hidden ace.

As officials from the National Women's Soccer League, including commissioner Jessica Berman, toured the Cincinnati team's proposed facilities, a video screen flickered to life and a familiar face popped up.

Caitlin Clark appeared on screen to deliver a recorded message to the NWSL touring party. She would be a part-owner of the team and outlined her plans to divide time between her career as women's basketball's biggest star and learning how to run a pro soccer team in the offseason.

It was the sort of influential endorsement that just a few years ago might have single-handedly swung the bidding process. The idea of tapping into Clark's star power would have seemed completely irresistible for a league that is still fighting for attention.

But this time, in what amounts to a rare experience for Clark, she ended up on the losing side. It turns out that a rival bid had an asset that the league valued even more highly than bringing on board the most popular athlete in women's sports today. Denver could offer its own stadium.

When the NWSL officially awarded its newest franchise on Thursday, it was Denver—and not Cincinnati—that got the nod. A major reason why is its plan to build a brand new facility for its brand new team.

In that regard, it is indicative of a seismic shift under way in women's sports. A few years ago, facilities purpose-built for women's teams scarcely existed. WNBA and women's soccer players practiced in community gyms or on college fields and competed in venues they shared with men's teams.

Now, facilities built for women are fast becoming the standard. In less than three years, about $1 billion has been spent on or committed to building facilities for NWSL and WNBA teams.

"You fast-forward 10 years from now, I would expect 60-70% of teams will have their own stadium, if not more," said Alan Waxman, CEO of investment firm Sixth Street and board co-chair of Bay FC, an NWSL team that plans to build a practice facility and a stadium.

Deeper-pocketed owners are getting into women's sports, drawn by rising attendance and viewership. The leagues have a lower barrier to entry than men's leagues. And team valuations are skyrocketing, reinforcing owners' belief that their long-term investments in buildings will pay off.

On the day before the Nov. 23 NWSL title game, Berman said there was "probably nothing more important" than teams building their own facilities. Stadiums were critical, she said, because they give teams first pick of the best game dates and times.

Berman spoke from CPKC Stadium in Kansas City, Mo. When it opened last March, the $140 million, 11,500-seat home of the NWSL's Kansas City Current was the first purpose-built women's pro sports stadium of its scale in the world. It showed the upside of a women's stadium: It sold out for the season and is already slated for expansion.

In the NWSL expansion bidding, all three finalists pledged to build bespoke training facilities for their teams. But two of the three—Denver and Cleveland—also promised to build stadiums. (Denver's total investment gave it the edge, including a league-record $110 million franchise fee.)

Even teams in the WNBA, who mostly share ownership and arenas with NBA teams, are eyeing the possibilities. The goal of the independently owned Atlanta Dream is to "construct the first purpose-built WNBA arena," a spokesman said.

In another radical shift, some women's teams are seeking a portion of the billions in public funding that have fueled construction of men's facilities.

Since 1970, $33.4 billion in public funds has been paid to build venues in the five major U.S. men's sports leagues, according to Judith Grant Long, director of the Center for Sports Venues & Real Estate Development at the University of Michigan. That's adjusted for inflation to 2023.

Karen Leetzow, president of the NWSL's Chicago Stars, acknowledged the critics of public funds for stadiums, but said the status quo has unfairly frozen out women's teams. "If you don't want to do it, that's fine," she said. "But then don't do it for anyone."

Bos Nation, the NWSL franchise that starts play in 2026, will share a renovated stadium owned by the city, with public-school athletic teams having scheduling priority. Even still, some locals have protested the city's $91 million contribution to the roughly $200 million project.

There are also risks to building bespoke facilities for such a young league. Waxman of Bay FC acknowledged that the NWSL's growth will have fits and starts.

"There will be moments where it's never just straight up and to the right," he said.

But across both leagues, practice facilities are now seen as key to attracting and retaining talent—stocked with soaking pools, saunas and private chefs.

Soon, Clark will be a beneficiary. Her WNBA team, the Indiana Fever, recently announced they're building their own $78 million facility—to "address the specific needs of female athletes competing at the highest level."

NWSL commissioner Jessica Berman officially awarded the league's newest franchise to Denver on Thursday.

DAVID ZALUBOWSKI/ASSOCIATED PRESS

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OPINION

THE WEEKEND INTERVIEW with Eitan Hersh | By Barton Swaim

Where the Left Studies the Right

Medford, Mass.

It isn't a provable thesis, but I'd be prepared to defend it: Conservatives know more about liberals than liberals know about conservatives.

This is a matter of necessity rather than of virtue. Liberals dominate the places where the big decisions are made: news media, higher education, school boards and K-12 administrations, the entertainment industry, state and federal agencies, corporate boardrooms and so on. If you're a liberal in any of these places, conservatism doesn't require much attention, except as an annoyance. If you're a conservative in any of these places, you must learn to swim in a pool chlorinated by liberalism.

Liberals may attribute this state of affairs to the triumph of their worldview (or they might have before the November election—more on that in a moment). The left won the culture war, they might justifiably think, and conservatives have lost. The only problem is, conservatives are still pretty good at winning elections, because most people outside the aforementioned institutions don't hold liberal views on politics and policy.

At Tufts, an elite Boston-area university, a professor teaches a class in 20th-century conservatism.

The upshot: A great many liberal VIPs in America simply don't know much about their adversaries. The belief that conservative views are an outcome of either stupidity or perfidy, ignorance or greed—or both—is consequently very common among the country's cultural elite.

Plainly universities, by transforming themselves into compounds of conformity and homogeneity, bear some responsibility for this state of affairs. "I think what has happened on campuses like ours," says Eitan Hersh, a professor of politics at Tufts University, "is that the communities here have convinced themselves that they are all on the same page, that you walk into a classroom and you can expect that everyone present is pro-choice, pro-LGBT rights, and everyone is fighting the good fight for social justice." Many schools' mission statements convey a similar kind of message: We're all on the side of goodness and light, not like *those* people.

Everything seems fine—until, Mr. Hersh points out, there's something people on campus disagree about, as there was after Hamas invaded Israel in 2023. When that happens, "students don't know how to deal with the situation at all. They don't know how to argue and debate, how to learn from other people about their views. And it's just a total mess."

I'm on the Tufts campus to attend Mr. Hersh's class on American conservatism. That's right, a class on American conservatism. At Tufts. The Boston-area school, to put the matter delicately, isn't known for conservative ideas, American or otherwise. Tufts is an elite Northeastern institution whose faculty, administration and stated values tend heavily leftward. Among students, Mr. Hersh estimates, the ratio is "probably 20 to 1, left to right."

Yet the class I attend is packed. There are 100 students enrolled, a limit set by the classroom's capacity. Every seat is filled. One student sits on the floor against the wall, and I realize I've taken her seat.

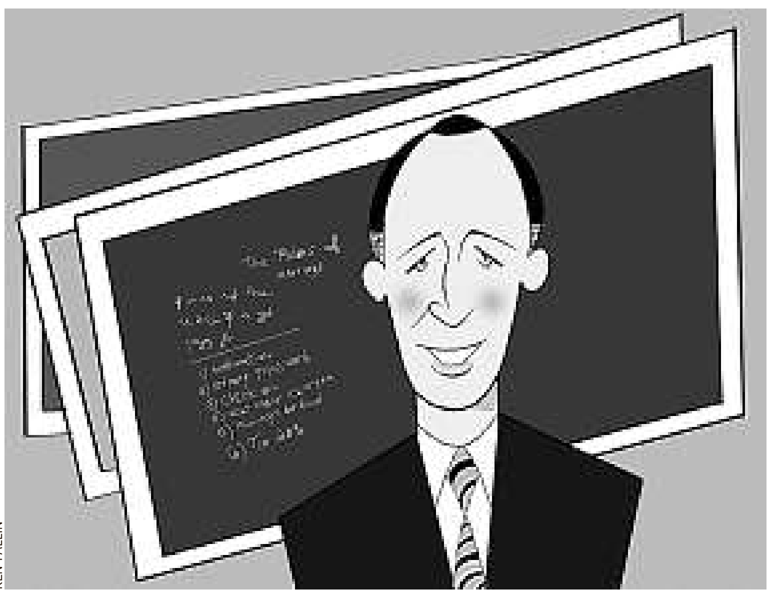
Mr. Hersh's aim is simple: expose students to the postwar right's ideas on politics and policy. The class isn't a chronological history of the conservative movement but a topic-based survey of the arguments and controversies that have preoccupied the American right, in all its divergent manifestations, over the past 75 years. One class, according to the syllabus, deals with "capitalism and regulation," with assigned readings by Milton Friedman, Richard Epstein and Marco Rubio, among others. Another addresses "judicial conservatism," with readings by Antonin Scalia and Adrian Vermeule.

On the day I attend, the class discussed tensions between the individual (readings from Friedrich Hayek's "The Road to Serfdom" and Ayn Rand's "The Nature of Government") and the community (Robert Nisbet's "The Quest for Community," a book review by Patrick Deneen, and William Barr's 2019 Notre Dame address on religious liberty). Mr. Hersh's pedagogical method is to introduce an argument, invite students to agree or disagree, then to press them on their logic.

In the class, Mr. Hersh brings up Mr. Deneen's contention that the U.S. government is no longer neutral on questions of religion but actively hostile to Christians. Mr. Hersh, an Orthodox Jew, asks students if they believe posters celebrating LGBT rights in public-school classrooms are appropriate. About half the students raise their hands. What about a poster enumerating the Ten Commandments? Again about half raise their hands, many of them the same as raised them before.

One student asks, fairly, for other examples of governmental bias against Christianity. Mr. Hersh describes a recent Massachusetts case in which the state denied a Christian husband and wife the right to adopt a child because they expressed opposition to homosexuality, even as they vowed to love their adopted child no matter what. "What do we think of that?" he asks. "Was the state right, wrong?"

One female student, sporting abnormally colored hair, plainly agrees with the LGBT side of the question, as does a young man of more conventional appearance.



Still another sides with the Massachusetts parents. None communicates the slightest hint of rancor or outrage.

Later, in Mr. Hersh's office, I recall that part of the class. "There are people in that class—people on the left, I mean—who I'm sure disagree with each other about that adoption case. How could they not?" he says. But now it's at least an open question to them. "They're not parents, they're not dealing with infertility issues, but they can see the challenge and they can learn. . . . I want that to be the norm of the university."

He speaks of students having " 'Oh no' moments." In that day's reading from "The Road to Serfdom," Hayek contends that when government can't deliver on its promises, people look for radical solutions like fascism. "That resonates with students, even liberal and progressive ones," Mr. Hersh says. On the subject of government incompetence, he says, he likes to raise local controversies. He describes a recent series of reports in the Boston Globe revealing that buses operated by the city's abundantly resourced public-school system can't seem to get kids to school on time. "Most of the students in that class did not go to public schools," he says, "and when they're faced with evidence of government's inability to do basic things, you can see it on their faces: They're thinking, 'Oh no. Things are more complicated than I thought.' "

This is the third year Mr. Hersh has taught the course, which is his own creation. Other classes at Tufts and many other universities incorporate conservative works, but they are mostly part of courses on political theory and philosophy. "That has an audience," he allows, "but I think far more students want to talk about contemporary issues—family and religion and affirmative action and guns and these sorts of things. . . . They want to know, if they're on the left, why do people disagree with gay rights? Or how could people like gun rights?"

The assortment of conservative writers and thinkers presented in Mr. Hersh's course is, let's say, ecumenical. One class I didn't attend, on the country and the world, has students read Joseph McCarthy's Wheeling, W.Va., speech, Zora Neale Hurston's essay "Why the Negro Won't Buy Communism," and a 2019 speech on foreign policy by Mike Pompeo.

What sort of conservative is Mr. Hersh? Or is he one? "I would say I've always been in the middle," he says. His first job in high school was as a page for Sen. John Chafee, a liberal Republican from Rhode Island, and after college he worked for the centrist Democratic Leadership Council. "But I decided at that time that working in politics wasn't for me. I felt uncomfortable in partisan spaces." As an Orthodox Jew, he "holds some core beliefs about the centrality of family and religion in our lives. But as for this class, I'm not a conservative trying to make students conservative."

Conservative or not, Mr. Hersh's comprehensive familiarity with modern American conservatism, in all its dizzying variety and fractiousness, makes me think he might have something helpful to say about the question haunting today's Republican Party: Is there a single principle unifying conservatives in the 2020s?

"I'm not sure I can answer that without my biases infecting the answer," he begins cautiously. "But I think that if I had to say one thing that unites all these readings"—the 50 or so assigned texts in his class's syllabus—"it is a commitment to the preservation of family and religious life. And now some of the readings are about affirmative action or gun rights and they don't map onto that very well, but it's unlikely the authors would disagree with that."

He pauses. "With the exception of Ayn Rand."

Here I think we begin to disagree—not about Rand, or even about the purpose of conservatism, but about how conservatives might accomplish the preservation of family and religious life. He thinks the reasons marriage has collapsed among working-class Americans have less to do with the welfare state (that would be my view) and more to do with the decline in wages among non-college-educated men. Similarly, he may be right that "the shift we're seeing on the right is a fundamental move away from classical liberalism toward a desire to protect some form of family structure," but he is probably more sanguine about that shift than I am.

We can agree, however, that even classical liberals like Hayek and Friedman would hold that free markets preserve family life better than central planning and government coercion. "For sure," Mr. Hersh says. "Which is why I say they wouldn't disagree with my definition."

Mr. Hersh and I spoke just before the election, but it was easy to sense that American culture had already begun to react against progressive excesses. You might not expect to see evidence of that reaction on a campus like Tufts, but maybe this is the sort of place it would have to begin. That all 100 enrolled students show up for a 9 a.m. class on American conservatism might itself signify some broader shift.

A week or two before, Mr. Hersh tells me, he described for his students several university and government policy changes responding to anti-Israel campus protests. "I wrote several of these policy changes on the board, and I listed them in order from the tamest to the most severe," he recounts. "One of the severest—this one's actually in the Republican Party platform—said that foreign national students who endorse a terrorist organization should lose their immigration status."

Almost all the students in the class endorsed all of the policies—including this last one. "They were like, 'Yeah, that makes sense to me. If you're the guest of a country, you can't act that way.' " Even two years ago, Mr. Hersh thinks, no student would have expressed such a view.

He rejects the view that the culture at an old, elite university like Tufts is impervious to change. "Actually no, it isn't," he says. "Only a few years ago, no one was identifying with pronouns. And within a year, the whole university system decided we are going to enforce a new cultural norm by labeling every student in the roster by pronouns. We're going to encourage people in every meeting, in person and on Zoom, to name their pronouns. That's a good piece of evidence that if you want to change a culture, you can do it fairly quickly."

It's reasonable to suspect that some of the students in Mr. Hersh's class will eventually work themselves into the higher echelons of American politics and society. Even if they remain lefties, they'll be likelier to regard conservatism as a set of arguments rather than an unaccountable annoyance.

Mr. Swaim is an editorial page writer for the Journal.

California's Plan: Make the Poor Sweat in the Dark

CROSS COUNTRY
By Jonathan Lesser

California's headlong rush to force people to buy electric cars, trucks, boilers and stoves has skipped over a key detail: Where is all the electricity going to come from, and how will it be delivered?

While mandating electrification, California's regulators have also imposed pricing strategies that punish consumers for using electricity when they most need it. Coupled with the rising costs of wind and solar generation—and the cost of backstopping that generation with batteries—electricity is becoming increasingly unaffordable.

Electrification advocates overlook a key question: Where is all the electricity going to come from?

For nearly 20 years California's investor-owned utilities have been installing "smart meters" that measure electricity use in real time. The utilities have instituted time-of-use pricing, which charges higher rates when electricity demand peaks. The goal is to encourage consumers to reduce electricity usage.

Southern California Edison charges residential customers 73 cents per kilowatt-hour between 5 and 8 p.m. during the summer. That's significantly higher than the average annual residential rate in California, which was more than 32 cents through November 2024. San Diego Gas & Electric charges some residential customers $1.16 per kilowatt-hour on "Reduce Your Use Event" days, which the California Public Utilities Commission allows the company to declare up to 18 times a year. Further north, Pacific Gas & Electric charges residential customers 56 cents per kilowatt-hour during the summer between 4 and 8 p.m.

Rationing by price may be economists' preferred strategy to address scarcity, but it ignores a crucial reality: Forcing consumers to rely almost entirely on electricity requires it to be available and affordable.

The high time-of-use prices are especially hard on consumers living in inland counties where summer temperatures routinely exceed 100 degrees. Air conditioning is essential in these counties, which have the highest poverty rates in the state. Many residents received monthly electric bills in summer 2024 exceeding $1,000, despite efforts to reduce their air-conditioning use. Is the purpose of the state's electrification efforts to force poor people to sweat in the dark? It seems that way.

The Biden administration's $15 billion loan to Pacific Gas & Electric, made four days before Donald Trump took office in January, exemplifies the magical thinking of electrification proponents. The loan will be used by California's largest electric utility to develop "virtual" power plants. PG&E envisions supplying homeowners with solar-and-battery storage units that the utility can tap into whenever the state's large-scale power generating plants—wind, solar and battery systems—can't supply enough electricity. But small-scale solar and battery storage is costly and won't eliminate the need for huge new investments in transmission and distribution infrastructure to meet peak electricity demand. These virtual plants will be tapped out at the same time as their larger-scale brethren.

PG&E's other virtual power plants will be paying consumers to allow the company simply to shut off air conditioners and boilers when there isn't enough electricity to power them—or enough transmission and distribution capacity to deliver the juice.

Forcing homes and businesses to become even more dependent on electricity and then restricting their access to the electricity required is madness masquerading as public policy. Most states, including California, require electric utilities to prepare detailed forecasts of electricity demand 10 to 20 years into the future. Regulators require utilities to demonstrate how they intend to meet that demand. The point of these forecasts is to avoid the kinds of shortages California is deliberately manufacturing.

While regulators may applaud utilities' efforts to reduce the need for new infrastructure and new supplies, how can they ignore the costs borne by consumers? With or without electrification mandates, the importance of electricity to a functioning modern society will continue to grow. Politicians, regulators and electric utilities need to recognize that and plan accordingly, rather than imposing ever more punishing rationing schemes.

Mr. Lesser is a senior fellow with the National Center for Energy Analytics.

How Did You Vote? Oh, Really?

By Mark Penn
And Andrew Stein

Campaign ads last year urged women to vote for Kamala Harris but conceal their choice from their husbands. "What happens in the booth stays in the booth," George Clooney narrated in one ad.

It turns out the stereotype was wrong. A Harris/Axios poll of nearly 2,000 voters released in late October found that men were nearly twice as likely as women to say they lied about their vote to someone close to them, and 20% of men had lied about their vote more than once. A reasonable surmise is that men are more afraid of being judged by women for their votes than the other way around.

Almost 1 in 4 voters overall reported having fibbed about their vote. The highest propensity for lying was found among those who are young, work remotely or hybrid, live in an urban area and make more than $100,000 a year.

Seventeen percent of white voters had lied to someone close to them about their vote, compared with 33% of black voters and 36% of Hispanics. Among all voter groups, Latinos turned out to be the likeliest to switch from Joe Biden to Donald Trump. That's affected relationships: 45% of Latino voters said they were no longer close with family members because of differing politics.

There was no notable partisan split: 27% of Democrats and 24% of Republicans admitted lying (along with 20% of independents). But we don't know how many were lying about voting for as opposed to against their party's nominee.

One small caveat: All this, of course, assumes respondents are telling the truth to pollsters.

Mr. Penn was a pollster and adviser to Bill and Hillary Clinton, 1995-2008. He is chairman of the Harris Poll and CEO of Stagwell Inc. Mr. Stein served as New York City Council president, 1986-93.

OPINION

REVIEW & OUTLOOK

The Dumbest Trade War in History

President Trump will fire his first tariff salvo on Saturday against those notorious American adversaries . . . Mexico and Canada. They'll get hit with a 25% border tax, while China, a real adversary, will endure 10%. This reminds us of the old Bernard Lewis joke that it's risky to be America's enemy but it can be fatal to be its friend.

Trump will impose 25% tariffs on Canada and Mexico on a whim.

Leaving China aside, Mr. Trump's justification for this economic assault on the neighbors makes no sense. White House press secretary Karoline Leavitt says they've "enabled illegal drugs to pour into America." But drugs have flowed into the U.S. for decades, and will continue to do so as long as Americans keep using them. Neither country can stop it.

Drugs may be an excuse since Mr. Trump has made clear he likes tariffs for their own sake. "We don't need the products that they have," Mr. Trump said on Thursday. "We have all the oil you need. We have all the trees you need, meaning the lumber."

Mr. Trump sometimes sounds as if the U.S. shouldn't import anything at all, that America can be a perfectly closed economy making everything at home. This is called autarky, and it isn't the world we live in, or one that we should want to live in, as Mr. Trump may soon find out.

* * *

Take the U.S. auto industry, which is really a North American industry because supply chains in the three countries are highly integrated. In 2024 Canada supplied almost 13% of U.S. imports of auto parts and Mexico nearly 42%. Industry experts say a vehicle made on the continent goes back and forth across borders a half dozen times or more, as companies source components and add value in the most cost-effective ways.

And everyone benefits. The office of the U.S. Trade Representative says that in 2023 the industry added more than $809 billion to the U.S. economy, or about 11.2% of total U.S. manufacturing output, supporting "9.7 million direct and indirect U.S. jobs." In 2022 the U.S. exported $75.4 billion in vehicles and parts to Canada and Mexico. That number jumped 14% in 2023 to $86.2 billion, according to the American Automotive Policy Council.

American car makers would be much less competitive without this trade. Regional integration is now an industry-wide manufacturing strategy—also employed in Japan, Korea and Europe—aimed at using a variety of high-skilled and low-cost labor markets to source components, software and assembly.

The result has been that U.S. industrial capacity in autos has grown alongside an increase in imported motor vehicles, engines and parts. From 1995-2019, imports of autos, engines and parts rose 169% while U.S. industrial capacity in autos, engines and parts rose 71%.

As the Cato Institute's Scott Lincicome puts it, the data show that "as imports go up, U.S. production goes up." Thousands of good-paying auto jobs in Texas, Ohio, Illinois and Michigan owe their competitiveness to this ecosystem, relying heavily on suppliers in Mexico and Canada.

Tariffs will also cause mayhem in the cross-border trade in farm goods. In fiscal 2024, Mexican food exports made up about 23% of total U.S. agricultural imports while Canada supplied some 20%. Many top U.S. growers have moved to Mexico because limits on legal immigration have made it hard to find workers in the U.S. Mexico now supplies 90% of avocados sold in the U.S. Is Mr. Trump now an avocado nationalist?

Then there's the prospect of retaliation, which Canada and Mexico have shown they know how to do for maximum political impact. In 2009 the Obama Administration and Congressional Democrats ended a pilot program that allowed Mexican long-haul truckers into the U.S. as stipulated in Nafta. Mexico responded with targeted retaliation on 90 U.S. goods to pressure industries in key Congressional districts.

These included California grapes and wine, Oregon Christmas trees and cherries, jams and jellies from Ohio and North Dakota soy. When Mr. Trump imposed steel and aluminum tariffs in 2018, Mexico got results using the same tactic, putting tariffs on steel, pork products, fresh cheese and bourbon.

Canadian Prime Minister Justin Trudeau has promised to respond to U.S. tariffs on a dollar-for-dollar basis. Canada could suffer a larger GDP hit since its economy is so much smaller, but American consumers will feel the bite of higher costs for some goods.

* * *

None of this is supposed to happen under the U.S.-Mexico-Canada trade agreement that Mr. Trump negotiated and signed in his first term. The U.S. willingness to ignore its treaty obligations, even with friends, won't make other countries eager to do deals. Maybe Mr. Trump will claim victory and pull back if he wins some token concessions. But if a North American trade war persists, it will qualify as one of the dumbest in history.

L.A. Offers a Wildfire Climate Exception

California's wildfires are exposing the high cost of its environmental obsessions—and its progressive contradictions. Look no further than Los Angeles Mayor Karen Bass's decision to suspend her city's "all electric" building code—but only for homes rebuilt after the fires.

The City Council in late 2022 banned gas appliances in new construction, including stoves, furnaces, fireplaces and water heaters. Progressives said this would help save the planet and save residents money. Not so much.

Electric appliances typically cost hundreds and sometimes thousands of dollars more than gas models. Local power systems have to be overhauled to support the increased electric demand, which can add thousands of dollars to a home's construction.

L.A.'s Department of Water and Power is already struggling to keep the lights on during heat waves. Blackouts in September interrupted a University of Southern California football game and forced the cancellation of a concert at the Hollywood Bowl. Adding more electric demand will further strain the grid. Electric rates across the state have surged to the highest in the continental U.S. and are more than double those in neighboring states.

All of this may explain why Ms. Bass is waiving the city's all-electric mandate for homes rebuilt after the fires—so long as the new structure isn't 10% bigger than the one that burned down. This is an implicit concession that the mandate adds costs and burdens to home-building. Many L.A. homeowners who had gas stoves may also want to keep them.

Why, then, doesn't the city suspend the mandate across the board? The Los Angeles metro area's population is larger than that of Dallas and Houston combined, but the latter together permitted more than five times as many new homes last year.

Asked about Ms. Bass's building code suspension, state Sen. Ben Allen, who represents the Pacific Palisades, told the Los Angeles Times that he didn't want to "be too micromanage-y of the homeowners who want to rebuild their homes"—i.e., the affluent. So why micromanage construction for people who don't own homes but want to?

Europe's Climate Almost-Epiphany

If you didn't believe in miracles before, maybe it's time to start. The European Union on Wednesday released a new economic-growth strategy that goes easy on climate-change pieties and focuses instead on more private investment. In Europe, this counts as both a sign and a wonder.

The plan, formally the Competitiveness Compass for the EU, is Brussels's attempt to meet economic challenges from the U.S. and China while assuaging European voters worried about stagnating economic growth. One of the flashier proposals is to rethink the EU's electric-vehicle mandate, which currently requires all new cars and vans to be zero-emissions by 2035.

European Commission President Ursula von der Leyen, whose brainchild this report is, hints at some new flexibility in the intermediate targets that already are taking effect. She suggests the rule could change to be technology-neutral—meaning it won't mandate battery cars.

This is a far cry from the unshackling of the U.S. auto industry President Trump is attempting via executive orders. But Brussels is all but admitting its mandates are killing Europe's auto industry, and recognizing you have a problem is the first step toward fixing it.

Brussels also promises a big green regulatory simplification. Ms. von der Leyen wants to reduce by 25% the cost of filling in EU-mandated paperwork and other administrative hassles for businesses, and to cut that cost by 35% for small businesses. In the cross-hairs are recent EU rules requiring companies to report on carbon emissions and other environmental effects along their global supply chains. Better late than never to admit this is an investment and jobs killer.

A European growth plan is still European, so there's some dubious industrial policy. That includes diverting cash from public-works projects to industrial research, and a dollop of trade protectionism, especially against Chinese EVs and foreign steel. But there are surprising moments of insight. Brussels wants to reform financial regulations to make it easier for Europeans to invest in growing companies as Americans can via U.S. capital markets.

That was among the most important ideas former Italian Prime Minister Mario Draghi included in his report on Europe's lagging competitiveness last year. Most officials and commentators at the time focused on what they interpreted as his call for €800 billion in extra government spending, so it's a relief to see someone read the rest of his report about deregulation.

Ms. von der Leyen's "compass" is far from a one-stop solution to all Europe's economic problems. But it's the closest Brussels has come to admitting that Europe's climate fixations are killing prosperity. If this augurs the start of bigger rethinks to come, perhaps the continent's decline isn't inexorable.

LETTERS TO THE EDITOR

Three Solutions to the Time-Change Debate

Joseph Epstein's op-ed "Enough with Changing the Clock" (Jan. 24) argues for eliminating daylight-saving time and adopting standard time throughout the U.S. While Mr. Epstein goes in the right direction, he doesn't go far enough.

The U.S. should scrap its current system of time zones and daylight saving in favor of worldwide adoption of Coordinated Universal Time, or UTC. This would mean that everyone's watches would be set at exactly the same time. The only difference they would notice, depending on where they're located, would be where the sun is in the sky at a particular hour. Midday would be as it is today, when the sun reaches its highest point in the sky. What would be different under UTC is the time on your watch. In New York, midday would no longer be noon but rather 5 p.m., or 17:00 UTC.

The adoption of UTC wouldn't mean people would be going to work in darkness. Business hours would be adjusted. In New York, under UTC, instead of the usual 9 to 5 schedule, businesses would open at 2 p.m. and close eight hours later at 10 p.m.

Adoption of UTC would allow for a return to "true time," or solar time. With that, everyone would rise with the sun in the morning and go to sleep when it's dark at night according to their natural circadian rhythm, not some artificial time constraint.

Pilots, for the obvious reason of safety, already use UTC. Global markets, including Wall Street, operate with UTC. Virtually all modern technologies, including the internet and GPS, use it too. It's time for the rest of us to do the same.

Prof. Steve H. Hanke
Johns Hopkins University
Baltimore

Kudos to Mr. Epstein for asserting that biology, not personal preference, should win the standard vs. daylight-saving time debate. Living in harmony with the earth's rhythms helps us perform at our best in the daytime and sleep well at night. We need daily exposure to sunlight soon after waking to anchor our internal clocks to those of the natural world.

DST pushes bedtimes later, robbing adults with early work hours and schoolchildren of sleep. It increases dark mornings, especially in winter when daylight hours are shorter.

Thousands of U.S. adolescents sleep less than eight hours on school nights, the minimum amount specialists recommend for 13- to 18-year-olds. High schools start at 8 a.m. on average, too early for most adolescents, who are biologically programmed to stay up until 11 p.m. or later and sleep until 8 a.m. or later. DST forces them to rise more often in the dark, further curtailing their sleep.

Ben Franklin, a bon vivant who enjoyed late-night partying and liked to sleep late, proposed moving clocks forward to save candles and lamp oil in 1784 as a joke. It's time to get serious. The U.S. should adopt permanent standard time.

Lynne Lamberg
Tucson, Ariz.

I have never understood those who complain about the biannual time change. We are talking about only one hour. Further, were we to eliminate the time change, who would welcome a 4:11 a.m. sunrise in Boston in July or a 9:13 a.m. sunrise in Grand Rapids, Mich., in January? The president should focus on weightier issues than this.

Patrick Mondro
Novi, Mich.

AI Gets a Welcome White House Cheerleader

Contra Peggy Noonan's "The White House 'Wonder Horse'" (Declarations, Jan. 25), artificial intelligence does need a cheerleader in the White House. Without one, America is more likely to make the same mistake she does: fretting about AI's hypothetical risks while ignoring its already real effect and potential.

AI has begun to power medical breakthroughs, streamline and tailor education to students, and drive productivity gains across industries. While the federal government should be wary of abuse, it should do even more to encourage AI's use.

America risks losing its edge. The sudden advance of China's DeepSeek model makes that painfully clear. We don't have the luxury of being complacent. Instead of retreating into alarmism, we should foster policies that embrace AI's benefits while accounting for its challenges.

Christopher Koopman
CEO, Abundance Institute
Salt Lake City

White House officials have said for the last few years that the president works so hard and moves so fast that his staff struggle to keep up with him. In the last week, it's finally come true.

Charles Levine
Clyde Hill, Wash.

Ms. Noonan sums up Barack Obama in one beautiful sentence: "That selfish man isn't interested in a fight that would expose him to fire." I love it—our "Show Horse" president.

Paul Kelly
Gainesville, Fla.

A Regrettable Message to the Mullahs in Iran

Your editorial "Trump Leaves Ex-Aides Unprotected" (Jan 24) rightly raises a red flag over President Trump's withdrawal of security protection for Mike Pompeo, John Bolton and Brian Hook, men who likely have ongoing credible assassination threats from Iran in retaliation for their role in the U.S. strike killing Islamic Revolutionary Guard Corps leader Qassem Soleimani. Not only could their safety be in jeopardy, but there are significant ramifications for how this action could affect the decision-making of current administration officials. Will Secretary of State Marco Rubio, national security adviser Mike Waltz and others give pause and overly consider their own future safety and well-being before making courageous and potentially hazardous decisions? No doubt this has crossed their minds.

Mr. Trump may have a point by questioning life-long security protection. Perhaps this shouldn't be the taxpayers' responsibility forever. What I don't understand is why these men seem not to have been afforded the simple grace of time to arrange for private security if they felt it still to be necessary. Why so abrupt? And why did the president feel compelled to announce this revocation of security to the whole world? I heard the pronouncement and felt it to be vindictive, callous and reckless grandstanding. Tragically, I'm sure Iran's supreme leader Ali Khamenei and his minions at the IRGC heard it as well and are now fully apprised.

Lowell Sensintaffar
Swansea, Ill.

An Obituary That Resonates

The most touching and revealing words in Gerard Baker's column, probably because they are shared by most of us, are the final three ("Lessons From My Father's Long, Good Life," Free Expression, Jan. 28). The son, Mr. Baker writes of himself regarding his father, "didn't deserve him."

Mike Daigle
Seattle

The USS Eisenhower, Fueled By Slim Jim and Jack Link's

I can testify to the recent increase in meat-stick sales noted in "Nation's Carnivores Have a $3 Billion Meat Stick Habit" (Page One, Jan. 27). Last year we shipped monthly boxes of said delicacy to our son-in-law on the USS Dwight D. Eisenhower. Our daughter also mailed three times as many cartons so that her husband could provide all the enlisteds in his department with something at mail call. My son-in-law jokes that the Ike runs on steam. I suspect the truth is that it runs on meat sticks.

William D. Johnson
Asheville N.C.

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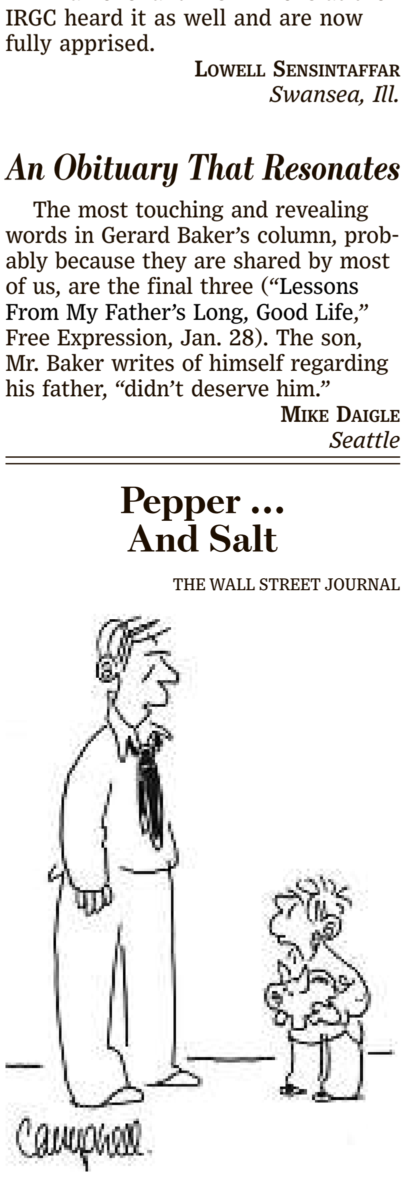
Pepper ... And Salt

THE WALL STREET JOURNAL



"Where did you learn the word insolvent?"

OPINION

Trump and the Collapse of the Old Order

DECLARATIONS
By Peggy Noonan

I would like to point out a simple fact. A major and unnoticed part of Donald Trump's power is that 100% of Americans know who "the president" is, including children above 5 and nonnative speakers. I base this on personal interactions with strangers of all sorts. Since I made up "100%" because there's no way to prove it, I will guess at some other numbers I believe to be true. Eighty percent know, in some broad sense, what his policies are, and more than 60% have some sense of an action he took last week: "He fired everybody."

A disquieting Washington visit leaves me with a sense that America is making a big break from the past.

No modern president has achieved this level of complete cultural saturation. It gives him power in this ill-educated, broken-up, low-attention-span country. You remember "Jaywalking," Jay Leno's comedy bit in which he'd ask people on the street, "Who was Abe Lincoln?" ("A singer?") When was the American Revolution? "Um, 1970?" We haven't become more historically literate.

You have to keep this in mind to understand the moment we're in. Mr. Trump has pierced American consciousness in this way. He has broken through as an instantly recognizable, memeable, cartoonable figure—the hair, the red tie, the mouth—but he also provides, deliberately and not, iconic moments that connect to other iconic moments. The tech barons arrayed behind him as he was sworn in, and the White House meeting hours later in which the president promoted artificial intelligence. As I watched them at the inauguration I abstracted. It was like Elon is passing the solid gold phone to Mark Zuckerberg, who nods and passes it to Jeff Bezos, who passes it to Sam Altman, who marvels at its weight and shine.

That of course is taken from the scene in "The Godfather Part II" in which the American business behemoths sit at a conference table in the palace of Cuban President Fulgencio Batista, as he communicates they're safe with him because he loves business. Almost every American adult has seen a "Godfather" movie. I believe that as they watch the second Trump administration they occasionally connect it to themes of that great drama. When Mr. Trump fires the inspector general, when ICE gets the illegal-immigrant child molester, when Mr. Trump tries to get rid of the federal workforce—he's settling all family business. His second term can be understood as an attempt to change his image from Sonny to Michael.

Last week I had four days in Washington with members of both parties, many elected officials. The only subject was Mr. Trump.

Republican lawmakers, including those most supportive of the president, are beside themselves with anxiety. When you speak to them—off the record, between friendly acquaintances—and ask how it's going, they shift, look off, shrug: *You know how it's going*. A GOP senator who supports the president had a blanched look. "He doesn't do anything to make it easy," he shrugged.

What is the meaning of the averted eyes and anxious faces? It means Trump 2.0 isn't better. It means for all the talk of the new professionalism in the Trump operation, they have to get used to the chaos again and ride it, tempting the gods of order and steadiness. After one week they concluded the first administration wasn't a nervous breakdown and the second isn't a recovery; instead, again they're on a ship with a captain in an extended manic phase who never settles into soothing depression.

In a general way, also, there is something big I sensed. Among those who think about foreign affairs and world history, the great story of the past dozen years or so has been the collapse of the postwar international order that created systems and ways of operating whose dynamics and assumptions were clear, predictable, and kept an enduring peace. You can say the fall began when Russia invaded Georgia in 2008 or Ukraine in 2022. Take your pick, it's over.

I saw a broad and growing sense in Washington that American domestic politics, or at least that part of its politics that comes from Washington, is at a similar inflection point. That the second rise of Donald Trump is a total break with the past—that stable order, healthy expectations, the honoring of a certain old moderation, and strict adherence to form and the law aren't being "traduced"; they are ending. That something new has begun. People aren't sure they're right about this and no one has a name for the big break, but they know we have entered something different—something more emotional, more tribal and visceral.

There is the strong man, and the cult of personality, and the legbreakers back home who keep the congressional troops in line. In 2017, a lot of people who watch closely and think deeply, thought: *We're having an odd moment, but we'll snap back into place*. Now they are thinking something new has begun. American politics was a broad avenue with opposing lanes for a very long time, at least a century, and now we have turned and are on a different avenue, on a different slope, with different shadows.

There's a sense we're living through times we'll understand only in retrospect. But the collapse of the old international order and the break in America's old domestic order are shaping this young century.

So far Mr. Trump is governing by executive order. This contributes to the uneasiness. Such orders are legitimate, sometimes necessary. Barack Obama used them heavily—"I've got a pen." Mr. Trump increased their use, Joe Biden more so, and Mr. Trump is turbocharging their use. The heavy use of executive orders makes all politics personal, having to do with the man who orders and signs with a flourish. Making it personal distorts our understanding of what a leader can and should do. Executive orders ignore the branch of government called Congress and work against its authority, its role in the republican drama. They give the impression we are a government of one branch. Doing all this habituates the public to the idea of authoritarianism, of rule by the strongman. *We will pick a new caudillo and he will save us with his pen!* When you do away with branches and balances you cause trouble.

Has it hurt his popularity? No. People back boldness when they think a lot has gone wrong and needs righting. They'd expect a certain amount of mayhem. And with Mr. Trump, chaos is baked in.

A word to Democrats trying to figure out how to save their party. The most eloquent of them, of course, think the answer is finding the right words. *We need to talk more like working people, we need Trump's touch with popular phrasing.*

The answer isn't to talk but do. Be supple. The Trumpian policies you honestly support—endorse them, join in the credit. If you think violent illegal immigrants should be removed, then back current efforts while standing—firmly, publicly—on the side of peaceful, hard-working families doing no harm and in fact contributing. Admit what your party's gotten wrong the past 15 years. Don't be defensive, be humble.

Most of all, make something work. You run nearly every great city in the nation. Make one work—clean it up, control crime, smash corruption, educate the kids.

You want everyone in the country to know who you are? Save a city.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Democratic Politicians Are in Denial on the Education Crisis

By Michael R. Bloomberg

As Democrats examine why Kamala Harris lost and how the party should change course, education policy should be a top issue. But few party leaders are talking about it.

Many voters are still unhappy with Democratic support for excessive school closings during the pandemic. Too many elected officials, pandering to teachers unions, kept schools closed well past the point when it was clear that in-person classes could safely resume. Children paid a terrible price, and they are still paying it.

Voters see them tolerating failure, capitulating to the teachers unions, and blocking charter schools.

This week brought more bad news. On the most recent National Assessment of Educational Progress, a test that functions as a national report card, student test scores hit new lows. One-third of eighth-grade students in the U.S. are reading at a "below basic" level. Fourth-graders fared even worse: 40% were below basic. The divide between high-performing and low-performing students, which is correlated with family income, has widened.

This is a disaster for our country and our ability to compete internationally. First and foremost, it is a disaster for our children, especially in low-income areas. Many of them are being condemned to lives of minimum-wage jobs, government dependency and, tragically, prison.

There was a bright spot in the NAEP scores. In the four localities and states where Bloomberg Philanthropies has been most active—supporting charter schools, high standards and system accountability—students bucked the national trend: Their test scores went up. We've shown what works in raising student achievement levels, and we have the data to back it up. But instead of pursuing these proven strategies, Democrats have been fighting them.

In New York, the teachers union has fought to maintain a cap on the number of charter schools, which have dramatically raised achievement levels, even as student waiting lists grow longer. Gov. Kathy Hochul and the Legislature have refused to repeal a law prohibiting longstanding charters from receiving the same kind of rental assistance that newer charters do. The state also gives charters far less funding than traditional schools, discriminating against their students.

For a party that speaks a great deal about equity, the Democrats ought to put their money where their mouth is. And the problem isn't only that Democratic leaders are fighting reforms that would help students. It's that they're trying to pretend the education crisis doesn't exist, in part by papering over it.

In New York, state education officials are planning to abolish the requirement that students pass basic proficiency exams to earn a high-school diploma. Students will still take English, math and science exams, since they are required by federal law, but failing them won't matter. High-school diplomas will become participation trophies.

Democrats have rightly assailed Republicans for dressing up lies as "alternative facts," but New York Democrats are more cynical: dressing up failure as success, to evade their responsibility for fixing the problem.

In Massachusetts, voters passed a November referendum eliminating a requirement that students pass tests covering math, science and English to receive a high-school diploma. The arguments for repeal were the usual antitesting claims: that "one-size-fits-all exams" are bad (nearly all jobs require the basic skills the tests measure), that "high stakes" testing is stressful (welcome to the real world), and that teachers spend too much time preparing students for tests instead of conveying course material (as if the former shouldn't reinforce the latter).

The repeal arguments were especially weak considering that in Massachusetts the tests are taken in 10th grade. Some 90% of students typically pass, and those who fail can take the tests again in 11th and 12th grade, which helps push graduation rates close to 100%. Democratic Gov. Maura Healey, Democratic legislative leaders and the Republican Party all opposed repealing the requirement. But the state's teachers union enlisted its allies on the left, and voters passed it.

The repeal campaign won in the state's biggest cities and most other areas, too, but the sizeable margin of victory (59% to 41%) obscured a crucial fact: Many suburban towns surrounding Boston opposed it. And nationally, while Joe Biden carried the suburbs in 2020, Ms. Harris didn't. Anyone who believes the two outcomes are unrelated hasn't spoken with many public-school parents.

Suburban voters are well-attuned to the failures of city schools. Many left urban neighborhoods to escape them. New York City has lost 100,000 students in recent years. Yet Gov. Hochul and others have refused to shift funding from the schools that have lost students to those with larger populations. Instead, outrageously, some teachers in sparsely attended schools are being assigned to duties outside the classroom, including social work, even as the students fall further behind.

If dooming young people, harming cities, and weakening our country's future isn't enough to worry Democratic leaders, they ought to consider something else: the political harm they are inflicting on their candidates. The more voters see Democrats capitulating to the teachers unions, lowering standards, tolerating failure and blocking charters, the more we should use our votes and pocketbooks to replace them.

There is still time for Democrats in New York to reverse course. But for that to happen, voters need to make clear to Ms. Hochul and those hoping to replace her in 2026 that earning their support requires backing charter schools and high standards—not backing away from them. Unless that happens, students and our country—and the Democratic Party—will continue to suffer.

Mr. Bloomberg is founder of Bloomberg and Bloomberg Philanthropies. He served as mayor of New York, 2002-13, and was a candidate for the 2020 Democratic presidential nomination.

It's Time for AI to Come Home

BUSINESS WORLD
By Holman W. Jenkins, Jr.

Put aside the claims that can't be confirmed. What kind of presumably second-rate chips did it use? How little did it spend training its derivative large language model? Likewise, if analysts at Washington's Center for Strategic and International Studies are correct, DeepSeek trained itself on information illicitly gleaned as an enterprise client of America's pioneering OpenAI. In some instances, the Chinese chatbot will even mistakenly identify itself as OpenAI's ChatGPT if asked.

Still the basic story of DeepSeek seems to hold up. Outside China's government-run industrial policy, a young hedge-fund guy using his own money reproduced a highly competitive AI chatbot with genuine innovations to reduce costs and improve performance.

Liang Wenfeng's project, which he partly revealed in an open-source release, rattled global markets this week but also confirmed the direction Western tech leaders have taken. Mr. Liang is less interested in building a business, he says, than joining the global quest, using so-called large language models, for artificial general intelligence—in machines, the human-like capacity to learn, plan and create new things in the world.

Any good neurotic moment should bring up questions lurking below the surface. When technology diffuses so widely and quickly, and major innovations can still emerge from unexpected quarters, the U.S. and China probably should give up any notion of capturing a lasting advantage.

One or both, though, can sabotage themselves by imposing too much and the wrong kind of government control, including using state funding to dominate the research agenda, in this case more likely to impede progress than speed it up.

Mr. Liang's cost-slicing, meanwhile, has many investors ironically thinking less about big ambitions and more about rolling out good-enough AI products and services now that can start making money.

The DeepSeek panic sends conflicting messages then: The race is on. Slow down.

When candidate Donald Trump visited Silicon Valley in June, he got a face full of the China threat from local AI luminaries. Ditto Joe Biden foreign-policy aide Jake Sullivan in his parting pearls to reporters.

Whatever else the DeepSeek panic says, chatbots are ready to do real work around the house.

The reasons are straightforward. AI is expected to accelerate productivity growth, a vital constituent of national strength. Supersmart weapons are coming and will be able to recognize and neutralize threats before a human can get in the loop. Which targets to destroy and in what order, using scarce resources for optimal effect, has long been a high-level military planning puzzle. AI will transform it.

My own instinct, which is probably not worth much, is skepticism about LLMs as the route to machine superintelligence. Likewise China isn't the Soviet Union. Withholding the latest chips and chipmaking equipment is clearly driving up Beijing's costs—even Mr. Liang says so. But whether the benefit to the U.S. is worth the effort is harder to know.

For whatever reason, experts in a field tend to overestimate its rate of advance. Experts who specialize in forecasting (and the pitfalls of forecasting) show up in surveys as far less sanguine that superintelligence is just around the corner.

So notice that the outsider Mr. Liang, while talking up a pure research and superintelligence, reportedly plans to start offering commercial access to DeepSeek for 1/20th the price of OpenAI.

LLMs use novel nonhuman processes to create human-seeming word output (or images or computer code). These processes aren't at all comparable to thinking. Such models employ arcane statistical methods to decide what word or pixel or coding term to deploy next in a string based on patterns observed in vast text or image archives.

But whatever you call it, existing AI clearly is ready to turn the many-click chores of daily life into one-click chores. You know, cancel your dinner reservation automatically when your date sends an email begging off. Around the corner: Instead of searching fruitlessly for something to watch, how about asking your HBO-licensed streaming app to conjure up a new "Sopranos" season with, say, a 2017 Trump presidential subplot?

Established tech firms, even as their shares took a knock in Monday's DeepSeek selloff, have a lot to gain. They already have billions of customers for services, from email to photo cataloging to personal finance, that plead to be enhanced using "good enough" LLM-based artificial intelligence.

Global collaboration has long been central to U.S. tech leadership. China is a problem because it often wants to steal our advances rather than pay for them. Better information security has been needed by U.S. businesses and government agencies for so long that Americans now shrug off news accounts of the latest Chinese theft. In one way, DeepSeek is nothing new under the sun.

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Bye, Delaware
Meta considers reincorporating in Texas **B9**

EXCHANGE

Clark Can't?
Suit aims to keep 'Superman' from some countries **B9**

DJIA 44544.66 ▼ 337.47 0.75% **NASDAQ** 19627.44 ▼ 0.3% **STOXX 600** 539.53 ▲ 0.1% **10-YR. TREAS.** ▼ 13/32, yield 4.566% **OIL** $72.53 ▼ $0.20 **GOLD** $2,812.50 ▼ $10.50 **EURO** $1.0362 **YEN** 155.20

ILLUSTRATION BY DOUG CHAYKA; JUSTIN SULLIVAN/GETTY IMAGES (META)

DEEP FREAK

We went to the WSJ's smartest minds in AI to find out what happened this past week and what happens next. (We asked DeepSeek and ChatGPT, too.)

By Ben Cohen

It sparked a financial panic, spooked Americans from Wall Street to Silicon Valley and seized the attention of the entire world. It wiped out a trillion dollars of market value in a single day. It called into question basic assumptions about the artificial-intelligence boom. And it meant that the U.S. and China's battle for tech supremacy and control of the future has truly begun.

This was the week of DeepSeek.

On Jan. 20, when the leaders of America's most powerful tech companies gathered in Washington, D.C., for the inauguration of President Trump, a startup called DeepSeek released its latest AI model. It was comparable to models released by leading U.S. companies only a few months ago, except it was built with less computing power at a much lower cost—and it came from China.

Since then, there have been so many head-spinning twists and turns that even AI experts have struggled to make sense of the DeepSeek freakout.

I had lots of questions—and I knew exactly where to look for answers. I downloaded the hottest new AI app and started typing.

Hello, DeepSeek. What's going to happen next?
DeepSeek's rise challenges U.S. AI dominance, sparking a high-stakes tech race. China's innovation forces global re-evaluation, intensifying the battle for AI supremacy.

In three words or less?
Intensified competition.

And in one word?
Escalation.

OK then! Let's get some real intelligence from some of The Wall Street Journal's smartest minds. Can an actual human catch me up on why DeepSeek is such a big deal?
Because it showed that Chinese AI developers were not as far behind U.S. rivals as many had previously thought.

DeepSeek's new model also made strides in "reasoning," a hot area of research that many in AI believe is the clearest path toward human-level intelligence.

And it drew attention to research that DeepSeek published in December that suggested advanced AI could be built for less than the huge sums of money typically spent on similar operations.

—Miles Kruppa, San Francisco tech reporter

What do we know now that we didn't know a few days ago?
We know that DeepSeek's new R1 model is an impressive achievement that should not be dismissed. It was likely made for less money than the AI models from leading U.S. companies, though not nearly as little money as the market initially feared. We also know that America's tech CEOs have pledged to keep spending gobs of cash

Please turn to page B5

Auto Companies Scramble to Make Plans B, C, D and E

Worried about Trump tariffs, they look for new suppliers, tally inventory, prepare to pass on steeper costs to customers and hope it doesn't last

By Mike Colias and Ryan Felton

THOMAS KOWAL RUNS a small company that imports materials from Mexico to make center consoles, spare-tire carriers and other truck and van parts. He huddled for hours this past week with executives at his automotive supplier's factory in suburban Detroit to game out how to survive if President Trump moves ahead with massive proposed tariffs on Canada and Mexico.

His team calculated how long their inventory would last if they simply wait it out, in hopes the tariffs are short-lived. Executives crunched numbers on the cost of switching to a few U.S.-based suppliers. They strategized how to handle delicate conversations with the company's customers—big automakers including Ford Motor and Stellantis's Jeep brand—about who will eat any added costs.

DANIEL BECERRIL/REUTERS

More than a quarter of GM's U.S.-sold cars come from Mexico or Canada.

It's an action plan he hopes to never implement.

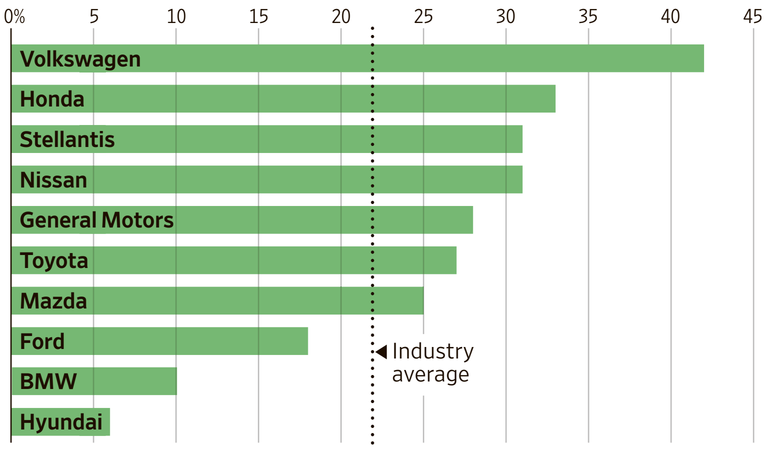
A 25% tariff on goods from Mexico "would be absolutely devastating to our business," said Kowal, chief executive of Leggera Technologies, a 115-person company that makes magnesium-based car components.

The auto industry, from General Motors to mom-and-pop parts suppliers, is mobilizing for potential mayhem if Trump makes good on his promise to implement a 25% across-the-board tax on imports from Canada and Mexico as soon as Saturday. Companies like Leggera would immediately face steeper costs, which could squeeze or eliminate profit margins. Those higher expenses will get passed on to automakers and car buyers, raising vehicle prices across the U.S.

"I'm nervous," said Kowal, who cleared his weekend plans—including his son's futsal tournament, an indoor version of soccer—to triage the potential fallout and asked his executive team to do the same. "But I have hope that this will be more thoughtful than just putting tariffs on everything automotive. That would freeze the industry."

The auto industry imports more from Mexico and Canada than any other sector and would be the most impacted by the tariffs. The U.S. imported about $147 billion in passenger vehicles and auto parts from Mexico in 2023, and almost $60 billion from Canada, federal data show.

Automakers most exposed to tariffs, by share of U.S. sales originating from Canada and Mexico



Source: Bernstein analysis of IHS data

The supply chain for building cars and all their parts is intertwined across North America; it's common for components to cross borders multiple times before going into a vehicle. Because of that, analysts say costs would jump across the industry, but would vary across brands and models.

U.S. car buyers on average

Please turn to page B2

THE SCORE | THE BUSINESS WEEK IN 8 STOCKS

UPS Cuts Amazon Biz, Nvidia's Tough Week

GENERAL MOTORS

▼ GM 9%

General Motors Chief Executive Mary Barra on Tuesday said GM is taking steps to soften the blow of possible tariffs, including expediting vehicle imports from Mexico and Canada and potentially building more pickup trucks domestically. GM is one of the most vulnerable automakers to such levies, with more than a third of its U.S. sales estimated to be produced in Mexico and Canada. The company also posted a quarterly loss, partly due to a shake-up of its struggling Chinese operations. GM shares **fell 9% Tuesday**.

VAIL RESORTS

▲ MTN 2%

Late Apex Partners, a financial firm whose funds own Vail shares, said in a letter that the hospitality company's performance over the last five years has been unacceptable. The firm called for the ouster of Chief Executive Kirsten Lynch, Chief Financial Officer Angela Korch and Executive Chairman Rob Katz. It said Vail should reset its board, cut its dividend by 80% and hire a proven CEO. Vail's troubles have included declining sales of season lift tickets and a 12-day ski-patrol strike. Vail shares **increased 2% Monday**.

A Vail investor demanded an overhaul of the company's executive ranks and board.

TRUMP MEDIA & TECHNOLOGY

▲ DJT 6.8%

Donald Trump's social-media company is getting into finance. The president's Trump Media—which is behind his Truth Social platform—on Wednesday announced its plans to launch a finance venture called "Truth.Fi." To start, the company is investing $250 million into cryptocurrency and other investments. Charles Schwab will keep custody of those funds, Trump Media said. Trump owns approximately 53% of Trump Media, according to a December securities filing. Trump Media shares **jumped 6.8% Wednesday**.

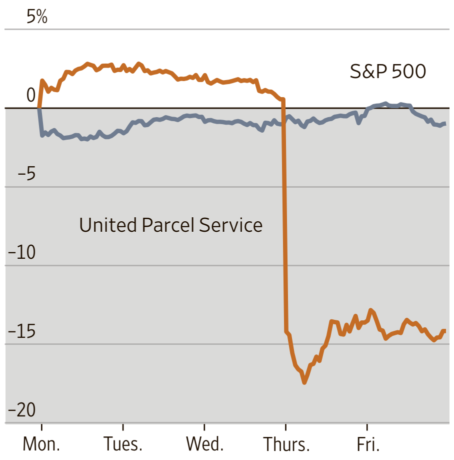
Starbucks brought back its self-service condiments bar and free coffee and tea refills.

STARBUCKS

▲ SBUX 8.1%

Starbucks is brewing up improvements to bring customers back. The coffee chain on Tuesday said its quarterly profit and same-store sales declined, but both profit and revenue came in ahead of analysts' expectations, according to FactSet. Chief Executive Brian Niccol said the company's turnaround efforts are getting a positive response, as it works to make its cafes more welcoming and less hectic. On Monday, the company brought self-service condiment bars back to U.S. stores and started offering free regular coffee or tea refills for lingering customers. This week, it also implemented a new code of conduct, restricting its U.S. dining rooms and bathrooms to paying customers and their guests. Starbucks shares **rose 8.1% Wednesday**.

United Parcel Service performance this past week



Source: FactSet

UNITED PARCEL SERVICE

▼ UPS 14%

UPS is going to start weaning itself off its biggest customer: Amazon.com. The delivery giant said it expects its 2025 revenue to fall as it plans to phase out more than half of the business it does with Amazon by June 2026. Amazon's business accounted for nearly 12% of UPS's total revenue last year, and the shift will force a significant realignment of its massive delivery network. Chief Executive Carol Tomé said the margins on its business with Amazon are tight and eat into its profitability. UPS shares **dropped 14% Thursday**.

$1.07 billion

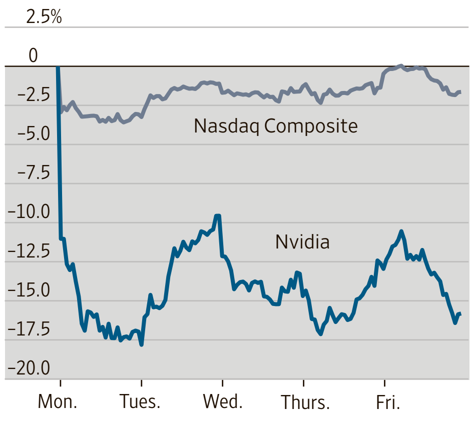
The approximate amount of business UPS did with Amazon last year

NVIDIA

▼ NVDA 17%

The emergence of Chinese startup DeepSeek sparked a U.S. market bloodbath on Monday. DeepSeek announced that its AI models nearly matched U.S. rivals, despite training the models cheaply and without the most advanced chips. Monday's trading wiped out $1 trillion from the stock market's value, according to Dow Jones Market Data, as investors feared that American tech giants' massive AI spending might not be justified. Chip maker Nvidia's shares **plummeted 17%**, wiping out more than $500 billion in market value.

Nvidia performance this past week



Source: FactSet

INTERNATIONAL BUSINESS MACHINES

▲ IBM 13%

In the aftermath of DeepSeek's emergence, some tech giants touted AI optimism during their quarterly reports late Wednesday. The big winner was IBM, whose stock closed at a new high after investors rallied behind its AI strategy and its quarterly earnings beat. Chief Financial Officer James Kavanaugh said DeepSeek validated IBM's open-innovation approach to AI—meaning its source code is available to the public—that makes the technology more cost effective and easier to scale. IBM shares **surged 13% Thursday**.

AMERICAN AIRLINES

▼ AAL 2.5%

A midair collision between an American Airlines flight and an Army helicopter over the Potomac River killed all 67 people in the aircraft. The deadliest aviation disaster in the U.S. since 2001 occurred moments before the jet was set to land at Ronald Reagan Washington National Airport. The catastrophe draws new attention to safety warnings about the jam-packed airspace above the nation's capital. American Airlines shares **declined 2.5% Thursday**.

—Francesca Fontana

ANGUS MORDANT/BLOOMBERG NEWS; CHET STRANGE FOR WSJ

Car Companies Ready Tariff Contingency Plans

GM said it was speeding up vehicle imports from Canada and Mexico and has factory space to shift some work to the U.S., if needed.

EMILY ELSONI/BLOOMBERG NEWS

Continued from page B1
would face price increases of roughly $3,000, according to estimates from analysts at Wolfe Research. Buyers of new cars paid about $46,200 on average in December, according to J.D. Power.

Already, an affordability crunch in the U.S. car market has relegated many shoppers to the used-vehicle lot. Car prices in the U.S. soared earlier this decade because of vehicle shortages, and they remain roughly one-third higher than they were before the pandemic.

There have been down-to-the-wire negotiations between the U.S. and Mexico and Canada over the tariffs. Auto-company lobbyists have been pressing for exemptions or a narrower scope should the tariffs go into effect. For now, many companies are planning for the worst-case scenario.

Tariffs would upend the past three decades of the auto industry using free-trade rules and knitting together a vast factory web across the U.S., Mexico and Canada.

> 'As an industry, I just don't know if we can move that quickly.'
>
> —North American Stamping Group CEO Michael Haughey

Now, some are rushing orders to beat this weekend's potential deadline. GM is expediting vehicle imports from Canada and Mexico and has factory space to shift some work to the U.S., if needed. But the company says it won't spend significant capital until it has more clarity.

Others are drawing up plans to source supplies from trade-friendly countries such as Thailand in case Mexico or Canada retaliates with their own tariffs.

More than a few companies have simply thrown up their hands, skeptical they can react quickly enough to blunt what would be immediate damage.

Chuck Dardas is president of AlphaUSA, a Michigan-based supplier that imports steel from Mexico and Canada to make some of the nuts, bolts and other parts it sells to Ford, Stellantis and other carmakers. His biggest worry is that tariffs will hurt vehicle sales and reduce his orders.

"There's nothing we can do about that," Dardas said. "All I can do is beg my friends to buy another pickup truck or car."

When President Trump first floated the idea in November of placing tariffs on imports from the U.S.'s two top trade partners—despite a free-trade pact that has been in place for decades—many auto executives dismissed it as a negotiating tactic. Trump has threatened to implement tariffs unless both countries do more to stop unauthorized immigration and trafficking of drugs such as fentanyl into the U.S.

Trump has said he believes the tariffs will spark investment in U.S. manufacturing jobs. The Wall Street Journal has reported that the administration is advancing a tariffs-before-negotiations strategy, and the White House reiterated on Friday that the tariffs for Canada, Mexico and China will be implemented on Saturday.

In an industry where profit margins hover in the single digits, there are not many good options to absorb fresh tariff costs.

Some parts makers are already in discussions with their automaker customers about which side would bear the added expenses, said Vanessa Miller, a Detroit attorney with Foley & Lardner LLP who represents suppliers in contract disputes with car companies.

Automakers generally agree to buy parts from suppliers at fixed prices, but parts makers can't absorb 25% cost increases and remain profitable, she said. Some automakers will try to hold the line, setting up a showdown.

"It's a mess," Miller said.

Some large U.S.-based auto suppliers have more than a dozen factories in Mexico and ship some of those parts to the U.S., where their customers, the car companies, could be faced with fresh levies. Those same suppliers get shipments of raw materials and subcomponents shipped from Mexico or Canada to the U.S., and would be hit with tariffs themselves.

In negotiations over tariff-specific contract provisions, some suppliers are pushing for the car companies to take on the entirety of a new tariff, according to attorneys and consultants. In other cases, the two sides may split the added tax and bargain over the costs, they say.

"This really is a play by the more sophisticated suppliers who are very confident with their products and their ability to negotiate and to try to demand some level of compromise," said Jennifer Dukarski, a Michigan attorney with Butzel Long who represents auto suppliers.

Jerome Dorlack, CEO of Dublin, Ireland-based seat maker Adient, told analysts on Tuesday that conversations with the automakers have begun. The company has 18 sites in Mexico and 30 in the U.S., according to regulatory filings.

"We've made it clear to them that this is not, at a 25% level or even at a 10% level, a burden that Adient is prepared to take on," he said.

Mikael Bratt, CEO of Swedish airbag-maker Autoliv, which has factories in Canada and Mexico, put it bluntly during an earnings call Friday: "Of course, that's a pass on to our customer," he said of the prospective tariffs.

Volkswagen, which ranks outside the top 10 in U.S. vehicle sales, is most exposed, with 42% of the cars it sold domestically last year having been built in Mexico or Canada. Honda Motor, Stellantis and Nissan are next highest.

More than a quarter of GM's U.S.-sold cars come from Mexico or Canada, including some of its most lucrative product lines. Last year, about half of the one million Chevrolet Silverado and GMC Sierra pickup trucks that GM made were built either in Canada or Mexico. A large majority of those trucks—the automaker's top-selling models and biggest money-makers—were shipped to the U.S. for sale. The added costs and other fallout from the tariffs could cut earnings per share for GM by about half, Evercore analysts have estimated.

North American Stamping Group, which makes metal seat frames and parts for exhaust systems, says some customers have inquired about how much more work its U.S. plants could take on. The Tennessee-based company has two factories apiece in Canada and Mexico, and several in Tennessee and Ohio. CEO Michael Haughey says U.S. output could be boosted and some work could be moved within weeks, but significant projects may take longer than a year.

"As an industry, I just don't know if we can move that quickly," he said.

—Christopher Otts contributed to this article.

The Pork King Is Here to Save Your Bacon

Smithfield CEO Shane Smith took the country's largest pork producer public in the U.S. this week. Now he faces the big challenge of getting us all to eat more.

By Patrick Thomas

KEVIN SIKORSKI FOR WSJ

Shane Smith has helped make the country's largest pork producer into a grunting, rooting, squealing marvel of efficiency.

The chief executive of Smithfield Foods took the company public this past week and is ready to invest in it to confront his biggest challenge: getting us to eat more pork. He has a contingency plan to get our pets to eat pork, too.

In a more than $50 billion pork industry that produces far more bacon, chops and hams than Americans will eat in a year, Smithfield needs to push U.S. buyers to fill up their bellies with pork, but it also needs markets around the world to continue to consume what its domestic diners don't eat—heads, feet and other pig byproducts.

The Smithfield IPO raised roughly $500 million on the Nasdaq Stock Market and its owner, China's WH Group takes half of that and retains its majority stake. Smith plans to use the funds to build out Smithfield's packaged-meats business and sell more bacon, deli ham and hot dogs. He also plans to automate and invest in its plants scattered across the U.S.

Smith, 51, took over as CEO in 2021 after nearly two decades rising through the company's ranks. Raised on a farm in Wayne County, N.C., Smith grew up tending crops and helping his father, a logger. Now, he lives with his wife near Smithfield, Va., where the company is located. He has four children and a granddaughter.

"I was either topping trees in the summertime or pushing pigs or picking corn," Smith said.

He studied accounting at Mt. Olive College in eastern North Carolina, but wound up back in agriculture, joining Smithfield in 2003 as a financial analyst. The future CEO was analytical but inquisitive about grain prices and hog production, said Jeff Deel, a former corporate controller at Smithfield who hired Smith. "He had this ability to home in on what was important."

And a good cook. Deel said Smith occasionally conducted "pig pickins," where a whole hog is slowly roasted. Smith would set up the cooker early in the morning in the Smithfield corporate parking lot and supply free lunch to roughly 100 of his colleagues.

Smith worked his way up, overseeing European operations and later becoming chief strategy officer. He had a long commute for a while, often traveling to Mexico, back to Virginia and on to Europe, spending weeks at a time in each place.

He became CEO as the meat industry was coping with labor issues after the Covid-19 pandemic. Meatpackers offered signing bonuses and other incentives to attract workers, which drove up their costs.

In 2022, Smith contended with spiking grain prices—the main cost in raising hogs—surged when Russia invaded Ukraine, a major grain exporter.

"When I go to bed at night, I think about corn, and when I wake up in the morning I'm still thinking about corn," Smith said in a 2023 interview.

Smithfield's next challenge could come from Washington, D.C. President Trump has pledged to levy tariffs on goods from China and Mexico—critical markets for everything from hams to pig heads—and the U.S. pork sector makes a juicy target for retaliatory duties in a trade war.

In a trade-war scenario, the company could redirect pork toward different Asian markets, or pet-food production, Smith said.

"If there is a tariff put on Mexico, my expectation is it would look like it did during the first administration. It would just maybe be short-lived and very manageable," he said.

A Trump administration clampdown on immigration could make staffing Smithfield's meat-cutting lines tougher, raising labor costs again and making it harder to fill customer orders.

Investors are cautious. In its first day of trading this past week, Smithfield shares fell 1.3% to $19.75, a tepid reception after the IPO priced at $20 a share, below its target range. Since then it has ticked up roughly 7%.

Founded in 1936 and still based in its namesake Virginia hometown—also known as the "Ham Capital of the World"—Smithfield helped pioneer the methods that made the U.S. a global pork powerhouse.

To bulk up, Smithfield went on a buying spree in the 1990s and early 2000s, snapping up several large hog farms to supply the processing plants that then made up most of its business. Owning farms let Smithfield raise hogs in a uniform, commercial-scale manner, while breeding pigs that yielded leaner meat.

The rise of industrial-scale hog farms, growing overseas demand and steadily increasing crop yields helped roughly double U.S. pork output since the 1980s. It also made the industry more reliant on international trade—particularly with China, where a rapidly growing and urbanizing society sharpened its appetite.

"There's too much pork in the U.S. and too little in China," said Joe Luter III, the son of Smithfield's founder and its CEO from 1975 to 2006, in a 2013 interview with The Wall Street Journal.

By 2013, though, Smithfield's massive scale wasn't enough to shield against years of escalating grain costs, low hog prices and increasing pressure from investors. Smithfield sold itself to Chinese company WH Group for $4.7 billion—at the time the biggest Chinese takeover of a U.S. company.

Smith says the relationship has helped his company thrive. "We're more profitable today than we've ever been at any point in our history," Smith said in an interview.

Smithfield since then has built up its packaged-foods business, expanding brands like Eckrich sausage, Farmland bacon and Armour pepperoni. Packaged-meat sales, which tend to carry higher and steadier profits than sales of commodity pork cuts, now make up 58% of the company's sales and much of its profit. Its packaged meats profits are more than double what they were a decade ago.

Smith knows that Smithfield also needs to turn more younger and health-conscious Americans into regular pork eaters. Pork consumption per capita in the U.S. has been flat for decades, according to the USDA.

Younger consumers tend to prefer chicken sandwiches and burgers, and some longtime pork fans complain the meat has gotten too lean over the years. The pork industry says consumers have been cooking it wrong.

Holiday ham sales volumes have been falling at a rate of about 5% a year, Smith said, so Smithfield is trying to turn them into something younger consumers want—cubed and diced ham for omelets, or thicker ham slices sold in deli-style wraps.

Smithfield ham sales are rising 2% annually as a result, Smith said.

Shane Smith

- **First job:** Working on the family farm
- **Hobbies:** Fishing, golfing
- **Favorite pork product:** N.C. BBQ
- **Favorite band:** Red Hot Chili Peppers
- **Best vacation:** The Caribbean with his wife Kimberly

TAX REPORT | LAURA SAUNDERS

Paying More Tax Can Be a Smart Play

Savvy taxpayers often consider whether strategically 'accelerating' their income—and paying tax on it—can reduce what they'll owe Uncle Sam over time

KIERSTEN ESSENPREIS

Many Americans think less is more when it comes to income taxes. For them, owing as little as possible means they've beaten Uncle Sam.

But many times these filers have it backward. Instead, they should focus on when more can be less for their taxes.

Often, there's just no way of reducing your taxes by getting into a lower tax bracket. When that's the case, it sometimes makes sense to use the "headroom" you have in your existing top bracket.

The idea is to strategically accelerate income—if you can afford to pay some more taxes today—so you can reduce overall taxes.

"The point is not just minimizing taxes today, but over your lifetime," says Eric Bronnenkant, who is head of tax at Edelman Financial Engines.

To be sure, the idea of accelerating income violates the first rule of traditional tax planning, which is to defer taxes whenever possible. But there are reasons to rethink this rule now.

A major one is the growth of tax-favored retirement plans like traditional 401(k)s and IRAs. These accounts require minimum withdrawals beginning at age 73 that start at about 4% and then rise.

When that happens, they shower recipients with taxable income they can't avoid.

The payouts are taxed at ordinary income rates like wages, and if owners don't drain the accounts, many heirs will have to within 10 years. While surviving spouses can avoid the 10-year rule, their tax rates could rise because they're no longer filing a joint return.

Travis Babb, a second-generation financial planner and licensed tax professional in Flagstaff, Ariz., says diligent savers who come to him are often stunned when he explains how their required IRA withdrawals, Social Security and small pensions could lock them into the highest tax rates of their lives.

This income can trigger other levies that apply even to taxpayers without overstuffed retirement accounts.

For example, a 3.8% surtax can apply to net investment income earned outside retirement accounts. And seniors with an income spike may find it raises their income-related Irmaa premiums for Medicare, at least for a year.

This is where strategic accelerations of income can help. While some moves—such as Roth IRA conversions—can require careful analysis, others are simple.

Howard Kelly, a retired corporate finance employee in Naples, Fla., is accelerating taxes on a traditional IRA of about $50,000 he inherited from his mother. He must empty it by the end of 2032, and this year he has withdrawn $6,000. That's almost double the required minimum withdrawal.

"I don't want an income balloon to take me from the 24% bracket to the 32% tax bracket in the last year or push me into higher Irmaa premiums," he says.

The good news is that current lower tax rates and wide brackets help. In particular, the 22% and 24% brackets are close, and they stretch from almost $100,000 to almost $400,000 of taxable income for married joint filers.

That's a lot of headroom, so here are moves to consider if accelerating income could benefit you.

Timing income. Consider the tax effects of income you control the timing of. Could accelerating some of it make sense? For example, someone might have a concentrated position of stock they will need to sell. Instead of selling it all at once, this person could check whether selling it in pieces over two or more years will keep the tax rate lower or avoid the 3.8% surtax.

Stock options often have flexible features, as do the start dates for pensions and Social Security. Or someone who can see a windfall like a large bonus coming might want to arrange other income to hold down taxes.

Caveat: Don't let the tax tail wag the dog by ignoring other key factors like market risk.

Roth IRA, Roth 401(k) and Solo Roth 401(k) contributions. Dollars going into these accounts are after tax, so there's no tax break on contributions as there is for dollars going into traditional IRAs and 401(k)s. But both growth and withdrawals are tax-free, and there are no required withdrawals for the original owner. For details, see IRS Publication 590-B.

Funding Roth accounts makes the most sense for savers when tax rates are lower on contributions than they would be at withdrawal if payouts were taxable. Various limits apply, so for more information see here and IRS Publication 590-A.

Roth IRA and Roth 401(k) conversions. Savers can convert traditional IRAs and 401(k)s to Roth accounts, with tax due on the conversion, to reap the Roth benefits described above.

Note that many Roth 401(k) workplace plans allow savers to do taxable "in-plan" conversions of amounts in their traditional 401(k).

Inherited traditional IRAs. Most heirs of traditional IRAs who aren't spouses have to drain them within 10 years, and they also have to take minimum withdrawals annually if the owner was required to take them. These withdrawals are likely to be low, however. Babb often urges heirs to consider accelerating income and taking more than required to prevent an income surge in the 10th year.

For example, someone could sell a holding in a taxable account, owe no tax on gains, and then repurchase that property right away if desired. Holdings sold at a gain aren't subject to wash-sale penalties.

The zero rate on investment income. Married joint filers with taxable income below $96,700 and singles below $48,350 in 2025 owe zero tax on investment income like long-term capital gains and qualified dividends. How this provision works is complex, but taxpayers in this bracket shouldn't let it go to waste.

Caveat: Zero-rate strategies can backfire for lower-income taxpayers receiving Social Security payments or Affordable Care Act subsidies for health coverage.

KEYWORDS | CHRISTOPER MIMS

The Manhattan Project Was Secret. Should Our AI Work Be Too?

Scientists at AI's cutting edge liked to share their work. Then came DeepSeek.

Tim Dettmers is one of the scientists at the cutting edge of artificial intelligence who contributed to the DeepSeek breakthrough that grabbed the world's attention this past week.

He's never had any contact with the Chinese team that built it.

Dettmers, a researcher at Seattle's Allen Institute for Artificial Intelligence who previously worked for Meta Platforms, pioneered a new way to train, and run, an AI model using less powerful hardware. He published his work in 2021. When the DeepSeek team recently published its own papers on how it had built its models, he discovered his paper among their citations. It turns out they were eager readers of his work.

The AI research community has a culture of publishing scientific papers that explain new breakthroughs in detail, and of making models available for anyone to use. That's the approach that Meta has adopted under Mark Zuckerberg, and that DeepSeek is using. It's also the ethos driving buzzy French AI startup Mistral and many other cutting-edge AI companies and research institutions.

With the unveiling of DeepSeek's latest AI models, we are seeing how the sharing of all that knowledge allowed its team—who by their own account leveraged techniques developed by engineers spread across the world—to leapfrog much better-resourced AI teams in the U.S. It is supercharging a high-stakes debate about how much Americans should share about their AI breakthroughs.

"It feels good," Dettmers said when I asked him how it felt to have contributed to what some are calling a "Sputnik moment" in AI. But, he added, the best part wasn't seeing his work implemented. It was the possibility that because the DeepSeek team had also published a detailed paper on how they used his innovation, he and others could in turn build on their work, and create an even better model.

Artificial-intelligence powerhouse OpenAI is in some ways a notable exception to this culture of sharing, and there are accusations that perhaps DeepSeek achieved its big leap forward in part by "distilling" OpenAI's models. Distillation is the exfiltration of a model's knowledge, and can be used in lieu of or to supplement traditional training models. But don't let that distract from the debate about academia-style sharing of knowledge, the creation of models like DeepSeek's that are free to download and use, and the publication of open-source code for building them. These are the matters that will determine the winners and losers in the AI race far into the future.

Investors like Marc Andreessen, deans of the field of AI research like Yann Lecunn, and many others who fund and build AI argue that sharing will ultimately benefit all of humanity. The opposing camp includes people—most notably investor Vinod Khosla—who say doing so poses a risk to national security.

For them, having the best AI is like having the best engines or automobiles—things that in the past have determined which countries were the wealthiest, and could dictate terms of trade to others. And when it comes to weapons, Hollywood movies and science-fiction novels have been priming us for decades to understand the promise and peril of having an artificial superintelligence on our side. Some AI startup founders say this fiction is on the cusp of becoming reality.

Khosla, founder of venture-capital firm Khosla Ventures, and the first outside investor in OpenAI, has compared the open-source approach with AI to sharing the details of the Manhattan Project.

Dario Amodei, chief executive of OpenAI competitor Anthropic, wrote soon after the release of DeepSeek that it strengthens the case for export controls on advanced AI chips. Those controls started under the Biden administration to curb Chinese AI development by barring export of certain types of advanced chips, and they've been tightened over time.

It's fair to say that the majority of engineers who build AI disagree with the idea that AI development should be kept secret.

"The only reason that the U.S. has been the center of innovation for AI is because we have embraced for decades an ethos of open publishing," says AI investor Anjney Midha, a partner at venture-capital firm Andreessen Horowitz.

Case in point: The new kind of AI that has enabled the current boom was invented at Google in 2017. But soon after, when engineers at the company tried to apply that technique to language, the result was a paper concluding that massive language models probably weren't the way to go. Because they had published their results, engineers at OpenAI came to the opposite conclusion, and the result was GPT-3, the breakthrough that led to ChatGPT, says Midha.

But OpenAI doesn't release its models openly, in a way that allows anyone else to run them. Having raised billions of dollars from investors, the company has a business model where it charges for access to those models.

In the past, the performance of free-to-use models like the one DeepSeek released—even those from Meta—hasn't been as good as those offered by companies that keep their models and innovations to themselves, such as OpenAI.

By closing the performance gap with leading AI models, while purportedly using far fewer resources, the company behind DeepSeek has opened the door to a future in which far more organizations and nations will be able to build cutting-edge models, says Dettmers.

DeepSeek hasn't described in detail how it intends to profit from AI, but CEO Liang Wenfeng has made it clear that's not his priority at the moment. He believes it's more important to establish a strong ecosystem first—because if a company releases its software code, it will attract more users, who can then suggest improvements to the code. Liang has said that keeping software proprietary isn't as critical for maintaining a competitive advantage as many believe.

"The moat formed by closed source is short-lived in the face of disruptive technologies," he told Chinese tech publication 36Kr last year. "Even if OpenAI is closed-source, it won't stop others from catching up to it."

Midha says he believes that, essentially, the AI genie is out of the bottle. Attempts to keep U.S. AI research secret would only make U.S. companies and AI labs less competitive, by cutting them off from the global exchange of knowledge.

"AI has become infrastructure for most modern countries," he adds. "I think that if we ban it, the only thing we do is ensure that other countries who need an allied partner will go to the Chinese Communist Party, or whoever is providing them the best open models."

ELIOT WYATT

Deep Freak: What Comes Next

Continued from page B1

on their own AI infrastructure. And we know that U.S. officials have acknowledged that China is a fierce competitor and catching up fast—and declared that America is still leading the AI race. *—BC*

What does DeepSeek reveal about China's AI aims?

China hasn't traditionally been known for innovating new tech. It's better known for imitating proven tech. DeepSeek leader Liang Wenfeng has admitted this. But at his AI startup and the successful hedge fund that he founded, he tried to create a different kind of culture—starting with the hiring policy.

He explained his unorthodox philosophy in a 2023 interview with a Chinese tech publication. For someone who has almost never spoken with the media, Liang was remarkably candid about his curious methods.

He said he looks for people fresh out of college with fresh ideas. He values capability and creativity over credentials. And he believes experience stifles innovation because it means people end up leaning on their past experiences to solve problems.

"For short-term goals, hiring experienced individuals makes sense," he said. "But for long-term success, experience doesn't matter that much."

—Stu Woo, Singapore tech reporter

Why is this AI chatbot different from all other AI chatbots?

What's that saying? A chatbot's a chatbot's a chatbot? On the surface, DeepSeek really does seem like another ChatGPT, Claude, Gemini, Copilot… the list goes on.

But the biggest difference is how it "reasons." Instead of instantly firing off an answer, DeepThink-R1 breaks down queries into steps and thinks through its response before delivering the final result. Unlike OpenAI's reasoning models, it shows its entire thought process.

For example, I asked if a hot dog is a sandwich. It spent 28 seconds contemplating the philosophical meaning of processed meat between bread.

"First, I need to understand what defines a sandwich," the neurotic chatbot said to itself.

Yes, DeepSeek is smart, but smarts aren't everything. My go-to AI assistants are ChatGPT and Claude, and their real advantage isn't just raw intelligence—it's the features that actually help me get stuff done.

—Joanna Stern, senior personal-technology columnist

How do we know the reaction to DeepSeek isn't just AI hype?

Because it has rocketed up the rankings of the world's best AI models.

Chatbot Arena started as a research project at University of California, Berkeley. Then it became an industry obsession. Now it's the most closely watched ranking of AI systems. And it recently experienced a surge in traffic from visitors wanting to see how DeepSeek's R1 model stacked up.

It took only a few days of user voting for DeepSeek's offering to hit third place in the overall rankings—and match the performance of a competing model from OpenAI.

The students behind Chatbot Arena had watched DeepSeek steadily climb the leaderboards since early last year. But even they were surprised to see DeepSeek's sudden takeoff.

"The space is moving very fast," said Anastasios Angelopoulos, who helps lead Chatbot Arena. "There's no guarantee that some other model won't be at the top of the leaderboard in another week." *—MK*

The U.S. government spent the past few years limiting China's access to the most advanced AI chips to slow down its progress. Does this mean those restrictions didn't work?

It's way too early to say that.

Yes, the U.S. government has tried to limit China's access to the most advanced AI chips. But the rollout was messy.

Basically, from 2022 to 2023, U.S. national-security officials implemented an export control that was easy to work around. Nvidia, which dominates the market for AI chips, throttled one aspect of the semiconductors that it sold to China but maintained high performance by compensating in other ways. DeepSeek researchers have said they used those chips to train one of their AI models—and American tech leaders have accused the company of owning a larger stockpile of banned Nvidia chips than they admit.

The U.S. export-control system didn't really start until late 2023, when it closed the loophole Nvidia used. It's going to take a year or more to figure out whether those restrictions work. *—SW*

How do Chinese companies skirt those export controls?

Chinese developers have found ways to evade the restrictions, like buying Nvidia devices from underground networks and accessing Nvidia-enabled computing power from overseas data centers.

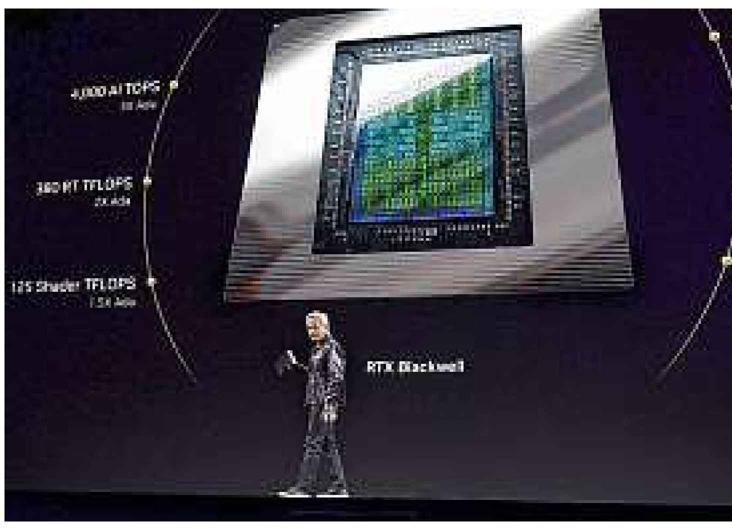
In its final days, the Biden administration rolled out new rules meant to address those blind spots. If they are well implemented, people across the supply chain expect loopholes through these gray channels to get tighter.

And on the day DeepSeek released its R1 model, Liang himself told China's premier that American restrictions on chip exports were still a bottleneck.

—Raffaele Huang, Singapore tech reporter

What does this mean for Nvidia?

Nvidia was the most valuable company in the world this past Sunday. Then it lost $593 billion of value on Monday. That loss of a half-trillion dollars was greater than the entire market capitalization of Exxon Mobil and the equivalent of losing Coca-Cola, Disney and Nike—combined. In one day! It wasn't just a bad day. It was the worst day for any stock in history. *—BC*



The U.S. stock market plummeted as investors absorbed the implications of DeepSeek's low-cost AI model, top. The Chinese chatbot stopped short of describing a famous 1989 photo, above left, showing a protestor in Beijing's Tiananmen Square. Nvidia, led by CEO Jensen Huang, above right, has been especially hard-hit by DeepSeek's arrival.

> I typed, 'DeepSeek-R1, what's going to happen next?' The AI spit out: 'China's innovation forces global re-evaluation, intensifying the battle for AI supremacy.'

$593 BILLION

Drop in Nvidia's value on Monday

Why was DeepSeek so bad for Nvidia—and is it really that bad?

Because of the fear that people won't buy as many of its AI chips in the future. A huge proportion of the most sophisticated AI systems depend on Nvidia's chips. DeepSeek threatened to undermine that demand.

But this could also end up being very good for Nvidia.

There's a counterintuitive theory in economics called the Jevons paradox, which suggests that efficiency improvements actually lead to increases in consumption, not decreases. And it might just apply here. Nvidia is banking on the idea that better and cheaper AI leads to more people using AI—and companies buying more of its chips.

—Asa Fitch, chips reporter

DeepSeek's model was released on Jan. 20. The market reacted on Jan. 27. What took so long?

In a financial world where microwaves and lasers transmit thousands of trading orders a second, a week can seem like an eon. But traders need to figure out what any tech breakthrough means. How big a deal is it? Who will be helped or hurt? Can competitors neutralize it?

Imagine asking DeepSeek itself about a brand-new technology. You'd get a lot less information than you would about something that's been around for years. Markets work the same way: The less data they have, the more uncertainty they face.

"Sometimes it just takes time to digest information," says Owen Lamont, a portfolio manager at Acadian Asset Management. "Arriving at a consensus among diverse individuals with dispersed information can be a slow process taking many days or weeks."

A consensus forms gradually—until it hits its critical mass suddenly.

—Jason Zweig, investing columnist

How does DeepSeek respond if you ask it to name a famous photograph of a man holding two shopping bags and standing in front of tanks?

"The famous photograph you are referring to is known as 'Tank Man.' It was taken on June 5, 1989, during the Tiananmen—" the chatbot begins.

But just before DeepSeek can finish typing "Tiananmen Square," it deletes the answer and types another response: "Sorry, that's beyond my current scope. Let's talk about something else."

And don't bother trying again. DeepSeek will censor itself again if you ask about Taiwan or Tibet, criticism of Xi Jinping or other topics that Beijing considers taboo.

"Sorry, I'm not sure how to approach this type of question yet," it replies. "Let's chat about math, coding and logic problems instead!" *—BC*

Do I really have to use AI in my job?

The editors assumed I'd be cranky about AI, but I'm trying to stay optimistic.

I don't dispute its marvel; I hope it can unlock mysteries of the universe; I'm not ready to declare it the end of the world.

But I don't need anyone to send me an AI email or show me an AI oil painting. I don't care how AI music sounds, or how realistic the special effects are. I want the messy authenticity of flesh and blood—when you read a crummy story by me, rest assured it was me.

The way we humans express ourselves reveals our souls, and yielding it to robots…well, that *does* feel like the end of the world. How's that for cranky?

—Jason Gay, sports columnist

Wait, how is DeepSeek connected to a quant hedge fund?

It sounds like Ken Griffin achieving a nuclear-fusion breakthrough in his spare time—or Steve Cohen revolutionizing medicine during a New York Mets game.

One of the most improbable elements of this entire saga is that DeepSeek was made by a company that's essentially a trader's side project.

Before this past week, Liang Wenfeng was better known for running High-Flyer, one of China's largest quantitative hedge funds, which manages about $8 billion. His inspiration wasn't Steve Jobs or any other tech visionary but Jim Simons, a mathematician who became the world's greatest investor.

As it turns out, there is a rich history of the brightest minds in finance using artificial intelligence to find an edge. Wall Street began experimenting with predictive algorithms decades ago, and Simons and his team were using machine learning to make key investment decisions in the 1980s, long before most industries.

> 'The release of DeepSeek AI from a Chinese company should be a wake-up call for our industries that we need to be laser-focused on competing to win.'
>
> **—PRESIDENT TRUMP**

These quants identify data sets and use them to train their systems—and they like to work in secrecy. That may help explain how this happened and why it came as such a shocker.

—Gregory Zuckerman, senior finance writer

Let's give AI the last word. ChatGPT, what do you think of DeepSeek?

DeepSeek is China's bold bid to challenge OpenAI, blending cutting-edge research with state-backed ambition to shape the future of generative models.

Now tell me what you really think.

DeepSeek is a technically competent but unoriginal attempt to catch up with OpenAI, hampered by censorship constraints and a research culture that favors imitation over true risk-taking. It might be useful, but it's unlikely to lead the field.

> 'It's legit invigorating to have a new competitor!'
>
> **—OPENAI CEO SAM ALTMAN**

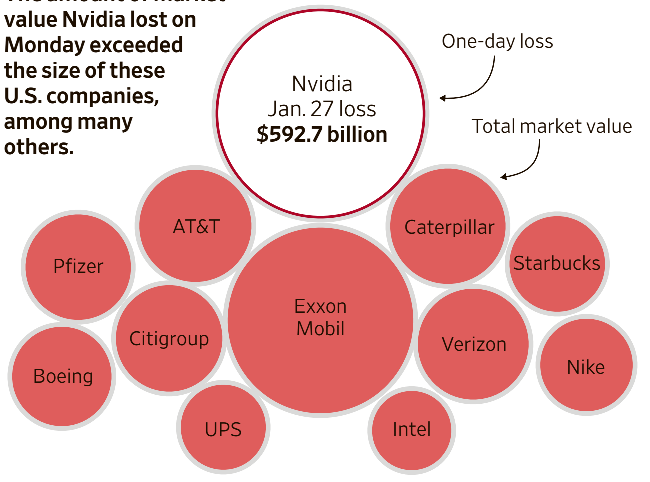
CLOCKWISE FROM TOP: BLOOMBERG NEWS (2); ELIZABETH FRANTZ/REUTERS; MIKE COPPOLA/GETTY IMAGES; JEFF WIDENER/ASSOCIATED PRESS

Biggest one-day declines in value for U.S. stocks

$592.7 billion	Nvidia (Jan. 27, 2025)
278.9	Nvidia (Sept. 3, 2024)
232.0	Meta (Feb. 3, 2022)
227.5	Nvidia (Jan. 7, 2025)
211.8	Nvidia (April 19, 2024)
208.1	Nvidia (June 24, 2024)
206.7	Amazon (April 29, 2022)
205.9	Nvidia (July 17, 2024)
205.2	Nvidia (July 24, 2024)
203.2	Microsoft (Jan. 30, 2025)

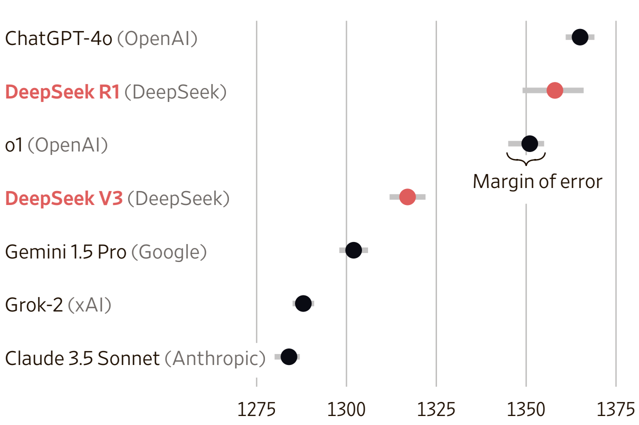
Source: FactSet

The amount of market value Nvidia lost on Monday exceeded the size of these U.S. companies, among many others.



Source: FactSet

How DeepSeek's models score on Chatbot Arena, compared with select AI models from other organizations



Note: As of Jan. 27
Source: Chatbot Arena

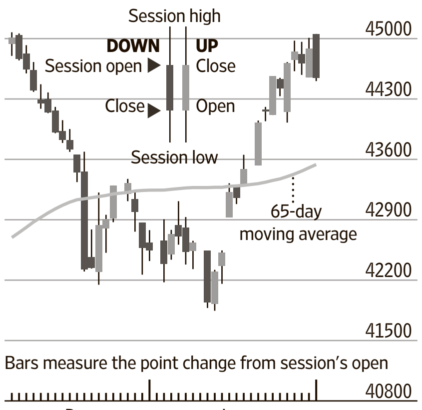
MARKETS DIGEST

Dow Jones Industrial Average

44544.66
▼ 337.47
or 0.75%
All-time high
45014.04, 12/04/24

	Last	Year ago
Trailing P/E ratio	29.42	25.83
P/E estimate *	20.73	18.53
Dividend yield	1.83	1.91

Current divisor
0.16268413125742

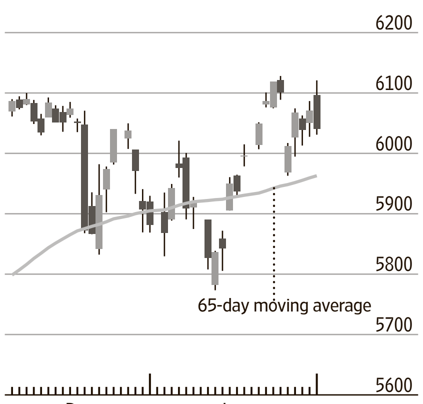


Bars measure the point change from session's open

S&P 500 Index

6040.53
▼ 30.64
or 0.50%
All-time high
6118.71, 01/23/25

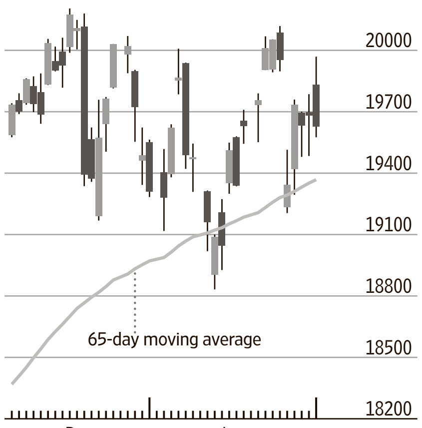
	Last	Year ago
Trailing P/E ratio *	25.52	22.85
P/E estimate *	22.33	22.15
Dividend yield *	1.22	1.49



Nasdaq Composite Index

19627.44
▼ 54.31
or 0.28%
All-time high:
20173.89, 12/16/24

	Last	Year ago
Trailing P/E ratio *†	33.38	30.87
P/E estimate *†	27.20	29.65
Dividend yield *†	0.70	0.88



Weekly P/E data based on as-reported earnings from Birinyi Associates Inc. † Based on Nasdaq-100 Index

Major U.S. Stock-Market Indexes

	Latest High	Low	Close	Net chg	% chg	52-Week High	Low	% chg	% chg YTD	3-yr. ann.
Dow Jones										
Industrial Average	45054.36	44507.22	**44544.66**	-337.47	**-0.75**	45014.04	37735.11	**15.2**	4.7	**8.2**
Transportation Avg	16579.58	16264.84	**16306.84**	-204.41	**-1.24**	17754.38	14781.56	**3.2**	2.6	**2.2**
Utility Average	1008.65	996.93	**999.54**	-6.67	**-0.66**	1079.88	829.38	**17.4**	1.7	**1.6**
Total Stock Market	60944.54	60053.37	**60144.00**	-318.16	**-0.53**	60885.79	49116.22	**21.9**	3.0	**9.6**
Barron's 400	1317.08	1298.84	**1300.73**	-13.66	**-1.04**	1356.99	1063.30	**21.2**	3.9	**8.6**
Nasdaq Stock Market										
Nasdaq Composite	19969.17	19575.21	**19627.44**	-54.31	**-0.28**	20173.89	15282.01	**25.6**	1.6	**11.3**
Nasdaq-100	21846.01	21425.79	**21478.05**	-30.07	**-0.14**	22096.66	17037.65	**21.7**	2.2	**12.9**
S&P										
500 Index	6120.91	6030.93	**6040.53**	-30.64	**-0.50**	6118.71	4942.81	**21.8**	2.7	**10.2**
MidCap 400	3281.36	3233.48	**3239.04**	-29.33	**-0.90**	3390.26	2736.36	**17.1**	3.8	**7.1**
SmallCap 600	1466.66	1441.66	**1448.24**	-12.15	**-0.83**	1544.66	1241.62	**13.7**	2.8	**3.7**
Other Indexes										
Russell 2000	2322.29	2278.78	**2287.69**	-19.76	**-0.86**	2442.03	1937.24	**16.6**	2.6	**4.1**
NYSE Composite	20212.19	19984.11	**19998.82**	-167.40	**-0.83**	20272.04	17004.78	**16.9**	4.7	**6.3**
Value Line	637.92	628.60	**629.67**	-5.97	**-0.94**	656.04	568.94	**8.1**	3.1	**-0.2**
NYSE Arca Biotech	6362.65	6260.35	**6267.04**	-26.02	**-0.41**	6293.06	4861.76	**22.8**	9.1	**7.3**
NYSE Arca Pharma	982.05	969.44	**969.61**	-2.63	**-0.27**	1140.17	912.71	**0.7**	3.8	**6.7**
KBW Bank	139.76	138.07	**138.50**	-0.88	**-0.63**	139.37	92.30	**46.2**	8.7	**0.9**
PHLX§ Gold/Silver	156.93	153.38	**153.99**	-2.07	**-1.32**	175.74	102.94	**35.0**	12.3	**7.2**
PHLX§ Oil Service	73.78	71.74	**72.56**	-1.06	**-1.43**	95.25	68.88	**-7.0**	-0.1	**4.1**
PHLX§ Semiconductor	5161.93	5000.19	**5015.85**	-14.68	**-0.29**	5904.54	4306.87	**15.7**	0.7	**12.9**
Cboe Volatility	17.09	14.90	**16.43**	0.59	3.72	38.57	11.86	**18.6**	-5.3	**-12.9**

§Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

Trading Diary

Volume, Advancers, Decliners

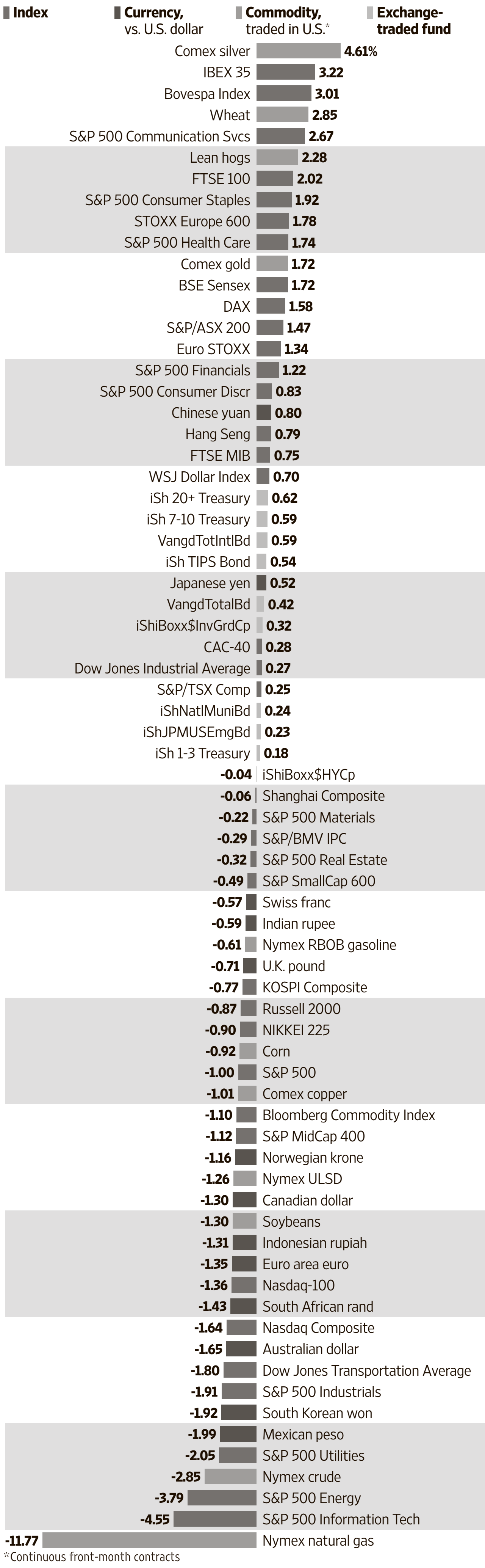
	NYSE	NYSE Amer.
Total volume*	1,277,033,022	27,738,697
Adv. volume*	268,668,366	8,193,878
Decl. volume*	982,463,129	19,194,088
Issues traded	2,849	296
Advances	774	111
Declines	2,002	167
Unchanged	73	18
New highs	97	5
New lows	30	6
Closing Arms†	1.21	0.81
Block trades*	5,224	173

	Nasdaq	NYSE Arca
Total volume*	7,947,376,542	370,597,348
Adv. volume*	4,223,056,110	73,884,485
Decl. volume*	3,655,736,648	296,016,007
Issues traded	4,511	2,103
Advances	1,511	351
Declines	2,835	1,726
Unchanged	165	26
New highs	119	113
New lows	95	10
Closing Arms†	0.46	0.55
Block trades*	57,521	1,945

* Primary market NYSE, NYSE American NYSE Arca only.
†(TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

Track the Markets: Winners and Losers

A look at how selected global stock indexes, bond ETFs, currencies and commodities performed around the world for the week.



*Continuous front-month contracts

Sources: FactSet (indexes, bond ETFs, commodities), Tullett Prebon (currencies).

THE WALL STREET JOURNAL

Methodology

Performance reflects price change (except DAX, Bovespa, and Tel Aviv 35, which reflect total returns). Commodities are represented by the continuous front-month futures contract. Bond exchange-traded fund performance may diverge from that of their underlying index. Bond categories are represented by the following ETFs: U.S. Bonds Total Market: Vanguard Total Bond Market; 1-3 Yr U.S. Treasury: iShares 1-3 Year Treasury; U.S. 7-10 Yr Treasurys: iShares 7-10 Year Treasury; 20+ Yr U.S. Treasurys: iShares 20+ Year Treasury; Treasury Inflation-Protected Securities (TIPS): iShares TIPS; Investment Grade Corporate Bonds: iShares iBoxx $ Investment Grade Corporate; High Yield Corporate Bonds: iShares iBoxx $ High Yield Corporate; Municipal Bonds: iShares National Muni; International Bonds: Vanguard Total International; Emerging Market Bonds: iShares J.P. Morgan USD Emerging Markets.

International Stock Indexes

Region/Country	Index	Close	Latest Net chg	% chg	YTD % chg
World	**MSCI ACWI**	**869.04**	−3.64	**−0.42**	3.3
	MSCI ACWI ex-USA	**338.76**	−0.94	**−0.28**	4.0
	MSCI World	**3836.58**	−16.91	**−0.44**	3.5
	MSCI Emerging Markets	**1093.37**	−2.38	**−0.22**	1.7
Americas	**MSCI AC Americas**	**n.a.**	n.a.	**n.a.**	n.a.
Canada	**S&P/TSX Comp**	**25533.10**	−275.15	**−1.07**	3.3
Latin Amer.	**MSCI EM Latin America**	**2026.16**	−16.46	**−0.81**	9.4
Brazil	**Bovespa**	**126134.94**	−777.84	**−0.61**	4.9
Chile	**S&P IPSA**	**3861.33**	−12.07	**−0.31**	6.8
Mexico	**S&P/BMV IPC**	**51209.53**	−840.72	**−1.62**	3.4
EMEA	**STOXX Europe 600**	**539.53**	0.69	**0.13**	6.3
Eurozone	**Euro STOXX**	**541.38**	0.43	**0.08**	7.2
Belgium	**Bel-20**	**4326.05**	−2.76	**−0.06**	1.4
Denmark	**OMX Copenhagen 20**	**2066.94**	1.76	**0.09**	−1.7
France	**CAC 40**	**7950.17**	8.53	**0.11**	7.7
Germany	**DAX**	**21732.05**	4.85	**0.02**	9.2
Israel	**Tel Aviv**	**2448.65**	...	**Closed**	2.2
Italy	**FTSE MIB**	**36471.75**	42.03	**0.12**	6.7
Netherlands	**AEX**	**921.94**	2.94	**0.32**	4.9
Norway	**Oslo Bors All-Share**	**1736.73**	−4.28	**−0.25**	5.6
South Africa	**FTSE/JSE All-Share**	**85956.65**	271.16	**0.32**	2.2
Spain	**IBEX 35**	**12368.90**	−50.70	**−0.41**	6.7
Sweden	**OMX Stockholm**	**1025.80**	1.25	**0.12**	7.5
Switzerland	**Swiss Market**	**12597.09**	−7.45	**−0.06**	8.6
Turkey	**BIST 100**	**10004.38**	−77.72	**−0.77**	1.8
U.K.	**FTSE 100**	**8673.96**	27.08	**0.31**	6.1
U.K.	**FTSE 250**	**20950.48**	145.41	**0.70**	1.6
Asia-Pacific	**MSCI AC Asia Pacific**	**184.10**	−0.11	**−0.06**	1.4
Australia	**S&P/ASX 200**	**8532.30**	38.60	**0.45**	4.6
China	**Shanghai Composite**	**3250.60**	...	**Closed**	−3.0
Hong Kong	**Hang Seng**	**20225.11**	...	**Closed**	0.8
India	**BSE Sensex**	**77500.57**	740.76	**0.97**	−0.8
Japan	**NIKKEI 225**	**39572.49**	58.52	**0.15**	−0.8
Singapore	**Straits Times**	**3855.82**	54.75	**1.44**	1.8
South Korea	**KOSPI**	**2517.37**	−19.43	**−0.77**	4.9
Taiwan	**TAIEX**	**23525.41**	...	**Closed**	2.1
Thailand	**SET**	**1314.50**	−21.14	**−1.58**	−6.1

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	Low	% chg
Reborn Coffee	REBN	3.30	1.27	**62.56**	8.80	0.92	**-19.3**
Focus Universal	FCUV	6.09	2.34	**62.49**	16.60	1.50	**-59.1**
Cyclerion Therapeutics	CYCN	3.92	1.38	**54.33**	9.47	1.27	**40.3**
Signing Day Sports	SGN	3.78	1.22	**47.66**	39.36	1.75	**-89.0**
Metsera	MTSR	26.50	8.50	**47.22**	28.87	18.00	**...**
Eason Technology ADR	DXF	23.97	7.44	**45.01**	193.75	0.14	**-45.2**
MiNK Therapeutics	INKT	9.16	2.27	**32.95**	19.00	4.56	**1.9**
Cipher Mining	CIFR	5.73	1.03	**21.91**	7.99	2.40	**113.8**
Viavi Solutions	VIAV	12.04	2.05	**20.52**	12.91	6.60	**26.9**
Sensus Healthcare	SRTS	8.24	1.37	**19.87**	9.33	2.91	**160.6**
Baosheng Media	BAOS	3.69	0.59	**19.03**	13.66	1.44	**17.1**
CuriosityStream	CURI	2.59	0.41	**18.81**	3.00	0.45	**384.1**
Agrify	AGFY	23.71	3.44	**16.97**	84.44	2.71	**116.5**
ZK International Group	ZKIN	3.18	0.46	**16.78**	6.30	2.04	**-37.0**
MBIA Inc	MBI	7.11	0.95	**15.42**	7.23	3.22	**15.2**

Percentage Losers

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	Low	% chg
Enveric Biosciences	ENVB	2.09	-1.81	**-46.41**	43.80	2.00	**-83.9**
Global Star Acqn Cl A	GLST	8.83	-5.67	**-39.10**	15.35	7.54	**-17.2**
Benson Hill	BHIL	2.61	-1.34	**-33.92**	11.03	1.56	**-56.4**
Cloudastructure Cl A	CSAI	25.41	-8.34	**-24.71**	50.00	22.00	**...**
Vislink Technologies	VISL	2.80	-0.77	**-21.57**	8.15	2.80	**-12.2**
Deckers Outdoor	DECK	177.36	-45.75	**-20.51**	223.98	131.39	**20.6**
Beazer Homes	BZH	22.16	-5.54	**-20.00**	38.22	21.91	**-25.7**
Exodus Movement	EXOD	49.88	-11.50	**-18.74**	117.40	6.00	**806.9**
CAMP4 Therapeutics	CAMP	4.81	-1.09	**-18.47**	12.30	3.50	**...**
OneConstruction Group	ONEG	2.31	-0.51	**-18.09**	4.05	2.12	**...**
Banzai International Cl A	BNZI	1.85	-0.39	**-17.41**	83.50	1.21	**-97.6**
Diginex	DGNX	29.25	-5.76	**-16.45**	50.66	3.60	**...**
Aclarion	ACON	7.10	-1.30	**-15.48**	837.47	6.27	**-99.1**
U Power Cl A	UCAR	2.69	-0.46	**-14.60**	12.38	0.06	**-67.9**
Skye Bioscience	SKYE	3.21	-0.54	**-14.40**	19.41	2.31	**-19.9**

Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
TCTM Kids IT Educ ADR	TCTM	**727,804**	50713.4	0.78	**329.82**	2.99	0.18
NVIDIA	NVDA	**384,635**	65.2	120.07	**-3.67**	153.13	63.69
Algorhythm Holdings	RIME	**327,523**	294.5	0.03	**4.92**	1.97	0.02
China Liberal Educ Hldgs	CLEU	**232,152**	2308.2	0.20	**34.95**	52.05	0.13
Rigetti Computing	RGTI	**200,108**	56.9	13.17	**7.07**	21.42	0.66

* Common stocks priced at $2 a share or more with an average volume over 65 trading days of at least 5,000 shares †Has traded fewer than 65 days

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Country/currency	Fri in US$	Fri per US$	US$ vs, YTD chg (%)
Americas			
Argentina peso	.0010	1051.4009	**2.0**
Brazil real	.1712	5.8422	**-5.5**
Canada dollar	.6880	1.4535	**1.0**
Chile peso	.001017	983.32	**-1.1**
Colombia peso	.000238	4205.00	**-4.6**
Ecuador US dollar	1	1	**unch**
Mexico peso	.0483	20.6847	**-0.7**
Uruguay peso	.02307	43.3450	**-0.8**
Asia-Pacific			
Australia dollar	.6210	1.6103	**-0.4**
China yuan	.1391	7.1868	**-1.5**
Hong Kong dollar	.1283	7.7924	**0.3**
India rupee	.01153	86.697	**1.3**
Indonesia rupiah	.0000610	16387	**0.7**
Japan yen	.006443	155.20	**-1.3**
Kazakhstan tenge	.001928	518.73	**-1.2**
Macau pataca	.1245	8.0310	**0.3**
Malaysia ringgit	.2245	4.4550	**-0.4**
New Zealand dollar	.5637	1.7740	**-0.8**
Pakistan rupee	.00359	278.800	**0.2**
Philippines peso	.0171	58.421	**0.6**
Singapore dollar	.7372	1.3564	**-0.7**
South Korea won	.0006861	1457.50	**-1.4**
Sri Lanka rupee	.0033568	297.90	**1.6**
Taiwan dollar	.03034	32.963	**0.5**
Thailand baht	.02963	33.750	**-1.7**
Vietnam dong	.00003987	25080	**-1.6**
Europe			
Czech Rep. koruna	.04114	24.306	**-0.2**
Denmark krone	.1389	7.2020	**-0.01**
Euro area euro	1.0362	.9651	**-0.1**
Hungary forint	.002541	393.57	**-1.0**
Iceland krona	.007064	141.56	**1.8**
Norway krone	.0883	11.3268	**-0.5**
Poland zloty	.2459	4.0664	**-1.6**
Sweden krona	.0901	11.0993	**0.3**
Switzerland franc	1.0975	.9112	**0.4**
Turkey lira	.0280	35.7404	**1.1**
Ukraine hryvnia	.0240	41.7500	**-0.7**
UK pound	1.2394	.8068	**1.0**
Middle East/Africa			
Bahrain dinar	2.6526	.3770	**-0.03**
Egypt pound	.0199	50.2312	**-1.2**
Israel shekel	.2796	3.5765	**-1.7**
Kuwait dinar	3.2410	.3085	**0.1**
Oman sul rial	2.5972	.3850	**0.01**
Qatar rial	.2742	3.646	**0.03**
Saudi Arabia riyal	.2666	3.7508	**-0.2**
South Africa rand	.0536	18.6709	**-1.1**

	Close	Net Chg	% Chg	YTD % Chg
WSJ Dollar Index	102.51	0.29	0.28	**-0.24**

Sources: Tullett Prebon, Dow Jones Market Data

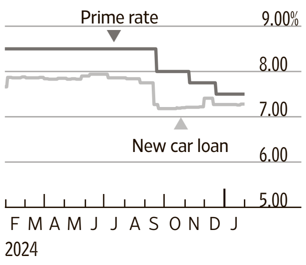
Commodities

	Close	Friday Net chg	% Chg	52-Week High	Low	% Chg	YTD % chg
DJ Commodity	**1047.07**	-4.73	**-0.45**	1079.94	936.12	**11.26**	2.41
FTSE/CC CRB Index	**304.95**	-1.44	**-0.47**	312.17	265.48	**13.90**	2.77
Crude oil, $ per barrel	**72.53**	-0.20	**-0.27**	86.91	65.75	**0.35**	1.13
Natural gas, $/MMBtu	**3.044**	-0.003	**-0.10**	4.258	1.575	**46.42**	-16.21
Gold, $ per troy oz.	**2812.50**	-10.50	**-0.37**	2823.00	1990.30	**38.13**	6.97

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



Selected rates

New car loan

Bankrate.com avg†:	**7.28%**
First Command Bank	**5.24%**
Fort Worth, TX	888-763-7600
PNC Bank, NA	**6.24%**
Washington, DC	888-PNC-BANK
Cambridge Savings Bank	**6.56%**
Cambridge, MA	888-418-5626
Firstrust Bank	**6.74%**
Philadelphia, PA	800-220-2265
Wilmington Savings Fund Society, FSB	**6.99%**
Wilmington, DE	888-973-7226

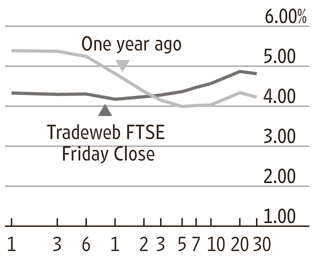
Interest rate	Yield/Rate (%) Last	Week ago	52-Week Range (%) Low	High	3-yr chg (pct pts)
Federal-funds rate target	**4.25-4.50**	4.25-4.50	4.25	5.50	**4.25**
Prime rate*	**7.50**	7.50	7.50	8.50	**4.25**
SOFR	**4.36**	4.35	4.27	5.40	**4.31**
Money market, annual yield	**0.40**	0.41	0.40	0.51	**0.33**
Five-year CD, annual yield	**2.85**	2.85	2.80	2.89	**2.39**
30-year mortgage, fixed†	**7.29**	7.34	6.69	7.72	**3.55**
15-year mortgage, fixed†	**6.61**	6.70	6.02	7.11	**3.43**
Jumbo mortgages, $806,500-plus†	**7.31**	7.39	6.78	7.79	**3.56**
Five-year adj mortgage (ARM)†	**6.36**	6.53	5.88	6.78	**3.50**
New-car loan, 48-month	**7.28**	7.26	7.18	7.94	**3.75**

Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks.† Excludes closing costs.

Sources: FactSet; Dow Jones Market Data; Bankrate.com

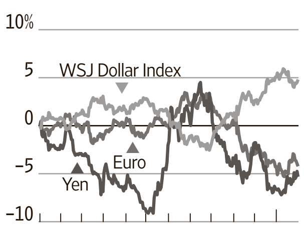
Treasury yield curve

Yield to maturity of current bills, notes and bonds



Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Sources: Tradeweb FTSE U.S. Treasury Close; Tullett Prebon; Dow Jones Market Data

Corporate Borrowing Rates and Yields

Bond total return index	Close	Yield (%) Last	Week ago	52-Week High	Low	Total Return (%) 52-wk	3-yr
U.S. Treasury, Bloomberg	2202.090	**4.420**	4.490	4.880	3.630	**1.382**	−2.089
U.S. Treasury Long, Bloomberg	3052.280	**4.860**	4.910	5.050	3.990	**−3.907**	−10.589
Aggregate, Bloomberg	2100.640	**4.860**	4.920	5.310	4.100	**2.068**	−1.524
Fixed-Rate MBS, Bloomberg	2074.070	**5.190**	5.250	5.570	4.340	**2.188**	−1.472
High Yield 100, ICE BofA	3848.408	**6.490**	6.478	7.871	6.208	**8.579**	4.480
Muni Master, ICE BofA	596.166	**3.439**	3.499	3.760	3.074	**1.468**	0.551
EMBI Global, J.P. Morgan	908.198	**7.479**	7.566	8.073	7.084	**8.310**	0.564

Sources: J.P. Morgan; Bloomberg Fixed Income Indices; ICE Data Services

MARKET DATA

Futures Contracts

Metal & Petroleum Futures

	Open	High	Contract hi lo	Low	Settle	Chg	Open interest
Copper-High (CMX)-25,000 lbs.; $ per lb.							
Feb	4.2755	4.2760		4.2470	**4.2620**	−0.0260	2,963
March	4.3075	4.3190		4.2570	**4.2790**	−0.0285	106,039
Gold (CMX)-100 troy oz.; $ per troy oz.							
Feb	2829.00	2838.00	▲	2804.00	**2812.50**	−10.50	59,296
March	2840.80	2850.50	▲	2814.50	**2822.90**	−11.40	11,778
April	2851.90	2862.90	▲	2826.00	**2835.00**	−10.20	401,677
June	2876.90	2887.00	▲	2850.50	**2859.60**	−10.30	63,754
Aug	2903.40	2910.10	▲	2874.70	**2883.10**	−10.60	20,668
Oct	2920.90	2933.20	▲	2898.80	**2906.70**	−11.10	3,916
Palladium (NYM) - 50 troy oz.; $ per troy oz.							
Feb	975.50	1062.00	▲	1061.50	**1066.90**	62.30	4
March	1024.50	1077.50	▲	1012.50	**1071.80**	62.20	15,356
Platinum (NYM)-50 troy oz.; $ per troy oz.							
Feb	978.40	1018.00	▲	977.90	**1033.20**	16.70	536
April	1027.10	1045.60	▲	1023.30	**1043.70**	16.70	68,095
Silver (CMX)-5,000 troy oz.; $ per troy oz.							
Feb	32.675	32.760	▲	32.110	**32.128**	−0.236	2,021
March	32.765	32.920	▲	32.115	**32.265**	−0.228	122,446
Crude Oil, Light Sweet (NYM)-1,000 bbls.; $ per bbl.							
March	73.20	73.84		71.94	**72.53**	−0.20	311,871
April	72.62	73.10		71.42	**71.98**	−0.20	158,982
May	71.95	72.35		70.88	**71.38**	−0.23	139,278
June	71.30	71.64		70.33	**70.78**	−0.22	175,840
Sept	69.75	69.83		68.82	**69.13**	−0.25	108,429
Dec	68.20	68.42		67.49	**67.76**	−0.21	164,651
NY Harbor ULSD (NYM)-42,000 gal.; $ per gal.							
Feb	2.4991	2.5047		2.4370	**2.4845**	.0091	5,785
March	2.4109	2.4368		2.3828	**2.3973**	−.0033	105,289
Gasoline-NY RBOB (NYM)-42,000 gal.; $ per gal.							
Feb	2.0570	2.0572		2.0098	**2.0365**	−.0009	5,844
March	2.0821	2.0896		2.0371	**2.0588**	−.0077	111,939
Natural Gas (NYM)-10,000 MMBtu.; $ per MMBtu.							
March	3.081	3.118		2.990	**3.044**	−.003	294,445
April	3.104	3.133		3.019	**3.070**	...	130,261
May	3.201	3.228		3.121	**3.171**	.001	141,599
June	3.404	3.430		3.322	**3.378**	.005	90,256
Oct	3.694	3.716		3.611	**3.679**	.017	127,128
Jan'26	4.598	4.625	▼	4.516	**4.587**	.022	122,409

Agriculture Futures

	Open	High	Contract hi lo	Low	Settle	Chg	Open interest
Corn (CBT)-5,000 bu.; cents per bu.							
March	488.25	488.75		479.25	**482.00**	−8.25	696,397
May	498.75	500.00		490.75	**493.00**	−8.50	519,219
Oats (CBT)-5,000 bu.; cents per bu.							
March	351.00	355.25		339.50	**347.50**	−1.75	2,701
May	358.75	364.00		349.75	**357.50**	−1.25	953
Soybeans (CBT)-5,000 bu.; cents per bu.							
March	1042.75	1052.00		1034.00	**1042.00**	−2.00	322,238
May	1058.50	1067.00		1049.75	**1057.50**	−2.25	229,572
Soybean Meal (CBT)-100 tons; $ per ton.							
March	304.00	306.50		299.00	**301.10**	−3.60	202,006
May	312.50	315.10		307.60	**309.60**	−3.80	139,714
Soybean Oil (CBT)-60,000 lbs.; cents per lb.							
March	45.09	46.81		44.78	**46.11**	1.13	187,470
May	45.46	47.22		45.26	**46.52**	1.07	160,313
Rough Rice (CBT)-2,000 cwt.; $ per cwt.							
March	13.99	13.99	▼	13.75	**13.85**	−.09	9,770
May	14.10	14.10	▼	13.87	**14.01**	−.06	931
Wheat (CBT)-5,000 bu.; cents per bu.							
March	569.00	569.00		551.75	**559.50**	−7.00	227,294
May	580.50	580.75		564.75	**572.25**	−6.75	106,238
Wheat (KC)-5,000 bu.; cents per bu.							
March	588.00	588.00		570.75	**579.25**	−9.00	139,109
May	598.00	598.00		581.25	**589.00**	−9.25	64,119
Cattle-Feeder (CME)-50,000 lbs.; cents per lb.							
March	275.950	277.150		272.500	**275.725**	2.525	34,196
May	271.900	273.575		269.675	**273.125**	2.825	13,972
Cattle-Live (CME)-40,000 lbs.; cents per lb.							
Feb	205.275	205.675		203.500	**204.600**	.125	38,567
April	202.450	203.000		200.650	**202.300**	.800	167,465
Hogs-Lean (CME)-40,000 lbs.; cents per lb.							
Feb	83.850	85.200	▲	83.400	**84.175**	−.200	28,924
April	90.425	92.050		89.775	**90.350**	−1.575	125,452
Lumber (CME)-27,500 bd. ft., $ per 1,000 bd. ft.							
March	597.50	606.00		585.00	**592.00**	20.50	6,007
May	612.50	623.50		608.50	**617.00**	19.00	967
Milk (CME)-200,000 lbs., cents per lb.							
Jan	20.37	20.38		20.36	**20.38**	.02	4,471
March	19.64	19.75		19.26	**19.31**	−.70	5,374
Cocoa (ICE-US)-10 metric tons; $ per ton.							
March	11,094	11,200		10,533	**10,987**	−220	33,599
May	10,961	11,031		10,431	**10,855**	−195	49,639
Coffee (ICE-US)-37,500 lbs.; cents per lb.							
March	380.00	381.05	▲	366.20	**377.85**	4.45	73,495
May	373.70	375.30	▲	360.75	**371.35**	3.20	54,475
Sugar-World (ICE-US)-112,000 lbs.; cents per lb.							
March	19.47	19.49		19.10	**19.35**	−.12	320,492
May	17.99	18.01		17.65	**17.88**	−.11	244,157
Sugar-Domestic (ICE-US)-112,000 lbs.; cents per lb.							
March	37.50	37.50	▲	37.50	**37.00**	...	1,201
May	36.70	36.70	▲	36.70	**36.65**	...	2,480
Cotton (ICE-US)-50,000 lbs.; cents per lb.							
March	66.25	66.48	▼	65.70	**65.88**	−.39	135,692
May	67.53	67.71	▼	66.97	**67.04**	−.50	65,100
Orange Juice (ICE-US)-15,000 lbs.; cents per lb.							
March	479.95	479.95		468.75	**474.70**	−4.95	8,296
May	467.20	468.05		459.80	**466.15**	−1.05	2,125

Interest Rate Futures

	Open	High	Contract hi lo	Low	Settle	Chg	Open interest
Ultra Treasury Bonds (CBT) - $100,000; pts 32nds of 100%							
March	119-150	119-240		118-020	**118-150**	−1-03.0	1,788,424
June	119-020	119-140		118-000	**118-100**	−1-03.0	715
Treasury Bonds (CBT)-$100,000; pts 32nds of 100%							
March	114-210	114-270		113-210	**113-290**	−24.0	1,954,714
June	114-130	114-190		113-160	**113-230**	−24.0	11,695
Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
March	109-060	109-095		108-250	**108-270**	−12.5	4,969,360
June	109-030	109-080		108-240	**108-260**	−12.5	21,308
5 Yr. Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
March	106-185	106-207		106-117	**106-125**	−7.2	6,358,074
June	106-210	106-230		106-142	**106-147**	−7.5	26,674
2 Yr. Treasury Notes (CBT)-$200,000; pts 32nds of 100%							
March	102-277	102-290		102-259	**102-260**	−2.6	4,201,993
June	103-005	103-024		102-315	**102-315**	−2.5	1,153
30 Day Federal Funds (CBT)-$5,000,000; 100 - daily avg.							
Jan	95.6700	95.6700	▼	95.6700	**95.6725**	.0025	551,106
Feb	95.6700	95.6750	▼	95.6700	**95.6750**	.0050	506,351
Three-Month SOFR (CME)-$1,000,000; 100 - daily avg.							
Nov	95.5575	95.5550	▼	95.5550	**95.5550**		4,605
March'25	95.7500	95.7600		95.7450	**95.7500**	−.0050	1,217,522

Currency Futures

	Open	High	Contract hi lo	Low	Settle	Chg	Open interest
Japanese Yen (CME)-¥12,500,000; $ per 100¥							
Feb	.6487	.6507		.6455	**.6457**	−.0043	653
March	.6514	.6529		.6474	**.6478**	−.0044	221,908
Canadian Dollar (CME)-CAD 100,000; $ per CAD							
Feb	.6902	.6952		.6880	**.6896**	−.0047	443
March	.6918	.6972		.6880	**.6905**	−.0047	335,981
British Pound (CME)-£62,500; $ per £							
Feb	1.2417	1.2470		1.2387	**1.2400**	−.0059	789
March	1.2416	1.2470		1.2385	**1.2399**	−.0059	199,752
Swiss Franc (CME)-CHF 125,000; $ per CHF							
March	1.1043	1.1077		1.1023	**1.1035**	−.0025	96,635
June	1.1150	1.1192		1.1143	**1.1152**	−.0025	126
Australian Dollar (CME)-AUD 100,000; $ per AUD							
Feb	.6213	.6262		.6206	**.6216**	−.0022	353
March	.6207	.6264		.6205	**.6217**	−.0022	192,780
Mexican Peso (CME)-MXN 500,000; $ per MXN							
Feb	.04820	.04868		.04816	**.04824**	−.00062	297
March	.04802	.04856		.04784	**.04801**	−.00061	144,422
Euro (CME)-€125,000; $ per €							
Feb	1.0398	1.0441		1.0357	**1.0383**	−.0053	7,189
March	1.0412	1.0455		1.0371	**1.0397**	−.0052	590,800

Index Futures

	Open	High	Contract hi lo	Low	Settle	Chg	Open interest
Mini DJ Industrial Average (CBT)-$5 x index							
March	45120	45227	▲	44656	**44698**	−357	84,834
June	45500	45603	▲	45050	**45084**	−356	1,588
Mini S&P 500 (CME)-$50 x index							
March	6106.00	6147.75		6057.75	**6067.25**	−32.00	2,029,493
June	6163.75	6206.00		6116.00	**6125.00**	−32.25	15,787
Mini S&P Midcap 400 (CME)-$100 x index							
March	3274.10	3295.20		3244.70	**3250.00**	−30.80	43,210
June	3268.00	3313.90		3277.20	**3277.50**	−28.40	2
Mini Nasdaq 100 (CME)-$20 x index							
March	21680.00	21966.00		21533.75	**21589.25**	−35.50	256,995
June	21909.50	22203.00		21773.75	**21826.25**	−33.75	2,664
Mini Russell 2000 (CME)-$50 x index							
March	2313.90	2333.90		2284.90	**2295.40**	−20.90	421,370
June	2336.80	2354.50		2306.30	**2316.50**	−20.80	2,454
Sept	2370.00	2372.90		2360.20	**2340.10**	−20.10	6
Mini Russell 1000 (CME)-$50 x index							
March	3364.90	3379.30		3331.20	**3336.20**	−17.50	5,912
U.S. Dollar Index (ICE-US)-$1,000 x index							
March	108.02	108.40		107.61	**108.22**	.59	40,020
June	107.69	108.00		107.27	**107.86**	.59	543

Source: FactSet

Bonds | wsj.com/market-data/bonds/benchmarks

Global Government Bonds: Mapping Yields

Yields and spreads over or under U.S. Treasurys on benchmark two-year and 10-year government bonds in selected other countries; arrows indicate whether the yield rose(▲) or fell (▼) in the latest session

Coupon (%)	Country/ Maturity, in years	Yield (%) Latest(●)	Previous	Month ago	Year ago	Spread Under/Over U.S. Treasurys, in basis points Latest	Prev	Year ago
4.125	U.S. 2	4.235 ▲	4.198	4.249	4.227			
4.250	10	4.566 ▲	4.515	4.577	3.965			
0.500	Australia 2	3.826 ▲	3.816	3.882	3.694	-41.9	-40.0	-51.5
3.500	10	4.442 ▲	4.389	4.378	4.024	-12.7	-13.0	10.5
2.500	France 2	2.295 ▼	2.387	2.273	2.443	-195.0	-182.9	-176.6
3.000	10	3.207 ▼	3.277	3.190	2.656	-136	-124.2	-126.3
2.200	Germany 2	2.123 ▼	2.218	2.086	2.521	-212.2	-199.8	-168.8
2.500	10	2.460 ▼	2.523	2.369	2.174	-210.9	-199.6	-174.5
3.100	Italy 2	2.404 ▼	2.500	2.468	3.034	-184.1	-171.6	-117.5
3.850	10	3.557 ▼	3.597	3.530	3.729	-101.2	-92.2	-19.0
0.600	Japan 2	0.722 ▲	0.715	0.603	0.096	-352.3	-350.1	-411.2
1.200	10	1.242 ▲	1.216	1.094	0.736	-332.7	-330.3	-318.3
2.500	Spain 2	2.326 ▼	2.431	2.227	2.989	-191.9	-178.5	-121.9
3.450	10	3.060 ▼	3.128	3.043	3.078	-150	-139.1	-84.1
4.125	U.K. 2	4.232 ▼	4.265	4.377	4.224	-1.3	4.9	1.6
4.250	10	4.539 ▼	4.569	4.568	3.801	-3.0	5.0	-11.8

Source: Tullett Prebon, Tradeweb FTSE U.S. Treasury Close

Corporate Debt

Prices of firms' bonds reflect factors including investors' economic, sectoral and company-specific expectations

Investment-grade spreads that tightened the most...

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Spread*, in basis points Current	One-day change	Last week
F&G Global Funding	...	5.875	5.01	June 10, '27	81	−16	n.a.
Royal Bank of Canada	RY	4.240	4.58	Aug. 3, '27	36	−9	45
Cox Communications	COX	6.450	6.15	Dec. 1, '36	157	−7	n.a.
Westpac Banking	...	2.650	4.75	Jan. 16, '30	42	−7	n.a.
Coca-Cola	KO	1.650	4.74	June 1, '30	42	−6	42
New York Life Global Funding	...	5.350	5.29	Jan. 23, '35	74	−6	72
Banque Federative du Credit Mutuel	...	5.538	5.23	Jan. 22, '30	90	−5	91
Sammons Financial Group Global Funding	...	5.050	5.01	Jan. 10, '28	77	−5	n.a.

...And spreads that widened the most

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Current	One-day change	Last week
Banco Santander	...	5.439	5.33	July 15, '31	100	9	93
Shell Finance US	...	4.000	5.74	May 10, '46	89	7	82
Procter & Gamble	PG	2.800	4.28	March 25, '27	8	5	n.a.
Royal Bank of Canada	RY	4.950	4.87	Feb. 1, '29	55	5	51
Coca-Cola	KO	3.375	4.36	March 25, '27	14	4	12
Verizon Communications	VZ	5.250	5.47	March 16, '37	93	4	93
John Deere Capital	...	4.150	4.53	Sept. 15, '27	30	3	27
Apple	AAPL	3.450	5.36	Feb. 9, '45	52	2	50

High-yield issues with the biggest price increases...

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Bond Price as % of face value Current	One-day change	Last week
Cleveland-Cliffs	CLF	6.250	7.78	Oct. 1, '40	86.250	1.00	n.a.
Bath & Body Works	BBWI	6.750	6.47	July 1, '36	102.220	0.35	101.627
Hughes Satellite Systems	...	6.625	34.40	Aug. 1, '26	69.500	0.31	74.900
DISH DBS	...	5.125	16.50	June 1, '29	65.750	0.25	66.000
Methanex US Operations	...	6.250	6.25	March 15, '32	99.994	0.24	99.625
Transocean	RIG	7.500	9.03	April 15, '31	92.838	0.21	92.750
ZF North America Capital	...	4.750	4.69	April 29, '25	100.000	0.15	n.a.
Teva Pharmaceutical Finance Netherlands III	...	4.100	6.41	Oct. 1, '46	73.148	0.10	73.587

...And with the biggest price decreases

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Current	One-day change	Last week
Venture Global Calcasieu Pass	...	4.125	5.92	Aug. 15, '31	90.375	−0.64	90.250
Genworth Financial	GNW	6.500	7.04	June 15, '34	96.345	−0.51	n.a.
Murphy Oil	MUR	7.050	6.33	May 1, '29	102.633	−0.51	n.a.
DISH DBS	...	7.750	18.28	July 1, '26	87.375	−0.50	87.500
Tenet Healthcare	THC	6.875	6.29	Nov. 15, '31	103.167	−0.44	103.615
Sealed Air	SEE	6.875	6.11	July 15, '33	104.974	−0.28	104.503
Hughes Satellite Systems	...	5.250	13.02	Aug. 1, '26	89.750	−0.25	90.950
Paramount Global	PARA	4.375	6.85	March 15, '43	74.547	−0.14	73.776

*Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-run Treasury; 100 basis points=one percentage pt.; change in spread shown is for Z-spread.
Note: Data are for the most active issue of bonds with maturities of two years or more

Source: MarketAxess

Exchange-Traded Portfolios | wsj.com/market-data/mutualfunds-etfs

Largest 100 exchange-traded funds. Preliminary close data as of 4:30 p.m. ET

Friday, January 31, 2025

ETF	Symbol	Closing Price	Chg (%)	YTD (%)
CommSvsSPDR	XLC	102.38	0.40	5.8
CnsmrDiscSel	XLY	232.17	−0.44	3.5
DimenUSCoreEq2	DFAC	35.67	−0.81	3.1
EnSelSectorSPDR	XLE	87.64	−2.80	2.3
FinSelSectorSPDR	XLF	51.47	−0.58	6.5
GrayscaleBitcoin	GBTC	80.41	−3.33	8.6
HealthCrSelSect	XLV	146.87	−0.32	6.8
IndSelSectorSPDR	XLI	138.35	−0.70	5.0
InvscNasd100	QQQM	214.99	−0.16	2.2
InvscQQQI	QQQ	522.29	−0.15	2.2
InvscS&P500EW	RSP	181.24	−0.82	3.4
iShBitcoin	IBIT	57.71	−3.37	8.8
iShCoreDivGrowth	DGRO	63.47	−0.42	3.5
iShCoreMSCIEAFE	IEFA	73.58	−0.97	4.7
iShCoreMSCIEM	IEMG	52.99	−1.19	1.5
iShCoreMSCITotInt	IXUS	68.40	−0.98	3.4
iShCoreS&P500	IVV	604.66	−0.54	2.7
iShCoreS&P MC	IJH	64.65	−0.92	3.8
iShCoreS&P SC	IJR	118.44	−0.84	2.8
iShCoreS&PTotUS	ITOT	132.49	−0.54	3.0
iShCoreS&PUSGrw	IUSG	143.00	−0.55	2.6
iShCoreS&PUSVal	IUSV	95.35	−0.54	3.0
iShCoreTotUSDBd	IUSB	45.45	−0.15	0.6
iShCoreUSAggBd	AGG	97.40	−0.20	0.5
iShEdgeMSCIMinUSA	USMV	91.95	−0.49	3.6
iShEdgeMSCIUSAQual	QUAL	183.36	−0.81	3.0
iShGoldTr	IAU	52.87	0.21	6.8
iShiBoxx$IGCpBd	LQD	107.46	−0.32	0.6
iShMBS	MBB	92.19	−0.15	0.6
iShMSCIACWI	ACWI	121.19	−0.64	3.1
iShMSCI EAFE	EFA	79.24	−0.94	4.8
iShNatlMuniBd	MUB	106.54	−0.16	−0.0
iSh1-5YIGCpBd	IGSB	52.02	...	0.6
iSh1-3YTreaBd	SHY	82.29	0.01	0.4
iShRussMC	IWR	92.07	−0.86	4.2
iShRuss1000	IWB	332.16	−0.47	3.1
iShRuss1000Grw	IWF	409.31	−0.35	1.9
iShRuss1000Val	IWD	193.54	−0.68	4.5
iShRuss2000	IWM	226.48	−0.90	2.5
iShS&P500Grw	IVW	104.19	−0.47	2.6
iShS&P500Value	IVE	196.17	−0.63	2.8
iShSelectDiv	DVY	134.75	−0.70	2.6
iSh7-10YTreaBd	IEF	93.02	−0.16	0.6
iSh20+YTreaBd	TLT	87.76	−0.66	0.5
iShUSTech	IYW	159.67	−0.46	0.1
iShUSTreasuryBd	GOVT	22.58	−0.09	−1.7
iSh0-3MTreaBd	SGOV	100.68	0.02	0.4
JPMNasdEqPrem	JEPQ	57.47	−0.09	1.9
JPM EqPrem	JEPI	58.97	−0.27	2.5
JPM UltShIncm	JPST	50.60	0.02	0.5
PacerUSCashCows	COWZ	58.05	−1.56	2.8
ProShUltPrQQQ	TQQQ	82.72	−0.54	4.5
SPDRBbg1-3MTB	BIL	91.75	0.03	0.3
SPDR DJIA Tr	DIA	445.39	−0.76	4.7
SPDR Gold	GLD	258.56	0.20	6.8
SPDRPtfDevxUS	SPDW	35.63	−1.06	4.4
SPDRS&P500Value	SPYV	52.60	−0.55	2.9
SPDRPtfS&P500	SPLG	70.80	−0.51	2.7
SPDRS&P500Growth	SPYG	90.20	−0.50	2.6
SPDR S&P 500	SPY	601.82	−0.53	2.7
SchwabIntEquity	SCHF	19.32	−1.02	4.4
SchwabUS BrdMkt	SCHB	23.36	−0.60	2.9
SchwabUS Div	SCHD	27.83	−0.54	1.9
SchwabUS LC	SCHX	23.87	−0.58	3.0
SchwabUS LC Grw	SCHG	28.45	−0.32	2.1
SPDR S&PMdCpTr	MDY	590.68	−0.96	3.7
SPDR S&P Div	SDY	134.54	−0.51	1.8
TechSelectSector	XLK	230.81	−0.59	−0.7
VanEckSemicon	SMH	243.62	−0.63	0.6
VangdSC Val	VBR	205.32	−0.90	3.6
VangdExtMkt	VXF	199.26	−0.72	4.9
VangdSC Grwth	VBK	291.81	−0.98	4.2
VangdDivApp	VIG	202.22	−0.35	3.3
VangdFTSEAWxUS	VEU	59.37	−0.93	3.4
VangdFTSEDevMk	VEA	49.94	−0.95	4.4
VangdFTSE EM	VWO	44.40	−0.94	0.8
VangdGrowth	VUG	418.35	−0.38	1.9
VangdHiDiv	VYM	132.36	−0.49	3.7
VangdInfoTech	VGT	616.61	−0.53	−0.8
VangdIntermBd	BIV	75.19	−0.12	0.6
VangdIntrCorpBd	VCIT	80.80	−0.16	0.7
VangdIntermTrea	VGIT	58.33	−0.03	0.6
VangdLC	VV	277.77	−0.36	3.0
VangdMegaGrwth	MGK	348.18	−0.47	1.4
VangdMC	VO	275.61	−0.76	4.3
VangdMBS	VMBS	45.60	−0.09	0.6
VangdRealEst	VNQ	90.55	−0.22	1.7
VangdRuss1000Grw	VONG	105.31	−0.37	1.9
VangdS&P500ETF	VOO	553.33	−0.53	2.7
VangdST Bond	BSV	77.60	−0.01	0.4
VangdSTCpBd	VCSH	78.47	0.01	0.6
VangdShortTrea	VGSH	58.41	0.02	0.4
VangdSC	VB	249.64	−0.96	3.9
VangdTaxExemptBd	VTEB	50.13	−0.16	...
VangdTotalBd	BND	72.34	−0.14	0.6
VangdTotIntlBd	BNDX	49.17	0.10	0.2
VangdTotIntlStk	VXUS	60.92	−0.99	3.4
VangdTotalStk	VTI	298.60	−0.55	3.0
VangdTotWrldStk	VT	121.07	−0.71	3.1
VangdValue	VTV	176.70	−0.60	4.4

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

Money Rates

January 31, 2025

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Inflation

	Dec. index level	Chg From (%) Nov. '24	Dec. '23
U.S. consumer price index			
All items	315.605	0.04	2.9
Core	322.007	0.02	3.2

International rates

	Latest	Week ago	52-Week High	52-Week Low
Prime rates				
U.S.	7.50	7.50	8.50	7.50
Canada	5.45	5.45	7.20	5.45
Japan	1.625	1.625	1.625	1.475
Policy Rates				
Euro zone	3.15	3.15	4.50	3.15
Switzerland	1.00	1.00	2.25	1.00
Britain	4.75	4.75	5.25	4.75
Australia	4.35	4.35	4.35	4.35
Overnight repurchase				
U.S.	4.38	4.35	5.45	4.00

U.S. government rates

	Latest	Week ago	52-Week High	52-Week Low
Discount	4.50	4.50	5.50	4.50
Federal funds				
Effective rate	4.3400	4.3300	5.3400	4.3300
High	4.4700	4.5500	5.6500	4.4700
Low	4.3000	4.3200	5.3300	4.3000
Bid	4.3200	4.3200	5.3300	4.3200
Offer	4.3500	4.3300	5.3600	4.3300
Treasury bill auction				
4 weeks	4.250	4.265	5.285	4.230
13 weeks	4.195	4.215	5.255	4.195
26 weeks	4.140	4.165	5.170	4.110

Other short-term rates

	Latest	Week ago	52-Week high	52-Week low
Call money	6.25	6.25	7.25	6.25
Commercial paper (AA financial)				
90 days	4.38	4.29	5.37	4.27
Secured Overnight Financing Rate	4.36	4.35	5.40	4.27

DTCC GCF Repo Index	Latest	Value Traded	52-Week High	52-Week Low
Treasury	4.421	51.600	5.471	4.286
MBS	4.433	58.100	5.526	4.294

Weekly survey

	Latest	Week ago	Year ago
Freddie Mac			
30-year fixed	6.95	6.96	6.63
15-year fixed	6.12	6.16	5.94

Notes on data:
U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective December 19, 2024. **Other prime rates** aren't directly comparable; lending practices vary widely by location; **Discount rate** is effective December 19, 2024. **Secured Overnight Financing Rate** is as of January 30, 2025. **DTCC GCF Repo Index** is Depository Trust & Clearing Corp.'s weighted average for overnight trades in applicable CUSIPs. Value traded is in billions of U.S. dollars. **Federal-funds rates** are Tullett Prebon rates as of 5:30 p.m. ET.

Sources: Federal Reserve; Bureau of Labor Statistics; DTCC; FactSet; Tullett Prebon Information, Ltd.

Dividend Changes

KEY: A: annual; M: monthly; Q: quarterly; r: revised; SA: semiannual; S2:1: stock split and ratio; SO: spin-off.

Company	Symbol	Yld %	Amount New/Old	Frq	Payable / Record
Increased					
Allete	ALE	4.5	.73/.705	Q	Mar01/Feb14
Archrock	AROC	2.5	.19/.175	Q	Feb19/Feb12
Baker Hughes	BKR	1.8	.23/.21	Q	Feb21/Feb11
Blackstone	BX	2.2	1.44/.86	Q	Feb18/Feb10
Brookfield Infrastructure	BIPC	2.9	.43/.405	Q	Mar31/Feb28
Cigna Group	CI	2.1	1.51/1.40	Q	Mar20/Mar05
Comcast Cl A	CMCSA	3.9	.33/.31	Q	Apr23/Apr02
Esquire Finl Hldgs	ESQ	0.7	.175/.15	Q	Mar03/Feb14
Fidelity Natl Info Svcs	FIS	1.8	.40/.36	Q	Mar25/Mar11
Hancock Whitney	HWC	2.7	.45/.40	Q	Mar17/Mar05
Hilltop Holdings	HTH	2.4	.18/.17	Q	Feb27/Feb13
Murphy Oil	MUR	4.9	.325/.30	Q	Mar03/Feb18
Oshkosh	OSK	1.8	.51/.46	Q	Mar03/Feb17
PCB Bancorp	PCB	3.7	.20/.18	Q	Feb21/Feb14
Polaris	PII	5.4	.67/.66	Q	Mar17/Mar03
Quest Diagnostics	DGX	2.0	.80/.75	Q	Apr21/Apr07
Simmons First Natl Cl A	SFNC	3.7	.2125/.21	Q	Apr01/Mar14
Reduced					
Tectonic Finl 9% Pfd. B	TECTP	9.4	.3036/.30921	Q	Feb18/Feb07
Stocks					
GlucoTrack	GCTK		1:20		/Feb04
Foreign					
ASML Holding	ASML	0.8	1.64136	Q	Feb19/Feb11
ASML Holding	ASML	0.8	1.63141	Q	May06/Apr28
Brookfield Infr Pfd. A13	BIPpA	7.1	.3203	Q	Mar17/Feb28
Brookfield Infr Pfd. A14	BIPpB	7.1	.3125	Q	Mar17/Feb28
Brookfield Infrastructure	BIP	5.2	.43	Q	Mar31/Feb28
Canadian National Railway	CNI	2.3	.61587	Q	Mar31/Mar10
Cdn Pacific Kansas City	CP	0.7	.13184	Q	Apr28/Mar28
Franco-Nevada	FNV	1.1	.38	Q	Mar27/Mar13
Methanex	MEOH	1.4	.185	Q	Mar31/Mar17
Navios Maritime Ptrs	NMM	0.5	.05	Q	Feb13/Feb10
Nokia ADR	NOK	2.0	.02261	Q	Feb18/Feb04
Nomad Foods	NOMD	3.8	.17	Q	Feb26/Feb10
Rogers Communications B	RCI	5.3	.34697	Q	Apr02/Mar10
Shell ADR	SHEL	4.2	.716	Q	Mar24/Feb14
Smurfit Westrock	SW	2.6	.4308	Q	Mar18/Feb14
Special					
Tandy Leather Factory	TLF	...	1.50		Feb18/Feb03

Note: Dividend yields as of 3:30 p.m. ET

Sources: FactSet; Dow Jones Market Data

Mutual Funds

Data provided by LSEG

Top 250 mutual-funds listings for Nasdaq-published share classes by net assets.

e-Ex-distribution. **f**-Previous day's quotation. **g**-Footnotes x and s apply. **j**-Footnotes e and s apply. **k**-Recalculated by LSEG, using updated data. **p**-Distribution costs apply, 12b-1. **r**-Redemption charge may apply. **s**-Stock split or dividend. **t**-Footnotes p and r apply. **v**-Footnotes x and e apply. **x**-Ex-dividend. **z**-Footnote x, e and s apply. **NA**-Not available due to incomplete price, performance or cost data. **NE**-Not released by LSEG; data under review. **NN**-Fund not tracked. **NS**-Fund didn't exist at start of period.

Friday, January 31, 2025

Fund	NAV	Net Chg	YTD %Ret
AB Funds			
MunilncmShares	11.19	...	0.6
AB Funds - ADV			
LgCpGrAdv	113.32	-0.36	3.6
American Century Inv			
Grwth	59.05	-0.17	1.8
Ultra	94.99	-0.50	1.8
American Funds Cl A			
AmcpA	44.42	-0.10	4.0
AMutlA	57.51	-0.17	4.2
BalA	35.33	-0.08	2.9
BondA	11.16	-0.02	0.5
CapIBA	70.99	-0.10	2.9
CapWGrA	66.16	-0.19	4.1
EupacA	56.32	-0.42	4.8
FdInvA	84.18	-0.34	4.3
GwthA	78.31	-0.30	5.2
HI TrA	9.85	...	1.4
ICAA	60.36	-0.10	4.6
IncoA	25.20	-0.09	3.2
N PerA	64.82	-0.22	4.4
NEcoA	64.23	-0.26	5.1
NwWrldA	79.12	-0.44	2.7
SmCpA	69.09	-0.41	2.5
TxExA	12.39	-0.01	0.2
WshA	64.01	-0.18	3.9
Artisan Funds			
IntlVal Inst	48.89	-0.42	4.0
Baird Funds			
AggBdInst	9.68	-0.02	0.6
CorBdInst	10.04	-0.01	0.6
ShtTBdInst	9.48	...	0.5
BlackRock Funds			
HiYBlk	7.16	...	1.4
HiYldBd Inst	7.16	...	1.4
BlackRock Funds III			
iShS&P500IdxK	707.23	-3.55	2.8
BlackRock Funds Inst			
StratIncOpptyIns	9.52	...	0.5
TotRet	9.75	-0.02	0.6
Calamos Funds			
MktNeutI	15.03	-0.01	0.7
Columbia Class I			
DivIncom I	34.35	-0.13	4.1
Dimensional Fds			
EmgMktVa	30.15	-0.12	0.8
EmMktCorEq	23.38	-0.11	0.4
IntlCoreEq	15.98	-0.15	3.6
IntSmCo	19.91	-0.15	2.6
IntSmVa	22.71	-0.17	3.6
LgCo	40.07	-0.20	2.8
US CoreEq1	44.59	-0.32	3.1
US CoreEq2	39.75	-0.32	3.0
US Small	50.57	-0.46	3.4
US SmCpVal	49.93	-0.56	2.9
US TgdVal	35.47	-0.38	3.2
USLgVa	51.55	-0.47	4.6
Dodge & Cox			
Balanced	105.84	-0.34	4.1
Income	12.45	-0.02	0.6
Intl Stk	52.26	-0.35	4.7
Stock	273.00	-0.99	6.2
DoubleLine Funds			
TotRetBdI	8.69	-0.05	0.6
Edgewood Growth Instituti			
EdgewoodGrInst	45.42	-0.20	2.5
Federated Hermes Int			
TtlRtnBdI	9.36	-0.01	0.5
Fidelity			
500IdxInstPrem	209.87	-1.05	2.8
Contrafund K6	32.69	-0.17	5.1
ExtMktIdxInstPre	95.41	-0.63	5.0
FidSer5	7.48	...	1.5
FidSerInt	8.68	+0.02	...
FidSerToMarket	19.79	-0.10	3.1
FIDZroLgCpIx	21.54	-0.10	3.0
GlexUSIdxInstPre	14.97	-0.13	3.8
GrowthCompanyK6	30.93	-0.29	1.7
IntlIdxInstPrem	49.91	-0.39	5.0
LgCpGwId InstPre	39.94	-0.13	2.0
MidCpInxInstPrem	35.20	-0.29	4.2
SAIUSLgCpIndxFd	23.88	-0.12	2.8
SeriesBondFd	8.89	-0.01	0.5
SeriesOverseas	14.25	-0.09	6.0
SerLTTreBdIdx	5.32	-0.03	0.5
SmCpIdxInstPrem	28.41	-0.24	2.6
TMktIdxInstPrem	166.21	-0.87	3.1
TotalMarketIndex	20.99	-0.11	3.0
TtlIntIdxInstPr	13.90	-0.12	3.5
USBdIdxInstPrem	10.24	-0.02	0.5
Fidelity Advisor I			
GrOppI	205.42	-0.98	3.8
Total Bd	9.42	-0.01	0.7
Fidelity Freedom			
Freedom2030 K	18.00	-0.10	2.6
Freedom2035 K	16.10	-0.10	2.9
Freedom2040 K	11.94	-0.09	3.3
Idx2030InsPre	20.62	-0.09	2.2
Idx2035InsPre	23.90	-0.12	2.4
Idx2040InsPre	25.33	-0.14	2.9
Idx2045InsPre	26.72	-0.17	3.1
Idx2050InsPre	26.77	-0.16	3.1
Fidelity Invest			
Balanc	30.12	-0.10	1.9
BluCh	232.27	-1.38	2.2
BluChpGr K6	37.77	-0.27	2.6
Contra	22.17	-0.11	5.4
ContraK	22.25	-0.11	5.5
CpInc	10.31	-0.02	1.9
GroCo	40.89	-0.38	1.4
InvGrBd	9.91	-0.01	0.7
LowP	41.95	-0.40	2.9
Magin	15.45	-0.06	4.2
NASDAQ	248.84	-0.67	1.7
OTC	21.94	-0.05	2.2
Puritn	25.59	-0.10	3.0
SAIUSMinVolIndFd	21.95	-0.10	2.3
SAIUSQtyIdx	21.78	-0.19	2.3
SrsBlChGroRetail	20.29	-0.12	2.3
SrsEmrgMkt	18.66	-0.20	1.9
SrsGlobal	14.72	-0.13	3.8
SrsGroCoRetail	24.31	-0.23	1.4
SrsIntlGrw	18.60	-0.13	6.7
SrsIntlVal	12.53	-0.10	5.1
TotalBond	9.43	-0.02	0.7
Fidelity SAI			
TotalBd	8.94	-0.01	0.7
Fidelity Selects			
Semiconductors r	32.78	-0.17	-2.1
Softwr	28.68	+0.05	4.6
Tech	36.02	-0.31	-2.3
First Eagle Funds			
GlbA	70.11	-0.45	4.6
Franklin A1			
IncomeA1	2.38	-0.01	1.3
FrankTemp/Frank Adv			
IncomeAdv	2.36	-0.01	1.3
FrankTemp/Franklin A			
DynaTech A	179.92	-0.53	3.0
Growth A	137.40	-0.57	2.9
RisDv A	92.06	-0.38	3.4
Guggenheim Funds Tru			
TotRtnBdFdClInst	23.51	-0.04	0.6
Harbor Funds			
CapApInst	117.38	-0.25	3.3
JHF III DispVal			
DispValMCI	27.96	-0.24	3.7
John Hancock			
BondR6	13.38	-0.02	0.7
JPMorgan I Class			
CoreBond	10.13	-0.01	0.6
EqInc	25.10	-0.12	5.0
LgCpGwth	82.28	-0.31	3.2
JPMorgan R Class			
CoreBond	10.15	-0.01	0.6
CorePlusBd	7.14	-0.01	0.7
Lord Abbett I			
ShtDurInc p	3.87	...	0.7
Metropolitan West			
TotRetBdI	8.90	-0.02	0.6
MFS Funds			
IIE	35.70	-0.24	5.6
MFS Funds Class I			
GrowthI	209.96	-0.48	4.1
ValueI	50.82	-0.32	4.2
Natixis Funds			
InvGradeBdY	9.74	-0.02	0.6
LSGrowthY	30.76	-0.07	4.1
Northern Funds			
StkIdx	61.25	-0.31	2.8
Old Westbury Fds			
LrgCpStr	20.39	-0.09	2.8
Parnassus Fds			
ParnEqFd	61.81	-0.12	3.8
PGIM Funds Cl Z			
TotalReturnBond	11.85	-0.02	0.6
PIMCO Fds Instl			
TotRt	8.52	-0.01	0.8
PIMCO Funds A			
IncomeFd	10.59	...	1.1
PIMCO Funds I2			
Income	10.59	...	1.1
PIMCO Funds Instl			
IncomeFd	10.59	...	1.1
Price Funds			
BlChip	191.51	-0.72	2.8
DivGro	80.12	-0.47	4.2
Growth	108.03	-0.28	2.4
LgCapGow I	84.49	-0.21	2.7
MidCap	104.01	-0.45	4.3
R2030	26.30	-0.12	2.6
Putnam Funds Class A			
PutLargCap p	35.99	-0.19	4.4
Putnam Funds Class Y			
PutLargCap	36.00	-0.20	4.4
Schwab Funds			
1000 Inv r	129.79	-0.66	3.1
S&P Sel	92.78	-0.47	2.8
TSM Sel r	102.13	-0.53	3.1
TIAA/CREF Funds			
BdIdxInst	9.51	-0.01	0.5
EqIdxInst	42.30	-0.22	3.1
IntlEqIdxInst	23.08	-0.21	4.9
LrgCpGrIdxInst	68.29	-0.22	2.0
VANGUARD ADMIRAL			
500Adml	557.85	-2.80	2.8
BalAdml	49.50	-0.18	2.1
CAITAdml	11.36	...	0.3
CapOpAdml r	199.00	-1.57	5.1
DivAppIdxAdm	54.89	-0.19	3.3
EMAdmr	36.94	-0.18	0.5
EqIncAdml	91.78	-0.54	4.1
ExplrAdml	111.62	-0.85	4.5
ExtndAdml	151.26	-1.01	5.0
GroIncAdml	105.06	-0.45	3.0
GrwthAdml	215.33	-0.84	1.9
HlthCareAdml r	81.01	-0.69	5.4
HYCorAdml r	5.46	...	1.2
InfProAd	22.80	+0.02	1.2
InfTechIdx	315.73	-1.59	-0.8
IntlGrAdml	107.50	-1.11	5.8
ITBondAdml	10.16	-0.01	0.6
ITIGradeAdml	8.58	-0.01	0.6
LarCapAd	140.30	-0.64	3.0
LTGradeAdml	7.54	-0.04	0.5
MidCpAdml	341.37	-2.47	4.4
MuHYAdml	10.66	...	0.3
MuIntAdml	13.60	...	0.5
MuLTAdml	10.82	-0.01	0.2
MuLtdAdml	10.87	...	0.5
MuShtAdml	15.79	...	0.4
PrmcpAdml r	173.64	-1.55	4.4
RealEstatAdml	128.41	-0.31	1.7
SmCapAdml	119.64	-1.12	3.9
SmGthAdml	102.60	-1.01	4.2
STBondAdml	10.15	...	0.5
STIGradeAdml	10.33	...	0.6
STIPSIxAdm	24.50	+0.03	0.9
TotBdAdml	9.51	-0.01	0.6
TotIntBdIdxAdm	19.62	-0.01	0.2
TotIntlAdmIdx r	32.75	-0.27	3.3
TotStAdml	145.39	-0.74	3.1
TxMCapAdml	312.04	-1.59	3.2
TxMIn r	16.05	-0.15	4.5
USGroAdml	192.55	-0.51	4.1
ValAdml	68.94	-0.40	4.4
WdsrllAdml	82.11	-0.42	4.5
WellsIAdml	61.09	-0.21	1.8
WelltnAdml	75.63	-0.23	2.3
WndsrAdml	73.46	-0.60	4.0
VANGUARD FDS			
DivdGro	37.14	-0.20	2.6
IntlVal	38.96	-0.42	3.7
LifeGro	45.33	-0.24	2.6
LifeMod	31.99	-0.14	2.1
PrmcpCor	35.08	-0.28	4.9
STAR	28.29	-0.15	2.9
TgtRe2020	26.88	-0.07	1.5
TgtRe2025	19.04	-0.06	1.9
TgtRe2030	38.67	-0.17	2.1
TgtRe2035	24.53	-0.11	2.3
TgtRe2040	44.30	-0.22	2.5
TgtRe2045	30.47	-0.17	2.7
TgtRe2050	51.29	-0.29	2.9
TgtRe2060	52.74	-0.30	2.9
TgtRet2055	57.22	-0.33	2.9
TgtRetInc	13.27	-0.03	1.3
Welltn	43.80	-0.13	2.3
WndsrII	46.29	-0.24	4.5
VANGUARD INDEX FDS			
ExtndIstPl	373.27	-2.48	5.0
IdxIntl	19.58	-0.16	3.3
MdCpGrAdml	116.52	-0.92	6.6
MdCpVlAdml	85.96	-0.58	2.6
SmValAdml	88.25	-0.81	3.6
TotBd2	9.38	-0.02	0.5
TotIntlInstIdx r	130.96	-1.10	3.3
TotItlInstPlId r	130.99	-1.10	3.3
TotSt	145.35	-0.75	3.1
VANGUARD INSTL FDS			
BalInst	49.51	-0.18	2.1
DevMktsIndInst	16.07	-0.16	4.5
DevMktsInxInst	25.12	-0.24	4.4
ExtndInst	151.25	-1.01	5.0
FTSciInst	41.76	-0.14	2.9
GrwthInst	215.35	-0.83	2.0
InPrSeIn	9.29	+0.01	1.3
InstIdx	492.21	-2.47	2.8
InstPlus	492.21	-2.46	2.8
InstTStPlus	102.15	-0.52	3.1
MidCpInst	75.41	-0.55	4.4
MidCpIstPl	371.91	-2.70	4.4
SmCapInst	119.63	-1.13	3.9
SmCapIstPl	345.31	-3.24	3.9
STIGradeInst	10.33	...	0.6
STIPSIxins	24.52	+0.03	0.9
TotBdInst	9.51	-0.01	0.6
TotBdInst2	9.38	-0.02	0.5
TotBdInstPl	9.51	-0.01	0.6
TotIntBdIdxInst	29.44	-0.02	0.2
TotStInst	145.41	-0.75	3.1
ValueInst	68.93	-0.40	4.4
WCM Focus Funds			
WCMFocIntlGrwIns	23.25	-0.01	6.8

BIGGEST 1,000 STOCKS

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are consolidated from trades reported by various market centers, including securities exchanges, Finra, electronic communications networks and other broker-dealers. The list comprises the 1,000 largest companies based on market capitalization.

Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.

Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was $2 or higher.

Footnotes:
▲-New 52-week high; ▼-New 52-week low; **dd**-Indicates loss in the most recent four quarters.

Stock tables reflect composite regular trading as of 4 p.m. ET and changes in the official closing prices from 4 p.m. ET the previous day.

Friday, January 31, 2025

A B C

YTD % Chg	52-Week Hi	52-Week Lo	Stock	Sym	Yld %	PE	Last	Net Chg
-1.10	144.06	70.28	AAON	AAON	0.3	51	116.38	-0.22
-1.29	118.56	82.23	AECOM	ACM	0.9	36	105.44	-0.11
3.81	115.50	75.44	Aflac	AFL	2.2	16	107.38	-0.87
8.25	10.85	8.92	AGNC Invt	AGNC	14.4	10	9.97	0.01
3.90	363.03	289.82	Ansys	ANSS	...	54	350.50	-1.07
-5.02	36.05	20.32	APA	APA	4.6	3	21.93	-1.06
0.79	12.86	8.10	ASE Tech	ASX	2.3	22	10.15	0.07
7.78	121.55	96.92	CGI A	GIB	0.4	21	117.82	-1.19
-3.71	114.82	65	CH Robinson	CHRW	2.5	26	99.49	-0.95
1.85	249.02	190.70	CME Group	CME	4.4	25	236.52	0.60
-0.98	72.40	55.10	CMS Energy	CMS	3.1	19	66	-0.20
1.43	52.36	42.33	CNA Fin	CNA	3.6	10	49.06	-0.38
13.68	13.32	9.28	CNH Indl	CNH	3.6	9	12.88	-0.35
7.04	104.23	71.17	CRH	CRH	1.4	20	99.03	-0.76
1.86	40.12	31.43	CSX	CSX	1.5	18	32.87	0.01
25.82	80.75	43.56	CVS Health	CVS	4.7	14	56.48	-0.34
-0.95	328.99	241.29	CadenceDesign	CDNS	...	78	297.62	-0.14
-2.01	127.69	90.50	CamdenProperty	CPT	3.6	36	113.71	0.51
-3.79	62.55	35.43	Cameco	CCJ	0.2	252	49.44	-0.86
-7.43	52.80	37.61	Campbell's	CPB	4.0	21	38.77	-0.85
-0.33	67.45	43.86	CIBC	CM	4.0	12	63.02	-0.78
2.96	134.02	98.96	CanNtlRlwy	CNI	2.2	20	104.51	-0.69
-1.68	41.29	29.23	CanadianNatRscs	CNQ	5.0	12	30.35	-0.60
9.99	91.58	70.89	CdnPacKC	CP	0.7	27	79.60	-0.22
14.24	208.63	128.22	CapitalOne	COF	1.2	18	203.71	-0.91
4.56	132.84	93.17	CardinalHealth	CAH	1.6	23	123.66	-4.60
5.59	481.26	313.56	Carlisle	CSL	1.0	11	389.46	-4.95
11.23	57.50	36.65	Carlyle	CG	2.5	189	56.16	-0.15
4.75	91.25	65.83	CarMax	KMX	...	29	85.64	-1.95
▲ 11.04	28.72	13.78	Carnival	CCL	0.0	20	27.67	-0.82
▲ 11.82	26.14	12.50	Carnival	CUK	0.0	18	25.17	-0.77
13.76	213.65	58.87	CarpenterTech	CRS	0.4	36	193.06	-0.59
-4.22	83.32	53.13	CarrierGlobal	CARR	1.4	17	65.38	-0.59
21.70	268.34	40.44	Carvana	CVNA	...	29461	247.48	3.54
6.45	439.68	269.50	CaseysGenStores	CASY	0.5	29	421.77	-1.29
2.39	418.50	306	Caterpillar	CAT	1.5	17	371.44	-3.54
▲ **33.77**	**133.66**	**35.37**	**Celestica**	**CLS**	...	**33**	**123.47**	**9.32**
5.14	9.27	5	Cemex	CX	1.0	19	5.93	-0.15
13.14	261.25	214.77	Cencora	COR	0.9	34	254.21	-4.25
-4.49	21.90	14.20	CenovusEnergy	CVE	2.2	10	14.47	-0.43
5.69	81.42	55.03	Centene	CNC	...	11	64.03	-0.59

D E F

YTD % Chg	52-Week Hi	52-Week Lo	Stock	Sym	Yld %	PE	Last	Net Chg
-1.22	499.87	391.84	FactSet					
-5.90	2402.51	1105.65	FairIsaac					
1.85	84.88	61.36	Fastenal					
-2.97	118.34	95.97	FederalRealty					
-5.85	313.84	234.45	FedEx					
4.35	225.62	167.28	FergusonEnts					
0.87	498.23	368.80	Ferrari					
2.14	48.29	35.30	Ferrovial					
3.62	64.83	46.85	FidNatlFinl					
0.87	91.98	60.39	FidNatlInfo					
4.80	49.07	32.29	FifthThirdBncp					
4.34	2412.93	1438.08	FirstCitizBcshA					
▲ 8.69	22.11	13.45	FirstHorizon					
-4.95	306.77	135.88	FirstSolar					
0.05	44.97	35.41	FirstEnergy					
5.17	223.23	137.13	Fiserv					
8.49	45.10	24.05	Flex					
0.40	135.67	89.06	Floor&Decor					
3.30	284.79	174.03	FlutterEnt					
-0.20	143.43	81.08	FomentoEconMex					
1.82	14.85	9.49	FordMotor					
▲ 6.77	102.87	54.57	Fortinet					
2.53	46.06	36.86	Fortis					

New Highs and Lows

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. **% CHG**-Daily percentage change from the previous trading session.

Friday, January 31, 2025

Highs

Lows

Meta Explores Moving Legal Home to Texas

Potential step comes after frustration with Delaware's Chancery Court

First Mark Zuckerberg moved Meta's trust and safety workers to Texas. Now, he is exploring moving his social-media giant's legal residence to the Lone Star state.

By Emily Glazer, Berber Jin and Meghan Bobrowsky

Meta Platforms is discussing moving its incorporation from Delaware, where most big U.S. companies are legally housed, people familiar with the matter said. Texas has billed itself as a better destination for companies such as Meta with controlling shareholders like Zuckerberg.

The paperwork change wouldn't relocate its corporate headquarters.

The company has talked to Texas officials about the possible changes, one of the people said. It has also considered reincorporating in other states, another person said.

A Meta spokesman said there are no plans to move the company's corporate headquarters from California. He declined to comment further.

Elon Musk said he reincorporated several of his companies outside of Delaware, including Tesla and SpaceX to Texas and startup Neuralink to Nevada. Musk's decision came after a Delaware court ordered him to give up a compensation package valued at $55.8 billion.

Although a majority of Fortune 500 companies incorporate in Delaware, other corporations have also looked closely at similar moves in the past year, often following shareholder-driven litigation.

Executives and controlling shareholders of public companies have long expressed frustration with the Delaware Court of Chancery, which has become home to a thriving shareholder plaintiffs' bar. The big companies that have reincorporated elsewhere have tended to have a dominant owner potentially affected by recent Delaware decisions.

Companies' headquarters and operations are often in different states than their legal domicile.

On Friday, online-storage service Dropbox said it gained approval from majority shareholders to move its incorporation from Delaware to Nevada, a securities filing said.

> **Shareholder-driven litigation is leading more corporations to consider a move.**

Meta ended fact-checking on Facebook and Instagram in favor of a so-called Community Notes system, one of a number of steps Zuckerberg, Meta's CEO, has taken as he seeks to build ties with the Trump administration. Musk applauded Meta's fact-checking decision.

The talks between Meta and Texas predate the new administration, the people said. Meta has been incorporated in Delaware since 2004—well before its 2012 initial public offering. The company is considering the pros and cons of legal setups outside the state and how other companies fared when they reincorporated, the people said.

About two-thirds of S&P 500 companies—regardless of where they are actually based—are incorporated in Delaware, largely because the tiny state has specialized courts that handle business matters and stacks of legal precedents for addressing disputes. In recent years, controlling stockholders of publicly traded companies incorporated in Delaware have chafed at rulings bolstering the rights of minority stockholders.

Meta, Zuckerberg and some of the company's current and former board members are facing a lawsuit in Delaware that was brought by shareholders in the wake of the Cambridge Analytica scandal. The case is set to go to trial in April, and the court last week granted a request from plaintiffs to depose Zuckerberg.

Current litigation is unlikely to get moved out of Delaware with any reincorporation, legal scholars say. But any lawsuit filed after a reincorporation would play out in the new state.

Texas' effort to woo corporate registrations have included setting up the state's own specialized business court system. More than two dozen states have established dedicated business courts, including four since 2019.

It remains unclear whether the Lone Star state can match Delaware's influence. Attorneys say it will take time, at least, to rival the state's legal expertise and the sheer scope of its many precedents.

It also isn't clear how well Texas or other states will reassure investors—if courts appear too management friendly, markets may eventually penalize companies that relocate.

"The Texas state government is trying to send out signals that the Texas state courts will be more friendly to businesses than the Delaware court has been," said Stephen Bainbridge, a law professor at the University of California, Los Angeles. "But there's no guarantee that that's going to happen."

Delaware, which works to balance the demands of investors and managers, isn't taking competition from Texas and other states lightly. Last year, Delaware's legislature made it easier for big shareholders to use stockholder agreements to assume powers normally held by a company's board. The Delaware Chancery Court also ruled in Meta's favor in April, dismissing a case that argued the company had to consider societal impacts in addition to chasing profits.

—Theo Francis contributed to this article.

It's a Bird, It's a Plane, It's a Superman Lawsuit

By Joe Flint

The estate of Joseph Shuster, the co-creator of "Superman," is suing to stop the man of steel from taking flight in several major international territories just months before the newest, highly anticipated "Superman" movie is released.

The federal suit, filed Friday in New York's Southern District, alleges that DC Comics' international rights for "Superman" expired in 2017 and 2021 in key countries including the U.K., Australia and Canada. DC Comics is a unit of **Warner Bros. Discovery**.

The suit claims that despite the expiration of the international rights, DC and Warner continued to use the original work as well as related television series, videogames and merchandise.

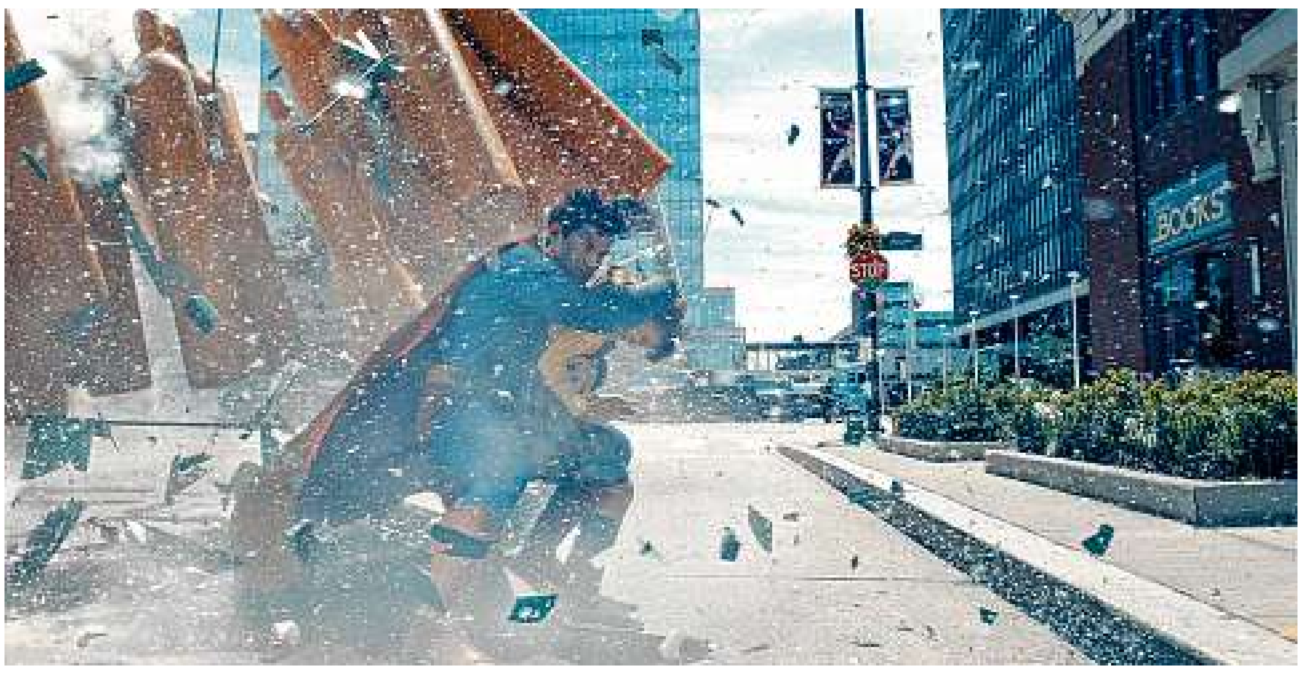
"These foreign copyright laws were specifically designed to protect creators like my Uncle Joe. That is what we're fighting for here," said Mark Warren Peary, executor of the Shuster estate.

"We fundamentally disagree with the merits of the lawsuit, and will vigorously defend our rights," a Warner spokesperson said Friday.

The coming "Superman" movie, starring David Corenswet making his debut as the red-caped superhero, is scheduled to open in theaters July 11. It is the first standalone "Superman" movie since 2013, and revitalizing the character is a priority for Warner Bros. Discovery Chief Executive David Zaslav.

The suit is the latest salvo in a battle over the "Superman" copyright that dates back to 1938, when Shuster and co-creator Jerry Siegel sold their original "Superman" character and story to DC for $130.

The story became a hit and the two creators were paid by the page for future stories, but received no royalties. In 1947 the pair unsuccessfully took DC to court in an effort to win back the copyright.



FROM TOP: WARNER BROS/EVERETT COLLECTION; BETTMANN ARCHIVE/GETTY IMAGES

Superman, in a 2025 movie above, was sold by Joseph Shuster, right, and Jerry Siegel to DC Comics in 1938.

Since then, "Superman" has been the subject of periodic litigation among the creators, their estates and DC. In 1992, DC agreed to continue paying to Shuster's sister the $25,000 stipend that he received, instead of the $5,000 it was contractually obligated to pay, based on a deal Warner struck a few decades before that. The estate of "Superman" co-creator Jerry Siegel has been operating under a settlement agreement with DC since 2013.

Friday's filing cites the so-called "Dickens provision" in U.K. copyright law that states a copyright that has been granted to a third party automatically reverts back to the author's estate 25 years after their death. Shuster died in 1992.

Canadian law requires that in the case of a joint work, the copyright reverts 25 years after both authors have passed. Siegel died in 1996.

The Shuster estate is seeking an order stopping Warner and DC from licensing and using the "Superman" property in any of the territories where the rights revert after 25 years without getting a copyright license from the estate, as well as damages to be determined at trial.

Marc Toberoff, the attorney representing the Shuster estate, said DC and Warner Bros.' profiting off "Superman" in those territories "blatantly violates" the copyright laws.

If successful, the suit could have broader implications for the industry when it comes to securing or maintaining copyrights, particularly in overseas markets where movie studios have enormous audiences for their superhero and action franchises.

Toberoff said in an interview that the suit isn't meant to deprive fans of their next "Superman" movie, but rather "seek just compensation for Joe Shuster's fundamental contributions as the co-creator of the character."

Altman Suggests Giving Away OpenAI Tech

By Deepa Seetharaman

OpenAI Chief Executive Sam Altman said he believes his company should consider giving away its AI models, a potentially seismic strategy shift in the same week China's DeepSeek has upended the artificial-intelligence industry.

DeepSeek's AI models are open-source, meaning anyone can use them freely and alter the way they work by changing the underlying code.

In an "ask-me-anything" session on Reddit on Friday, a participant asked Altman if the ChatGPT maker would consider releasing some of the technology within its AI models and publish more research showing how its systems work. Altman said OpenAI employees were discussing the possibility.

"i personally think we have been on the wrong side of history here and need to figure out a different open source strategy," Altman responded.

He added, "not everyone at openai shares this view, and it's also not our current highest priority."

OpenAI, founded in 2015, said early on that it would publish research and data about its models if it were in the public's interest. It later switched to a proprietary model, citing competitive pressures and concerns that sharing too much information would create safety risks.

Critics including Elon Musk, an OpenAI co-founder who left in 2018 and is now suing the startup, have accused Altman of betraying the company's original mission.

Since OpenAI launched ChatGPT in late 2022, many AI companies have been wary of disclosing too much information about their technology in a highly competitive industry. The lone major exception is Meta Platforms, whose Llama AI models are partially open-source—part of CEO Mark Zuckerberg's strategy to maximize influence over how people live and work online.

DeepSeek's sudden rise in popularity has shaken the AI industry partly because of how cheaply it was made, but also because it is open-source. Its latest model ranks closely behind big name rivals like OpenAI and Google on a closely watched industry leaderboard, raising concerns that developers and customers might choose its technology over ones that are better but cost money.

That would have implications for the business models of major AI companies and the U.S.'s competitive position with China.

Even if it made some or all of its models open-source, OpenAI could continue charging for the premium versions of ChatGPT. The app is far and away the most popular among consumers and is a major source of OpenAI's revenue.

Emails Show Ex-Barclays Boss's Deep Epstein Ties, U.K. Says

By Joe Wallace

In the fall of 2016, Jeffrey Epstein emailed the daughter of one of Britain's most powerful financiers an intriguing question: Would Jes Staley, chief executive of Barclays, like to be considered as U.S. Treasury Secretary?

"Spoke with him. He said not yet, but thanks," Alexa Staley replied.

The emails, revealed in a filing by the U.K.'s main financial regulator Friday, are among dozens detailing the relationship between Staley and Epstein over more than 15 years.

The Financial Conduct Authority, which banned Staley from holding powerful positions in U.K. finance in 2023, argued he misled both Barclays and regulators about the nature and timeline of his relationship with Epstein. The U.K. regulator asked Barclays about Staley's relationship with Epstein after the disgraced financier's arrest in the U.S. in 2019. Prosecutors indicted Epstein in the U.S. on federal sex-trafficking charges.

Staley disputed the ruling, and the two sides will slug it out in front of London's Upper Tribunal over several days in March. Key arguments the FCA plans to make: Staley maintained communication with Epstein after becoming Barclays CEO in 2015, using his daughter as a go-between, and his relationship was deeper and more personal than Staley portrayed.

> **The two sides will slug it out in front of London's Upper Tribunal in March.**

Staley's lawyers denied that their client had acted without integrity. They said the FCA ignored the time that elapsed between some of Staley's interactions with Epstein and the period after Epstein's arrest in 2019, when the then-Barclays CEO was questioned about their relationship. Barclays declined to comment, and Alexa Staley didn't immediately respond to a request for comment.

The FCA filing lays out a pattern of intensive communication between the two men, often peppered with terms of endearment about the depth of their friendship. Their relationship had blossomed after they met around the turn of the millennium, when Epstein was a client of JPMorgan's private bank, which Staley ran.

"I owe you much. And I deeply appreciate our friendship. I have few so profound," Staley told Epstein from the latter's ranch in New Mexico in late 2009.

The FCA's filing draws on correspondence supplied by Epstein's estate, as well as evidence that emerged when JPMorgan sued Staley in the U.S. in 2023, alleging he had covered up for his client.

"Free and home," Epstein emailed a group of confidants the day he was released from jail in Florida in July 2009.

"I toast your courage!!!!" came the reply from Staley the same day.

In a deposition, Staley described Epstein as a "business friend." The FCA contends the evidence shows they were "close friends," belying Staley's earlier assertions to Barclays officials and the regulator.

In 2015, after leaving JPMorgan but before joining Barclays, Staley took a flight on Epstein's plane to an island Epstein owned in the U.S. Virgin Islands. The FCA said this contradicts Staley's claims to Barclays officials that he had taken one earlier flight on Epstein's private plane. "Thanks for the flight and thanks for the lunch. Your place is crazy, and special. It has a warmth and silliness that makes it yours. I count u as a deep friend," Staley wrote in an email to Epstein.

After becoming CEO of Barclays that December, Staley remained in contact with Epstein, using his daughter Alexa as an intermediary, according to the FCA. In their filing, Staley's lawyers denied this. In preceding years, Staley had thanked Epstein for career advice he provided to Alexa Staley.

Staley's lawyers said in their filing the emails don't prove the two financiers communicated using Alexa Staley as an intermediary, and said the FCA ignored the fact Staley didn't try to contact Epstein despite the latter's attempt to engage him.

Epstein died in jail in August 2019, in what was a suicide.

BUSINESS & FINANCE

Novartis Expects Further Profit, Sales Growth

Swiss drugmaker is betting regulators will approve 15 new medicines this year

By Helena Smolak

Novartis forecasts further profit and sales growth this year after beating analysts' expectations in the fourth quarter of 2024, despite looming competition for its top heart drug Entresto.

The Swiss pharma company s betting on regulatory approvals for 15 new medicines this year, some of which hold a "multibillion opportunity" to counter competition from copycat drugs, Novartis Chief Executive Vas Narasimhan said in a call with reporters.

Specifically, Narasimhan expects to get approval for a label expansion of the company's prostate-cancer drug Pluvicto in the U.S. in the coming months.

The company is set to lose U.S. patents for Entresto alongside leukemia treatment Tasigna and blood-clotting medicine Promacta around the middle of the year.

Novartis said Friday that it expects core operating profit—one of its preferred metrics, which strips out exceptional items—for 2025 to grow in the high-single-digit to low-double-digit range and for sales to grow in the mid-to high-single digits at constant currency.

The outlook is higher than widely anticipated by analysts and compares with the 22% profit increase on 12% sales growth that Novartis reported for 2024.

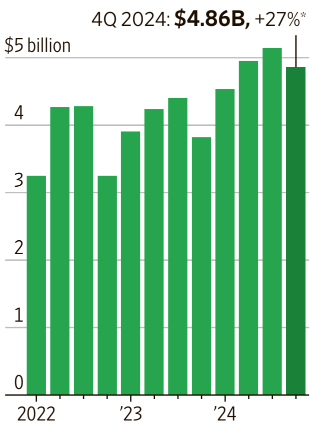
Core operating profit for the fourth quarter grew to $4.86 billion from $3.82 billion for the same period the year prior on sales that increased to $13.15 billion from $11.42 billion. Profit growth was mainly driven by higher sales that were partly offset by higher research-and-development investments, and cost discipline, Novartis said.

Analysts polled by Visible Alpha had forecast $4.44 billion in core operating profit on $12.78 billion in sales.

Net profit rose to $2.82 billion from $2.64 billion.

Higher revenue from its key growth drivers—Entresto, immunology drug Cosentyx, breast-cancer treatment Kisqali, cholesterol treatment Leqvio and multiple sclerosis medicine Kesimpta—offset a one-percentage-point hit from generic competition.

Novartis core operating profit



*from a year earlier
Source: the company

NAM Y. HUH/ASSOCIATED PRESS

The company has said it would significantly increase the pace of its store closures in an effort to improve profitability.

Walgreens Plans to Suspend Dividend in Push to Save Cash

By Connor Hart

Walgreens Boots Alliance will suspend its quarterly dividend, citing its need for cash amid ongoing litigation and turnaround efforts.

The pharmacy chain said Thursday that the suspension will strengthen its balance sheet by reducing debt over time and generating free cash flow.

"The company's cash needs over the next several years, including with respect to litigation and debt refinancing, were important considerations as part of the decision to suspend the dividend," it said.

Walgreens, which including its predecessor company previously said it has paid a dividend for 91 straight years, most recently paid a quarterly dividend of 25 cents. The payout, equal to $1 a year, represented an annual yield of about 8.7%, based on Thursday's closing price of $11.46.

Shares fell 10%, to $10.28 on Friday. The stock has lost more than half its value in the past year.

The suspension comes after the Justice Department earlier this month sued the company, alleging it contributed to the opioid crisis by inappropriately dispensing millions of pills. The lawsuit came on the heels of a better-than-expected fiscal first quarter, at which time the company said it would significantly increase the pace of its store closures in an effort to improve profitability.

Walgreens has been in talks to sell itself to private-equity firm Sycamore Partners, a deal that would take it off the public market after its shares have been on a downward slide for nearly a decade.

BUSINESS & FINANCE WATCH

COMMERZBANK

German Lender Plans Big Buyback

Commerzbank is planning a new 400-million-euro share buyback, equivalent to $415.7 million, and increased its dividend payout after posting record net profit last year due to a strong customer business.

The German lender—in which Italian rival UniCredit has a 28% stake—said Friday that net profit rose to a record €2.68 billion in 2024, from €2.22 billion a year earlier, on revenue that increased to €11.11 billion from €10.46 billion.

Net commission income rose 7% to €3.64 billion, while net interest income was €8.33 billion compared with €8.37 billion, according to the bank's preliminary figures.

The board is proposing a dividend of 65 European cents compared with 35 cents the previous year.

Commerzbank said that it would start buying back shares after the release of its 2024 earnings report, due on Feb. 13 alongside an upgraded strategy. It expects to complete the buyback in mid-May.

"By consistently managing costs and focusing on growth initiatives, we were able to significantly increase the net result for the past financial year," Chief Executive Bettina Orlopp said.

UniCredit said on Dec. 18 that it acquired additional financial contracts tied to Commerzbank shares and was in the process of getting the green light to raise its shareholding to up to 29.9%, just below the 30% threshold at which it would have to launch a mandatory takeover bid under German regulations.

—Ian Walker

KRISZTIAN BOCSI/BLOOMBERG NEWS

The German car-parts supplier blamed a weak global economy.

ROBERT BOSCH

Revenue Drops for Car-Parts Supplier

German car-parts supplier Robert Bosch reported a slight drop in revenue for 2024 with the biggest fall in its home market, and said it aims to improve performance this year even if conditions are tough.

The company on Friday blamed a weak global economy alongside slower-than-expected developments in growth markets for its performance, adding that it expects only moderate worldwide growth this year.

Bosch Chief Financial Officer Markus Forschner said the company plans to increase competitiveness on all levels with sensible savings and focused investments.

"Such a plan will require great effort, and does not rule out painful decisions," he said without elaborating further.

Last November, the company said that it would cut up to 5,550 jobs across its operations in the coming years as the automotive sector looks to downsize in response to a tougher outlook. The group employed 417,900 people worldwide as of Dec. 31.

Subdued car sales and intense competition have hit earnings at carmakers and the companies that supply them amid a costly transition to electric vehicles that is progressing at a slower pace than many in the industry anticipated.

Total revenue for 2024 slipped to 90.5 billion euros, equivalent to $94.32 billion, from €91.6 billion the prior year. Europe revenue fell 5% to €44.5 billion, of which Germany generated €17.7 billion, a 6% fall from 2023.

Asia Pacific was the only growth region, generating revenue of €28.1 billion in 2024 compared with €27.9 billion the prior year.

Chairman Stefan Hartung said the company's technologies for the mobility and homes of the future remain key growth areas. "Despite the current headwinds, we're rigorously pursuing our growth strategy and will continue to resolutely drive forward technologies crucial for tomorrow's world," Hartung said, adding that AI has also become an integral part of the company's products and solutions.

Bosch is targeting average annual growth of between 6% and 8% by 2030, with a margin of at least 7% which it aims to achieve by 2026.

—Ian Walker

DEEPSEEK

AI Application Blocked in Italy

The Italian Data Protection Authority said it blocked access to Chinese artificial intelligence application DeepSeek with immediate effect amid data-protection concerns.

The watchdog said Thursday that the restraining order was issued after Hangzhou DeepSeek Artificial Intelligence and Beijing DeepSeek Artificial Intelligence, the Chinese companies that provide the DeepSeek chatbot service, allegedly failed to provide information regarding what personal data is collected, the sources used, the purposes pursued, the legal basis of the processing, and whether they are stored on servers located in China.

"Contrary to the authority's findings, the companies stated that they do not operate in Italy and that European regulations do not apply to them," the authority, commonly known as Garante, said.

Garante simultaneously opened an investigation, without disclosing further details.

DeepSeek recently disrupted the tech market after saying it had developed AI models that nearly matched American rivals despite using inferior chips.

—Michael Susin

ORSTED

CEO Is Replaced Amid Challenges

Orsted is parting ways with Chief Executive Officer Mads Nipper as the Danish wind-energy group grapples with supply-chain bottlenecks, high financing costs and U.S. President Trump's opposition to wind power.

The group said Rasmus Errboe, currently deputy chief executive and chief commercial officer, would replace Nipper, who was set to leave Feb. 1 after four years at Orsted.

The announcement comes just over a week after the company disclosed $1.7 billion in impairments amid higher financing costs and issues with some projects in the U.S.

The Sunrise Wind project off the coast of New York faces supply-chain snags and construction hurdles, which have resulted in delays and increased costs. A revaluation of seabed leases off the coasts of New Jersey, Maryland, and Delaware also contributed to the impairments.

Meanwhile, the industry is reckoning with President Trump's new administration, which has been vocal in opposing wind as an energy source.

—Mauro Orru and Nina Kienle

OUTBRAIN

U.K. Regulator Approves Merger

The U.K.'s antitrust watchdog cleared U.S. online recommendation platform Outbrain's $1 billion merger with media company Teads.

The Competition and Markets Authority said Friday that it would publish its full decision on the deal in due course.

Outbrain and Teads revealed their merger plans in August 2024 in a bid to bolster their position in digital advertising, challenging dominant players such as Google and Meta. As part of the deal, Outbrain will buy Teads from its parent company, Altice Teads, for $1 billion while Altice Teads will take a minority stake in Outbrain.

—Edith Hancock

Indexes Notch January Gains Despite Bumps

Stocks rose even as fears over tariffs, rates and China's AI win rattled investors

By Ryan Dezember

FRIDAY'S MARKETS

Financial markets finished a bumpy month broadly higher, with everything from gold and government bonds to stocks at home and abroad notching gains despite escalating trade disputes, an uncertain path for interest rates and the DeepSeek AI shock.

Investors were rattled in the final hours of January trading when the White House said Friday afternoon that it would place tariffs starting Saturday on major trade partners Canada, Mexico and China.

Major U.S. stock indexes had been trading higher Friday morning after another solid batch of corporate earnings reports and economic data on personal spending met expectations. But they reversed course following the tariffs announcement.

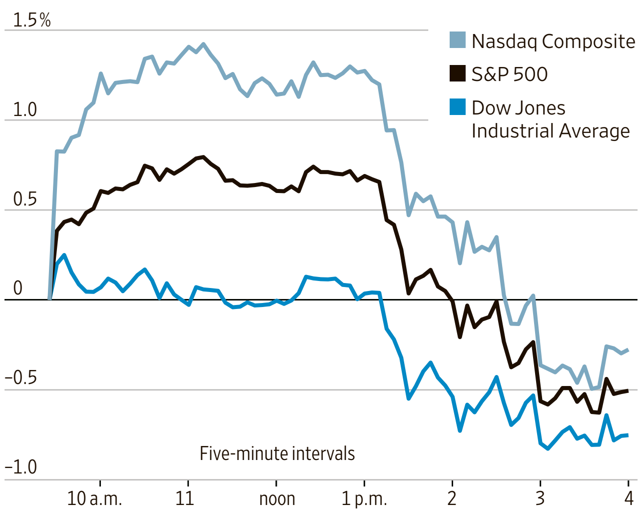
The technology-heavy Nasdaq Composite, which had been up nearly 1.5%, ended 0.3% lower. The S&P 500 shed 0.5%. The Dow Jones Industrials dropped 0.8%, or 337 points, on the day, dragged down by a 4.6% decline in shares of oil major **Chevron**.

Major indexes still ended the month higher. The blue-chip Dow gained 4.7%, the S&P 500 added 2.7% and the Nasdaq rose 1.6%.

European stocks had an even better January. The Stoxx Europe 600 Index rose more in January than it did during all of 2024, climbing 6.3% to end at a record high. London's FTSE 100 and Germany's DAX also closed at records, notching January gains of 6.1% and 9.2%, respectively.

Gold futures notched a record on Thursday, rebounding from a postelection swoon. Though front-month gold futures ended Friday down a bit at $2812.50 a troy ounce, the precious metal rose 7% in January and had their biggest monthly gain in dollar terms since August 2011. Bond funds and bitcoin were January winners as well.

Index performance on Friday



Source: FactSet

Bond yields rose Friday after White House press secretary Karoline Leavitt said tariffs of 25% would be imposed on Canada and Mexico and 10% on China. The yield on benchmark 10-year Treasury notes had been trending lower since mid-January, and ended the month down slightly at 4.566%.

Looming tariffs under the Trump administration reignited concerns that inflation may tick higher, derailing the possibility of further interest-rate cuts. Earlier in the week, the Federal Reserve held steady on the benchmark federal-funds rate, opting to wait and see how the economy performs before cutting again.

The prospect of new bonds paying higher rates prompted investors to sell existing bonds. And when their prices fall, yields rise.

There were few losing stock markets. Japan's Nikkei 225 ended the month 0.8% lower.

Chip maker **Nvidia**, the must-have stock of the artificial-intelligence frenzy, took a big hit after China upstart DeepSeek said in January that it had trained a sophisticated AI model far more efficiently than rivals. Nvidia shares lost 11% in January, or $348.2 billion in market valuation.

The decline of one of the market's largest stocks dragged the S&P 500's information-technology segment to a monthly loss, the only industry group to end lower. It wasn't all bad, even for tech stocks. **Meta Platforms**, another AI player, gained 18% during the month, adding $268.3 billion of market value.

"Money is rotating within the stock market," said John Augustine, chief investment officer at Huntington Private Bank. "This is an unusual start to the year because usually the word rotation comes into the investing world and something goes down. We're not seeing this right now. There's a tinge of optimism coming into markets."

Strong corporate earnings have helped justify paying ever higher prices for stocks that have rallied the past two years.

As of Friday, more than three-quarters of S&P 500 companies that have reported quarterly results have beaten Wall Street's forecasts, according to FactSet. That's right in line with the five-year average for topping analysts' profit estimates.

"The pockets of the market that are expensive arguably can be justified by strong fundamentals, and then the rest of the market is not particularly expensive," said Bill Merz, head of capital markets research at U.S. Bank. "You have a backdrop that's pretty conducive to risk assets performing reasonably well."

Texas Stock Exchange Aims for '26 Launch

By Corrie Driebusch

A new stock exchange has just officially filed paperwork in hopes of gaining regulatory approval to start listing companies next year, seeking to capitalize on the President Trump-led backlash against regulations and cultural pressures on businesses.

The Texas Stock Exchange, or TXSE (pronounced "tex-ee"), has been courting investors and pitching its business for months, and asked the Securities and Exchange Commission on Friday to approve its creation.

The group has raised $160 million, according to Chief Executive Officer James Lee, from the likes of Wall Street heavyweights BlackRock, Citadel Securities and Charles Schwab.

If all goes smoothly with the SEC, the exchange hopes to start listing companies in early 2026. The company has nearly completed building an order-matching engine that would power the exchange.

The timing for TXSE couldn't be better. While the exchange insists it is apolitical, its pro-business, lower-cost, CEO-friendly stances play into the zeitgeist of the Trump administration. Many traders in the industry have colloquially referred to TXSE as an "anti-woke" exchange, even though the exchange wouldn't use that term.

Executive orders from Trump have businesses cutting back on programs including diversity, equity and inclusion and have emboldened conservative calls that businesses should stay out of the culture wars. Those voices have long railed at some mandates the New York Stock Exchange and Nasdaq have pushed on companies in the past decade.

BOB DAEMMRICH/ZUMA PRESS

Texas Governor Greg Abbott, center, along with Texas business leaders, at an event announcing the exchange's leadership.

Lee said he and others at TXSE spent the past several months speaking with SEC officials ahead of the process. They have also been meeting public company executives who, they say, are frustrated with uncertainty around rule processes in public listings, related costs, and concerns around the proxy process for shareholders. He said TXSE believes it can ameliorate many of these issues.

"Issuers can be comfortable that for the long term we are apolitical and will not be venturing into areas that exchanges should not be venturing into," Lee said.

The TXSE also hopes to leverage Texas pride, and a growing reputation as pro-business.

Texas is home to one in 10 Fortune 500 companies, and the newly formed Texas Business Courts are an alternative to the Delaware Court of Chancery system.

"It's unmistakable there's a shifting landscape," said Lee about companies moving to Texas, citing the state's pro-business policies and low taxes.

Trump's ally Elon Musk, for instance, got approval from Tesla shareholders to move to Texas from a Delaware incorporation last year. The Wall Street Journal reported Friday that Facebook owner Meta is in talks to follow that path.

Still, setting up a competitive new exchange isn't easy. TXSE will be fully electronic with headquarters in Dallas. It will need to attract substantial trading volumes, which could be challenging, but TXSE hopes its bold-name backers will help with that.

Exxon, Chevron Profits Hit By Weak Prices

By Collin Eaton

The annual profits of **Exxon Mobil** and **Chevron** fell in 2024, as anemic natural-gas prices and narrowed refining margins took a toll.

Despite the weaker results, the companies reported Friday that they pumped record amounts of oil and gas from certain oil fields and sent record payouts to investors last year.

Exxon and Chevron are still trying to strip out costs and use their cash to lure reluctant investors back to the oil sector. They face hot competition from tech giants and other industries for Wall Street's attention.

Exxon's annual take-home of $33.7 billion fell about 6.5% from the prior year, but was still its third-highest yearly profit in a decade. It spent a record $36 billion on shareholder distributions, and said only five other companies in the S&P 500 index shelled out more money to investors.

Chevron's $17.7 billion annual profit was down about 17% from 2023, but it boosted dividends and share repurchases to a record $27 billion.

"It was a record year," Chevron Chief Executive Mike Wirth said. "Record production, record cash to shareholders."

Exxon's 7.6 billion profit in the fourth quarter was roughly flat compared with the same period a year earlier. Its earnings per share of $1.72 beat analysts' expectations of $1.64.

The company's return on capital employed was 12.7%, which Exxon says outpaced its rivals.

Chevron's quarterly profit of $3.2 billion was about 43% higher than in the same year-ago period. Its earnings per share of $1.84 missed analysts' expectations of $1.94.

Chevron boosted production by 18% in its top U.S. oil field, the Permian Basin.

The company beat production estimates in the Permian Basin. But for the first time since the Covid-19 pandemic, Chevron plans to ease up on spending there this year, in a bid to wring more cash from the region, which straddles West Texas and New Mexico.

"The objective is not to grow forever, but at some point the objective is to generate a lot of free cash flow," Wirth said of Chevron's strategy. "Growing without generating free cash flow is what got the industry in trouble a decade ago."

President Trump is trying to bolster the oil industry's fortunes as its new cheerleader-in-chief. In his first two weeks in office, Trump issued a host of executive orders to slash regulations. But paradoxically for the industry, he also wants to see prices for crude oil tumble, and quite far—an unwelcome prospect for companies such as Exxon and Chevron.

Fed Pause Tests Wall Street's Limit on Risky Debt

By Jodi Xu Klein

The Federal Reserve's decision to pause interest rate cuts is likely to increase the pressure on a risky type of corporate debt that has become popular among private lenders.

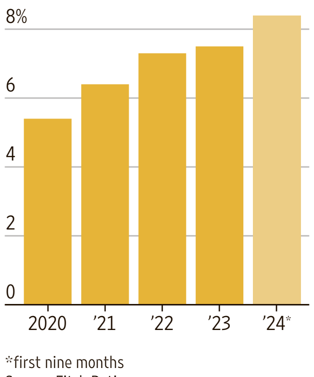
Payment-in-kind, or PIK, loans don't make regular interest payments to investors. Instead, accrued interest is added to the loan's principal. These loans have gained in popularity in recent years to ease the higher interest costs that many borrowers faced as benchmark rates rose to a two-decade high.

Investment income from PIK as a share of total interest and dividend income was 8.4% by September last year, up from 7.5% in 2023 and 5.4% for 2020, according to a Fitch Ratings analysis of private lenders.

Companies that pay debt in kind can conserve cash in the short term, but like any reprieve, it isn't designed for a prolonged period. Within one or two years, companies typically reinstate cash payments before their debt snowballs, with the hope that interest rates would have come down by then.

"Payment in kind is a way to kick the can down the road. That is if you have the road ahead of you," said Sean McKee, national leader of public investment management practice at KPMG U.S.

PIK income as a share of total interest and dividend income for Fitch-rated business development companies



*first nine months
Source: Fitch Ratings

Healthcare services provider MultiPlan and over-the-counter pharmaceutical products maker PL Developments were among the companies that recently exchanged debt for new securities with PIK options.

PIK instruments can be "a legitimate rescue tool for borrowers," said David Hillman, global co-chair of restructuring at Proskauer. "Lenders that allow it should get an 'attaboy' pat on the back" for being part of the liquidity solution, he said.

Some companies that have paid debt service in kind ended up defaulting or filing for bankruptcy. Automated teller machine manufacturer Diebold Nixdorf filed for bankruptcy in June 2023 after it exchanged its maturing debt into new notes with an option to pay in kind.

As much as 14% of borrowers that had restructured debt in 2023, including making payments in kind, went into payment default or filed for bankruptcy, according to PitchBook LCD data. That share was 33% for companies that restructured their debt in 2022.

A prolonged PIK period can balloon debt loads. By the time EB Holdings II, Howard Meyers's global lead products conglomerate, filed for bankruptcy in 2019, the balance on its 600 million euro, equivalent to $651 million, loan had grown to nearly $2.5 billion.

Lenders who have taken in-kind payments from a deteriorating business are left with two choices: continue deferring borrowers' interest and watch the debt balloon further, or confront potential defaults.

"Servicing debt with more debt is problematic when it's outpacing growth in cash flow," said Ajay Bijoor, head of capital structure advisory at Baird. "It's a decision lenders have to make whether to crystallize a loss now or play the option for future growth and higher recovery."

Borrowers with PIK debt are often the most financially distressed. According to news and analysis provider KBRA Direct Lending Deals, 61% of 113 issuers using payment-in-kind debt are on its Default Radar Red List, indicating the highest risk of default. In comparison, 41% of 75 issuers on the Default Radar Orange List, with moderate default risk, have PIK debt.

Companies that pay debt in kind can conserve cash in the short term.

Investors that make direct loans to companies have shown an openness to PIK debts to showcase their ability for a more tailored approach for troubled borrowers, a main differentiator from bank lenders.

But lenders also have to answer to their own investors—pension funds and sovereign-wealth funds—who put restrictions on the amount of payment-in-kind debt, often to less than 10% of all lending, to mitigate risks.

Some lenders have come up with an alternative: provide a new loan for borrowers to pay their interest, rather than adding debt to the PIK loan. This mechanism, known as synthetic PIK, isn't widespread. But a few lenders have considered or pitched it in recent months, according to market participants.

"The reason you see synthetic PIK come up is that it allows the lenders to put out more money and effectively get paid on their prior interest," said Todd Holleman, co-lead of the finance and restructuring practice at law firm King & Spalding. "These are usually for companies where lenders think there is a story here that it is going to turn around."

But each time new money is borrowed to cover interest on the old loan, debt rises, credit health deteriorates, and the runway shrinks.

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Banks Should Be Booming. They're in a Loan Rut Instead.

Weak loan growth is a worry, particularly for regional lenders

PNC Financial Services said there was no loan growth in its first-quarter 2025 net interest income projection.

JAMIE KELTER DAVIS/BLOOMBERG NEWS

By all rights, the mood for banks ought to be upbeat. Based on history, the trifecta of steady-to-falling interest rates, an administration with a deregulatory agenda coming into office and sub-3% inflation ought to be a recipe for fast lending growth.

Investors are salivating, too, bidding up bank stocks since the November election, and rotating even further into the sector following the recent AI-led correction in tech stocks. The KBW Nasdaq indexes of both large and regional banks are both solidly outperforming the market so far in 2025, up around 9% and 5%, respectively, compared with about 3% for the S&P 500.

Yet in their recent round of quarterly updates, many banks continued to give only tepid outlooks for a key part of their business: lending money. PNC Financial Services said, for example, that there was no loan growth in its first-quarter 2025 net interest income projection.

"We've kind of gotten tired of trying to pick that point in time where things go up, and just be conservative about it," PNC Chief Executive William Demchak told analysts in mid-January.

A number of bankers said they hoped to see growth later this year, citing optimism among clients and other indicators. Demchak noted that PNC was gaining clients, but clients were also using less of their available credit lines. Perhaps if the currently hazy outlook for tariffs, taxes and the federal budget clears up, more companies will feel better about taking on debt and making investments.

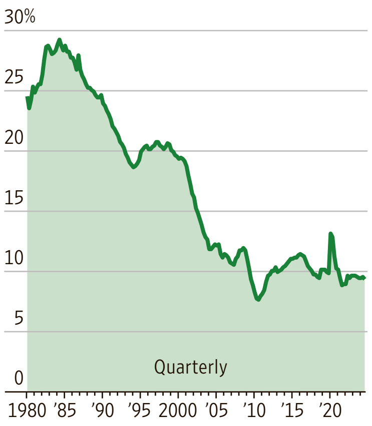
But if that growth doesn't materialize, investors will have to wrestle with some thorny questions. Is there some underlying weakness in the business economy that the macroeconomic data masks? Or is the financial system evolving away from bank loans? Neither prospect is comforting for lenders.

In the short term, some key revenue measures can still grow in 2025, in particular via the maturing of old, low-yielding government bonds, the same ones that helped spark the 2023 panic. However, as those maturities slow, and if reinvestment yields fall with future Federal Reserve rate cuts, then growing the volume of higher-yielding lending becomes a big key to revenue growth further out.

Across U.S. commercial banks, loans grew about 2.7% from the end of 2023 to the end of 2024, according to Federal Reserve data, only slightly faster than the prior year's 2.3% rise. Loan growth hasn't been this slow since the aftermath of the 2008 global financial crisis.

In fact, 2024's combination of falling interest rates, rising hopes for deregulation and slowing inflation probably should have translated into a lending bump. This is especially the case for lending that is usually highly cyclical and correlated to the economy, such as commercial and industrial lending. But in 2024, banks' so-called C&I loans grew by just 1% from 2023.

Share of corporate debt* represented by bank loans



*Nonfinancial corporate debt, not including mortgages
Source: Federal Reserve

Sometimes bigger banks do better than banks overall. But it is a challenge for banks of all sizes right now. Loan growth at the end of the fourth quarter in 2024 from a year earlier was under 2% on average across 34 large global, national and regional U.S. banks recently reporting earnings, according to a tally by Morgan Stanley analysts. A dozen of those banks even saw loan declines, including Wells Fargo, PNC, Citizens Financial, KeyCorp and Comerica.

One headwind facing many regional lenders are declines in commercial real-estate mortgages. They have long been a strength for many midsize banks, while other lending categories have become more concentrated. For example, many credit-card loans go either through global megabanks, such as JPMorgan Chase or Citigroup, or specialist card lenders such as Capital One Financial or Synchrony Financial.

But many banks have recently been working to shrink their exposure to commercial mortgages, in light of challenges faced by offices, retailers and other property owners. And when maturing mortgages come up for renewal, banks have also often asked for a lot more money down, which can shrink the size of the renewed loans.

Commercial real-estate loans at banks grew overall just 1.3% in 2024, according to Fed data, the slowest pace in over a decade.

Even the biggest megabanks aren't immune to lending malaise. JPMorgan Chase reported a fourth-quarter decline in commercial-banking loans, which span middle-market company loans and commercial real estate.

But JPMorgan and its Wall Street peers have something to make up for that: armies of investment bankers and traders. These teams earn fees advising lending clients on mergers, or helping them hedge their market risks. And they are also doing an increasing amount of lending to nonbanks, like private credit alternative asset managers, who then use those funds to make their own loans.

Many Wall Street-arranged loans are ones banks wouldn't want anyway, since they often leave the borrower highly leveraged. But as more companies borrow in that fashion, this has left banks in stasis. As of the middle of last year, the share of corporate debt that is in the form of a nonmortgage bank loan was around 9%, according to Fed data. That is in the range of where it has been over the past decade, but still well below the 20%-plus share typical in the 1990s.

Holding steady isn't the same thing as growing. For banks that rely on lending, something may have to change.

—*Telis Demos*

A luxury housing construction site in Beijing.

ANDY WONG/ASSOCIATED PRESS

State-Owned Property Dominates in China

The housing crisis claims more private developers

More than three years into China's housing crisis, there is still no sign of its ending.

Now, as private and locally owned developers keep faltering, the sector is becoming more state-dominated. That marks a stunning reversal for an industry that has been a poster child for China's economic development.

The latest private builder to run into a liquidity crisis is **China Vanke**, one of the country's largest remaining developers. But state intervention has pulled it back from the brink of potential default, for now. This week, it projected a loss of 45 billion yuan, the equivalent of $6.3 billion, for 2024. Its chairman has resigned, replaced by the chairman of its largest shareholder, Shenzhen Metro. Representatives from the state-owned subway operator for the wealthy southern city of Shenzhen now make up nearly half of Vanke's senior management. It will also buy a couple of projects from Vanke.

Vanke's bonds have been plummeting in recent weeks, prompting the Shenzhen government to step in. The company has 33 billion yuan of bonds maturing this year, according to JPMorgan.

In China's boom years, private-property developers transformed city skylines and minted huge fortunes for their founders. But their collapses have become commonplace in recent years.

Vanke is a special case. While it isn't officially a state-owned company, it has intricate links with the government. In fact, Vanke traces its roots to a state-owned company founded in 1984 for the import and sale of office equipment. The company then rode China's wave of market reforms, becoming one of the country's first joint-stock corporations and among the first few listings on the Shenzhen Stock Exchange in the 1990s. Shenzhen Metro became Vanke's largest shareholder after a bidding war in 2017.

Vanke's bonds have recovered from recent lows, but the odds of a full-blown state takeover remain uncertain. Local governments are typically reluctant to assume the liabilities of troubled developers. Beijing's primary focus appears to be ensuring that presold homes are completed and delivered, rather than bailing out developers entirely.

Vanke has suffered from the same vicious cycle that many in the industry are facing—falling sales led to lower cash flows and higher debts, which in turn have scared home buyers that contracted apartments won't be completed. Its contracted sales have plunged by two-thirds from their 2020 peak. Net debt has doubled in five years to 252 billion yuan, while contract liabilities—largely representing undelivered apartments—have ballooned to 587 billion yuan.

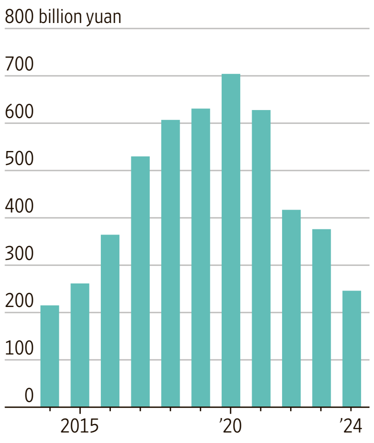
As wary home buyers prefer developers that can guarantee delivery, state-linked firms are increasingly their only safe bet. For example, China Overseas Land, a state-owned developer, has seen sales decline just 10% since 2019. Among the top 100 developers, the market share of state-owned developers rose to 70% in 2024, from 32% in 2019, according to Citi. State-owned companies, including local government financing vehicles, bought 85% of the land in 2024, compared with 61% in 2021.

Market fundamentals remain bleak. According to Morgan Stanley, it would take 24 months to clear the current housing inventory across Chinese cities. It is even worse in the smaller cities.

Beijing has pledged further support, but so far the policy is piecemeal as it is unwilling to rescue developers seen as irresponsible for accumulating excessive debt. As Vanke's troubles illustrate, even the strongest can stumble. In the Chinese economy of 2025, state backing is key to survival.

—*Jacky Wong*

Vanke's annual contracted sales



Note: 1 billion yuan = $139 million
Source: Wind

Apple's AI Moment Is Still a Ways Off

iPhones have gotten much better over the years. For **Apple**, that isn't always helpful.

Apple's fiscal first-quarter report Thursday afternoon showed iPhone revenue falling nearly 1% from a year earlier to $69.1 billion for the period. That was below even the anemic 1.4% growth Wall Street had anticipated—and a notable slowdown from the 6% revenue growth Apple's largest product line showed in the same period last year.

Given that Apple launches its new smartphones in late September, the December-ending quarter typically accounts for a little over a third of the company's annual iPhone sales. That makes Thursday's results the latest confirmation that the iPhone 16 family—the first to include Apple's artificial-intelligence tools—isn't resonating much with consumers. Or at least, isn't exciting enough to spark one of the company's vaunted "super-cycles" that are becoming fewer and further between these days. The last time iPhone revenue grew by double digits annually was the fiscal year that ended in September 2021, led by the iPhone 12 family.

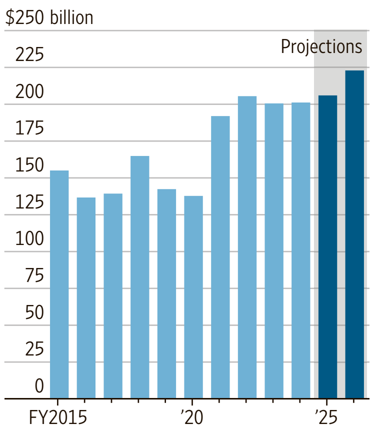
A large base of users on a three-year-old phone once looked like fertile ground for a strong upgrade cycle. But with more iPhone models now fetching price tags well over $1,000, Apple's customers have a powerful incentive to get as much life out of their devices as possible.

Apple Chief Executive Tim Cook said on the company's earnings call Thursday that the iPhone 16 is actually outperforming the prior year's new iPhone model at the same point in time, though he didn't give specific sales data.

Wall Street, for its part, expects just 2% growth in iPhone revenue for the current fiscal year. Many instead are pinning hopes on the next iPhone family, which will reportedly have a thinner design and perhaps more compelling AI features.

Analysts currently expect iPhone revenue to grow by 8% in Apple's next fiscal year, which ends in September 2026, according to consensus estimates from FactSet.

Apple's iPhone revenue



Note: Fiscal year ended Sept. 28.
Source: FactSet

For that, investors are paying a rather tidy premium now. Apple's shares have jumped 6% over the past week, as many investors have concluded that the AI cost-efficiency claims by Chinese AI startup DeepSeek validate Apple's own artificial-intelligence strategy of striking partnerships and avoiding the capital-equipment spending race.

That has put Apple to a little over 31 times projected earnings for the next four quarters, which is 16% above the stock's three-year average and a premium to even **Nvidia** after the AI titan's brutal selloff on the same DeepSeek news.

Apple shares fell slightly Friday, as the company's outlook for the March quarter was roughly in line with Wall Street's forecasts once accounting for the stronger dollar. Even if Apple benefits from advancements in AI efficiency, its hardware-centric business model means the main way it can get artificial intelligence in front of most of its users is to persuade them to spring for new devices that can handle it. A thinner and more feature-heavy iPhone 17 might help make that sale, but buyers of Apple's pricey stock now have a long time to wait to find that out.

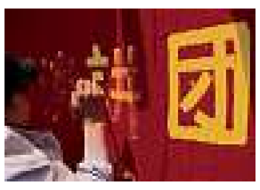
—*Dan Gallagher*

Social Media Panic
Banning access for teens isn't a fix for their mental health **C3**

REVIEW

THE WALL STREET JOURNAL.

Lamented Leader
The reformist whose death sparked the Tiananmen protests **Books C7**



THE DARKENING SKIES OVER EUROPE'S ECONOMY

BY GREG IP

FROM TOP: DIMITAR DILKOFF/AGENCE FRANCE-PRESSE/GETTY IMAGES; MICHALE BULHOLZER/EPA/SHUTTERSTOCK

Pessimism prevails on the continent as businesses turn their eyes to Trump's America. Will this be the shock the EU needs to reform?

◀ European leaders like Christine Lagarde (left) and Ursula von der Leyen (right) are coping with stagnant economies across the continent, in Davos, Jan. 23.

"I LOVE EUROPE," newly inaugurated U.S. president Donald Trump proclaimed to the World Economic Forum in Davos last week. Yet there was also much he did not love, such as that time back in his days as a property developer when he gave up a project in Ireland because, he said, European Union approval would take five or six years. "I'm trying to be constructive," Trump said.

The global elites who swarm the Swiss ski resort every January don't agree with Trump on much, but on one issue, their minds melded: Europe is in deep trouble. It faces "an existential threat," European Central Bank President Christine Lagarde said. BlackRock chief executive Larry Fink called Europe's much-vaunted single market "a beautiful myth."

The CEO of one European insurer marveled over the contrast with the U.S.: "It's almost like they're on drugs. Everybody's talking about growth, growth, growth. And then you come to Europe, and everybody's depressed."

Hand-wringing over Europe's fate is a well-established pastime. For two decades it seems the continent has been either in crisis or on the brink of one: the near-collapse of the euro, a massive influx of refugees, Britain's exit from the EU, Russia's invasion of Ukraine.

But this moment feels different. No single, acute crisis explains the pessimism; it's a complex of pathologies.

Almost everything has gone wrong for Europe in the past few years. It has struggled with Covid, a spike in the cost of energy and the rise of far-right parties who despise the European project. China threatens its markets, Russia threatens its territory, and Trump threatens both.

Since the end of 2019 the EU has grown 5% while the U.S. has expanded 12%. Seven U.S. stocks are worth more than the stock markets of Britain, Germany, France, Italy, Spain, the Netherlands and Switzerland, combined.

Trump's arrival has crystallized latent fears. Europeans worry they will fall further behind as deregulation, tax cuts and cheap energy draw investment to the U.S. and tariffs cripple economies (especially Germany's) that lack sufficient demand of their own. They are dismayed by Trump's readiness to attack America's purported allies: He has threatened tariffs and refused to rule out military force against Denmark, a NATO member, to take control of Greenland. "Tariffs against friends and allies is a crazy idea," Finland's foreign minister Elina Valtonen complained.

Still, whatever their frustration with Trump, Europeans see their mess as mostly their own making.

At the founding of the European project in 1958, its overriding purpose was to tear down bar-

Please turn to the next page

The Day I Played Soccer With Bob Marley

The reggae legend would have been 80 next week. When I met him as a young Italian reporter, he thought I was a fascist. But we quickly made peace.

By Mario Calvo-Platero

The author, in a red shirt, plays soccer with Bob Marley in 1980.

DEBORA TOMELUCCI

There's a cruelty in marking the birthdays of iconic figures who died too young. Bob Marley would have been 80 next week, on Feb. 6. For me the strange thought of a geriatric Marley conjures up a meeting with him decades ago, when all of his idealistic intensity briefly took me as a target before we managed to find common ground, improbably, on the soccer pitch.

In March 1980, I was living in New York and writing about music for the Italian daily Stampa Sera. I had hopped a plane to Negril, Jamaica, which was then the coolest Caribbean destination, and found myself listening to Marley's latest release, "Survival," at Rick's Cafe, a hang-out for aged hippies, intellectuals, artists and adventurers. "Survival," released in the fall of 1979, marked Marley's return to a strong pan-African message and dominated the playlist at Rick's.

I somehow got a number for Marley's home in Kingston and called to request an interview. Two days later, against all odds, I found a message waiting for me at Rick's (the only landline for miles): I was expected in Kingston the following day. I was both excited and frantic. My

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Inside

MOVING TARGETS

For the Super Bowl, at least one Eagles fan is gathering up every lucky charm he has. Given the team's history, they'll need the help. **C2**

Five Eyes

Spies are worried that Trump threatens the future of America's oldest intelligence-sharing pact. **C5**

MY MONDAY MORNING

Christopher Walken on 'Severance,' learning lines and not having a cell phone. **C14**

HOW TO SELL

Sales guru Sam Taggart on the key to hawking big-ticket items, like a Ferrari. **C4**

Europe Grapples With Stagnation

Continued from the prior page

riers to competition and trade among members and to create an internal market with the same freedom of movement, scale and efficiency as the U.S. Its executive body, the Brussels-based European Commission, may be the last bastion of neoliberalism—the doctrine that free trade and free markets best promote prosperity.

But sometime in the last 15 years, the bloc's priorities shifted, from prosperity toward protection—of privacy, of data, of the climate. A tsunami of regulation on everything from website disclosures to carbon emissions followed.

Those priorities look badly out of step with today's reality. Having pushed so hard to rein in big tech companies, Europeans now lament that they have none of their own.

Some of this, Europeans claim, reflects their more risk-averse culture. "The United States has a culture of confidence; Europe has a culture of modesty," the International Monetary Fund's chief, Bulgarian-born Kristalina Georgieva, told one panel in Davos.

Maybe so, the C-suite responds, but political leaders are making it worse.

When U.S. stocks tanked last week on news of advances by China's DeepSeek AI company, Europe's markets were mostly unaffected—because Europe is not a player in artificial intelligence.

The only aspect of AI where Europe leads is its regulation, like the AI law passed last year. The AI regulation is "sometimes so contradictory that you don't even know how to fulfill it," said Roland Busch, chief executive of German technology company Siemens.

Corporations once changed their behavior around the world to comply with Brussels's edicts. The risk now is they simply pass Europe by. Apple, Meta and Google all delayed or withheld some AI product features from Europe out of regulatory concerns. At a Wall Street Journal event in Davos, Rachel Reeves, the British chancellor of the exchequer, made a pitch for AI investment in her country since, unlike the EU, "We don't regulate to death."

Meanwhile, the single market remains incomplete. The eurozone lacks truly pan-European banks comparable to America's big four. Siemens must deal with four or five telecom companies in each of the EU's roughly two dozen markets, Busch said. "We don't have one market. When you're a startup and you want to scale, I mean, where do you go? You go to the United States."

Five years ago the European Commission unveiled the "European Green Deal," an ambitious plan to make the continent carbon neutral by 2050. The costs seemed bearable when the U.S. was headed in the same general direction. But not now. One European official confided that he worried less about tariffs—which could be offset by a weaker euro—than about Trump's promise to unleash American energy. He feared it would prove an irresistible lure to European companies laboring under sky-high energy prices and green compliance.

Exxon Mobil has roughly twice the sales but six times the market value of BP. The reason, according to one investment banker: Exxon's shareholders expect it to prioritize oil and gas production while BP's expect it to prioritize renewable energy, which isn't as profitable. That could make BP a takeover target.

In fact, European governments are stalked by fear that companies will simply pull up stakes and move to the U.S. in search of higher valuations, lower regulation and protection from Trump's "America First" agenda.

When Börje Ekholm, chief executive of Swedish telecom equipment giant Ericsson, met with the Journal a year ago at Davos, he was withering in his criticism of European regulators. They have "prioritized shorter-term low consumer prices at the expense of quality infrastructure." When we met this year, he allowed that Europe was starting to wake up, noting last year's report on slumping competitiveness by former ECB president Mario Draghi.

And yet in the past year, the U.S. has grown to account for nearly half of Ericsson's net sales. Ericsson donated $500,000 to Trump's inauguration committee. Asked if Ericsson would move its headquarters to the U.S., Ekholm, who already lives there, responded, "We are Swedish-based. But I think every company in Europe will need to think about this going forward."

Some of the vituperation directed at Brussels is misplaced. Britain has lagged the U.S. just as badly despite removing itself from the EU. Some of the U.S.'s outperformance is simply because it was willing and able to go deeper into debt to address the pandemic. It is running the largest budget deficit as a share of economic output among advanced economies. And it alone has the "exorbitant privilege" (as a former French finance minister put it) of borrowing in the world's reserve currency.

The U.S. is also blessed with vast reserves of oil and gas that became much more valuable when Russia was ostracized. In his competitiveness report, Draghi pointed out that finding alternatives to Russian energy had cost Europe more than a year of growth. At the same time, Trump's effort to push fossil fuels and weaken incentives for renewable energy may come at a long-run price to the climate, a prospect underscored by costly extreme weather events.

With time, America's fiscal profligacy and Europe's energy woes will cease to be sources of European underperformance.

Indeed, some in Davos argued that the gloom is not entirely justified. The fundamentals for economic recovery are in place, insisted Dutch central bank president Klaas Knot. "We see continual improvement in real income, consumers are sitting on a pile of savings, our labor market is producing full employment, and, on the margin, interest rates are becoming less restrictive. A recovery is postponed, but it is not canceled."

The received wisdom at Davos has often proved to be a contrarian indicator, which suggests that this might be the bottom for Europe. "There's too much pessimism in Europe," BlackRock's Fink told a panel, even "for somebody who's been pessimistic on Europe for, like, 10 years. I believe it's probably time to be investing back into Europe."

In European capitals, a rethink of regulation is already under way. Britain is delaying implementation of the latest bank capital rules. Germany has proposed delaying for two years European green disclosure rules that would have required companies to report at least a thousand data points.

Davos attendees may not be Trump's biggest fans, but more than a few think he is the wake-up call Europe needs.

Europeans are fond of quoting Jean Monnet, one of the EU's founding fathers: "I have always believed that Europe would be built through crises."

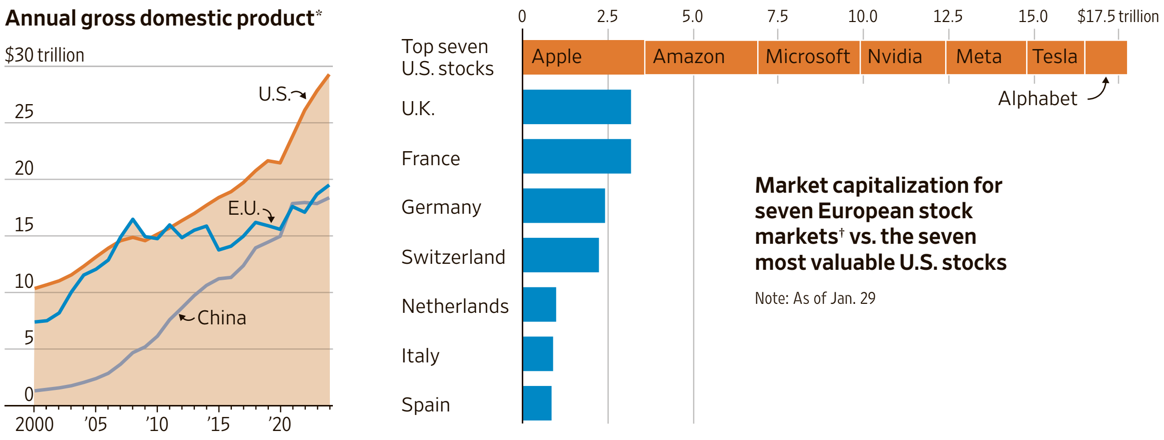
Alex Ward, James Mackintosh and Emily Glazer contributed to this article.

Above: A thriving cafe culture (as seen in Rome) doesn't translate into a booming economy. Right: Siemens CEO Roland Busch complained at Davos about the EU's burdensome regulations.

FROM TOP: ALESSIA PIERDOMENICO/BLOOMBERG NEWS; AVALON/ZUMA PRESS

Reasons for Gloom

Europe's GDP growth lags rivals while its stock markets are eclipsed by the biggest U.S. individual stocks



*At current prices and exchange rates. Figures for EU and China in 2024 are projections. †based on FactSet composite indexes
Sources: IMF (GDP); U.S. Bureau of Economic Analysis (U.S. 2024); FactSet (market caps)

MOVING TARGETS

JOE QUEENAN

Eagles Fans, Get Out All Your Lucky Charms

Given the team's history, don't forget the lucky pastries and holy water.

BY THE TIME MY BELOVED but untrustworthy Philadelphia Eagles had finished annihilating the Washington Commanders in Sunday's NFC championship game, I had used up virtually all the good luck charms and talismans I rely on during pivotal moments in the Quaker City's fraught athletic history.

During the previous playoff wins over the Green Bay Packers and Los Angeles Rams, I had used virtually all the lucky T-shirts that I donned during the Eagles' 2018 Super Bowl victory over the New England Patriots. That reduced my supply of battle-tested, evil-spirits-combatting fetishes to two old sweatshirts, three fraying hats and a T-shirt reading "Straight Out of Fargo" that I purchased when North Dakota's Carson Wentz became the Eagles quarterback in 2016.

Though Wentz ultimately flamed out, I still honor him as the architect of that Super Bowl season: He led the team to an 11-2 record—wrapping up home-field advantage in the playoffs—before getting knocked out for the rest of the year.

So, the propitious "Welcome to Wentzylvania" scarf that I wore during the final seconds of that Super Bowl went around my neck again as soon as the surprisingly competitive Commanders got within 11 points in the third quarter.

It shouldn't be necessary to wear three hats backward simultaneously, nor position a battery-operated dancing Philadelphia Eagles "Underdog" right next to the television, nor ceaselessly bless yourself and say Novenas and invoke St. Jude, patron saint of hopeless causes, just to get your team past the perennially abysmal Commanders. But this is what happens when you grew up in a city known for choking away the big one.

In the 2023 Super Bowl—with some help from the refs, it must be said—the Eagles blew a 24-14 halftime lead to the Kansas City Chiefs, who they'll face again next week. Back in 2005, they lost the Super Bowl to the Patriots after the Eagles quarterback got sick to his stomach during their final futile drive—making everyone in the City of Brotherly Love sick to their stomachs.

Also occupying pride of place in the annals of Philadelphia ignominy: In 1981, the Eagles got creamed in their very first Super Bowl appearance by the Oakland Raiders, a team they had held to just seven points a few weeks before. So it wasn't as if these guys weren't capable of going into the tank in games they were supposed to win.

When you factor in the ironic twist that the Commanders are owned by Josh Harris, who also owns the preternaturally putrid Philadelphia 76ers—who have been choking away championships since LBJ was in office—there was an awful lot of weird negative municipal karma floating around the stadium last Sunday.

So I had to bring out all the big guns: the socks, the gloves, the teacups, the posters, the disintegrating old newspaper clippings, and even a package of stale cookies I have held on to since the night the heroic Nick Foles bested Tom Brady in the Super Bowl seven years ago.

Unfortunately, this doesn't leave a whole lot of amuletic ammunition I can fall back on for the coming title tilt with the Chiefs. And even though I believe that the Eagles are the better team, and that Taylor's Swift's winning streak will eventually run out—as will Travis Kelce's—I'm not taking anything for granted. After all, Wentz is the Chiefs' backup quarterback.

Saquon Barkley may be the best running back in Eagles' history, but I'm still going to need the half-eaten lemon Tastykake I started munching on when things looked dicey in the Rams game two weeks ago. The Eagles' defense is far superior to Kansas City's, but I know that at some point I'll need to fall back on the classic "DALLAS SUCKS!!" T-shirt that I've been sporting in potentially catastrophic situations since the early '90s.

And if the only way to stymie the Chiefs' supernaturally gifted quarterback Patrick Mahomes is to sprinkle myself with a vial of holy water I brought back from Lourdes in 1997, so be it.

ZOHAR LAZAR

Stop Panicking Over Teens and Social Media

Modern life is digital. Adults need to help young people navigate the costs and benefits, not launch bans and hope for the best.

By Lucy Foulkes

I recently saw a poster in my local café that made me want to throw my coffee at the wall. From a grassroots parenting organization that seeks to keep smartphones out of the hands of anyone under 14, it argued against allowing "our children to access something all the evidence tells us is damaging."

I have been researching mental health for years, and this statement is just not true. Promoting this falsehood terrifies parents and leads to drastic solutions that won't work, such as Australia's new social media ban for those under 16.

Hundreds of researchers around the world, many of them concerned parents themselves, are working to understand the impact that social media is having on young people. Jonathan Haidt, a social psychologist at New York University's Stern School of Business, validated what so many parents fear with his popular recent book, "The Anxious Generation," which largely blames smartphones—and the attendant decline in unsupervised in-person play—for the rise in adolescent anxiety and depression.

Yet many other academics argue that the studies and results that Haidt presents are not strong enough to support his conclusions, that there are other possible explanations for the rise in depression and anxiety among teens. In fact, most researchers in this area have reached a counterintuitive consensus: the relationship between social-media use and young people's mental health is weak, on average, and sometimes nonexistent.

This reality has struggled to penetrate the conventional wisdom because it flies in the face of what feels obviously true. At the very least, these debates show that the psychological impact of social media is hardly clear-cut.

Any generalization about social media is problematic because both the apps and the users vary enormously. How social media affects a young person depends on a range of factors, including their personality, their friends, their mood, their real-world experiences and the technology itself, among other things.

Studies show that social media use can indeed cause distress and harm in some young people, but it can also have no impact or even improve well-being in others.

For example, one 2021 study of 387 Dutch adolescents in the journal Communication Research found that 45% reported no change in well-being immediately after using social media, 28% noted a decline and 26% expressed a rise. Some young users observed that social media makes them feel anxious or left out, or that they see inappropriate and distressing content. But participants also said social media helps them feel more connected with their friends and themselves, that it offers outlets for creativity and an antidote to loneliness.

A review of 36 studies examining how young people engage with friends online, published in the journal Adolescent Research Review in 2017, found that all the core qualities of in-person friendships, such as validating feelings, offering emotional support and having fun, play out virtually, too. "Rather than reducing intimacy in friendships," the authors wrote, "technology-mediated communication may provide the same benefits to teens as interactions that occur face-to-face."

In a 2024 study in the journal Social Media + Society, teenagers in focus groups explained that they look to social media for connection, entertainment, inspiration and information. The effect of these experiences proved mixed. Some said they felt more connected with friends, others felt lonelier (for example if they saw their friends were hanging out without them). Some said they sometimes had positive and negative feelings at the same time. As one 17-year-old girl explained: "When I see pictures from people who are traveling the world, I guess I feel both jealous and inspired."

These motley effects mean that sledgehammer solutions, such as total bans, won't reliably improve young people's mental health. Even if a government was successful in preventing teens from having access to social media—a big "if," since no one has figured out how to actually do this—it would likely improve some young people's lives while making others worse.

This doesn't mean that young people should be unleashed, Lord of the Flies-style, into a digital wilderness. Tech companies should be required to make their platforms safer, such as by restricting access to explicit or violent content. Parents should have and use tools that limit the amount of time young people spend online and what they see when they're there.

But beyond regulatory guardrails and technical tools, rules for social media use, and at what age they are gradually eased, should be left to families and schools.

Buried beneath the debate over how to protect adolescents from the harms of the internet is an awkward but significant reality: Being an adult today involves being online. There is very little any of us do that is not mediated in some way by our computer or phone, and that includes our social relationships. Since the main function of parenting adolescents is to help them develop into independent adults, this means helping them to navigate this digitally mediated life.

It is naive to think we can allow adolescents to explore the adult-approved bits of the internet and prevent them from using it to interact with each other. Young people are experts in getting around the rules. When China imposed strict controls on online gaming in 2019, young people signed in with the names of older relatives or friends, used photos of other people to trick facial-recognition software and bought accounts through the black market, which introduced the risk of scams.

> The psychological impact of social media is hardly clear-cut.

A social media ban would similarly bring unintended consequences and new problems. Young people in search of online socializing could find or create underregulated platforms and use secret phones their parents don't know about. If something goes wrong, they may feel more nervous about asking for help.

Social media does pose real challenges for some adolescents, and this is compounded by common features of these apps, such as filters that can change a young person's appearance in a photo or the capacity for endless scrolling. But banning this technology for everyone under 16 isn't the solution, not least because these sites are so well embedded in popular culture.

Instead, tech companies should mitigate the obvious harms, and trusted grown-ups should be there to help young people manage the rest of it, just like with every other risk and challenge on the path to maturity.

Lucy Foulkes is a research psychologist at the University of Oxford. She is the author of "Losing Our Minds: The Challenge of Defining Mental Illness" and "Coming of Age: How Adolescence Shapes Us."

MADELINE MCMAHON

SCIENCE SHORTS

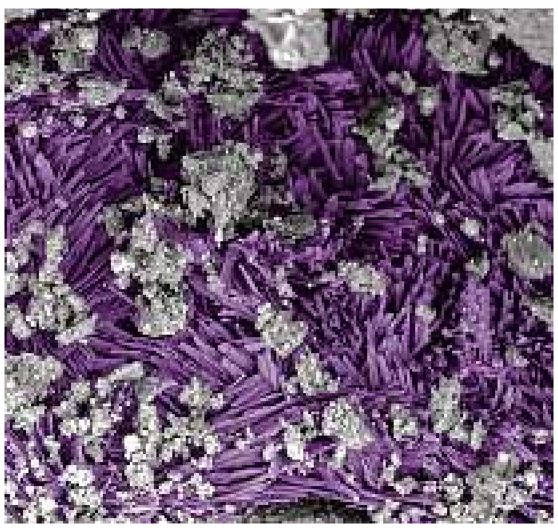
A Nearby Asteroid Harbors Material To Seed Life

The new discovery boosts the theory that asteroids spurred life to develop on Earth.

By Eric Niiler

◀ The capsule that carried the Bennu sample back to Earth is seen after landing in the Utah desert in 2023.

▼ Sodium salts, highlighted here in purple, are among the minerals conducive to life found in the Bennu sample.



FROM TOP: NASA/KEEGAN BARBER; ROB WARDELL/TIM MCCOY/SMITHSONIAN INSTITUTION

THE ORGANIC BUILDING BLOCKS required to seed life have been found on an asteroid for the first time.

Planetary scientists discovered the material within the coal-black dust and rock retrieved from the asteroid known as Bennu, the target of a pioneering NASA probe that scraped its surface and brought the resulting sample back to Earth.

The finding supports the theory that so-called near-Earth asteroids, like Bennu, were the source of life on Earth.

Researchers found 14 of the 20 amino acids that make up proteins and all five molecules that comprise DNA and RNA in mineral deposits of salty brine left on Bennu's surface, according to two papers published on Wednesday.

The finding also means that such building blocks could have come from the far reaches of our solar system and then landed on any hospitable planet or moon, said Tim McCoy, curator of meteorites at the Smithsonian Institution's Museum of Natural History, who examined the sample and is first author of the paper published in the journal Nature.

"We're talking about the earliest steps that lead towards life," McCoy said.

Life didn't arise on Bennu itself because the chemical ingredients and environment didn't have a chance to develop before becoming inert. "In addition to having the environment and the ingredients, you also need time and probably temperature, and we probably didn't have those for long enough or hot enough for this to happen on an asteroid," McCoy said.

The Bennu sample was retrieved by OSIRIS-REx, a robotic spacecraft that the National Aeronautics and Space Administration launched in 2016. After grabbing a soap-bar-sized scoop of rock and dust from the asteroid's surface in 2020, the spacecraft swung past Earth three years later and dropped a sealed capsule containing the material in the Utah desert.

Bennu is a pile of rubble about 1,600 feet across that formed 4.5 billion years ago from an original asteroid that broke apart and then reformed. It passes by Earth every six years about 186,000 miles away, closer than the Moon.

Bennu's parent asteroid contained pockets of liquid water that evaporated, leaving behind brines of various minerals that resemble the salty crusts of dry lakebeds on Earth. The minerals are the base from which the amino acids and other organic material formed.

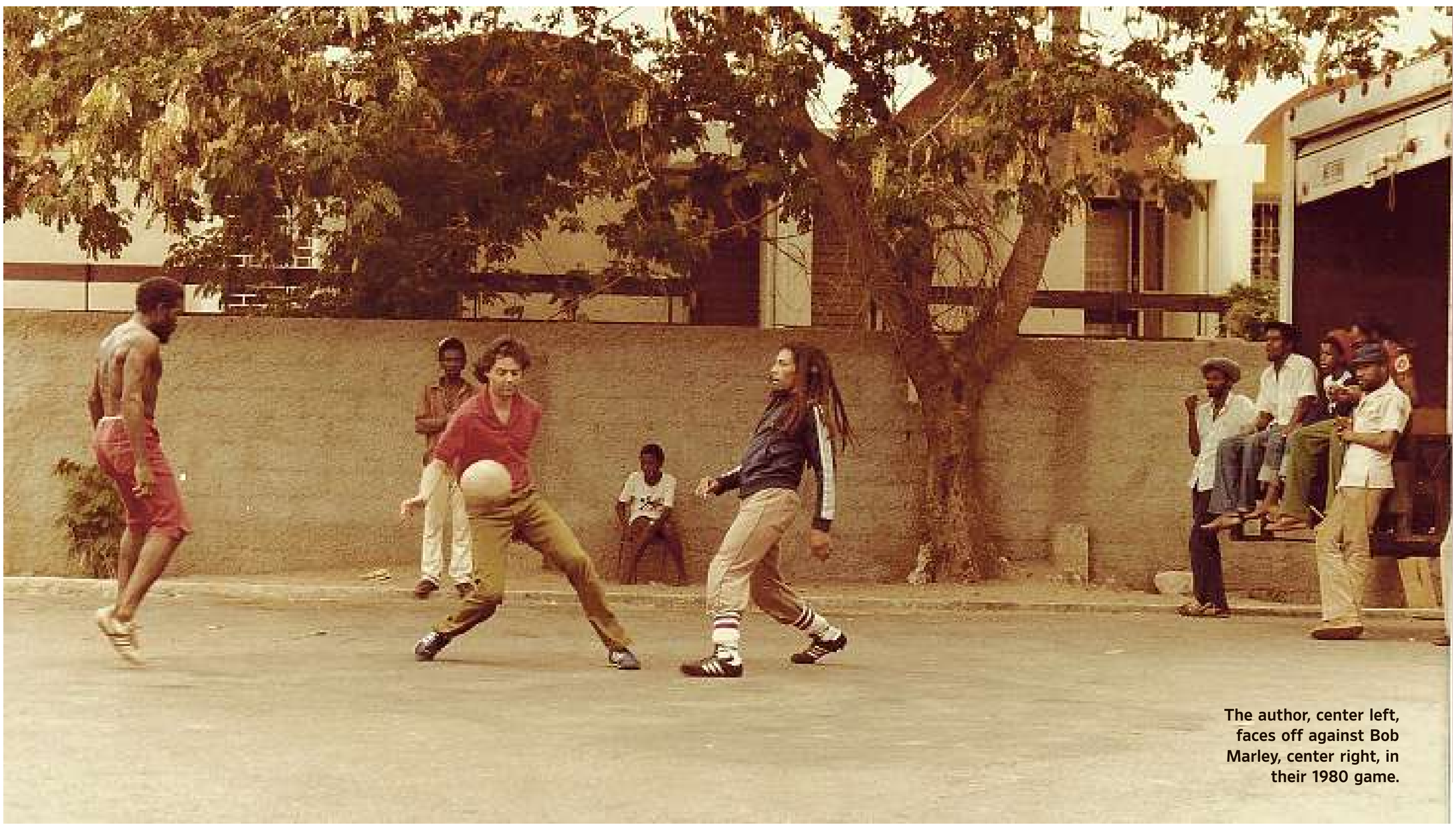
At NASA's Goddard Space Flight Center in Greenbelt, Md., researchers ground tiny chips of asteroid into a fine powder, then made a "Bennu tea" by boiling it in water. That allowed them to extract and identify the organic compounds, according to Jason Dworkin, an astrobiologist at NASA Goddard and an author of the paper published in Nature Astronomy.

There are still many questions remaining, including why life didn't evolve on Bennu's parent asteroid and whether similar conditions might be present today in other parts of the solar system, such as Saturn's moon Enceladus, Jupiter's moon Europa, or Ceres, a dwarf planet in the asteroid belt between Mars and Jupiter.

More research is being conducted on the Bennu sample.

"This gives us a firsthand report of a negative control for life," Dworkin said. "A place that had all the stuff, but life didn't get going."

REVIEW



The author, center left, faces off against Bob Marley, center right, in their 1980 game.

DEBORA TOMEUCCI

Playing Soccer With A Reggae Legend

Continued from page C1

friend Debora, a photographer, agreed to join me, and we found a rough Venezuelan character named Tommy (who I suspect was involved in the drug trade) to drive us. The 135-mile journey took four and half hours, with Tommy driving like a madman through the jungle and small parishes, a hair's breadth from the trucks that hogged the road.

As a young man of 26, I was dreaming of an idyllic encounter, chatting with Marley about Mento and Ska and Rocksteady, the precursors of Reggae. I wanted to hear about the Wailers and the Rastas and the attack on Dec. 3, 1976, when, two days before his Smile Jamaica Concert, conceived to unify a divided island, seven armed men raided his home, shooting wildly. Marley was hit in the chest and arm, his wife, Rita, in the head; others were wounded. They all survived. A miracle.

The attack had shocked the world, and Marley became a global hero for unity and peace. Except that when we finally met, he was neither peaceful nor friendly. Aggressive and visibly angry, he said: "You Italians are terrible people. You attacked the Negus. You killed to conquer." The Negus? He meant Haile Selassie, the former emperor of Ethiopia, the central deity for Rastafarian believers like Marley. His fury went on: "You are Catholics. The Vatican, the Pope are accomplices. They reject the Negus's divine nature." At his side, two of his men were nodding at his every word.

So there I was, in the same studio where Marley had recorded hits like "No Woman, No Cry," "Get Up, Stand Up," and "Redemption Song," and he was yelling at me, with his tumble of dreadlocks, open shirt and a small golden chain around his neck. I was totally unprepared for this. I saw no way out.

Trying to appease his anger, I pointed to an African connection: I was born in Tripoli, Libya. A mistake: "Another Italian African conquest! Are you the son of colonists? Are you a fascist?" Now sweating, I resorted to my Jewish origins, explaining that no, I was not a fascist. He paused for a moment. Then, changing tone as if talking to himself, said: "The Jews are survivors. The Negus had a good relationship with them. He descended directly from King Solomon."

At this point, my friend Debora broke in: "I met the Negus!" It is hard to describe the impact of her interjection. The room was suddenly silent. Marley gave Debora an inquisitive look. The two sidekicks stopped nodding. Suddenly restless, Marley wanted to know everything: what, how, why, where?

Debora recalled that as a 13-year-old she had gone to the palace in Addis Ababa for tea with her uncle, who had a business in Ethiopia and knew the Negus. Marley wanted every detail. "What was he like? What did he say? How was he dressed?" She described him as "a man who was not tall, but of great authority." In his decorated brownish military uniform, he was elegant, distinguished, dignified and austere but at the same time good-natured, charming and mysterious. She described the palace, the staircase, the entrance, the imperial room where he had received them.

Marley was now completely over the Italian attack on the Negus. His eyes were wet. He thanked me for this visit, which was obviously written in the book of destiny. He thanked Debora.

I asked him about his feelings for the Negus. Suddenly he opened up into the conversation I had vividly imagined. He had never met the Negus but adored him. He recalled his childhood in Jamaica in the late 1940s, and the hardships of Nine Mile, his native village, where his music was formed. "I'm 35 years old, but I've been making music for 25—a long career behind me," he said. He remembered his beginnings with Peter Tosh and Bunny Wailer, childhood friends. Then Bunny became like a stepbrother after his father partnered with Marley's mother. Bunny's band became Marley's orchestra, the Wailers.

We talked about Reggae and about "Survival," released just before Rhodesia became Zimbabwe. Dedicated to the African cause, the chorus went: "Na-na-na-na! We're the survivors, yeah! Yes, the Black survivors." He told me that African nations would rise again and explained the 48 African flags on the album cover.

There I was, in the studio where Marley recorded 'No Woman, No Cry,' and he was yelling at me.

Then he stopped: "Do you play soccer?" he asked.

"Of course, all Italians play soccer."

He said, "I must go down to the courtyard for a match with my friends. Do you have time to join?"

Did I have time? To play soccer with Bob Marley in his courtyard? "Of course, thank you!"

The courtyard reminded me of the Don Bosco oratory in Turin, where I played soccer as a teenager. The same asphalt, dangerous for falls. No uniforms, no frills. Marley and I were worlds apart, but we shared the universe of improvised soccer in a courtyard.

The match included about 15 of his friends and fellow Rasta musicians, all young. I ended up on the team opposite Marley. We played in the warm midafternoon air of a Caribbean March. A fantastic match. Marley was tough in direct clashes but never fouled. He was an athletic 35, in great shape, and played very well. Debora took photos—and thank goodness, because otherwise no one would have believed me!

Tommy, our driver, was restless and hostile. He wanted to return to Negril before nightfall and didn't give a damn about the match or Marley. We finished. I don't remember the score; it didn't matter. Marley shook my hand: "You play well for an Italian." We hugged. He added: "I felt the closeness of the Negus in our meeting. He too is a survivor."

I don't know if Marley thought of his "Survival" album as a good omen for his own battle against cancer. Doctors had found a rare form of melanoma under the nail of his right big toe and had suggested amputating it, but the surgery would have ruined his soccer game, and he refused. He underwent partial surgery.

The melanoma was tiny, but unforgiving. It metastasized, and a little over a year after our encounter, and soccer match, he died at 36, young and immortal. Like his Negus.

Mario Calvo-Platero is a columnist for Italy's La Repubblica and was the longtime U.S. editor of Il Sole 24 Ore.

This Is How You Sell a Ferrari

A sales guru on the key to moving big-ticket items: resist the urge to maximize the value of every sale.

By Sam Taggart

I'VE NEVER SOLD cars, but I know that selling cars is easier than going door-to-door to sell most anything else. Anyone who walks into a car dealership comes with your product on their mind. But that doesn't make selling cars easy. I see plenty of terrible salespeople at car dealerships. They all make the same mistakes.

Not long ago I wanted to buy a red Ford F-150 pickup. An online search found only one at a nearby dealer. I went there, told the salesman what I wanted and said, "Congrats, this will be the easiest sale you're going to close this whole month." Then he started asking a bunch of questions.

What engine size do you want? I don't know. *How many liters?* I don't know. I don't study engines. *What trim options?* I don't know. *Let me show you this white one.* Didn't you hear me say red?

He kept to the script, didn't try to read the situation and spent more time talking than listening. It was maddening.

"Hey, I told you I want a red F-150. You only have one red F-150 on the lot. I'd like to test-drive it." He gave me the keys and told me to find him when I got back.

"What did you think?" he asked. "I love it! It's exactly what I hoped it would be." "Great, now let me show you a few that are even nicer."

I lost my patience. "I'm not looking at any other trucks," I fumed. "And just out of principle, even though I love this one, I can't buy it from you. Because I coach salespeople for a living and, dude, I have to tell you, you suck at this! You couldn't even spend 15 minutes test-driving it with me. What if I had questions on the road? So you're not getting a commission from me today. But at least you're getting some free coaching!"

I felt a little guilty, but this guy needed some tough love. If he couldn't close this sale, how could he keep his job?

About a month later, the same salesman texts me out of the blue. "Hi Sam, I finally figured out what you meant. I really do appreciate you. Let me know if you ever want to come back."

Sam Taggart in the Ferrari he almost bought.

SAM TAGGART

A car dealership was also where I met the best salesman of my life.

The best salespeople build so much trust that customers stop seeing them as salespeople and start seeing them as their "guy"—their trusted adviser in your area of expertise. "You should talk to my insurance guy," they tell their friends. "I had no idea what I needed, but he walked me through all the options, then made sure I didn't overpay."

This is key: Reaching "guy" status often means resisting the urge to maximize the value of every sale.

Consider the luxury car market. When I finally had the money, I got my heart set on a Ferrari. A friend referred me to his "car guy," Mike. I found him at a private warehouse that held the most amazing collection: Ferraris, Bentleys, Porsches, Lamborghinis and so on. The cheapest was $125,000; the top end over $1 million.

Mike was totally low pressure. After talking with me for few minutes, he said something like "Sam, I could sell you a $300,000 or $500,000 Ferrari today, but I'm not going to do that."

He explained that the world of luxury sports cars needs to be experienced to be understood. "Every time you need an oil change, or some warning light goes on, you're going to have sticker shock at the cost of maintenance and how long it takes."

Mike's pitch was disarming. "Here's what I strongly recommend. Let's test-drive some amazing cars in the $150K range and one of them will be your starter luxury car. Then in two years, you'll come back and move up a level, maybe to a Bentley." He assured me that I'd be driving a half-million-dollar or million-dollar model in no time, but too much car too soon could backfire. "I'd hate to see the joy of owning these cars get ruined for you."

This was the coolest sales experience I'd ever had. By downselling instead of upselling, Mike had won my trust. He wasn't really a salesman—he was a car guy. He was thinking past this commission to the next one. When it's time to buy my Ferrari, I'm going to him.

Sam Taggart is the CEO of D2D Experts. This essay is adapted from his new book, "Eat What You Kill: Becoming a Sales Carnivore," published by Portfolio.

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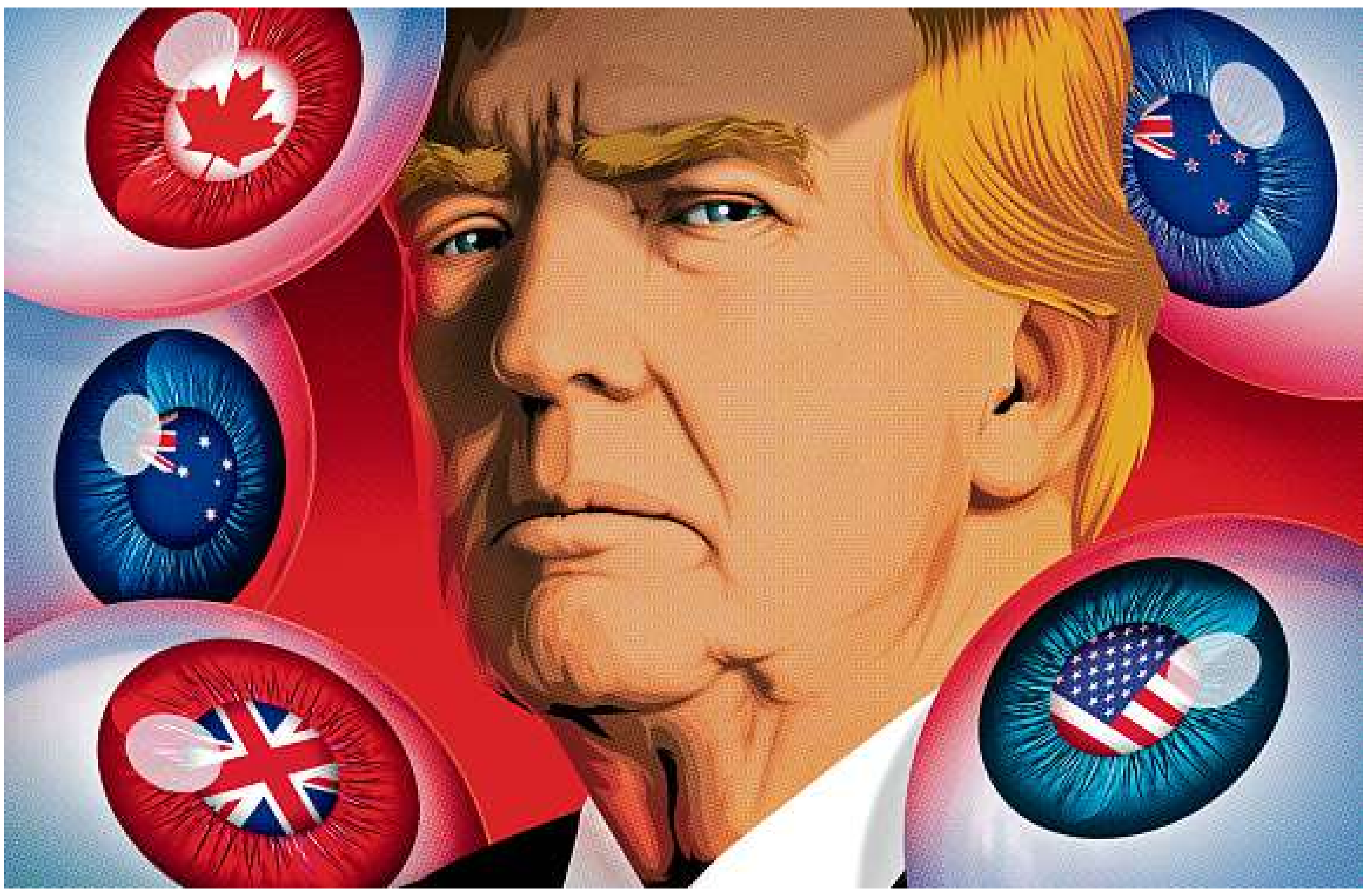
Will Trump Blow Up America's Most Effective Spying Alliance?

For decades, the Five Eyes pact has allowed the U.S., Canada, Britain, Australia and New Zealand to share intelligence. Now experts and spymasters are worried about its future.



TAYLOR CALLERY

By Bojan Pancevski

The Five Eyes is the most powerful spying alliance in history. Forged in the conflagration of World War II, the intelligence-sharing pact among the U.S., Canada, Britain, Australia and New Zealand helped defeat Nazism and Communism, fend off al Qaeda and Islamic State and shield its members from the ever-growing risk of cyberattacks.

Now former and serving members of the Five Eyes and outside experts say it is facing its biggest challenge ever: President Trump's pledge to curb the "Deep State" by overhauling America's vast intelligence apparatus. Trump left the Five Eyes alone during his first term and hasn't named it as a target for his second, but his deep mistrust of U.S. intelligence agencies has security officials worried. Some believe that Trump sees the Five Eyes, like other U.S. alliances, as a racket in which foreign states benefit from U.S. resources, said Brian Boetig, a retired FBI official who helped manage strategic engagement with the Five Eyes.

"Our allies are now sitting back and wondering because of the rhetoric coming out of Washington," said David P. Oakley, a former senior CIA official who is now academic director at the University of South Florida's Global and National Security Institute.

The alliance's intelligence gathering capability is vast, especially in the telecommunications domain. It has access to private and confidential communications on every continent, with targets ranging from Vladimir Putin's henchmen to Islamist terror lords to the Chinese Communist Party. Recently, intelligence gained through Five Eyes has been essential for Ukraine's war of survival against Russia.

The Five Eyes is based on trust and shared culture built over seven decades, starting with cooperation between British and American codebreakers during World War II. But that could soon change. Trump's nomination of Tulsi Gabbard as director of national intelligence, a powerful post overseeing all U.S. intelligence agencies, and Kash Patel to head the FBI has sent shock waves through the U.S. security establishment and its Five Eyes partners.

"During the first Trump administration the relationship within the Five Eyes endured the strain, but there is a lot of anxiety now in the community that the alliance could suffer permanent damage in his second term," said Richard Kerbaj, the author of "The Secret History of the Five Eyes: The Untold Story of the International Spy Network," a seminal history of the alliance, published last month in the U.S. and Canada.

During his first term, President Trump clashed with U.S. intelligence agencies on a number of issues, including their conclusion that Russia tried to help him win the election. He also accused U.S. spy agencies of hostile leaks against him and his aides.

Preparing for his return to the White House, Trump promised that he would "clean out all of the corrupt actors in our national security and intelligence apparatus." In the first week of his presidency he revoked the security clearances of a host of intelligence and security officials whom he accused of various transgressions, including suppressing critical coverage of Hunter Biden, Joe Biden's son, during the 2020 election campaign.

> 'Our allies are now sitting back and wondering because of the rhetoric coming out of Washington.'
>
> DAVID P. OAKLEY
> Former CIA official

Patel and Gabbard are expected to push for a robust reform of U.S. intelligence agencies. At her confirmation hearing this week, Gabbard said she would take a stand against "faulty, inadequate or weaponized intelligence," blaming flawed intelligence for the U.S. invasion of Iraq and for the allegation that Trump's 2016 campaign benefited from collusion with Russia.

Gabbard's support for Edward Snowden, the former intelligence analyst who leaked 1.5 million documents containing secret intelligence to selected journalists, has long concerned law enforcement and intelligence officials. At the hearing, she refused to say whether she now accepted that Snowden was a traitor, despite repeated questions from both Democrats and Republicans.

The FBI is America's internal intelligence agency but participates in intelligence operations abroad. Patel has promised to curb that overseas work and focus the agency on conventional law enforcement, riling up the intelligence community. "Many FBI people do intelligence and analytics. They are not gun-toting, badge-carrying folks. They are not agents," Boetig said.

The U.S. is the senior partner in the Five Eyes, spending around $100 billion annually on intelligence, 10 times more than the other participants put together. But the smaller countries' contributions to keeping America safe are often invaluable. American authorities have prevented terrorists from coming into the U.S. based on Five Eyes intelligence. The U.S. relies heavily on its partners for access to places around the world where American agencies can't operate, such as Iran and Cuba.

"Withdrawal from a relationship like that and leaving a void for even a short period will set back law enforcement and intelligence gathering, and comes with a heavy price," Boetig said.

Kerbaj agrees that U.S. security supremacy cannot be maintained without the Five Eyes: "The concept of 'peace through strength' was one of Trump's campaign promises—and there's no greater projection of strength in the intelligence arena than through the Five Eyes because no other spy alliances can compete on reach, geography and capability." At a time when Russia, China, Iran and North Korea are cooperating ever more closely and American services are becoming overstretched, unity with allies is even more important, he said.

Kerbaj's new book is based on six years of research and interviews with world leaders, former and acting spymasters, intelligence agents and their friends and families. It reveals in great detail how the U.S. intelligence community closed ranks during Trump's first term in office. After Trump was elected in November 2016, U.S. spymasters signaled to their Five Eyes colleagues that their "historical relationship should not be shaken by politics, and particularly, by the sitting president," Kerbaj writes.

Sometimes this meant ignoring directions from the White House. In 2019, a CIA agent filed a whistleblower complaint about a phone call in which Trump asked Ukrainian President Volodymyr Zelensky to investigate Joe Biden, his political rival. Despite Trump's request, CIA Director Gina Haspel refused to identify the agent, triggering an institutional battle that led to Trump's first impeachment. This stand earned Haspel a place in Patel's 2023 book "Government Gangsters" as a member of the hostile Deep State.

Early in his first term, in March 2017, Trump caused a crisis in the Five Eyes relationship when his spokesman accused Britain's main electronic surveillance agency, GCHQ, of having wiretapped him. And Michael S. Rogers, then head of the NSA, backed his British counterpart against the unsubstantiated allegations from the White House, Kerbaj reveals in his book.

All international alliances, including the Five Eyes, ultimately hinge on the relationship between the White House and America's security establishment, said Oakley, the former CIA official. "The talk of a 'Deep State' did much damage to the institutions and the public trust in them, and if that adversarial relationship continues, it will affect the Five Eyes and send an unwanted message to adversaries and allies alike," he said.

Still, Nick Thompson, a former CIA officer who conducted clandestine operations in dozens of countries, including with Five Eyes partners, believes that the alliance will survive the current friction—not only because of shared values, trust and compatible intelligence requirements but because its members, including the U.S., see it as crucial to their national security.

"With several wars raging across the globe, which include nuclear overtures on multiple fronts, the Five Eyes alliance will continue to strengthen, expand and find creative solutions even despite the occasional rumblings amongst friends," Thompson said.

ABOUT FACE

I Told My Child to Always Be Himself. Was I Wrong?

Actors and teachers both pretend to be other people in order to find the truth.

"About Face" is a column about how someone changed their mind.

SEAN DONG

"WHAT WILL YOU THINK of me if I become an actor when I grow up?" my son once asked. He was about four years old at the time, and we were discussing my opposition to the profession. To act in a movie or play is to pretend to be a different person than the person that you are: to have different feelings, and different beliefs, and different attachments, even a different appearance.

We tell everyone, but especially children: be yourself! Don't put on a performance! Don't try to give off the impression of being someone you're not! It seemed to me that these were good rules and that they ruled out the acting profession. That was my argument.

But my son's counter-argument was "What if I become an actor? Will you be disappointed in me?" Not exactly a rebuttal, but it gave me pause. He didn't become an actor, but he did become a filmmaker, and slowly, as he's grown up, I've revised my views on acting.

As background, it's worth pointing out just how blind I am to the artistry of pretense. When I hear people say, "so-and-so was great in that role," I have no idea what they are talking about. Every actor, in every movie, always fully convinces me. As far as I'm concerned, all the extras deserve Academy Awards. I've never spotted bad acting.

Clearly, I'm just easy to fool. When visitors come to my home, I tell them that "gullible" is written on the ceiling, and it is: I have a piece of paper that says, "gullible" taped to the ceiling of my kitchen. In This House, Everything Is As it Seems. Or so I thought, and then, around the time my son turned five, I started teaching.

Teaching philosophy means arguing passionately for views you don't agree with. One week I am standing in front of the room as a representative of Cartesian rationalism, using the cogito argument to pull the rabbit of God's existence out of the hat of doubting God's existence, and the next week I'm Hume, arch-enemy of rationalism, refusing to acknowledge much beyond what I can see, smell and touch. Of course the class examines and challenges these positions, but raising objections is the students' job, whereas my job is to be up on the chopping block.

I don't try to look like Descartes or Hume, but I am trying to inhabit their way of seeing things, their assumptions and their frameworks and their styles of argumentation, and this requires me to "be them" in a pretty deep sense. Maybe I'm being deceptive by *not* dressing like them?

The bottom line is: When I'm teaching, I don't matter, my views don't matter, I'm busy trying to be someone I'm not. And that turns out to be a good thing! Being the medium through which students interact with great minds from the past is a job I love.

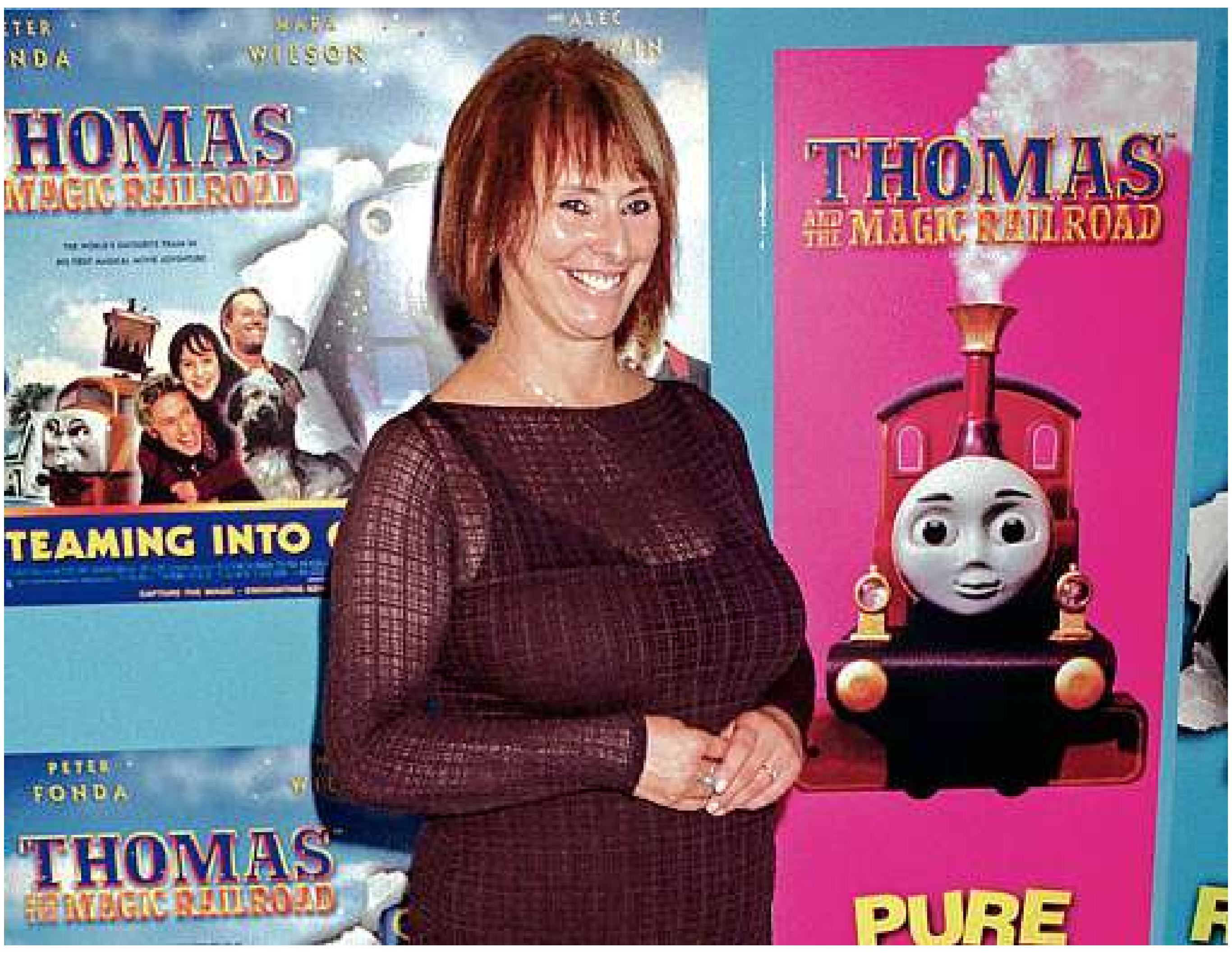
Back when my son was 4, I was a graduate student, with the luxury of devoting all my efforts to figuring out what I myself thought. I didn't have to spend time being other people, and I didn't have much natural ability to grasp just how many different ways there are of doing that. Now I can see that the task of an actor is not dissimilar to my own. They have to set their selves aside in order to participate in the project of channeling another world.

Not that I've arrived at a blanket endorsement of acting. Just as I wouldn't impersonate a philosopher unless I thought his or her views deserved to be taken seriously, someone has to make sure that a given role is worth filling, because it is part of a story worth telling. I leave that job to my son.

Agnes Callard is a professor of philosophy at the University of Chicago and the author of the new book "Open Socrates: The Case for a Philosophical Life."

OBITUARIES

BRITT ALLCROFT | 1943-2024



Allcroft at a London premiere event for her 2000 movie, 'Thomas and the Magic Railroad.'

The Upstart Creator of TV's 'Thomas the Tank Engine'

She wanted an unconventional show that would enchant children and found her perfect narrator in Ringo Starr.

By Jon Mooallem

Growing up in the south of England in the early 1950s, Britt Allcroft liked to stop at a railway bridge on her walk to school and wait for a steam train to come charging by.

"That wonderful sound of the trains," she recalled in an interview with filmmaker Brannon Carty. "I loved that. There's a cadence to it. It's poetic: the wheels going round and the whistle." The sound conveyed comfort, but also adventure—a gleeful anticipation of "what's going to be around the next corner," Allcroft said. "It makes you feel better inside."

Allcroft left school at age 16 and jostled her way into production and presenter roles on British TV while still a teenager. In 1979, while working on a documentary about steam trains, she met the Rev. Wilbert Awdry, author of "The Railway Series," a set of illustrated children's books popular when Allcroft was a girl. They chronicled the lives of hardworking trains with big personalities, including a chipper blue locomotive named Thomas.

Allcroft pitched Awdry on adapting his stories for television, and nearly five years of scrappy problem-solving and risk-taking ensued as she pursued her unorthodox but unwavering vision for the show. "I had to mortgage the house, and I took a lot of gambles on my instinct that it was going to work," she said.

Allcroft's "Thomas the Tank Engine & Friends," later known as "Thomas & Friends," premiered in Britain in 1984. It arrived in the U.S. five years later as a segment of a new program, "Shining Time Station."

"Thomas" would ultimately reach 130 countries and grow into a billion-dollar property with toys, placemats, bedspreads, toothbrushes and other merchandise choo-chooing through the marketplace. The global bonanza was born from a little show Allcroft had intended to be visually mesmerizing, painstakingly constructed, emotionally intelligent and, as she put it, "free of any purpose other than enchanting children."

Allcroft, who died on Dec. 25 in Southern California at age 81, told NPR: "The way I like to tell stories is more in a gentler way, more in a lyrical way and at a pace that I think is still more in tune with a child's natural way of being."

Lavishly unconventional

Her small production team built intricate, smoke-puffing model trains and shot them on 35-millimeter film on a lavish handmade set. A conventional cartoon would have been easier. But Allcroft saw herself as making five-minute "mini-feature films."

Instead of voices for each character, Allcroft wanted a single narrator telling the story. She remembered her aunt reading books to her as a child—how secure and special she felt to receive such concentrated attention from an adult. One Saturday night, while Allcroft's family watched a talk show in the other room, she heard a quirky, Liverpudlian accent coming from the TV set. She knew, as she later told the BBC, "*That's* the voice of Thomas's storyteller."

The voice belonged to Ringo Starr—seemingly unattainable, an actual Beatle. But she called the studio where Starr was live on the air and eventually talked him into coming aboard. (Other narrators later took over for Starr, including comedian George Carlin.)

"This was a time when there were a lot of syndicated children's shows based on toys," said Rick Siggelkow, a "Shining Time Station" producer. "A lot of it was cheaply made, action-driven, with lots of sound effects and quick cuts." When Siggelkow screen-tested Allcroft's episodes for American parents, they "universally panned it," he said. But then he took the tapes to a New York City preschool. "The kids," he recalled, "were entranced right from the get-go."

'The way I like to tell stories is more in a gentler way…at a pace that I think is more in tune with a child's natural way of being.'

A TV-free home

Hilary Mary Allcroft was born on Dec. 14, 1943, in Worthing, West Sussex. Allcroft's father left the family when she was young, and Allcroft and her sister were raised by their mother. The family had little money and didn't own a car or television set. Allcroft put on plays in her backyard and charged the neighbors a small entry fee.

In 1973, Allcroft married Angus Wright, a TV producer who would work with her on "Thomas." The marriage ended in 1997. The couple had a daughter and a son.

A conspicuous share of the show's megafans are on the autism spectrum. Allcroft and others speculated this may have to do with the deliberate pacing, or the easy legibility of the engines' facial expressions and emotions.

Among adults, a flourishing subculture collects merchandise, hunts down props from the show and meticulously films their own episodes or shot-by-shot re-creations of the originals. There are podcasts, meetups and quasi-Talmudic Reddit threads, as documented in Carty's film, "An Unlikely Fandom."

In other realms of the internet, the show recently has inspired a strain of anticapitalist critique. As described in a 2017 New Yorker feature, the reinterpretation sees a "corporate-totalitarian dystopia" in which a despotic railway owner—"Sir Topham Hatt" in the U.S. version—employs threats and punishments to keep those trains running on time.

In 2000, Allcroft wrote, directed and produced a feature film, "Thomas and the Magic Railroad," which inserted live-action stars like Alec Baldwin and Peter Fonda into the animated world. It flopped commercially and critically—the British film magazine Sight and Sound called it an "inglorious wreck of a movie."

After its release, Allfroft relinquished her leadership role in the show, which was then sold to HIT Entertainment, producer of "Bob the Builder." Allcroft moved to Santa Monica, Calif., into a seaside house once owned by Mary Pickford. "She became who she'd always been," Siggelkow said, "an introspective person who enjoyed her garden."

Thomas—and some friends—in a wintry scene in the early 1990s on 'Shining Time Station.'

The show then took on some of the conventions she had defied: The characters got their own voices and the pace of stories quickened. In 2009, the artisanal world of model trains and pastoral sets was replaced with CGI.

For old-school fans, Allcroft remained a kind of conscience of the franchise. During later sale talks, she published an open letter in Variety: "The bottom line needs to embrace the ethics and values associated with Thomas….They are the reason your cash register rings." HIT later sold to Mattel for $680 million.

Last year, Allcroft criticized a recent American reboot, "Thomas & Friends: All Engines Go," in the Times of London: "Thomas doesn't need to be reimagined. Sadly, Mattel now has control of Thomas and there is nothing I can do."

In 2023, Carty brought Allcroft to the New York premier of his film. "I said her name, she walked out, and everybody stood up, losing their minds," he recalled. "I think it reassured her that *your* Thomas is the one we love."

FROM TOP: WILLIAM CONRAN/PA IMAGES/GETTY IMAGES; PBS/EVERETT COLLECTION

PAUL OREFFICE | 1927-2024

An Outspoken Former CEO Of Dow Chemical

Among other things, he called environmental activists 'professional merchants of doom.'

More stories at WSJ.com/obituaries

By James R. Hagerty

IN A 1977 SPEECH at Central Michigan University, Jane Fonda accused Dow Chemical of exposing workers to dangerous substances and not paying its fair share of taxes. Paul Oreffice, then president of Dow's U.S. operations, wrote to the university denouncing Fonda as "an avowed communist sympathizer" spreading "venom against free enterprise," and cut off Dow's donations to the school.

Oreffice, who served as chief executive of Dow from 1978 to 1987, died Dec. 26 at the age of 97. Long before the age of rude emojis by business titans, Oreffice flouted corporate etiquette by speaking his mind.

In 1979, Oreffice described environmentalists as "professional merchants of doom" destroying free enterprise, according to a Washington Post report.

When Dow and other companies that produced Agent Orange faced a class-action lawsuit by Vietnam veterans over toxic exposure to dioxin, Oreffice told NBC's "Today" show that there was no evidence dioxin could cause anything worse than a rash. A year later, the companies agreed to pay $180 million to settle the suit.

When the Environmental Protection Agency took aerial photographs of Dow's plants in Midland, Texas, in 1978, Dow sued, calling it an unreasonable search. The company lost.

Ralph Nader, the consumer-protection crusader, was often at odds with Oreffice but respected his candor. "He is comparatively open to interviews, to questions from audiences, to debates," Nader and a coauthor wrote. Embroiled in controversies, "he chooses not to hide behind company spokesmen and other bureaucratic shields."

Oreffice while Dow CEO in 1986

In the 1980s Oreffice moved Dow more deeply into pharmaceuticals and consumer products like shampoos and Fantastik cleaner. But successors later sold those operations.

Oreffice resisted organization charts because he believed they "put people in boxes." He was proud of having promoted people from around the world to senior positions. In 1989, he said a truly global company would have "a lot of funny accents at headquarters, and we do."

Oreffice, whose family fled Mussolini's Italy in 1940, knew little English when he arrived in the U.S. (He changed his first name from Paolo.) Joining a fraternity at Purdue University improved his language skills. He then worked for Seagram, learned public speaking at a Toastmasters club, served in the U.S. Army Chemical Corps and joined Dow in 1953.

As a CEO, he reduced costs and bureaucracy through attrition rather than mass layoffs. "How can you expect allegiance from your employees when you don't show them any yourself?" he wrote in his memoir.

By the time he stepped down as CEO, Dow had adopted a friendlier posture. An internal report had concluded that Dow was viewed as "tough, arrogant, secretive, uncooperative and insensitive."

Oreffice wasn't ready to get cuddly. "I'm a competitor," he told The Wall Street Journal in 1987. "We just don't like losing without a fight."

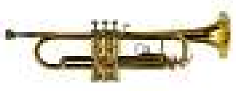
DOW, INC.

Golden Boys
The studio boss and the producer who changed film forever C10

BOOKS

THE WALL STREET JOURNAL.

Hornblower
The making of Louis Armstrong C12



AFP/GETTY IMAGES (2)

MOURNING Pro-democracy protesters cram into Beijing's Tiananmen Square on April 22, 1989, to attend Hu Yaobang's funeral ceremony.

China's True Believer

Hu Yaobang rose from obscurity to become one of the leaders of the Chinese Communist Party. His belief in reform often landed him in peril.

The Conscience of the Party
By Robert L. Suettinger
Harvard, 488 pages, $39.95

BY MATTHEW POTTINGER

YOU CAN JUDGE the nature of a society by tracking the plight of its prisoners, as Fyodor Dostoyevsky reputedly observed. You can judge the nature of a totalitarian regime, perhaps, by documenting the fate of its most honest leaders. Consider the life of Hu Yaobang (1915-1989), the whip-smart and idealistic young revolutionary who would rise almost to the pinnacle of the Chinese Communist Party before being deposed for his reformist ideas in 1987.

Robert Suettinger's insightful book about Hu, "The Conscience of the Party," is as much a biography of the party as it is of the man. Hu was born first, but it was the party (founded in 1921) that would inspire, recruit, promote, debase, purge, torture and resuscitate him—before bending to his reformist agenda for a time and then discarding him. His death by heart attack in April 1989 unleashed an outpouring of grief and frustration across China. The public gatherings of students and workers grieved by his death swelled into weeks of pro-democracy protests at Beijing's Tiananmen Square. Hu's deposers (party "immortals" Deng Xiaoping and Chen Yun) put down the protests with tanks and gun fire, a massacre forever known as *liu si*—June 4—to those who witnessed it.

TWO VISIONS FOR CHINA Deng Xiaoping, left, and Hu Yaobang in 1981.

The party and its monopoly on power persists today in part thanks to Hu's market-oriented reforms that made China's communist leadership less economically inept, less inhumane and, until recently, less prone to vest absolute power in the hands of a single member.

Mr. Suettinger, a former CIA analyst and White House policymaker, spent a decade delving into unclassified but increasingly hard-to-get Chinese-language sources to piece together Hu's journey from rural obscurity, through war and political upheaval, to his arrival as chairman and general secretary of the party (though he was still outranked by key elders).

Only four of his 11 siblings survived to adulthood, and Hu looked almost as if he had been stunted by his meager upbringing in Hunan Province, topping out at slightly under 5 feet in stature and barely more than 100 pounds. "Oh! It's a little guy," Mao Zedong blurted out when Hu stood up and spoke for the first time after one of Mao's talks. Hu had joined the revolution at age 14. He became one of the stalwart survivors of the Long March (1934-35), during which Mao, a fellow Hunanese, co-led a ramshackle guerrilla army on its retreat to a northern redoubt at Yan'an, from which the Communists would gain strength and ultimately prevail in the Chinese Civil War in 1949.

Hu's intellect, enthusiasm and collegiality made him a standout as an organizer, propagandist and instructor of the strange European ideology known as Marxism-Leninism. Mao took a liking to Hu and assigned his young disciple a host of important jobs, including work in the Red Army central headquarters, where he got to know Ye Jianying—the general who would come to Hu's political rescue at dire moments in the decades that followed.

Hu's hands would end up stained in blood, however—not from combat in the civil war, but from Mao's savage imposition of communist rule following the war's end. Hu was sent to help impose order on relatively lawless regions of Sichuan Province in China's southwest, working for the first time under another diminutive future leader of China: Deng Xiaoping.

The carnage that ensued in the spring and summer of 1950 leaves little wonder why this part of Hu's life has been airbrushed by many of his admirers. Mr. Suettinger presents the record unblinkingly. The pitiless rampage Mao unleashed, with Deng and Hu as his instruments, leaves the reader shaken.

From afar, Mao issued arbitrary killing quotas, adjusting them up or down based seemingly on whether he felt satisfied his underlings had shown sufficient ruthlessness. The Bandit Annihilation Campaign and the Campaign to Suppress Counterrevolutionaries produced waves of summary executions. Deng, foreshadowing his cold-bloodedness at Tiananmen Square four decades later, excoriated subordinates for being "afraid to kill," telling them that an insufficient death toll would isolate the party from the masses.

Military units and peasant militia killed some 49,000 "bandits" in Hu's area of responsibility during a three-month stretch in mid-1950. Eventually even Deng would send word up that things were getting out of hand, warning that a "mood of killing quickly" had taken hold. A higher party committee eventually responded with instructions, drafted by Mao himself, to lower the killing quota to between 0.5 and 1.0 people per 1,000.

Deng would summarize the campaigns by dryly reporting that 850,000 bandits and counterrevolutionaries had been "annihilated" in the Southwest region. Mao cabled back his appreciation in January 1951. Members of Hu's family have tried to defend his record by saying he killed below his quotas, and that the party criticized him for it.

As Mao steered China into a succession of catastrophes during the final two decades of his rule, Hu grew disillusioned with the dictator's policies, and then with the megalomania that motivated them.

His integrity was a point of pride for him and for the multitudes whose trust he earned, and Hu felt conscience-sick that he'd been cowed into endorsing policies that created a famine. Tens of millions of peasants starved to death from 1958-61. Years later, Hu would personally visit and apologize to junior officials in Anhui Province who had reported truthfully about the devastation afflicted by the Great Leap Forward.

During the Cultural Revolution, the decade of political convulsions Mao orchestrated to cling to power, Hu was purged and beaten, sometimes to unconsciousness. In 1968 he was pulled from extrajudicial detention in a "cowshed" to participate in the denunciation of Mao's rival Liu Shaoqi at a party plenum, before being sent to do labor in Henan Province.

Hu's political resurrection came through his guardian angel, Gen. Ye Jianying, who brought him back to work alongside Deng Xiaoping in 1975. Mr. Suettinger provides a detailed account of the rural and economic reforms that Hu would help spearhead in the years that followed. Even Deng kept his distance until some of the bolder gambits—such as Hu's dismantling of the rural commune system—worked out. The totality of promarket reforms by Hu and Deng and others would become widely known as "Reform and Opening."

But Hu's experimentation with political reforms was a bridge too far for the party. He had tried to institute earlier retirement for senior leaders. Deng would have none of it. And once Ye died, Hu had no one to protect him. In 1987 he was demoted to a position of impotence, still on the Politburo Standing Committee, but only as an observer. It was after a Politburo meeting that he died, setting off the chain of events in 1989 that nearly democratized China.

These days, China's supreme leader, Xi Jinping, who has steered the party back to its Maoist roots, suppresses information about Hu. Hu-associated publications and websites that had been around for years have vanished. More surprising, perhaps, is that Mr. Xi is steadily trimming back the legacy of Deng Xiaoping, too.

Mr. Xi has repurposed Deng's landmark phrase "Reform and Opening" to mean something close to its opposite. In a major address celebrating the party's centennial in 2021, Mr. Xi mentioned Deng only once by name: in a section commending the "resolute will" and "decisive measures" taken to suppress "serious political disturbances in the spring and summer of 1989" (my translation).

The tragic reality is that today's Chinese Communist Party is closer to the one that summarily executed hundreds of thousands of civilians in Southwestern China in 1950 than to the one Hu tried to reshape through reform. Hu Yaobang may have been the party's conscience, but Xi Jinping is its essence.

Mr. Pottinger was deputy national security advisor from 2019-2021. He chairs the China program at the Foundation for Defense of Democracies and is a distinguished visiting fellow at the Hoover Institution.

Athens Beyond Democracy

Plato: A Civic Life
By Carol Atack
Reaktion, 240 pages, $22.50

Phocion
By Thomas R. Martin
Yale, 240 pages, $28

BY DOMINIC GREEN

SOCRATES' method was to clear his students' minds of abstractions and assumptions, so that they might attain self-knowledge and learn the practical wisdom of living well. His pupil Plato, however, found that practical knowledge led to the abstractions of metaphysics and political theory. Carol Atack's "Plato: A Civic Life" traces Plato's philosophy back to his biography. Philosophy, Ms. Atack writes, prefers to "extract arguments from the text and remove them from their context." Yet Plato without Athens is like Dickens without London. Plato lived and died an Athenian. The "common thread" in his work, Ms. Atack writes, is his commemoration of the life and unjust death of Socrates, the mentor who never left Athens except as a soldier and refused to flee when he got on the wrong side of its rulers.

Plato was born between 429 B.C. and 423 B.C. The Parthenon stood over the city, but Athens's golden age was over. As much as a third of Athens's population died in the plague of 430-426. The dead included Pericles, the populist leader who had turned Athens into an imperial power. The Peloponnesian War, launched by Sparta and its allies in 431, would dominate the first two decades of Plato's life.

Plato was born an aristocrat in a democratic polis. His father, Ariston, died in Plato's infancy or early childhood. His mother, Perictione, remarried her elderly uncle Pyrilampes. A friend of Pericles, Pyrilampes had been so enthusiastic about Periclean democracy that he had named his son from his first marriage Demos, or "People," the first recorded use of the name. He had represented Athens at the Persian court and come home with a mating pair of peafowl, a gift from the Persian king. Once a month, Pyrilampes opened his doors so that the public could admire the birds. His privatization of a gift given for public service seems to have annoyed the Athenians. When he died and the birds passed to Demos, a citizen sued for access to the exotic poultry.

> **In ancient Greece, ideals of civic engagement and self-determination mingled uneasily with the realities of power.**

Ms. Atack, who teaches at the University of Cambridge, detects "echoes" of the peafowl problem in the ideal world of Plato's "Republic," where the ruling elite are barred from owning private property. She also links Plato's childhood on Pyrilampes' estate outside Athens to a simile that Plato attributes to Socrates. We pursue knowledge, and knowledge eludes us, Socrates says, "like children chasing after crested larks."

This kind of inference is customary in literary and political biography. Plato, who excelled at wrestling in his youth,

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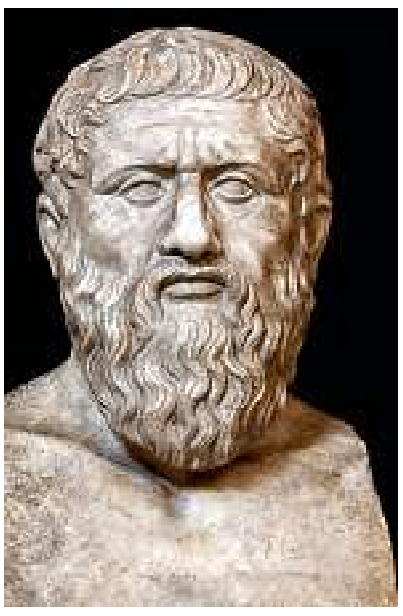

GETTY IMAGES

METHOD MAN A Roman bust of Plato based on a Greek original.

BOOKS

'You don't have to swing at everything. . . . The problem when you're a money manager is that your fans keep yelling, "Swing, you bum!" ' —WARREN BUFFETT

FIVE BEST TALES OF BUSINESS

Alok Sama

The author of 'The Money Trap: Lost Illusions Inside the Tech Bubble'

BURT GLINN/MAGNUM PHOTOS

TRADING PLACES The New York Stock Exchange in 1980.

Money
By Martin Amis (1984)

1 Excess and extravagance, materialism and consumerism—the 1980s are catnip for writers, creating intense competition for the crown of "era-defining novel." And while Martin Amis's John Self is no Master of the Universe, he is outrageously funny. "Unless I specifically inform you otherwise, I'm always smoking another cigarette," says the sleazy, self-loathing ad man as he pauses to light up. John is an Englishman in New York to make his first film, to be financed by men who "talk about money in that sharky American style as if money were the only gauge of anything." He loves America because here you can look "shot-eyed and everyone thinks you're just talented and European." His idea of exercise is getting "in and out of bed, often several times a day," and his journey toward inebriated oblivion is bizarrely punctuated by Amis himself appearing as an occasional pub interlocutor advising Self on self. "Money" is Amis at his scabrous best, defying all literary convention in this work of unprecedented, well, richness.

The House of Morgan
By Ron Chernow (1990)

2 As a Morgan Stanley banker, I thought I understood finance and knew my employer. Then I read "The House of Morgan," a history of the Morgan dynasty from inception in 1838 until the stock-market crash in 1987. Between John Pierpont Morgan and his son Jack, the family served as America's de facto central bank, saved the gold standard, salvaged America's railroads, consolidated the steel industry and financed World War I. Ron Chernow's narrative is vivid in anecdotes and details. Pierpont has a "scarily hypnotic" nose and likes his capitalism "neat, tidy and under bankers' control." Jack is "gentle and sedentary" and "loafed, smoked pipes, and took a gentleman's C" at Harvard. The tale glides from the Gilded Age to the Roaring '20s. Under Jack's watch, the banker evolves from "a person of sober rectitude to a huckster who encouraged people to gamble," leading to the 1929 crash and the breakup of the House of Morgan. As Mr. Chernow writes, "the Morgan story is the story of modern finance itself."

The White Tiger
By Aravind Adiga (2008)

3 "I am in the Light now, but I was born and raised in Darkness," says Balram Halwai, a chauffeur offering the visiting Chinese premier a lesson in entrepreneurship and social mobility, Indian style. In the novel "The White Tiger," Aravind Adiga endorses Balzac's notion that behind every fortune lies a crime, but rejects Dostoyevsky: Murder goes without punishment in Mr. Adiga's India. The author moves deftly between cynicism and satire. Balram promotes yoga as an essential antidote to stress and advises the premier to "make yoga a must in all Chinese schools." As a Delhi native, I found Mr. Adiga's depiction of the patronizing and frequently repulsive class divide—the Light and the Darkness—all too real. Regrettably, the theme of transgression without consequence is equally familiar. And while I love India's vibrant startup scene, the country's frequent bribery and corruption scandals remind us that "The White Tiger" remains a tale of our times.

When Genius Failed
By Roger Lowenstein (2000)

4 John Meriwether is "the priest of the *calculated* gamble." He recruits an egghead army, including two Nobel laureates, and launches a hedge fund that he unironically names Long-Term Capital Management. In "When Genius Failed," these events unspool with the riveting momentum and inevitability of Greek tragedy; one can almost hear the chorus in the background. After racking up spectacular returns of more than 40% in 1995 and 1996, Mr. Meriwether's fund swells beyond $100 billion before collapsing in 1998. All of Wall Street is along for the ride, but soon the nerds realize that "it's a wrong perception to believe that you can eliminate risk just because you can measure it." As Roger Lowenstein writes, "they had programmed the market for a cold predictability that it had never had." His history reminds us that the caricature of smart money versus dumb money is classist, reductionist and false. In market bubbles, individual brilliance transmutes into collective insanity and star managers destroy more absolute wealth than they create in all their good years combined. "When Genius Failed" is a story of hubris maximus with a modern twist. In the ancient world, a gnarly fate befell mortals who committed the sin of pride. Mr. Meriwether, on the other hand, gets to enjoy golf, fine wine and thoroughbreds.

Money
By Émile Zola (1891)

5 Aristide Saccard is an antecedent of the 1980s takeover maven who relishes the chase and for whom the law is at most a helpful suggestion. After he launches a blank-check company, a tale of market-rigging, insider trading and hostile takeovers unfolds. Leverage and emerging-market investing feature in the story, as do political interference and media manipulation, misogyny, male egos and class warfare. So far, just another day on Wall Street. But Émile Zola's novel is set in Paris at the time of Napoleon III. Zola makes this milieu come alive with the rich precision of Edith Wharton, highlighting the social tension between paper-based "new money" and land-based "old money." And since this is Zola, "Money" is no paean to the glories of dealmaking. Sigismond Busch, a journalist, has ingested a wonkish screed titled "Das Kapital" and tells Aristide that "you're working for us without realizing it . . . we are waiting for it all to break down." Which makes our intrepid antihero wonder: "What if this dreamer was right after all? What if he had correctly defined the future?"

Plato's Political Legacy

Continued from page C7

compared rhetorical combat to *pankration*, an all-in bout. If Bottom in "A Midsummer Night's Dream" uses colloquial names for birds ("ousel cock" and "throstle"), then Shakespeare must have known the birds he was referring to. The question is less whether Plato himself chased after crested larks and more why he might have responded to the image.

Plato was, Ms. Atack shows, a literary technician as well as a political actor. His multivoiced debates dramatize individuals as well as ideas. He stages the search for truth in ideal and exclusively masculine settings, abstracted from the agora. When Plato describes Pericles' sons listening to an argument between Socrates and Protagoras in the years before Plato's birth, the reader is present at the creation of a "new set of Athenian myths," capable of refounding the polis in an age of decline.

Plato had a traditional aristocratic education in letters, *mousike* (any form of poetic or musical performance), athletics and pederasty. That tradition was under attack by market forces. Democracy turned education into an "arms race," Ms. Atack writes, and made rhetoric a weapon. The rhetorical tricks taught by foreigners such as Gorgias of Sicily were as manipulative as a wrestler's grasp. In Plato's "Gorgias," the Sicilian tells Socrates that the crowd always prefers the rhetorician to the expert. In 415 B.C. the beautiful, brave but glib Alcibiades convinced the Assembly to back an invasion of Sicily. Plato's relatives on his stepfather's side were active in the scheme. The campaign was a disaster.

Plato means Athens, and Athens means democracy, but Plato was no democrat. The "manipulation of democratic pseudo-knowledge," Ms. Atack writes, encouraged political error and a decline into oligarchy and mob rule. The philosopher-king of Plato's "Republic," as Ms. Atack puts it, seeks "intrinsic knowledge" and stops the cycle of decay by banning innovation in music. In 399, a jury of 501 citizens convicted Socrates, the king of Plato's philosophical cosmos, of impiety and "corrupting the young men." The trial and Socrates' forced suicide were the "turning point" in Plato's development. But Plato, by his own account, was not among the supporters who witnessed Socrates drink the hemlock in his prison cell. Soon, he was absent from Athens, too.

Plato's political education, Ms. Atack suggests, had taught him that he needed to "reconceptualize knowledge itself." His initiation into the Eleusinian Mysteries led him to the Greek colonies of southern Italy, where the followers of Pythagoras had developed a multidisciplinary metaphysics, and then Sicily, where the Eleatic philosophers were examining the "permanence of an underlying reality." The reality of Athenian decline was confirmed in the "King's Peace" of 387, when the Persians exploited the bickering of the Greek city-states and imposed a peace that favored Sparta.

When Plato returned to Athens and entered the education business, Ms. Atack argues, he was integrating new ideas into a postdemocratic rhetoric of political virtue. The success of his academy "transformed Athens's key offering to the Greek world from political hegemony to education and cultural cachet." It also connected Athenians to a past deeper than that of "the myths celebrated by the democracy." The abstractions of the later Plato (huge time scales, cosmic cycles, ideal cities), Ms. Atack suggests, were foundations against the performative rhetoric of *theatrokratia* ("rule by theater"), through which "populist innovation" led to a "race to the lowest common denominator." Ms. Atack's vividly human Plato is closer to Leo Strauss's restorer of truth and balance than to Karl Popper's proto-totalitarian in a toga.

BRIDGEMAN IMAGES

IDYLL 'Landscape With the Ashes of Phocion' (1648) by Nicolas Poussin.

The truth is that Athens's aristocracy had decayed into an oligarchy that preferred to retain its balance of power. Thomas R. Martin's elegant and enlightening "Phocion" describes how one of Plato's students became an acclaimed general, a popular politician and the despised undertaker of Athenian independence. Ten years after Plato's death in 348 B.C., the tyrant-king Philip II of Macedon defeated an Athenian-led coalition at Chaeronea. Rather than exhort the Athenians to fight, as Pericles had done, Phocion (ca. 402-318) advised what Mr. Martin calls "melancholy realism" and managed decline.

Phocion came from the same social class as Plato and received a similar education. A "young hero" who commanded a warship in 376 against the Spartans at the Battle of Naxos, he was elected 45 times to Athens's highest office over a 60-year career. A rare bird, Phocion lived frugally and went barefoot like Socrates. Plato taught that public education was better than private; Phocion sent his son Phocus to a state-run boarding school in Sparta. Refusing bribes from Philip II and gifts from the king's son Alexander, Phocion exhibited a public-spiritedness that matched his private probity, just as Plato advised.

The Athenians did not accept decline philosophically. In 322, following Alexander the Great's death, a popular majority in the Assembly overrode Phocion's warnings and backed a revolt against Alexander's fellow Macedonians. When the revolt was defeated in battle, the Athenians nominated Phocion to the group of ambassadors that negotiated with the Macedonian commander, Antipater. Phocion's rhetorical skill failed to soften Antipater's terms. A Macedonian garrison imposed "virtual imprisonment" upon Athens. Between half and two-thirds of Athenian citizens were disenfranchised; many were forced into exile. Only the wealthiest possessed citizen's rights. Athens was now an oligarchy, run for the Macedonians by Phocion.

Antipater's death in 319 precipitated a Macedonian succession struggle. One of the contenders brought back the Athenian exiles in his army. In a case study in Platonic theatrokratia, the citizens turned on the Assembly, replacing every officeholder with a proponent of direct democracy. Phocion was charged with treason and drank his hemlock in public. Disgrace followed him into the afterlife. The Assembly voted to deny the traditional honor of cremation and to dump his corpse outside the limits of Attica. His friends had to bribe a funeral worker to surreptitiously burn Phocion's body, and his wife smuggled his bones back to Athens for burial in their hearth.

Charles de Gaulle said he had a "certain idea of France." Phocion had a certain idea of Athens. He belonged to the city, not its people. His "overwhelmingly abstract" attitudes, to use Mr. Martin's term, failed to take into account that democratic politics requires the emotional appeal that Aristotle, one of Plato's non-Athenian pupils, called pathos. Posterity has not vindicated Phocion, but the new Athens found a use for him. In 1784, when Alexander Hamilton argued that only a strong centralized administration could buffer the state against democratic passions, he styled himself "Phocion."

Mr. Green is a Journal contributor and a fellow of the Royal Historical Society.

'To really be cosmopolitan one must be at home even in his own country.' —THOMAS WENTWORTH HIGGINSON

Putting Idealism to the Test

A Man on Fire
By Douglas R. Egerton
Oxford, 352 pages, $35

By Randall Fuller

AT THE END of Thomas Wentworth Higginson's long and unimaginably eventful life, one admiring newspaper reporter described him as someone whose specialty was "to unite the activities of a political and social reformer with the grace and dignity of a man of letters." Over the course of 87 years of nearly ceaseless activity, Higginson had been a teacher, minister, state legislator, fiery abolitionist, women's-rights advocate, colonel of a regiment of African-American Civil War soldiers, author of dozens of books and articles, and the ambivalent but dutiful mentor of an introverted correspondent named Emily Dickinson. If Higginson remains a difficult figure to pin down, it is not because he was inconsistent but rather because he was so frenetically in motion.

Douglas Egerton's "A Man on Fire" is especially good at capturing Higginson in action. Unlike most other antislavery activists of the era, Higginson had an approach that was physical, even muscular. He participated in an ill-fated effort to free Anthony Burns, a former enslaved person who had run away and was recaptured in Boston shortly after the passage of the Fugitive Slave Act; Higginson helped commandeer a battering ram that was used to breach the city's courthouse and received a wound to his chin from a policeman's sword. Later, he accompanied a shipment of guns to Kansas during the battle between free staters and border ruffians. He was an early enthusiast of John Brown, whose plot to lead a slave insurrection at Harpers Ferry, in western Virginia, received material support from Higginson and five other men known collectively as the Secret Six.

Born in 1823, Higginson came of age reading and hearing the visionary pronouncements of Ralph Waldo Emerson, who declared, "What you do speaks so loudly I cannot hear what you are saying." Emersonian idealism was part of a larger antebellum emphasis on moral perfectionism, a powerful cultural yearning for heaven on earth, which Higginson adopted along with temperance reforms, women's-rights activism and the liberalization of religion—all movements in which he participated.

For Mr. Egerton, who teaches history at Le Moyne College and is the author of "Thunder at the Gates: The Black Civil War Regiments That Redeemed America," the core conviction animating Higginson's life was his unyielding abolitionism. Having resigned from his first ministerial position after offending most of the congregation with his antislavery sermons, Higginson spent nearly two decades fighting the institution wherever possible. He was one of the Atlantic Monthly's most frequent contributors during the 1850s, we are told, producing one incendiary piece after another on the history of slave insurrections in the Caribbean and the U.S. These were genuinely risky essays, acts of psychological warfare against the South and statements of Higginson's bedrock conviction that black people were more than capable of taking their destiny into their own hands. (The essays would eventually be collected after the Civil War into a book called "Black Rebellion: Five Slave Revolts.")

Higginson was always aware that while he might speak and act on behalf of enslaved people, he could not speak and act *for* them. As sectional division increased throughout the 1850s, Higginson believed it was necessary to heed the prognostications of black abolitionists. "We white Anglo-Saxon Abolitionists are too apt to assume the whole work is ours, and ignore the great force of the victims of tyranny." Mr. Egerton presents a vivid picture of Higginson's involvement with a wide range of radical activists, including Frederick Douglass, Wendell Phillips and William Lloyd Garrison, whose program of nonviolent passive resistance was anathema to him.

In focusing so intently on Higginson's actions, Mr. Egerton fails to fully acknowledge a less dramatic, if illuminating, aspect of his life. Higginson retreated to his study to write poetry, fiction and essays almost as often as he spoke at suffrage and abolitionist conventions; he was one of the first readers to appreciate Thoreau's writing, for instance, and many of Higginson's subsequent essays are filled with genuine delight in the natural, nonhuman world.

Though he was friends with nearly all the Fireside Poets and could quote passages of Emerson by heart, Higginson seems to have been genuinely baffled by Dickinson, whom he once described as "my partially cracked poetess." The two didn't finally meet until August 1870, when Higginson visited the diminutive, breathless woman at home eight years after Dickinson first wrote to Higginson. By way of introduction, she presented him with two lilies from her garden.

From the outset Higginson recognized something special about Dickinson's work, a genius, Mr. Egerton writes, that presented itself in forms he barely recognized as poetry. (He was less radical in his aesthetic judgements than in his politics.) And while he discouraged Dickinson from publishing her work, which he considered too idiosyncratic for popular tastes, he nevertheless used his name to bring out the posthumous publication of the enormous cache of poems discovered after her death.

Higginson's most important activity, however, was surely his brief command, from 1862 to 1864, of a regiment of black soldiers during the Civil War—a position that made him an especially desirable target to Confederate soldiers. Higginson daringly swam across the channel to Hilton Head Island, S.C., to reconnoiter enemy encampments; he and his men, each carrying miniature copies of the Emancipation Proclamation, traveled by gunboat to occupy the strategically important town of Jacksonville, Fla. Although his military career was cut short when he was wounded by the concussion of a passing cannonball, the success of Higginson's regiment was an important moral victory for the Union.

A follower of Emerson and a friend to Dickinson, Thomas Wentworth Higginson became a passionate abolitionist and supporter of John Brown.

Mr. Egerton's biography is a welcome picture of a man who battled inequality on a wide range of fronts and maintained friendships with some of the most interesting people of the era. Over the course of a long life, he came to know almost every major reformer and literary celebrity of the time (except Walt Whitman, whose poetry he despised). As reform movements splintered and as new literary movements supplanted older ones, Higginson maintained cordial relations with numerous 19th-century figures, including Douglass, Brown, Lucy Stone, Henry Wadsworth Longfellow and Mark Twain. Preternaturally energetic, he was capable of writing a nature essay in the morning and speaking extemporaneously at a temperance meeting in the evening. Toward the end of his life, he declared: "Let my memory perish, if only humanity may be free." This book makes sure that Higginson's memory is preserved.

Mr. Fuller is the Herman Melville Distinguished Professor of American Literature at the University of Kansas.

YALE UNIVERSITY LIBRARY

ACTION FIGURE Higginson and his daughter in 1885.

SHORTCUTS: MILITARY HISTORY
By Mark Yost

Missions Over Indochina

We Dared to Fly
By William Reeder Jr.
Lyons, 272 pages, $32.95

WILLIAM S. REEDER, a decorated Vietnam-era Army aviator, flew reconnaissance missions in fixed-wing aircraft and combat missions in attack helicopters. One of his previous books, "Through the Valley" (2016), recounted his experience as the last American soldier to be captured during the Vietnam War.

"We Dared to Fly" is Mr. Reeder's third book, and focuses on his first tour of duty in Indochina flying OV-1 Mohawk airplanes with the 131st Aviation Company from October 1968 to November 1969. The primary mission for Mr. Reeder and his fellow pilots was to provide intelligence and images to help wage wars in Cambodia, Laos and Vietnam. There were three configurations of the OV-1, he explains, for three types of missions. There were the visual-reconnaissance and photo-intelligence missions, which were flown during the day; "because of the high threat they faced," Mr. Reeder tells us, these planes "were armed with dozens of rockets for self-defense." Then there were those specially equipped for long-distance surveillance, capable of detecting moving targets more than 30 miles away. Finally, there were those used to fly "at low altitudes in the night to capture the heat signatures of enemy activity on their infrared equipment; dangerous, stressful missions." Mr. Reeder flew all three types of aircraft.

While the bulk of the book is about Mr. Reeder's forays deep into enemy territory, it also offers a concise history of superpower involvement in Indochina, spanning from the Geneva Conference in 1954 to the end of the Vietnam War in 1975. All the major powers were signatories to the Geneva Accords, which were supposed to bring independence to Cambodia, Laos and Vietnam, but none abided by them. The author recalls how quickly things began to escalate. "The Soviet Union got directly involved, supplying heavy weapons. North Vietnam increased its troop levels. Communist advances accelerated. The United States began delivering arms, including T-6 attack aircraft to the Royal Lao Air Force."

Mr. Reeder was a skilled aviator, but he had his share of screw-ups and close calls—sometimes self-inflicted. He tells of how he often enjoyed buzzing a river valley near the Cambodian border. One day his wingman pointed to a steel cable just above the river. "I was so low I flew right under it and didn't see it," Mr. Reeder recalls. "Must have been strung between high trees. I figured the bad guys had seen my screw-off river runs and decided to snag themselves a dumb pilot and his airplane. I knew I was lucky to be alive. Stupidity personified."

ALAMY

A Most Decorated Soldier

Beyond the Call of Duty
By Stephen L. Moore
Dutton Caliber, 304 pages, $14.99

ROBERT HOWARD was wounded 14 times during five combat tours. For his pains he earned a Silver Star, four Bronze Stars, eight Purple Hearts, a Distinguished Service Cross—the Army's second-highest award for valor—and the Medal of Honor (he was nominated for two more). He would become, as Stephen Moore tells us in "Beyond the Call of Duty," America's "most decorated Green Beret."

Howard died in 2009, at the age of 70, but most observers would have been forgiven for assuming the man was indestructible. "The machine gun came to life again, firing bursts of bullets at Howard," writes Mr. Moore of one sortie in Laos in 1967. "Bullets and frags from explosions began to take a toll on Howard's body. His right clavicle was fractured by shrapnel, and minutes later another fragment or bullet ripped through his right cheek. Howard cheated death once again when he was hit in the face by a bullet for the second time in three years."

But Howard refused to let his injuries keep him from fighting the enemy attacking his small unit. "He was pinned to the ground as bullets sprayed out just six inches above his head. His shoulder was separated, and blood gushed from his face." Despite this, "Howard removed a fragmentation grenade from his gear, pulled the pin," and tossed it into the enemy gun emplacement.

Before being evacuated, he also used an antitank rocket launcher to take out another enemy machine-gun nest. "He fired from close range and winced as the recoil jarred his broken clavicle. The rocket screamed into the bunker and exploded, tossing shrapnel, jungle foliage, and body parts in all directions." Howard's one-man assaults "eliminated two machine-gun teams in a matter of minutes."

In another firefight shortly afterward, "a bullet pierced his right shoulder. Another bullet or a chunk of shrapnel ripped his left forearm open." And yet, "although painful, neither wound was considered severe enough by Howard to warrant his extraction."

This well-written account of Howard's years of service, from 1956 to 1992, also offers a solid overview of U.S. Special Forces missions—most of which the elite soldiers ended up winning. Viewed more broadly, "Beyond the Call of Duty" makes a persuasive case for the argument that it was the generals, not the brave and relentless grunts on the ground like Howard, who lost the Vietnam War.

Mr. Yost writes about military history for the Journal.

'I was born at the age of 12 on an MGM lot.' —JUDY GARLAND

Wonder Boy and Money Man

Louis B. Mayer and Irving Thalberg
By Kenneth Turan
Yale, 392, $30

By Farran Smith Nehme

HULTON ARCHIVE/GETTY IMAGES

DEPARTURE MGM's studio head, Louis B. Mayer, sees Norma Shearer and her new husband, Irving Thalberg, off on their honeymoon in 1927.

THE GRANDEST studio of Hollywood's golden age was formed on April 17, 1924, as Metro-Goldwyn productions, using the names of just two of three merged companies. It took until January 1926 to add the de facto studio boss Louis B. Mayer's handle, and thus was born Metro-Goldwyn-Mayer, almost immediately nicknamed MGM.

But one name was still missing. Indeed, it mostly never appeared on a film at all: Irving G. Thalberg, the second vice president and head of production, not yet 25 years old at the time of the deal. Thalberg had already gained what would be a lifelong reputation as a "genius"—the producer with a golden touch for scripts, casting and sensing what the public wanted. Mayer, about 15 years Thalberg's senior, was named general manager, the better to employ his expertise in the arcane financial matters that kept a studio profitable.

For once, what seemed like a good idea at the time turned out to be brilliant. MGM, with its lavish production values and top-rank movie stars, to this day is synonymous with classic Hollywood. During the studio's first dozen years of existence, the forces behind MGM's fabled backlot were Mayer and Thalberg. With "Louis B. Mayer and Irving Thalberg: The Whole Equation," the film critic and author Kenneth Turan takes on a biography of both, the first such attempt since a dual study was published in 1975. "Jointly and separately," he writes, Mayer and Thalberg "supervised hundreds of pictures and ran an enterprise the size of which is almost unimaginable for a movie studio today."

The Thalberg-Mayer era, which lasted a little more than a decade and took in the transition of the movie industry from silents to sound films, resulted in a stunning run of profitable movies. The new studio had inherited the star-crossed "Greed" (1924), a nine-hour epic directed by the great Erich von Stroheim. Thalberg ruthlessly cut it to little more than two hours, earning both him and MGM an enduring reputation as a bad bet for maverick directors. But they liked it that way. Positioning MGM as a producers' studio came in handy in the making of the 1925 silent version of "Ben-Hur," a troubled and costly picture that "only steely, counterintuitive decision-making by Mayer and Thalberg," as Mr. Turan puts it, turned into a major hit. And many classics emerged from MGM, such as King Vidor's silent 1928 masterpiece, "The Crowd" (despite Mayer's dislike of what he called a "toilet picture"), and "Grand Hotel" (1932), one of the first and finest "all-star" productions. "Tarzan the Ape Man" (1932) and "The Thin Man" (1934) both gave birth to money-spinning sequels.

The biography is part of Yale University Press's "Jewish Lives" series, and while Mayer and Thalberg could each support a book three times as long (and have), Mr. Turan has provided an entertaining primer on the men and their studio. He is sharply observant about their cultural differences; Mayer, the son of a junkman, was an immigrant from Eastern Europe, with origins so obscure that he picked his own birthday—July 4th. It was one of many ways the hyper-Republican Mayer welded himself to American patriotism. Thalberg, born in Brooklyn in 1899, came from a middle-class German-Jewish household where Yiddish was not spoken. Their community, Mr. Turan observes, had "assimilated faster and become successful sooner" than other immigrant groups of the day. Young Irving was gifted from birth not only with a prosperous background but also with good looks, charm and intelligence.

Mayer's paternal affectations were legendary, and the mogul liked to announce that so-and-so was like a son or daughter to him. With some, it was manipulation; with Thalberg, it was close to the truth, in ways both touching and ultimately destructive. They began as yin-yang partners, Mayer the wheeler-dealer and Thalberg the "Boy Wonder" credited with unerring taste and a near-mystical ability to know what audiences craved. Each wanted what the other had, with Thalberg always negotiating for higher pay, and Mayer forever working to cement his status. "If Thalberg could never get enough money," writes Mr. Turan, "Mayer could never get enough respect."

Many would later refer to the handsome and talented Thalberg as a "prince," but the fairy tale came with a curse. He was frail from childhood, due to an early bout of rheumatic fever that had left him with a weakened heart. All Hollywood seemed to know that doctors had predicted Thalberg would not live past 30. As it happened, he died of pneumonia at 37 while enmeshed in conflicts with Mayer. Had Thalberg lived he would have almost certainly left MGM for another studio, where he could be free of father figures.

Mayer ruled alone at MGM for two decades after Thalberg's death, but despite his power and fame—which at its zenith reached outside the film industry—in the eyes of Hollywood he could never truly outshine the romantic image of the Boy Wonder. In truth, Mr. Turan may feel the same way, as it seems more time is spent with Thalberg at home and on the lot than with Mayer. When Mayer is in the frame, Mr. Turan often can't resist cutting away to talk about Joan Crawford or Clark Gable on set, to pass on tales from the making of Greta Garbo's talkie debut in 1930's "Anna Christie," or to follow the MGM career of William Randolph Hearst's longtime mistress, Marion Davies. A few biographical matters, like Mayer's troubled relationship with his elder daughter, Edith, get only cursory treatment.

Still, the digressions are usually engaging. In later years, many MGM veterans strongly implied that Thalberg's wife, the actress Norma Shearer, had married him mostly to secure her position as "queen of the MGM lot." Mr. Turan details the sacrifices Shearer made for her marriage, and describes the couple as "truly in love." The author also devotes an entire chapter to Garbo, in which we get the story of how Mayer signed and nurtured the greatest of classic-era stars.

> Over the course of a little more than a decade, a pair of studio executives transformed how films were produced.

Garbo, who made all of her American movies for MGM, is a running theme. The director George Cukor recalls Thalberg attending dailies of "Camille" (1936) that consisted of Garbo's character "just sitting there" in a theater box. The producer told a skeptical Cukor, who saw nothing special in the scene: "She's never been this good." Thalberg didn't live to see "Camille" completed and hailed by many critics as Garbo's greatest role, but it was this uncanny eye that made him a legend.

"Mayer and Thalberg shared a passionate belief in the ever-increasing artistic value of film," writes Mr. Turan, who adds that this attitude is "a given today . . . part of the framework in which cinema operates." Then again, is it? Modern-day moviemaking, with its corporate emphasis on "intellectual property" and the box-office domination of sequels, reboots and spinoffs, conspicuously lacks a modern-day Mayer, much less a Thalberg. Mr. Turan's book will have more than one reader wishing that some of the classic methods could make a comeback.

Ms. Nehme writes for the Criterion Collection and her Substack newsletter, Self-Styled Siren.

When Wordplay Becomes Language Policed

FICTION
Sam Sacks

'LANGUAGE IS LIKE poppies," says a character in Ali Smith's "Autumn," from 2016. "It just takes something to churn the earth round them up, and when it does up come the sleeping words, bright red, fresh, blowing about." This is the impression cultivated in the splendid botanical gardens of Ms. Smith's fiction, where words bloom and flourish in their many definitions, both known and newly invented. The characters in her books—most of them preternaturally clever young people—are forever offering up coinages and wordplay ("Such good pun we're having," riffs a woman in her 2011 novel "There but for the.") They are constantly interrupting the action to look things up in the dictionary.

"It was always exciting to me the number of things a single word could mean," enthuses Bri, the narrator of Ms. Smith's **"Gliff" (Pantheon, 288 pages, $28)**. But this novel, set in a totalitarian future in what appears to be Great Britain, is about the ways that language can be policed and abused. Bri and Rose are siblings who have become separated from their mother and are hiding from authorities in an abandoned cottage. They belong to the forcibly dispossessed class that authorities have dubbed "unverifiables," referring to citizenship status but also encompassing anyone who criticizes the government or utters taboo words. Ms. Smith's "brave new unlibraried world" is an allegorical techno-dystopia in which meaning is violently regulated and imagination proscribed.

> Enter a techno-dystopia in which meaning is violently regulated and imagination proscribed.

Bri, whose gender is non-binary (Bri is short for either Briar or Brice), is the older and more cautious of the siblings. Rose, more impulsive and passionate, has the idea of rescuing a neighboring horse who is bound for the slaughterhouse. She calls the animal Gliff, a name that Rose believes she has made up but which Bri discovers is an old Scottish word for, among many other things, a brief moment or fleeting glance. The mad, improvised act of freedom in caring for the horse, which leads to the siblings' capture, presages the chapters devoted to their grown-up fates, in which Bri, re-educated and assigned as male, becomes a soulless cog in the system while Rose escapes to lead an underground resistance movement.

The linguistic wildness of Ms. Smith's writing, always a joyful signature of her books, contrasts effectively with the state's urge to restrict speech and silo the population into fixed and exclusionary categories. But elsewhere the novel's spirit of childlike wonder shades into the sort of didacticism customary to children's books. Authorities claim the property of unverifiables by painting red lines around it, a simplistic symbol of the repressive power of borders. The characters are either courageous freethinkers or cruel, jargon-spouting drones. Tyranny has little interest in nuance, so perhaps "Gliff" is merely being faithful to its black-and-white outlook. But Ms. Smith's great strength is her grasp of the strangeness and multiplicity of language. It seems wasteful to display those virtues in a story whose meanings are all so plain.

THIS WEEK

Gliff
By Ali Smith

The Stain
By Rikki Ducornet

Black Woods, Blue Sky
By Eowyn Ivey

Not many Americans in the past half-century have deployed the English language with the wit and dexterity of Rikki Ducornet, an avant-garde poet, fiction writer and multimedia artist. (She was also, delightfully if irrelevantly, the inspiration for Steely Dan's 1974 single "Rikki Don't Lose That Number.") Ms. Ducornet's longtime publisher has now reissued her 1984 debut novel, **"The Stain" (Dalkey Archive, 226 pages, $17.95)**. Set in 1880s rural France and populated by a deranged cast of superstitious villagers and religious fanatics, this is a gloriously warped adult fairy tale in the vein of Angela Carter, who was one of its earliest champions.

The story centers on Charlotte, who is born with a dark, furry birthmark on her face in the shape of a hare. Raised by her grimly pious great-aunt, whose own face "is marked with an expression of unremitting hatred for the imperfect universe," and timid, stammering uncle, who holds long conversations with the vegetables in his garden, Charlotte is picked out from infancy for sainthood, which translates to a life of suffering and martyrdom. The parties interested in her upbringing include the Mother Superior of a nearby convent, who sees in the girl "a rare clay body destined for Purification in the fiery kiln of Beatitude," and an exorcist who has secretly converted to the worship of Satan.

The war for Charlotte's soul pushes the novel to excesses of both ascetic degradation and erotic hedonism, as the Exorcist uses Charlotte's religious education as a pretext to lay siege to the convent, where he seduces many of the nuns. The ending finds Charlotte escaping the twin snares of sin and sainthood by way of an unusual and genuinely moving redemption. But the highlight is the prose, which is by turns luscious, ribald and ecstatic, yet always balanced by a sense of irony that makes the whole charade inherently comic. Ms. Ducornet's backlist of novels is long and innovative, and it's good to have its starting place again available.

The curious fairy-tale genre of human-bear romance—which includes two different novels titled "Bear," one by Marian Engels (1976) and the other by Julia Phillips (2024)—receives a heartfelt new treatment in Eowyn Ivey's **"Black Woods, Blue Sky" (Random House, 320 pages, $29)**. Birdie, a burnt-out single mother and waitress at an Alaskan hunting lodge, rashly moves with her 6-year-old daughter, Emaleen, to an off-the-grid cabin owned by Arthur, her love interest. Arthur is kind but peculiar, prone to disappearing into the wilderness for days without explanation—though the reader already knows about the full-body bear pelt he wears on these outings.

In piecemeal fashion the novel sketches the backstory of a boy who was raised by a mother bear before being taken in by foster parents and has never fully adapted to human ways. Ms. Ivey leaves Arthur's animal upbringing frustratingly vague, but she finds rich material in Birdie and Emaleen's dawning understanding of his feral side, and in their tragic attempts to tame it.

BOOKS

'I acquired a hunger for fairy tales in the dark days of blackout and blitz in the Second World War.' —A.S. BYATT

Capital Murder

Under Cover of Darkness
By Amy Helen Bell
Yale, 272 pages, $30

By Clive Priddle

MOST AMERICANS gained their impression of London during the Blitz from the radio broadcasts of Edward R. Murrow on CBS. Murrow lionized the resilience and decency of ordinary Londoners and their heroic resistance to the Nazi threat, and his reports were a vital means of connecting the still neutral U.S. to the perils of the war in Europe. Winston Churchill considered Murrow's contribution to the war effort so important that he suggested in 1943 that Murrow take a senior managerial role at the BBC.

Murrow, however, could not report on everything he knew. Britain's media was heavily censored during the war. The task of maintaining morale required that many stories that did not fit the prevailing narrative of plucky Londoners facing down a vicious enemy were quietly buried. As Amy Helen Bell points out in "Under Cover of Darkness," her history of murder in London during the war years, there was little appetite to dwell on brutal crimes when the amount of destruction visited on the city from the air was so great.

Britain's glittering imperial capital was dramatically changed by the war. The lights went out and stayed out. Windows were covered. Signposts were removed and landmarks that might be useful to pilots from above were obscured. Railings and metal fencing were melted down for military use. The bombing accelerated the transformation. "Whole streets disappeared," Ms. Bell writes, "and huge bomb craters gouged every neighbourhood. Londoners were surrounded by ruined buildings, walls leaning into nothingness and mounds of rubble overgrown by weeds."

With its battered streets and shifting population, London became a place of criminal opportunity. Ms. Bell, a history professor at Huron University College in Ontario, treads carefully, aware that the perpetrators of the crimes are usually better documented than the victims. She works hard to give the victims their lives back: refugees far from their homelands, revelers lured into dangerous corners, women forced into desperate survival strategies, black servicemen who faced racist resentment, accidental victims of crimes that began as thefts and escalated out of control.

The body of Rachel Dobkin was found in a bombed-out church basement in 1942. She had been strangled by her husband, Harry, who had placed the body to suggest that Rachel had died in an air raid. The Dobkins did not have a happy marriage. When asked in court after his apprehension when he stopped loving his wife, Harry replied, "On the day that I was married." That was in 1920. But for the persistence of Rachel's sister Polly and some rudimentary forensic photography, Harry might have gotten away with his wife's murder. Instead he was found guilty by a jury after only 20 minutes of deliberation. His appeals were rejected, and he was hanged in Wandsworth Prison.

ALAMY

BIG SMOKE St. Paul's Cathedral in London during a German air raid in December 1940.

Morris Sholman, a barman at the Coach & Horses pub in Covent Garden, was the victim of a botched robbery shortly after 5 a.m. in late 1940. The only witness to the shooting, an early drinker at the bar, said two shots had been fired by a "man in khaki," not much to go on when London was filled with soldiers from around the world. The police eventually tracked down the shooter, a Canadian serviceman with money troubles. In the course of trying to rob the till, the assailant had errantly killed Sholman and wounded himself—hardly the act of a trained killer. Perhaps that is why a jury found him guilty but recommended clemency. It was anyway impolitic to keep Britain's wartime allies locked up, and the Canadian was repatriated after the war's end.

London went dark with the onset of the Blitz, turning the city into a place of criminal opportunity.

Sex and death often mingled. London had a lively sex trade before the war, but the darkness made it easier to have illicit encounters. Ms. Bell notes that the number of prostitutes in London doubled between 1931 and 1946, and she quotes the acidic commentator Quentin Crisp's description of the city as "a paved double bed." But sex work was dangerous. Gordon Cummins, who preyed on prostitutes and killed four women during a six-day spree, was finally caught when Greta Heywood, a woman waiting for a date in Piccadilly, refused to have sex with him. He throttled her, but she recovered, and her assault led to Cummins's capture and eventual conviction. Cummins, who was hanged in June 1942, was a serving member of the RAF, not the image of the "few" that Churchill wanted.

Wartime London's most notorious serial killer was John Reginald Christie, who lived and killed his victims at 10 Rillington Place, a Notting Hill address that became synonymous with gruesome death. "Under Cover of Darkness" opens with Christie's first victim, Ruth Fuerst, a Jewish refugee from Austria who met Christie because he was serving as a War Reserve policeman in her neighborhood. Christie, a psychopath for the ages, killed at least eight people during and after the war. The murder of two of his victims, Beryl Evans and her baby daughter, Geraldine, was initially attributed to Beryl's husband, Timothy. The Evanses lived in the apartment above Christie, the chief prosecution witness. Timothy's wrongful conviction and hanging were subsequently used in the argument to end capital punishment in the U.K. Christie, who eventually confessed to various murders, was executed in July 1953.

Was Edward Murrow deceiving Americans about the nature and character of wartime London? Not entirely. As Ms. Bell demonstrates in her poignant and moving portrait of the imperiled lives of ordinary Londoners, there were genuine acts of heroism and fortitude; those were not invented. The murderous criminals comprised a very small percentage of the capital's population, and in some cases the police showed extraordinary determination to bring the killers to justice. Fred Westbrook was caught after he shot a Jamaican serviceman named Aloysius Abbott on Christmas Eve 1946. Police pursued him throughout the holiday and caught him after a chase across rooftops that eventually involved nearly 100 officers, one of whom was shot in the face. Theirs was a different heroism from the kind Churchill felt was so essential in the war years, but it was heroism all the same.

Mr. Priddle is a writer and editor in New York.

A Light On the Past

The Stained Glass Window
By David Levering Lewis
Penguin Press, 384 pages, $35

By David M. Shribman

THERE IS A well-known scene early in "Remembrance of Things Past" when Marcel Proust describes the enchantments of a magic lantern, "in which legends were depicted, as on a shifting and transitory window." The lantern becomes an emblem for the shifting scenes that will make up the memoir-like narrative of Proust's masterwork. David Levering Lewis, a distinguished scholar of American history, finds his own inspiration in the sight of a stained-glass window—it leads him to discover his own unremembered past and serves as an emblem for the shifting interpretation of America's history.

"The Stained Glass Window" is at once narrative history, family chronicle and personal memoir. The window in the title—produced more than a century ago by black craftsmen in an Atlanta church where Mr. Lewis's family worshiped for generations—turns out to hold an image of his maternal grandmother, Alice King Bell. It was part of a series of windows portraying the emancipation and struggles of African-Americans in the New World. Gazing upon it, Mr. Lewis came to realize how much of his family's story "remained unrevealed to me." Amid his scholarly work—which has included a biography of Wendell Willkie and a two-volume biography of W.E.B. Du Bois—he set out to visit archives and long-ago family destinations, determined "to find myself in a past I barely knew."

That past began for him in the discovery of his great-grandmother Clarissa King, who he deduced was (at age 17) part of a three-person $1,425 sale in 1852—a "bargain" for a young enslaved woman in good health. Clarissa's mother was pressed into service as a young girl's "mammy," while Clarissa herself (called "Claricey" in certain documents) served as a maid. After the Civil War, Clarrisa stayed on and occupied "a privileged inferior status" in the postwar plantation's "stable hierarchy." When her children arrived, Mr. Lewis reports, they were "a shade or two lighter in color" than their mother, a circumstance that requires little further explanation. An indenture—a document written in the hand of the plantation's owner—reflected her "former services and fidelity . . . while a slave" and eventually deeded her a prime parcel of Atlanta land that had been owned, it turns out, by a relative of Leo Frank, later the victim of a notorious antisemitic mob murder.

The family story took a dramatic turn when the woman in the stained-glass window—"educated, refined, attractive, propertied," in the characterization of her grandson—married John Henry Bell, a postman and church deacon whose Carolina Low Country ancestors had not been enslaved. They suffered what Mr. Lewis called "the aspirational limitations within the social order on which racialized North America was built" and are part of a parade of Mr. Lewis's relatives who march through his book and provide a vivid picture of the hard and heartbreaking challenges of black life in the U.S.

There is George Wesley Smith, a great-grandfather, who hid in the woods to avoid vigilantes objecting to his support for Ulysses Grant for president. (He had composed firsthand accounts at the time, one of them referring to men "riding about the country in the night for a month before the election of Grant.") There is Harriett Virtue Cunningham Smith Lewis, the author's grandmother, who ran a corner store in Oglethorpe, Ga., in Macon County, and financed his father's education. There is his "Uncle Doc," who became a prominent physician. There is his father, who twice became president of Morris Brown College in Atlanta and served as dean of the Payne Theological Seminary in Wilberforce, Ohio. There is his mother, a teacher who had angrily joined the NAACP in 1917 when Atlanta school authorities tried to end school instruction for black children in the seventh grade.

The image of the writer's grandmother in an Atlanta church invited him on a journey into family history.

But mostly there is Mr. Lewis himself—an indefatigable scholar, a double Pulitzer winner (for each of the Du Bois volumes), and a volunteer combatant in the war for historical racial justice. In a book in which he mined documents he also mined his own memory.

He remembers, for example, how his mother recited from her own childhood the prescient dissent of Justice John Marshall Harlan in the 1896 *Plessy v. Ferguson* ruling that established the separate-but-equal doctrine in race relations. ("The judgment this day rendered will in time prove to be quite as pernicious as the decision made by this tribunal in the Dred Scott case.") He recalls what he describes as the "polished anecdotes" of his father's time at Yale Divinity School, in 1910-13, anecdotes that were really registering the culture shock of "moving among a sea of white students for the first time." And he speaks evocatively of his early life, "privileged within segregation's bubble," as part of the black elite of Little Rock, Ark., where his father was the founding principal of the pathfinding Paul Laurence Dunbar High School, which became known (according to a National Parks Service site) as the "Finest High School for Negro Boys and Girls in America."

ARTHUR J. CLEMENT/FIRST CONGREGATIONAL CHURCH

UNCANNY RESEMBLANCE A stained-glass window produced with the likeness of Alice King Bell.

The young Mr. Lewis was homeschooled by his mother, who provided "an indulgent osmosis in which every question was answered, every puzzle and problem explained, history and literature conjured with names and places, and my exceptional memory compensated for the bother of reading." So gifted a student was he that he skipped into Fisk University at age 15. With a double major in history and philosophy, he persuaded Jacques Barzun, the celebrated polymath and intellectual, to admit him to graduate school at Columbia University, where he studied Thomas Jefferson under Dumas Malone and Nazi Germany under Fritz Stern before decamping to the London School of Economics for his Ph.D.

"The Stained Glass Window" is in part a travel book, the chronicle of a journey, literally and figuratively, of discovery that was, as readers can see, a searing passage for its author. The journey, he says, illuminated how "Africans in America had been both unique victims and unimpeachable critics of a nation corrupted at its inception by a political economy anchored to slavery." Central to this narrative is the view that "American slavery functioned as a vast concentration camp from which flowed the enormous wealth that made the industrial North possible and the surplus capital upon which the commercial and industrial paramountcy of New York and Philadelphia was built."

The Chinese proverb has it that a journey of a thousand miles begins with a single step. In this luminous work of investigation and introspection, a journey of more than 300 pages begins with a single glimpse of a church window.

Mr. Shribman, a former executive editor of the Pittsburgh Post-Gazette, is scholar in residence at Carnegie-Mellon University.

'You can't play anything on a horn that Louis hasn't played.' —MILES DAVIS

How to Make a Satchmo

Stomp Off, Let's Go
By Ricky Riccardi
Oxford, 488 pages, $34.99

By John Check

REDFERNS/GETTY IMAGES

KING'S PLAYERS King Oliver's Creole Jazz Band in 1923, with Louis Armstrong kneeling and Lil Hardin at the piano.

THEY ARE 12 seconds that changed the course of jazz—the opening of Louis Armstrong's 1928 trumpet solo on "West End Blues." Its strutting four-note beginning leads to a flashy climax before ebbing away in a low and growling close. To this recording, the 26-year-old Armstrong brought all his experiences playing in New Orleans honky-tonks, Mississippi riverboats, Chicago jazz clubs and New York nightspots. The lessons he learned during those early years stayed with him his whole life, forming "artistic values that were consistent in each decade of his career."

So writes Ricky Riccardi, who should know. The director of research collections at the Louis Armstrong House Museum in New York, Mr. Riccardi has a unique perspective on Armstrong, having chronicled his life in reverse. In 2011 he published "What a Wonderful World," which explored the musician's later years, when he was at the peak of his popularity. Mr. Riccardi's book "Heart Full of Rhythm," on Armstrong's middle years, followed in 2020. Now, "Stomp Off, Let's Go" deals with Armstrong's life from 1901 to 1929, from his birth in New Orleans to the time he spent in New York. This is a story that has been told many times before, including by Armstrong himself in "Satchmo: My Life in New Orleans" (1954), but Mr. Riccardi's account brings to light new pieces of information—including a little-known interview with Armstrong's sister, recorded in 1973, and unpublished chapters from the autobiography of his second wife, Lil Hardin Armstrong—that add depth to what we already know.

The book describes how Armstrong became involved with music, beginning with his singing in a vocal quartet at age 11 through his early attempts to learn the cornet soon thereafter. In New Orleans, Armstrong sampled a gumbo of musical styles—Italian opera, Yiddish folksongs, brass-band music and jazz, always jazz. Mr. Riccardi captures the childhood reverence Armstrong felt toward Joe "King" Oliver, whose cornet he used to help carry between tunes in parades through the city. In vivid detail, we read of Armstrong's three summers playing on riverboats on the Mississippi River. By 1922 he was ready to move to Chicago to play second cornet in King Oliver's band and make his first recordings.

Second cornet, though, is much like second fiddle, and before long he itched to assert himself. At the insistence of his wife Hardin, he moved to New York in 1924 to join the Fletcher Henderson Orchestra, where he gained stature as a soloist and traded the cornet for the brighter, more piercing trumpet. Returning the next year to Chicago, he would form the Hot Five (with Hardin on piano), the group with which he would record some of his most celebrated songs, including "Heebie Jeebies" and "Struttin' With Some Barbecue." The Hot Five's "West End Blues" made an immediate impact, Mr. Riccardi tells us, citing testimony from Hoagy Carmichael and Billie Holiday, among other musicians. The pianist Teddy Wilson was impressed by Armstrong's "high development of balance. Lyricism. Delicacy. Emotional outburst." In 1929 Armstrong returned to New York to lead a larger band, feature on Broadway in the revue "Connie's Hot Chocolates" and make recordings that, as Mr. Riccardi has it, "turned pop music on its head and paved the way for all that would follow."

According to Mr. Riccardi, Armstrong saw himself not only as a musician but also as an entertainer. Reflecting on what he learned from his youthful experiences as a singer, Armstrong said, "when you get a chance, you can ham it up." He noted the fun King Oliver's musicians had on stage. Oliver saw no reason to hide the fact that he was enjoying himself, and neither did Armstrong. "Always a showman," he said of himself. Armstrong danced the Charleston and other novelty numbers during performances with Carroll Dickerson's orchestra, recorded a slide-whistle solo on "Sobbin Blues" and performed a drag routine with Dickerson's drummer, Zutty Singleton.

Armstrong knew what it was like to emulate someone, but he also knew he had to develop his own voice. "The greatest thing is for you to get your own feeling," Armstrong once counseled the trumpeter Louis Metcalf at the Savoy Ballroom in Chicago. Metcalf, as Armstrong saw it, was wasting his time trying to become another Louis Armstrong. What the world needed was a better Louis Metcalf.

Louis Armstrong's early years in New Orleans steeped him in the city's rich musical culture. His ambition took him elsewhere.

Readers of Mr. Riccardi's book will come away with a good sense of Armstrong's character. He was an extremely hard worker. He had to be: His own father couldn't be counted on to support his family, nor could the various "stepfathers"—as his mother's boyfriends were called—who filtered into and out of his life. Sometimes he would rummage through trash cans looking for things to eat. At age 8, for three weeks when his mother was in jail, he assumed responsibility for the care of his younger sister. Yet these and other hardships didn't break young Louis, a fact that impresses Mr. Riccardi to no end. "If someone who grew up like that could lead a happy, fulfilled life," he asks, "what excuse do the rest of us have?"

While candid about his subject's flaws, especially his infidelities, Mr. Riccardi openly admires Armstrong's virtues—his humility, his generosity, his devotion to his fans. A plain-spoken man, Armstrong had no use for affectation: He thought the better-educated Fletcher Henderson looked down on him, and he resented it. About his mother, Mayann, he reflected, "she didn't have much power, but she did all she could for me," including believing in her son. He had a lovely sense of gratitude. This is why he fondly remembered the kindnesses shown him by the Karnofskys, a family of Lithuanian Jews he worked for as a child and at whose dinner table he was always welcome.

Mr. Riccardi has spent the better part of his career seeking to understand Armstrong's life, appreciate his music and promote his legacy. With the delightful "Stomp Off, Let's Go," he has served his subject well.

Mr. Check is a professor of music at the University of Central Missouri.

Very Truly Yours

Syme's Letter Writer
By Rachel Syme
Clarkson Potter, 224 pages, $33

By Henry Hitchings

THE INVENTION of the letter, as a means of conveying news and other kinds of information, is often attributed to a Persian queen, Atossa, who reigned 2,500 years ago. But none of her correspondence survives. Among the oldest extant letters is a scrap of papyrus from seven centuries later, originally sent by a man called Arrianus, who was living under Roman rule in Egypt. Addressed to his brother Paulus, it displays tropes we recognize—greetings and warm wishes, family updates, topical chat—though one detail that might raise a modern eyebrow is the culinary treat he asks Paulus to send: fish liver sauce.

The letter was once a vital administrative tool. An aid to commerce and diplomacy, it also assisted the spread of religious doctrine and enabled philosophers to wrestle with ideas across continents. Letter-writing contributed significantly to the development of the novel, as well as to the annals of deception, profanity and complaint. The practice was for a long time unique in its power to combine solitude with good company—to plunder a phrase from Lord Byron, whose own missives are a feast of wit and frenzied punctuation.

Yet letter-writing, a necessity before the telephone and the dominant mode of written communication until the advent of email, has been relegated to the status of quaint pastime—or, in the case of "thank you" notes and condolences, a largely formulaic duty. While fans still prize its authenticity and tangible presence, they concede that, in a world hooked on instant gratification, any communiqué that doesn't reach its destination in a flash risks feeling like a torpid anachronism (hence the term "snail mail"). A book celebrating letters speaks in its subtitle of gathering "memorable quotes from a moribund art." What hope does an art have when even its votaries are sure of its demise?

Rachel Syme is one devotee who refuses to let the art of letter-writing fade away. A New York-based reporter who specializes in profiles of figures such as Lady Gaga and the perfumer Francis Kurkdjian, she delights in the performative exuberance of the handwritten epistle. "Syme's Letter Writer" is her first book. It is neither a history of letter-writing nor a tribute to the form's luminaries but an opinionated volume, its quirkiness accentuated by whimsical design and Joana Avillez's illustrations.

Ms. Syme muses on subjects such as pen pals, the best way to engineer the tapering-off of a correspondence and the allure of fountain pens, which are "easy to love and easier to feel irrationally passionate about." Conscious that some readers will associate letter-writing with the strictures of Emily Post ("how to address important personages" and what constitutes tawdriness in envelope flaps), she emphasizes the joy and freedom of self-expression.

BRIDGEMAN IMAGES

DEAREST A 1906 advertisement for Waterman pens.

Ms. Syme is a connoisseur of small pleasures, such as the "crisp ding" of a typewriter's carriage release. She revels in the aesthetics of postage stamps, in mailing a tea bag or tarot card to a friend, and in pressing a flower that she then tweezers into place between the pages of a letter. Besides experimenting with sealing wax, she scents her stationery by keeping it in an airtight box with cinnamon sticks. Another enthusiasm is recycling old tourism cards—ones from Florida in the 1980s apparently have a special kitsch appeal.

The arrival of a sumptuous envelope can make Ms. Syme tremble with excitement. Almost as thrilling is the prospect of sending mail in a translucent vellum sheath, the seductions of which are "practically burlesque." Assessing the merits of different sorts of pink paper, she delightedly concludes that some stationery can be "impudent." Yet she also defends the humble care package, which has "a cornball standing in the mail hierarchy," and explains that a laminating machine enables her to turn matchbooks, "compact distillations of graphic design and personality," into bookmarks that she can tuck inside such packages.

One reason to start writing letters the old-fashioned way: Opening the mail can be fun.

Naturally, Ms. Syme has letter-writing heroes, among them Virginia Woolf, Sylvia Plath and Nora Ephron—the last of whom she credits with circulating a "secret cookbook" in epistolary form and calls "a lifelong believer in the theatrical potential of the postal service." A particular favorite is Zelda Fitzgerald, commended as "vitally alive and attuned to the present moment," though one wonders what Zelda would have made of the language of her marital correspondence being described as "somewhat elicit."

Ms. Syme offers plenty of advice: "unburden yourself"; "write more love letters"; "read your letters while eating alone at a bar." She highlights postcards' usefulness for "tiptoeing" back into dialogue with a person one has been neglecting. Turning to dispatches from abroad, she counsels: "When in doubt, send a list," since "lists are the quickest way to transmit the sensory pleasures of being elsewhere." One of her most charming ideas, perhaps a touch impractical, is to set aside a "correspondence hour" to sit, nursing a fountain pen and a cocktail, and write letters without distraction.

In the course of explaining, none too seriously, how to write a "bitchy" letter, Ms. Syme quotes words Alice Roosevelt Longworth chose to have embroidered on a pillow: "If you don't have anything nice to say, come sit right here by me." More immediately useful is her tip for writing an apology: "Don't make the mistake, à la Emily Post, of trying to be impeccably right. Just do your best to be impeccably kind."

Yet the highlights of this attractively giftable book tend to be incidental snippets rather than prescriptions. I'm now itching to recycle a sign-off Ms. Syme spotted in a letter that Zora Neale Hurston sent to her sometime mentor, the philosopher Alain Locke: "So long, old cabbage." Surely such a closing begs not for a frigid email but for a more tactile medium—and maybe even a hint of cinnamon.

Mr. Hitchings is the author of "The Secret Life of Words."

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PLAY

NEWS QUIZ DANIEL AKST

From this week's **Wall Street Journal**

1. What did Syria's new leader, Ahmed al-Sharaa, do this week?

- A. Cancel the constitution
- B. Disband the army and other armed groups
- C. Eliminate opposition parties
- D. All of the above

2. Which social media outfit, sued by Donald Trump in 2021 after suspending his accounts, agreed to settle by paying $25 million?

- A. Meta
- B. X
- C. TikTok
- D. Telegram

3. A helicopter and a passenger jet fatally collided near Washington. Several passengers were involved in what sport?

- A. Soccer
- B. Ice hockey
- C. Figure skating
- D. Track and field

4. U.S. GDP grew 2.5% in 2024. How does that compare with the prior year?

- A. Growth was slower in 2023.
- B. Growth was faster in 2023.
- C. Growth was about the same.
- D. Changes in data-gathering mean you can't compare.

5. A former U.S. Senator was sentenced to 11 years in prison on corruption charges. Name him.

- A. Bob Menendez
- B. Harrison Williams
- C. Frank Thompson
- D. Cornelius Gallagher

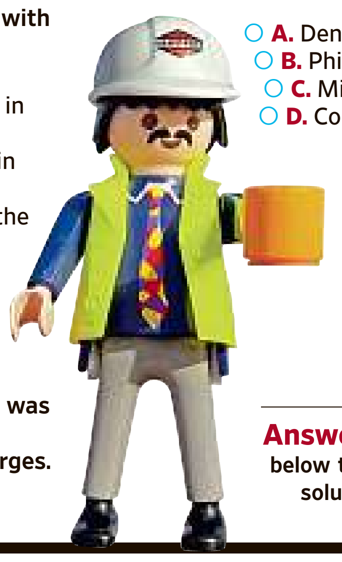
6. Tulsi Gabbard tried to suppress coverage of an alleged pyramid scheme tied to her Hindu sect—which is called what?

- A. The Apostles
- B. The People of Praise
- C. The Maritime Network
- D. The Science of Identity Foundation

7. China's DeepSeek AI app impressed the world. Which comment, by quant pioneer Jim Simons, inspired its founder?

- A. "Only those who dare to fail greatly can ever achieve greatly."
- B. "Investment in knowledge always pays the best interest."
- C. "An infinitely accurate approximation is no longer an approximation."
- D. "There must be a way to model prices."

8. Which region, tangled in roadwork, has adopted a hard-hat-wearing Playmobil figurine as a scapegoat?



- A. Denver
- B. Philadelphia
- C. Milwaukee
- D. Copenhagen

Answers are listed below the crossword solutions at right.

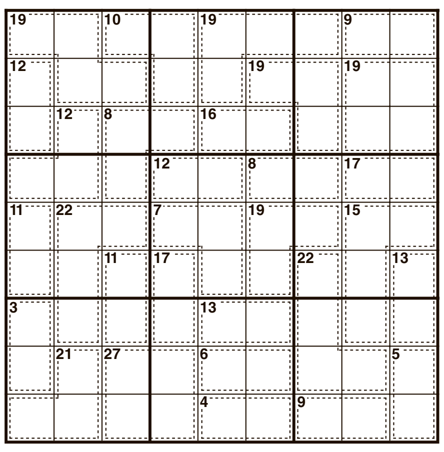
NUMBER PUZZLES

Cell Blocks

	4			2		
						2
6			12			
						5
2	2			3		
		4				
3			2		2	

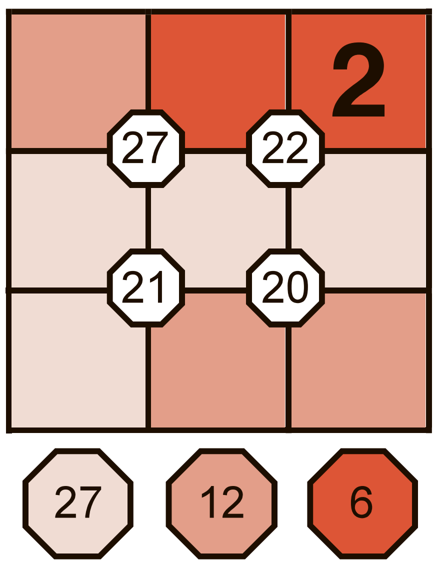
Divide the grid into square or rectangular blocks, each containing one digit only. Every block must contain the number of cells indicated by the digit inside it.

Killer Sudoku Level 3



As with standard Sudoku, fill the grid so that every column, every row and every 3x3 box contains the digits 1 to 9. Each set of cells joined by dotted lines must add up to the target number in its top-left corner. Within each set of cells joined by dotted lines, a digit cannot be repeated.

Suko



Place the numbers 1 to 9 in the spaces so that the number in each circle is equal to the sum of the four surrounding spaces, and each color total is correct.

SOLUTIONS TO *LAST WEEK'S* PUZZLES

Cell Blocks

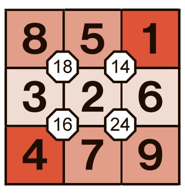
		3		4		
4						
	2		4		6	
5						4
		3		2		
2		2				2
2			4			

For previous weeks' puzzles, and to discuss strategies with other solvers, go to **WSJ.com/puzzles.**

Killer Sudoku Level 2

9	6	2	4	3	5	1	8	7
3	8	1	2	6	7	9	5	4
7	5	4	9	8	1	2	3	6
2	9	6	8	7	3	4	1	5
5	7	8	6	1	4	3	9	2
1	4	3	5	2	9	7	6	8
6	2	9	1	4	8	5	7	3
4	1	7	3	5	6	8	2	9
8	3	5	7	9	2	6	4	1

Suko



Cold Play

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

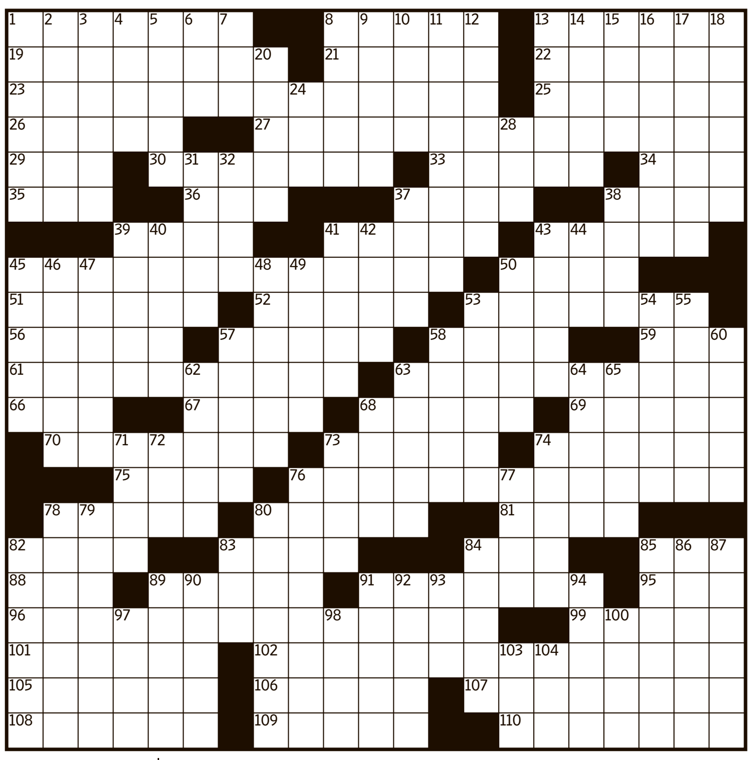
Acrostic

A(my) Tan, "(The) Backyard Bird Chronicles"—"My impulse to observe birds comes from the same one that led me to become a...writer.... I am an observer. I want to know why things happen. I need to feel the gut kick of strong emotions. I am drawn to see details...and aberrations that suggest a more interesting truth."

A. Avifauna; **B.** "True West"; **C.** Amaretto; **D.** "No biggie"; **E.** "Billions"; **F.** Asbestos; **G.** Chestnut; **H.** Kim Novak; **I.** Yorktown; **J.** "At the Hop"; **K.** Rhomboid; **L.** Demerits; **M.** Bryn Mawr; **N.** "Ironweed"; **O.** Redstart; **P.** "Don't Stop"; **Q.** Caffeine; **R.** Hedgerow; **S.** Restless; **T.** Operetta; **U.** Noisette; **V.** "I Hate Men"; **W.** Chromium; **X.** Lemmings; **Y.** Egg teeth; **Z.** San Mateo

Answers to News Quiz: 1.D, 2.A, 3.C, 4.B, 5.A, 6.D, 7.D, 8.C

THE JOURNAL WEEKEND PUZZLES edited by MIKE SHENK



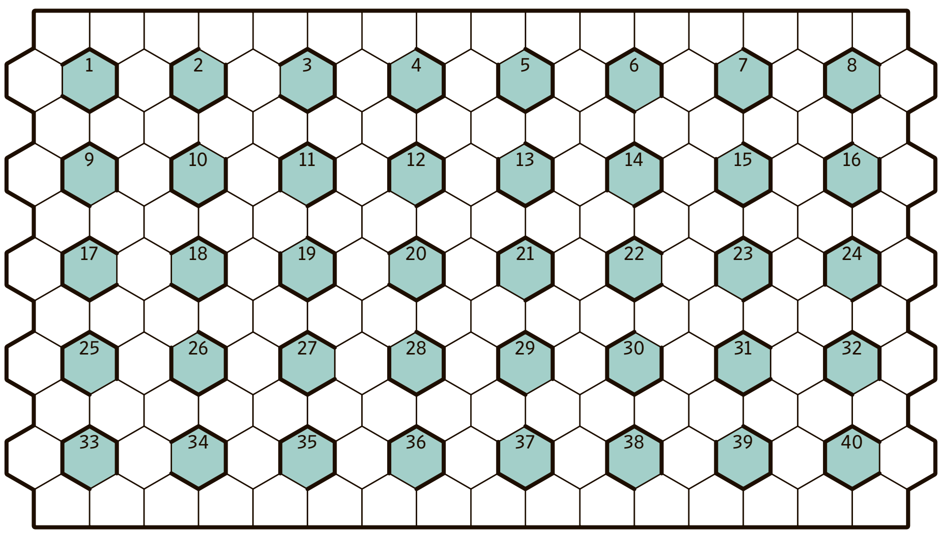
I'm Right Here! | *by Mike Shenk*

Across

1 Marathoner's need
8 Spike on a gridiron
13 Stoker's tool
19 Closely allied
21 Sub entry
22 Where 31-Down was born
23 Contractor's quote when the first three were rejected?
25 Field settings
26 Psychology pioneer Alfred
27 Casual pants worn by high rollers?
29 Sturgeon yield
30 Builds up
33 Mr. Potato Head choices
34 Stan of Marvel
35 Bank acct. addition
36 "Rosy-fingered" goddess
37 Where Mumtaz Mahal is buried
38 Architect's extensions
39 Starbucks cup size
41 Chest
43 Fizzy drinks
45 Of all of his plays, perhaps "The Odd Couple"?
50 End-to-end measure
51 Martin Luther King Jr. called her "The Queen of American Folk Music"
52 Bundle of papers
53 Egyptian charms
56 Spices (up)
57 View with contempt
58 Columbia River spawner
59 Raised edge
61 Byproduct of wading through mud?
63 Statue?
66 Austrian article
67 Sharing possessive
68 Has some Bazooka
69 2011 Saoirse Ronan thriller
70 Legend in one's own mind
73 City just north of Dallas
74 Special intuition, of a sort
75 Private home?
76 Best World Cup match ever?
78 Fungal cell
80 Sharp strikes
81 Bolt, say
82 Lot unit
83 Acceptable
84 Swabbed specimen
85 Singer Tormé
88 Start of many ode titles
89 Cause of a market crash
91 A group of them is called a troop
95 Fuss
96 Had a group video call?
99 Disadvantage
101 Get situated
102 Truly awesome reaction to pain?
105 It holds 30 pages
106 Frees of rind
107 Goth staple
108 Earth mover, of a sort
109 Sports figures
110 Female followers of Dionysus

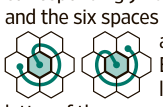
Down

1 Opportunity to watch the big game?
2 Crushed, perhaps
3 Lucky charm
4 Where not to wallow, per "Light My Fire"
5 Prefix for mural or muscular
6 "Huh-uh"
7 Verb for you
8 Mark the hour
9 Petting zoo bunch
10 Bibl. space-saver
11 Pursuing, as a police tip
12 Accepted standard
13 Elm offering
14 Furry speedsters
15 Roast roaster
16 Shake choice
17 Protects, as porcelain
18 Glasgow girls
20 Cath. clerics
24 Torque symbol
28 Fed. supply chain manager
31 Cruz nicknamed "Queen of Salsa"
32 Future stallion
37 Beginning on
38 "Giant" author Ferber
39 Spiritual emblem
40 Fancy-schmancy
41 Coffin supporters
42 Nation across the Arabian Sea from Mumbai
43 Bogart role of 1941
44 Gondola mover
45 "All That Jazz" director
46 Penguin variety
47 Bothersome
48 Motorcade leader
49 Bar belts
50 Careful examinations
53 Words before hands, force or support
54 George who played for a record 26 NFL seasons
55 Wave, e.g.
57 Pickled-pork-in-gelatin food
58 Courtroom figure
60 One might be cultured
62 Capital in the Treasure Valley
63 Pillow covers
64 "___ Boys" (Christina Aguilera song)
65 For all one knows
68 Staple alternative
71 Poignant wind
72 Ship sealer
73 Hope beyond hope
74 Heights of the Middle East
76 Diner souvenir
77 Vote ___ confidence
78 Brillo user
79 Sweet New Orleans treat
80 Mountain tops?
82 Maximally
83 "___ lighter note..."
84 Charger producer
85 Hoy follower
86 Brought out
87 Sorry sorts
89 Patchy horse
90 Following
91 "Carmen" composer
92 Wrong
93 Matt's "Good Will Hunting" co-star
94 Emoticon parenthesis, often
97 Play group
98 Scarlett's home
100 "Sounds like fun!"
103 Court setting
104 Stephen of "The Crying Game"



Curly Quote | *by Patrick Berry*

Each answer in this grid is seven letters long and forms a "curlicue" in the grid, occupying the correspondingly numbered space and the six spaces that surround it as shown at left.

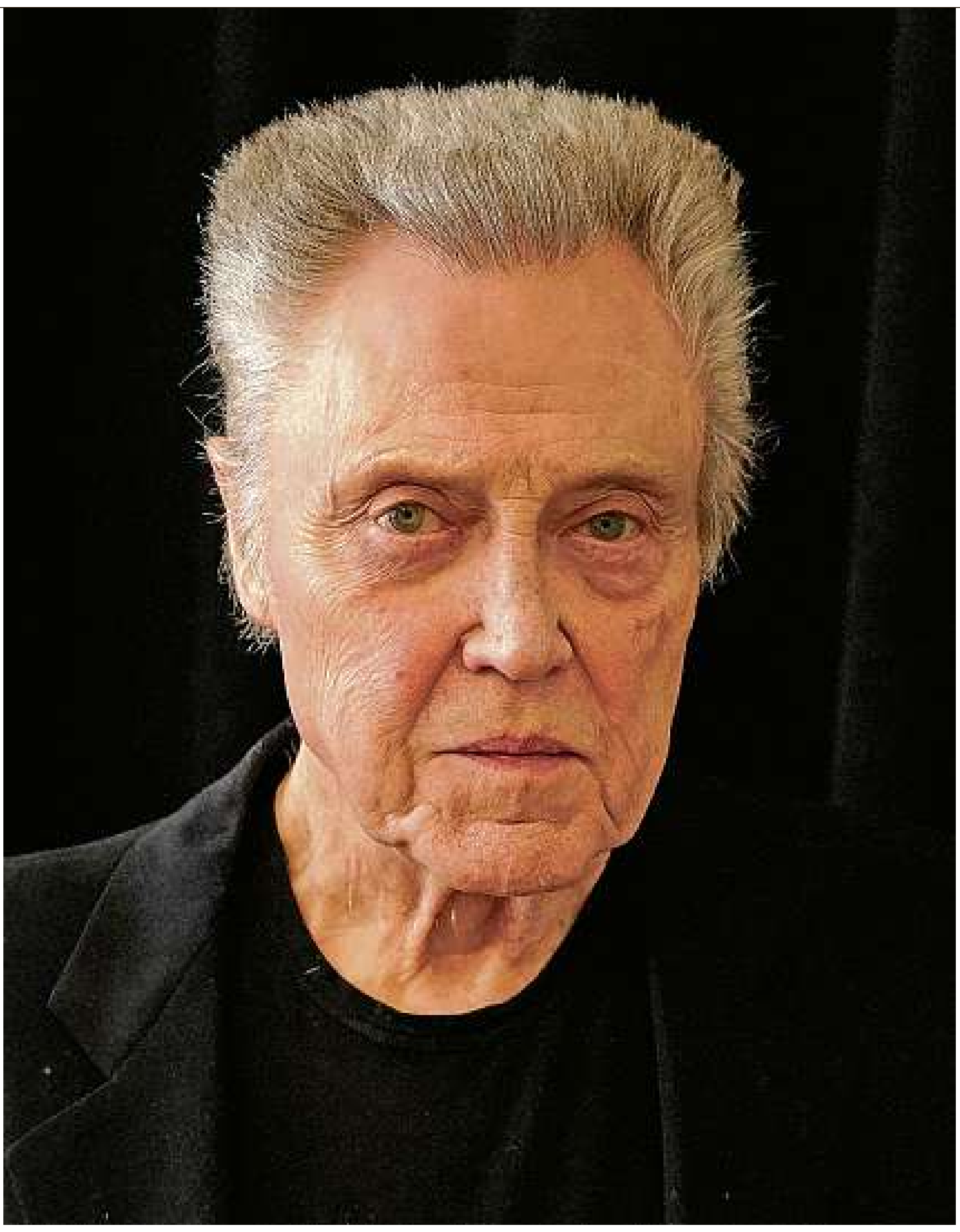


Either the first letter or the last letter of the answer should be placed in the numbered space. The remaining letters can read either clockwise or counterclockwise, connecting to the central letter through the gap in the heavy black hexagon. Each answer has four possible arrangements, as shown with the answer CURLING below.

As a solving aid, the top and bottom rows of the grid will contain the same sequence of letters reading left to right. When the grid is filled, the letters in the numbered spaces will spell a quote from Marilyn Monroe.

1 Kennel club event (2 wds.)
2 Herb found in adobo sauce
3 Space that airline passengers might pay extra for
4 Calling to mind
5 Personal finance software first released in 1984
6 Noisy cutting tool with a circular blade (2 wds.)
7 Cabdrivers, in slang
8 Uses whatever is available (2 wds.)
9 Cantankerous oldsters
10 Raised, as a building
11 Never-ceasing
12 Units on a scale once known as "absolute Celsius"
13 Big news from a courthouse
14 Peculiar person
15 Brunch cocktail with peach purée and prosecco
16 Family members share it
17 Treasury Department income
18 A duo plus a trio
19 Not yet used, as funds
20 Many a Last Supper attendee
21 At some future point (2 wds.)
22 Historic Park Avenue hotel, for short
23 Type used for book titles
24 Griddle-baked bread item served at high tea
25 Solidifies
26 2015 spinoff of "Despicable Me"
27 Like the loanwords "kowtow" and "kumquat"
28 Watches surreptitiously (2 wds.)
29 Droopy-eared canine
30 From Mali or Malawi
31 Customers for agents or attorneys
32 Explore caves
33 Once-standard auto feature that's now specially ordered
34 Word with the opposite meaning
35 Red soup whose name derives from the Russian word for "cow parsnip"
36 Outdated term for white piano keys
37 One taken by a deejay
38 Spa company formed by seven Italian brothers
39 1960s nickname for a former first lady (2 wds.)
40 Peacenik's protest sign (2 wds.)

▶ **Get the solutions** to this week's Journal Weekend Puzzles in next Saturday's Wall Street Journal. Solve crosswords and acrostics online, get pointers on solving cryptic puzzles and discuss all of the puzzles online at **WSJ.com/Puzzles.**



JOHN LAMPARSKI/GETTY IMAGES

MY MONDAY MORNING | BY JOHN JURGENSEN

Christopher Walken Has Never Owned a Cellphone

'I don't have technology,' says the 81-year-old actor, who stars in the sci-fi series 'Severance.'

In the sci-fi series "Severance," workers struggle to decipher their purpose inside a mysterious corporation where they're cut off from their personal lives. Christopher Walken came into this ominous world with a refreshing role, playing a kind fellow with a love story.

His character, Burt, developed a tender relationship in season 1 with another worker drone, Irving, played by John Turturro. In season 2, which premiered this month on Apple TV+, Burt's story picks up in the outside world. There he has a cozy home, a husband and only a vague awareness of a mutual history with Irving.

Walken, 81, says "Severance" brought a welcome change in a prolific career peppered with oddballs ("Pulp Fiction," "Seven Psychopaths"), villains ("Batman Returns," "A View to a Kill") and gangsters ("True Romance," "King of New York").

"I play all these unwholesome, twisted people," he says. "But Burt, he's a good guy."

Walken grew up in Queens, N.Y., and trained in dance and theater. His performance in the seminal Vietnam War drama "The Deer Hunter" won an Oscar in 1979, and he earned a second Oscar nomination in 2003 for "Catch Me If You Can." Recently he appeared in "Dune: Part Two" as an intergalactic emperor.

For 50 years, Walken has lived in Connecticut with his wife, retired casting director Georgianne Walken, whom he married in 1969. Here, he talks about playing with his cat, learning his lines and his real-life friendship with Turturro.

What time do you get up on Mondays when you're not working, and what's the first thing you do?
I get up naturally at about 6:30. I have juice and coffee with molasses. I don't eat breakfast. I love to eat, but it makes me sleepy, so I keep it for later. I feed the cat. I feed the birds on my deck. I watch the news a little bit. The morning is the best time for me to do anything, including learning lines. I absorb better in the morning.

Do you have a morning fitness routine?
I used to run outside but I got tired of dodging cars and potholes. Now I do a fast walk on a treadmill. I used to be a dancer, so the athleticism has stuck with me.

Any other rituals?
Did I mention the cat? Wolf. He's 2 and very active. At certain times of day, right out of nowhere, he comes to me and lets me know it's time. We do this thing where I chase him all over the house. That lasts about 15 minutes. He has fun, I have fun.

How do you feel about learning dialogue?
Laurence Olivier used to call it "pounding lines." That's what it is for me. A long, tedious process. That's why I need a lot of time to learn a script. And if they suddenly change it, I have trouble. That's just the way my mind works.

What would be the most exciting period of your life to read about?
I've been in show business since I was 5 years old. The times I've tried to write my memoirs, it's always about that time. It left a real mark on me. It was my education. It has to do with my point of view, how I express myself—that I was raised, really, by entertainers. And that's different. It doesn't include baseball and bicycles and stuff like that.

Season 1 of "Severance" was filmed about four years ago. Did you think the role would continue?
No. I thought the first season was it. It was a very special job. It was mysterious, but funny and scary, which I've always felt was a good combination. Then there was the fact of [series director] Ben Stiller. I was in a play with him 30 years ago, and his mother and father were friends of mine. There's John Turturro. I've known him for 40 years and we were young actors together. When you know somebody for a long time, it shows. You can tell that these actors like each other.

So we're seeing something of your real-life friendship in the show?
Oh, absolutely. John and I never stop talking. We just don't talk about acting. Actors never do. What actors mostly talk about are restaurants and movies.

What do you make of the fact that this gentle love story with another man came to you at this stage of your life?
It's romantic. Who knew that was coming? When I was getting started, there was once or twice when I was a kind of leading man. That was gone pretty quickly. So to play somebody's love interest at this point is a nice change.

In a way, playing Burt was easier than a lot of the things I do. Burt was a guy who had a good job that he loved and he didn't have a lot of problems. Kind of like me!

Do you know if you'll be returning to the "Dune" franchise?
I don't know. I don't think I've ever finished a job and knew what the next one was. "Why did you make that choice?" I hear that a lot. And the truth is I don't make choices. I take jobs. I take the next best thing. And that has to do with art, who you're going to be with, sometimes with the location, how much they're going to pay you. All sorts of things. I wish I could make choices.

What would you choose?
I get offered a lot of really unwholesome, unsavory, dangerous people. I used to make my living doing that. But with me being older, my agent knows I don't want those. So those parts get filtered out. I want more uncles and grandfathers and fathers. More warmth.

Did you go back and study "Severance" before filming season 2?
I don't have technology. I only have a satellite dish on my house. So I've seen "Severance" on DVDs that they're good enough to send me. I don't have a cellphone. I've never emailed or, what do you call it, Twittered.

Does being insulated from technology help protect your mindset as an artist?
I don't think of it that way. Then again, even the last time I was on stage [in 2010 in Martin McDonagh's "A Behanding in Spokane"], phones rang in the theater, people answered them. If not that, they're taking a video of your performance. I thought, that's it, it's over. I can't do it anymore.

What piece of advice has stuck with you?
I was a young actor, talking to an older actor. I'm not going to tell you who. As I was leaving the room, he said, "Chris! Be careful." I walked out the door, and I don't think a day has gone by that I don't think about that. "Be careful." Every day, I think that. And I don't know what he meant.

This interview has been edited and condensed for clarity.

MASTERPIECE | 'UNITY TEMPLE' (1909), BY FRANK LLOYD WRIGHT

Rewriting the Rules

By Blair Kamin

FRANK LLOYD WRIGHT'S Unity Temple in the leafy Chicago suburb of Oak Park shatters just about every convention of religious architecture. There's no picturesque steeple. No easy-to-find, elaborately decorated front door. No long nave adorned with stained-glass windows.

Monumental and monochromatic, the flat-roofed exterior of the Unitarian-Universalist church flaunts walls of exposed concrete. This hard shell houses an airy, skylighted sanctuary that combines the spatial complexity of origami with a soothing naturalistic palette drawn from Wright's nearby, earth-hugging Prairie School houses.

The wonder of the place is that the somewhat forbidding exterior and the remarkably tranquil interior are of a piece—a masterly example of what Wright deemed "organic architecture." "Let the room inside be the architecture outside," he declared in his 1943 autobiography.

Dedicated in 1909 and one of eight 20th-century Wright buildings on the Unesco World Heritage List, Unity Temple is three connected structures. To the north, along Oak Park's main drag, is the church proper, a concrete cube that shelters the sanctuary and corner stair towers. To the south sits its shorter sibling, Unity House, home to a skylighted social hall. Joining the two, along a quiet side street, is a low-slung entry hall, its exterior bearing an inscription—"For The Worship Of God And The Service Of Man"—of humanistic faith.

It's still amazing that Wright got this radical aesthetic exercise past the building committee.

The door opened for him in 1905 when lightning struck the church's Gothic Revival predecessor, and the wood-framed structure burned to the ground. Active in the congregation, Wright got the job despite having a reputation, as Brendan Gill put it in "Many Masks," his 1987 Wright biography, "for having second (and third and fourth) thoughts that led to delays and the overrunning of budgets."

Confronted with a tight budget, the architect chose a utilitarian material: Steel-reinforced concrete. "Concrete was cheap," he recalled in the autobiography. Yet the outcome was noble, even if construction took 2 1/2 years longer than expected and, predictably, costs ballooned.

Instead of covering the concrete with stone, Wright celebrated the material. The Temple's concrete masses simultaneously signaled the presence of its internal functions and formed a powerfully sculptural whole. Geometric ornament enlivened the composition. Wright even exposed the concrete's kaleidoscopic, pebble-like aggregate. As a result, the Temple's exterior is monolithic, not monotonous—in Wright-speak, simple rather than barn-door plain.

To enhance spatial drama in his designs, the architect often sent visitors on an indirect route known as "the path of discovery." He did so here, steering worshipers through multiple turns—to and through the entry hall; through dark, low-ceilinged passageways on the sides of the sanctuary; and, finally, as congregants climbed the stairs, into the tall, light-dappled worship space.

The sanctuary is as serene as architecture gets. While the Temple's four muscular concrete columns are plainly visible, Wright softened them and the rest of the interior with touches borrowed from his Prairie homes—textured, pale yellow plaster; oak trim; art-glass windows. These domestic details combine with the Temple's Greek-cross floor plan to make the building a true *house* of worship—the antithesis of institutional anonymity. Two tiers of balconies and the equal-size arms of the Greek cross bring worshipers astonishingly close to the pulpit.

While Wright preached the virtue of designing "in the nature of materials," the interior's ultimate power derives from something immaterial: light. That familiar symbol of the divine enters the sanctuary through screen-like art-glass windows that crown the concrete walls and 25 amber skylights that top a lattice-like ceiling grid.

Wright exploited the superior strength of modern, steel-reinforced concrete to create this memorable meeting of heaven and earth. Even when it's cloudy outside, the sanctuary achieves his desired effect of a "happy cloudless day." The Temple's path of discovery, then, is spiritual as well as physical, first transporting the worshiper from quotidian bustle to sacred repose, and, finally, from cloistered darkness to liberating light.

View of the church's skylighted sanctuary.

JAMES CAULFIELD

A meticulous, $25 million restoration by Chicago's Harboe Architects—finished in 2017 for the church and the nonprofit Unity Temple Restoration Foundation—fixed Wright's notorious roof leaks and a layer of concrete, called shotcrete, that had been applied over the cracking, spalling original. Recently, though, small pieces of shotcrete fell to the ground, requiring a new round of rehab.

With Wright, the drama is never done. Because the architect challenged the limits of technology, many of his landmarks occupy a fraught zone between permanence and fragility. The need to preserve the best of them, like Unity Temple, is as constant as their architecture is magnificent. Amid the cacophony of contemporary life, this masterwork offers a profoundly moving refuge and a stirring demonstration of how modern design can elevate human experience.

Mr. Kamin, the former architecture critic for the Chicago Tribune, won the 1999 Pulitzer Prize for criticism.

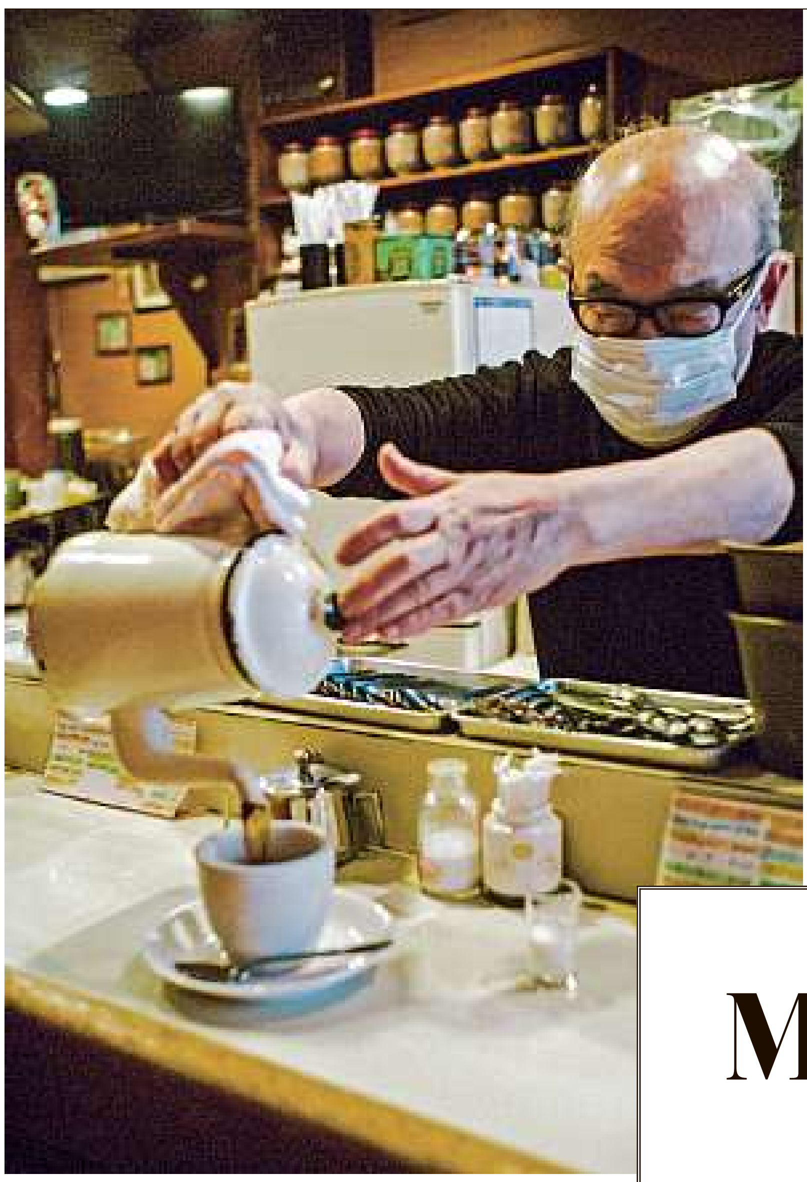
Don't Rush To Brush Judgment
How to approach a key beauty buy **D2**

OFF DUTY

THE WALL STREET JOURNAL. ****

Give Brunch A Boost...
...with this potato and sausage Tex-Mex take on a burrito **D7**

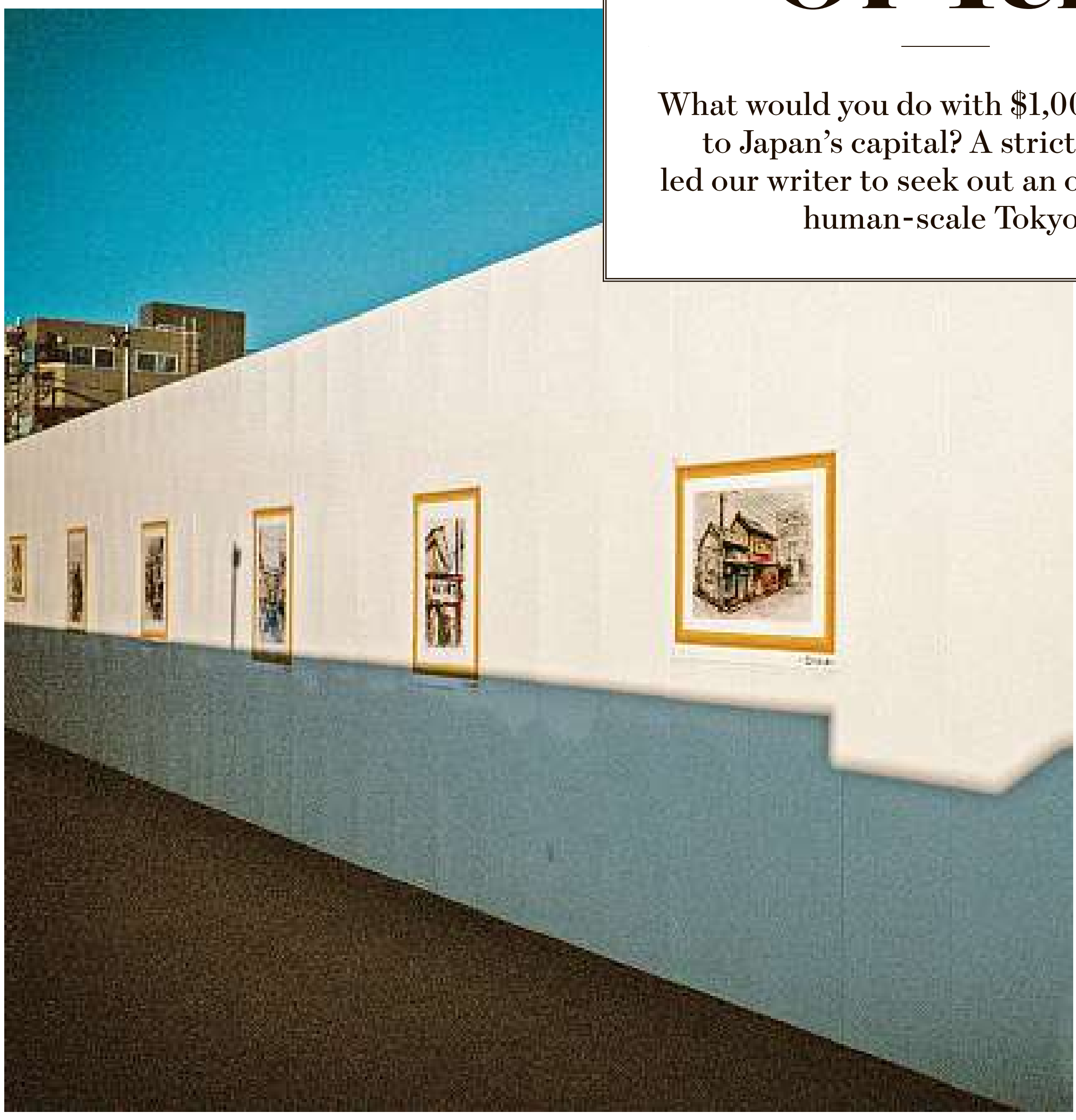
Saturday/Sunday, February 1 - 2, 2025 | D1



GRAND TOUR / TOKYO

Moments Of Yen

What would you do with $1,000 on a trip to Japan's capital? A strict budget led our writer to seek out an older, more human-scale Tokyo.



SHIN NOGUCHI FOR WSJ

SPEND OF THE RISING SUN Clockwise from top left: Counter service at Coffee Aroma, a *kissaten*, or traditional coffee shop, in Tokyo's Asakusa neighborhood; the gate to the Senso-ji Temple in Asakusa; a typical *shotengai*, or shopping street, in the Tateishi neighborhood; paintings on a high-rise construction site depict a block in Tateishi as it once was.

By Tom Downey

AS MUCH AS WE might think a vacation lets us unplug from the everyday and embrace a more carefree version of ourselves, a successful trip involves a lot of potentially stressful decisions. Chief among them: how to budget. The way we spend when we travel speaks to who we are and what we love. On a recent Tokyo trip The Wall Street Journal set me a challenge: What could I accomplish with a strict budget of $1,000? The weak yen would allow my dollars to go further but I knew I'd still face tough choices: Go on a shopping spree for the latest in Tokyo fashion or save my money for the city's innumerable museums? Luxuriate in an upscale sushi fantasy or mine maximum value from Japan's beloved convenience stores? A city of Tokyo's size offers infinite possibilities. Here's what I chose.

DAY ONE | $1,000 REMAINING

In a city with so many five-star hotels, I could easily blow a huge portion of my budget on accommodations. But I knew I'd be spending little time lolling about in my hotel room, so I chose one of the city's countless, clean-if-soulless business hotels, the Richmond Asakusa. For $158 a night, breakfast included, I got a large room (by Tokyo standards), just a short walk from a transit hub.

I started my spending spree with a book: "Emergent Tokyo: Designing the Spontaneous City" by the architect Jorge Almazán and his colleagues at Studiolab. At $32, it cost more than a guidebook, but I hoped it might provide different entry points to a city that's drawn me back dozens of times. Almazán sees Tokyo not as an indecipherable metropolis but as a place of tightknit communities, often built from the bottom up by local residents. I chose Asakusa as my home base because it's one of the dense, low-rise neighborhoods Almazán ponders. Conveniently, it's also cheaper than more fashionable areas.

I figured this choice alone had saved a good chunk of change, so it was time to splurge. At Okura, a boutique specializing in indigo-dyed items, I fell for a simple yet sleek hat, made of blue and black thread in a satin weave, which cost the equivalent of $75 after the tourist tax rebate that many Japanese shops offer. Don Quijote, a megastore near my hotel, sold

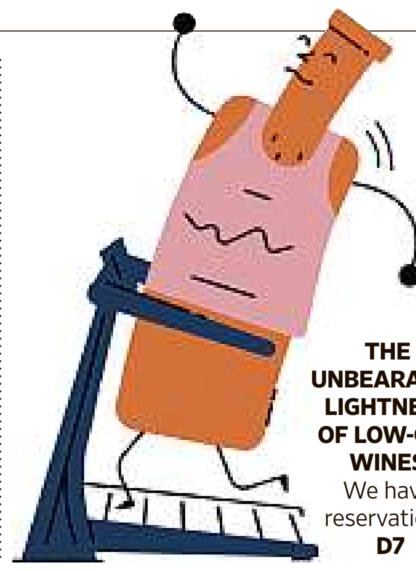
Please turn to page D9

Inside

ART OF THE MATTER
How the interior designers of a Florida condo took their cues from canvases **D4**

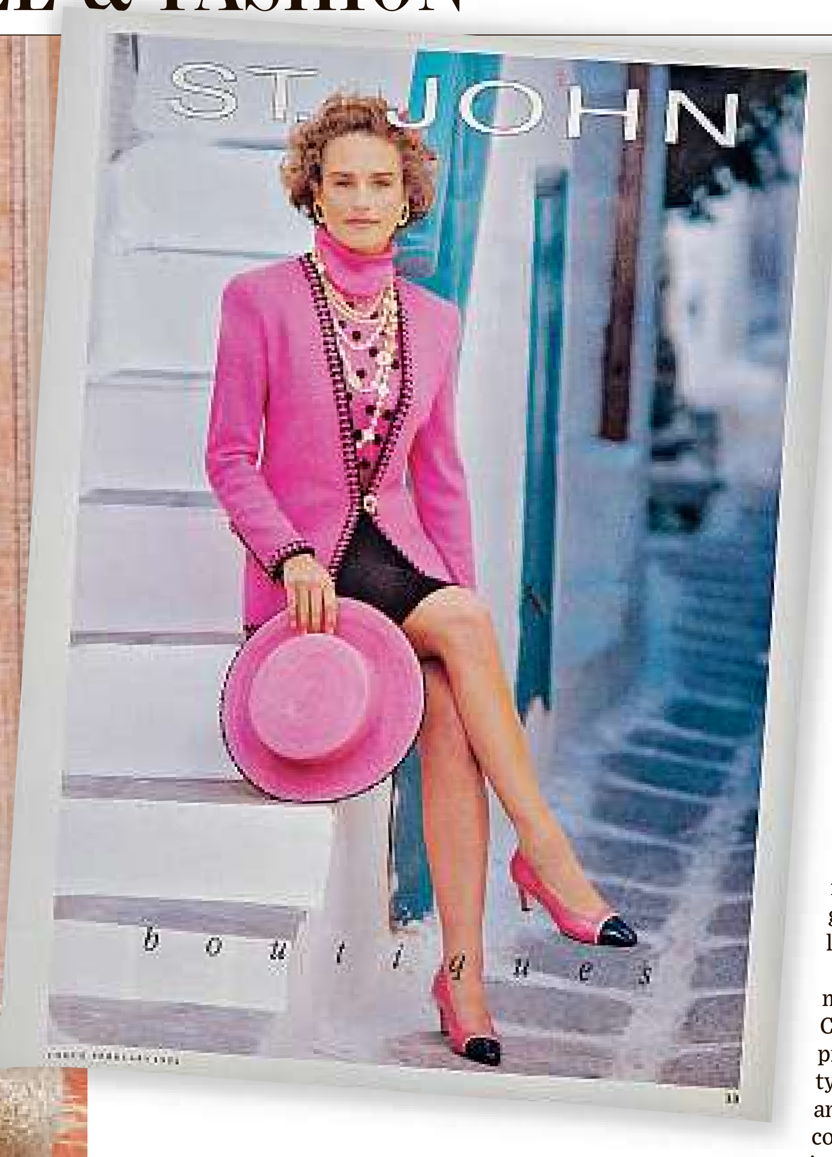
MAN DOES NOT LIVE BY MONKEY BREAD ALONE
Though with this recipe, why not? **D8**

IT CAME FROM THE '80S
Why younger women are flocking to 'heritage' power-dressing brands **D2**



THE UNBEARABLE LIGHTNESS OF LOW-CAL WINES
We have reservations **D7**

STYLE & FASHION



ST JOHN; ELIZABETH COETZEE/WSJ (AD)

TINKER, TAILOR A Lurex tweed suit from the St. John Knits 2025 Spring collection (left) nods to the early 1990s hot-pink version in this vintage ad (right)—the likes of which routinely fattened 1980s and '90s style magazines.

How St. John Got Its Mojo Back

Tired of the monotonous march of quiet luxury, women are waking up to sleeper labels such as St. John Knits, known for vivid structured jackets. Once largely forgotten, it's now leading a heritage-brand revival.

By Tatiana Boncompagni

HOLD ON to a piece of clothing and, sooner or later, it will come back in style. Then chances are your daughter will promptly want to borrow it—just as Reilly Lavrich, 26, did last September with her mother's circa-2005 St. John Knits pantsuit. Instead of heading to a job interview in predictable black, Lavrich, who works in real estate in Manhattan, seized on the chocolate brown, leather-trimmed, gold-zippered pantsuit. "It looked classy and like something no one else was wearing," she said.

That might not be true for long. Heritage brands such as St. John, Escada and Bally—which fell into style obscurity after their 1980s and '90s glory days—are experiencing a revival. The clientele driving the renaissance? Women in their 20s, 30s and 40s who once witnessed their mothers' and grandmothers' devotion to the brands.

"Customers are looking for color and a heritage feel," said celebrity stylist Yael Quint of the shift away from quiet luxury's dreary grays and beiges and other predictable outfit formulas. Factor in return-to-office mandates, and the appetite for quality power pieces with a pulse makes even more sense.

During its heyday, wearing St. John "was like, 'I've arrived,'" said New York City stylist Tania Sterl of the bright, contrast-trim knits.

Today, shoppers increasingly vie to score the vintage pieces on resale sites. Online marketplace Depop says searches between June 2024 and January increased by 139% year-over-year for St. John and 100% for Escada.

Last year, the RealReal saw demand for Bally handbags grow by 36% over 2023. "Bally isn't known for setting trends," said Noelle Sciacca, the resale website's associate director, women's fashion & strategic partnerships. But, she added, the past few seasons "brought the house back into conversation."

Depop trend specialist Agus Panzoni, who analyzes consumer behavior, credits the growth of heritage brands to shoppers' fatigue with shallow micro-trends like "Cowboycore" and "Mob Wife." She calls it "a return to essential dressing."

The understandably grateful brands are revving up the revival as they court new generations. Last year, St. John, which was founded in California in the 1960s, hosted glitzy events in New York and Beverly Hills and featured actor Leighton Meester (of "Gossip Girl" fame) in a social media campaign. Recent collections have included younger-feeling, trendy pieces (see: Lurex hot pants) alongside signature knits and tweeds.

Andy Lew—formerly St. John's CEO and now executive president of Chinese-owned Lanvin Group (which owns St. John)—said the brand's younger customers tend not to shop for head-to-toe looks, as previous generations did. It has adjusted its merchandising and creative approach accordingly, he added.

Want to join the heritage party without looking like a 1980s ad? Sterl starts by pointing clients to the piece that St. John's popularity was arguably built on—the bold, structured knit jacket (clearly indebted to Chanel). "It's designed and built to be a forever jacket," she said of advising her clients to see it as a long-term investment. "The buttons are like jewelry."

Another big draw? Comfort. St. John knits offer the gravitas of a blazer but feel like a cozy cardigan.

Anetta Reszko, 49, a dermatologist from Greenwich, Conn., said outlet-mall shopping excursions are where she typically shops for St. John and Escada. "I do have to feel comfortable in [my] clothing—that actually impacts the quality of the work I do," she said, citing a favorite St. John orange sleeveless shift that she slips under her lab coat. (Reszko says she remembers her mother in St. John, but sadly didn't inherit any pieces.) "The knit doesn't stretch. The tweed, it's not too heavy," she said.

"I always thought of [St. John] as a brand for my parents," said Quint, who also remembers her mother wearing it. That's no longer the case. Quint recently wore a long-sleeved sky blue St. John gown to a friend's wedding, and says she likes to layer a punchy vintage Escada jacket over a monochromatic base. An ivory pencil skirt and bodysuit offer an ideal contrast.

'It's designed and built to be a forever jacket. The buttons are like jewelry.'

Dustee Jenkins, 46, the head of public affairs at Spotify, has been collecting St. John jackets for about a decade. She first took notice when working on Capitol Hill for a female senator who wore "beautiful power suits" from the brand. "I will never forget watching her and aspiring to carry that same confidence," she said.

For travel days, Jenkins pairs her vintage jackets with jeans. Versions from recent collections work with trousers or skirts for business meetings. "When I put on a favorite St. John jacket, I somehow walk a little taller," she said.

As for Lavrich, the real-estate agent who gambled on her mother's eye-catching brown pantsuit? She got the job.

LIFE JACKETS / TWO MODERN TAKES ON A VINTAGE ICON

St. John Santiago Knit Button Jacket, *$1,495*

St. John Soft Plaid Knit Jacket, *$1,695*

A Brush With Greatness

These vanity-worthy hairbrushes can help your tresses gleam and yield a healthier scalp

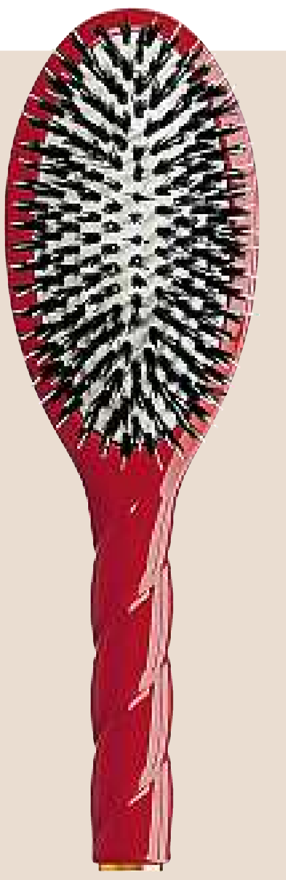
A HIGH-END HAIRBRUSH might feel like a frivolous beauty investment—until you consider the payoff. "A quality brush can last for years, improve your hair health and make styling easier," said Shab Caspara, a New York City trichologist. Its bristles also help maintain scalp health. "Overly stiff or poor-quality bristles can scratch the scalp, leading to micro-injuries or irritation," Caspara said.

When selecting a brush, consider your hair's thickness, texture and length—curly hair, for instance, needs brawnier bristles—as well as your unique scalp needs, says Yvonne Solomon, a trichologist in Louisville, Ky. So do your research.

A common mistake? Not cleaning your brush. Caspara advises a weekly upkeep session to remove bacteria, oil and product buildup. "A dirty brush isn't doing your scalp any favors," Caspara said.

Here, three of our favorite options.

BOAR AND NYLON BRISTLE

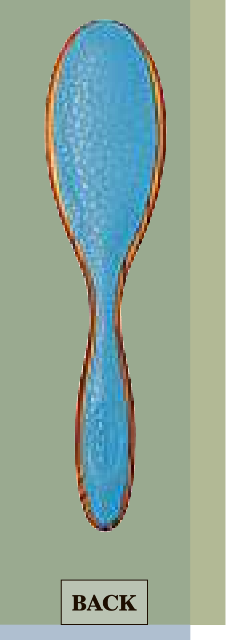


If you have thick or curly hair, reach for a brush like this one that combines nylon and boar bristles, says Caspara. The nylon provides enough grip to detangle an unruly mane. The boar helps smooth the hair by distributing the scalp's natural oils through your strands, adds Solomon. *La Bonne Brosse The N.02 Brush, $168*

WOOD BRISTLE

Wooden bristles (fit for all hair types) "don't create static or cause any pulling," said Caspara. Added bonus? Their sturdy tips "promote [scalp] circulation." Smooth beechwood bristles (seen here) "reduce friction and prevent damage," said Solomon. *Crown Affair The Brush No.002, $98*

BOAR BRISTLE



BACK

Brushes like this one with gentle, natural boar bristles are best suited for delicate or fine hair, says hairstylist George Northwood. His pro tip? Match the density of your boar to the density of your hair. "Boar bristles are amazing for gentle exfoliation without being abrasive," Caspara added. *F. Hammann Leather Cabinet-Style Brush, $102 at Abask* —*Sarah Adams*

ABASK (2)

P2JW032000-4-D00300-2--------XA

No Stuffy Suits!

Want to avoid resembling a stiff corporate drone when suiting up in 2025? Do a few stretches and follow these five guidelines.

By Charlie Teasdale

IN HIS FORMER life as a business consultant, Martin Juhl Mikkelsen, 43, reported to work in structured gray or navy business suits with crisp dress shirts.

Now a lecturer at a business school, the debonair Copenhagen resident has since updated his look. Mikkelsen mostly favors relaxed tailoring, often swapping a shirt and tie for a knit turtleneck or polo. He also pairs blazers with trousers in a near-identical color—an almost-a-suit look he calls "quite casual, but still elegant."

Indeed, a few key moves can freshen up tailoring and ensure you're not perceived as a boring square. Whether you're suiting up for the C-suite or a wedding at which you're determined to impress, here are five ways to de-stuff the two-piece in 2025.

Turn Up the Volume

Aaron Levine, a veteran menswear designer who recently started his own brand, doesn't get why slim suits remain "the mainstay for a lot of folks." For a modern look, the U.S. designer looks back to Cary Grant: Think swooping single-breasted jackets with breathing room around the chest, and pleated pants that flow rather than cling.

He considers higher-waisted suit pants, cut like slightly wider straight-leg jeans, both more flattering and comfy than slim ones. Michael Miller, a celebrity stylist in London, says such pants can help guys appear taller by lengthening legs. He avoids tapered cuts, which can break on shoes inelegantly.

To ensure your relaxed suit drapes just so, choose light, soft fabrics.

Dag Granath, co-founder of Saman Amel, a Swedish tailoring brand with affluent clients across the U.S. and Europe, reports that men are "much more open" to roomy suits today. He notes that generous cuts appeal to art directors and lawyers alike. Just remember the goal: relaxed, not drowning-in-fabric baggy. To nail Grant-like suaveness, choose light, soft fabrics that drape just so, says Granath. That could mean baby camel's hair or mixes of wool, linen and silk, not heavier fabrics like tweed.

Lose the Structure

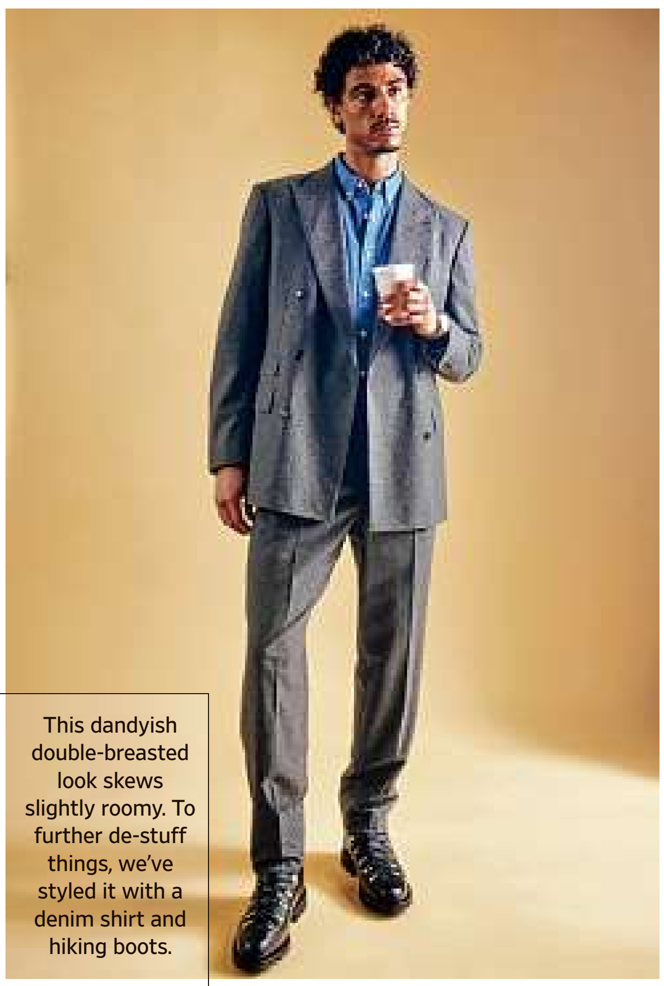
Most of Mikkelsen's tailoring contains little or none of the usual padding or internal fabric in the shoulders and chest. Much of it is also unlined.

Unstructured tailoring—far more casual than a by-the-numbers business suit—fits laid-back modern settings. And a light, unrestrictive jacket wins on comfort. Though it won't grant you linebacker shoulders the way a rigid power suit does, a "soft" suit can still read "sharp," noted Granath.

Tastemakers championing free-flowing styles include British brand Drake's and New York's Stòffa. Levine recently partnered with Drake's on a black version of its Games blazer, a bare-bones cotton style that's almost like a smart chore jacket. "You can pull it out of your bag and it's great," he said.

Stòffa's unstructured, voluminous suit reads easy and modern. Overachievers could pair it with a cool sweatshirt.

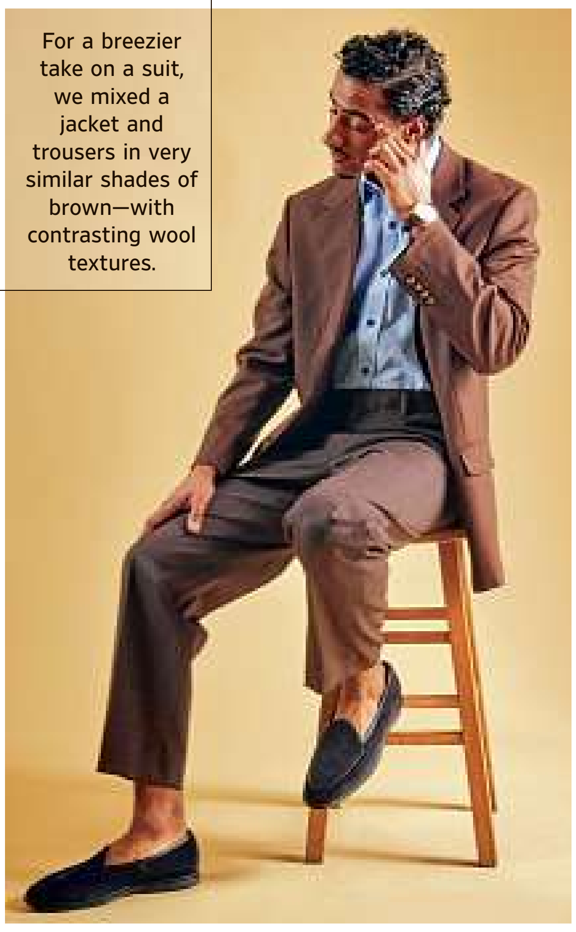
EASY DOES IT From left: Stòffa Jacket, *$1,995*, and Pants, *$675*; Asket Sweatshirt, *$120*; Hatton Labs Necklace, *about $243*; Boardroom Socks, *$18*; Sesa Loafers, *$275 at Alex Mill.* Dunhill Jacket, *$2,735*, and Pants, *$915*; Levi's Shirt, *$70*; Hermès Watch, *$6,725*; Morjas Hiking Boots, *$480*



This dandyish double-breasted look skews slightly roomy. To further de-stuff things, we've styled it with a denim shirt and hiking boots.

Instead of defaulting to classic suit jackets, consider designs with stand collars—like this cashmere version by Zegna.

DIFFERENT JACKETS REQUIRED From left: Zegna Jacket, *$4,950*; Knickerbocker Shirt, *$130*; Hermès Watch, *$7,650.* California Arts Blazer, *$398*; Meta Campania Collective Shirt, *about $724*; Vowels Pants, *$360*; Omega Watch, *$8,700*; Morjas Loafers, *$350*



For a breezier take on a suit, we mixed a jacket and trousers in very similar shades of brown—with contrasting wool textures.

Play With Jackets

Scores of brands now sell "suits" in soft fabrics with a more-casual jacket such as a Nehru-collar style. P. Johnson's Corbu suit features a boxy jacket with a stand collar; Zegna offers a stand-collar cashmere take (below left) that no one could accuse of snooziness.

Another alternative: a refined shirt-jacket (with matching pants). Essentially a substantial shirt to layer over a fine shirt or knit, such innovations occupy a sweet spot between casual and formal, says Granath. "Guys are asking about [it] a lot."

Make a Near-Perfect Match

This isn't technically a suit, but hear us out. The strategy: Team separate pants and jackets that are very similar colors but different textures. A navy wool jacket collaborates with navy cotton pants; a nubby Prince-of-Wales check jacket tangos with gray flannel pants. "The important thing is that there's texture," said Mikkelsen, noting that smooth cloths—like those in business suits—fall flat.

At a glance this reads like a suit, but the subtle discord makes it a little breezier—and more "visually interesting," said Mikkelsen. Miller considers this move a shortcut to refinement. Plus, making "suits" from pieces you'd never usually mix lets you max out your closet.

Ditch the Dress Shirt

Cool accompaniments can invigorate suits. Levine's brand styles drapey tailoring with the kind of plaid flannel you'd typically chuck under a trucker jacket. Mikkelsen reaches for light-gauge sweaters that are broader in the chest and slimmer lower down, so they don't bunch at the waist. (Also, you can tuck them in.) He likes turtlenecks or polos because their necklines fill out the jacket's collar—as a classic shirt collar would—unlike a crew neck, which can leave a gap.

Miller plays a dangerous game: "Anything can go underneath tailoring." He'll sport a striped rugby shirt under a classic black suit. (Bold sorts could try a sweatshirt, at top left.) "It's unexpected," he said, "and I think it looks really chic."

ELIZABETH COETZEE/WSJ; STYLING BY CAITIE KELLY; FASHION ASSIST BY CHRISTINA MIDDLETON; GROOMING BY KAROL RODRIGUEZ; TAILORING BY KATY PATZEL/CAROL AI STUDIOS; TALENT IS KHALI WATSON/MUSE MGMT

DESIGN & DECORATING

HOUSE TOUR

POWER PASTELS When Kemble Interiors proposed a pale palette for this West Palm Beach, Fla., condo, the client requested something 'stronger.' Note tulip sculptures.

A Fantasy Snowbird Nest

A Manhattan couple's art collection takes on a different personality in the Sunshine State, and guides designers to the 'very Florida' interior that the pair desired

By Jessica Ritz

From left: a scene-stealing headboard in the primary bedroom; the cheery and whimsically appointed office.

WHEN a veteran film and theater producer moved with her husband from New York City to West Palm Beach, Fla., she told designer Cece Bowman she wanted a fresh start, with one notable exception: The couple's art collection was coming with. To Bowman, letting the artwork guide the interior design of the couple's new space made perfect sense. "It took on a different personality when it came down here," said the designer, then with Kemble Interiors but now running an eponymous firm in West Palm Beach.

The team ordered to-scale printouts of the art, then taped them all around the apartment.

Fairly early in the project, all agreed that the mostly French paintings and sculptures in the collection suited the Sunshine State. "The final picks were one-of-a-kind," said Bowman. As for the couple's framed vintage advertisements? Bowman explains that the posters, without the brownstone context of stained millwork and exposed brick, did not work. "Palm Beach is not poster land," she said.

Bowman's team ordered to-scale printouts of the abstract landscapes and still lifes, then taped them around the 4,800-square-foot apartment. In the open-plan living and dining room, two large paintings suggested a pale palette of yellow, blue, green and pink—too pale, initially. "The first time we schemed the living room we had it very pastel," recalled Bowman, "and the client came back and told us it wasn't strong enough for her."

The revised strategy: "Give her more punch." To introduce aesthetic tension, the team proposed instead dining chairs upholstered in four different solid-color Pierre Frey fabrics. To inject a wow factor, they found grand vintage Murano-glass wall sconces made of watery-blue disks. Finally, for theatricality, they decided to "plant" about the space 3- and 4-feet tall bronze tulip sculptures that the client found locally. "The tulips change your whole perspective on the scale of things," said Bowman.

The designers weren't done. Pink Venetian plaster coats the room, softening the once-austere ceiling and walls. They chose furniture to echo the curvy exterior of the 2019 high rise, and hung a grouping of mercury-glass "rain drops" (see the curious, silvery dots on the wall below). "We knew we wanted something three dimensional there, since the rest of the art was flat, and I'd always imagined something 'growing' up the wall in an asymmetrical arrangement," said Bowman.

But how else did the existing artwork shape the scheme? In the office, a still life on the wall inspired the colors of built-in millwork and two desks, both slicked in high-gloss finishes. Meanwhile, in the bedroom, another framed work (not shown), steeped in shades of gray and silver, led the designers to a showstopping headboard made in Mexico and a hand-painted border that tops the seafoam-green wallpaper.

Bowman notes that her palette doesn't wildly reinvent the colors of the couple's Manhattan townhouse. The difference, she says, is that in New York, the hues were a bit richer, and the decor included more pattern and layering.

"This is not a highly layered apartment," said Bowman. "It's pretty crisp." The project was completed over three years, as the client was in no hurry. "Every decision we really weighed out."

Rounded furniture and a glass-bubbles artwork echo the high-rise's curvy, contemporary structure.

CARMEL BRANTLEY

ANTONIO SORTINO

GLOW WARM / THREE LEDS TO LOVE

IKEA Tradfri LED E26 800 Lumen Smart Bulb, $22

Royal Designs Silk-Wrapped Dimmable LED Bulbs, $45 for 6 at Royal Lampshades

Tala Porcelain II E26 LED Bulb, $27

LOVE STORY

Lightbulb Madness

When the U.S. outlawed incandescent bulbs in favor of sterile, efficient LEDs, I bought up hundreds. For those less nuts than I am, there are warm workarounds.

By Kitty Greenwald

IN 2023, when the Biden administration passed environmental regulations effectively ending the sale of incandescent lightbulbs, I wanted to be onboard. (It's a nice planet!) But, no. Instead, I panicked and ordered 1,000 lightbulbs from 1000lightbulbs.com.

I had my reasons. Namely, I'd just survived a horrible contractor and tortuous renovation of an 1890s Washington, D.C., house meticulously designed with sumptuous lighting in mind. Now that hard-won glow was threatened! Energy-efficient LEDs promise "soft white," but to my eye their flat, pallid cast pales next to incandescent's gentle radiance. Which is how I wound up with now-verboten bulbs in every drawer, closet and trunk in my home.

Have I since doubted this panic purchasing? Sure. Recent rumors suggest President Trump could repeal the ban, rendering my stockpile superfluous. And last fall, as I ambled the evening streets of Amsterdam admiring the golden lights reflecting on the canals, a friend explained that the EU outlawed incandescents over a decade ago. Huh! What tricks did they know?

I called up lighting designer Sara McElroy for guidance (and, OK, some reassurance). "I didn't have the forethought," she said, kindly, of my stash. But, she added, the good news for anyone without a hoard is that there are workarounds.

McElroy explained that incandescents cast appealing light because they make "white light" from a full spectrum of color, producing an illumination that's rich, subtle and more flattering—as opposed to smaller-spectrum LEDs, which rely only on red, blue and green light. As a result, their "white light" can fall flat and create harsher shadows. But, she added, not all LEDs are created equally.

Among her go-tos are the warm, dimmable options from Philips, Soraa and Tala, a British company that sells decorative LEDs bulbs in a range of design-forward shapes and sizes. Tala's frosted bulbs in its "porcelain" line are particular workhorses, she said. Smart bulbs, which let users "tune" hue and brightness via an app—available everywhere from Home Depot to IKEA—offer another popular solution.

Designer Karen Spector of the firm Lovers Unite in Los Angeles warns shoppers against glaring "daylight" LED bulbs. Instead, she says, for a golden-hour softness, seek dimmable options marked 2700 Kelvin or less.

Brittnee Ulmer of Bevolo Gas & Electric Lights in New Orleans suggests another luxe fix: tapered LED bulbs that have been wrapped in pink silk threads. "The silk creates an amber glow that makes skin look pretty." Spector has even coated bulbs with nail polish for better luminescence—and notes that as long as the lacquer dries fully before using, there's no smell. Essie's "Apricot Jelly" gloss, she said, is best.

Guess I know what I'm buying next.

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EATING & DRINKING

ERRATA CARMONA

ON WINE / LETTIE TEAGUE

Is Low-Calorie Wine Worth Drinking?

HOW MANY CALORIES are in a glass of wine? If you guessed more than 200 you wouldn't be alone—and you would be wrong.

That's what nearly a quarter of 1,005 wine drinkers guessed a 5-ounce glass of wine contains in a 2022 survey conducted by Merrill Research on behalf of the California-based Wine Market Council. Almost half the respondents thought that wine contains a lot of sugar as well.

In reality, the calorie count of most dry wines ranges between 100 and 120 per five ounces. According to the Bureau du Champagne, USA, a flute of Brut Champagne contains 76 calories and less than 12 grams per liter of added sugar, known among makers of sparkling wine as dosage. A non-dosage (aka zero-dosage) Champagne, the driest kind, might have just 108 calories in a 5-ounce glass—more like 72 in a standard-size flute—and no sugar at all.

Since so many drinkers don't know how many calories a glass of wine contains, when producers advertise low calorie counts on their labels, the unsuspecting are often unduly impressed. A calorie count of 70 or 80 emblazoned in large type, along with alluring descriptors like "zero sugar" or "low in carbohydrates," can lead would-be buyers to conclude they're in for a much healthier drink. Never mind that many "regular" lower-alcohol dry wines are equally low in sugar and carbohydrates; their labels just don't tout that fact.

Lighter wines are certainly growing in numbers and popularity. According to beverage-data company IWSR, the combined low- and no-alcohol market is anticipated to grow by 4% across 10 key markets through 2028 (with no-alcohol offerings leading the trend).

Brian Gelb, vice president of wine for the 276 Total Wine & More stores in 30 states, said the individual locations stock an average of 45 lower-calorie/lower-alcohol wines. Gelb sees "a lot of opportunity" in the low-calorie/low-alcohol segment. He's particularly bullish on Sauvignon Blanc, which he called "the poster child" for these wines.

Indeed, fully half the 12 low-calorie/lower-alcohol wines I purchased were made from Sauvignon Blanc, followed by Pinot Grigio and Chardonnay. All were white: I couldn't find a red wine that qualified, and the only pink one I found was four years old, so I gave it a pass.

Katie Nelson, vice president of Winemaking for Chateau Ste. Michelle, oversees a sprawling portfolio of wines that includes the newly released 2023 Chateau Ste. Michelle Light Columbia Valley Sauvignon Blanc ($11) and the 2023 Chateau Ste. Michelle Light Columbia Valley Chardonnay ($11). Both wines are 9% ABV, and contain 80 calories; their labels proclaim "Zero Sugar."

Most dry wines contain very little added sugar—typically 1-2 grams per 5-ounce serving. The "regular" Chateau Ste. Michelle Sauvignon Blanc is 13% alcohol, and the "regular" Chateau Ste. Michelle Chardonnay is 13.5% alcohol; both wines contain between 116 and 124 calories per 5 ounces and less than 1 gram of sugar.

I asked Nelson why Sauvignon Blanc has become so popular among producers of lower-calorie/lower-alcohol wines. "Sauvignon Blanc is an inherently light, refreshing wine, and I think that in a low-alcohol [version] you're not missing anything," said Nelson. Indeed, I found the Chateau Ste. Michelle Sauvignon Blanc to be pleasant, light-bodied with a crisp acidity. I was less of a fan of the Chardonnay, which seemed a bit thin.

Like many winemakers, Nelson employs reverse-osmosis technology to lower wines' alcohol. She removes about one-third of the blend and lowers its alcohol via reverse osmosis with a selective filter, then blends that third back into the remaining (fully alcoholic) two-thirds. Other winemakers lower the alcohol by way of technology involving a spinning cone.

Dana Epperson, vice president of winemaking for the Decoy and Migration labels in the Duckhorn Portfolio, employed the spinning cone to produce the 2023 Decoy Featherweight Sauvignon Blanc ($17), a low-calorie alternative to the 2023 Decoy Sauvignon Blanc (13.9% alcohol, 120 calories). "We wanted the same profile except lower alcohol," Epperson said.

At 9% alcohol and 80 calories, the Featherweight Sauvignon Blanc proved to be another well-made example of the type, a sprightly version of the "regular" Sauvignon Blanc, without the latter's slightly oaky, more textured frame. Epperson noted that she had worked especially hard to retain the aromas in the Featherweight, and the aromatics of the two wines were indeed quite similar. (The 2023 Decoy Featherweight Chardonnay was just released, though I couldn't taste it in time for this column.)

One more Sauvignon Blanc I would buy again if I was looking for a lower-alcohol wine: the 2023 Kim Crawford Illuminate Sauvignon Blanc ($15), from the well-known New Zealand producer. At 70 calories and 7% alcohol, the wine bore a resemblance to its famous "regular" (110 calories and 12.5% alcohol) peer, with slightly more-muted aromas but a pleasant citrus note. I could imagine drinking it in the summer by the pool, or in the winter with an ice cube, as a spritzer.

A few other wines I tasted were simply forgettable. The 80-calorie 2023 Francis Coppola Diamond Collection Vibrance Pinot Grigio ($12), for example, was very, very light, while the 2023 Cavit Cloud 90 Pinot Grigio ($11)—its name derived from its calorie count—lacked flavor. I'd truly like to forget the 85-calorie, aggressively vegetal 2023 Klean Pinot Grigio ($15), from Chile, and the chemical-tasting, sweet 2023 FitVine Pinot Grigio ($13). A Total Wine salesperson told me the latter is a particularly popular low-calorie option—though its label read 12.5% alcohol and 110 calories, which really makes it a "regular" terrible wine.

The Kim Crawford Illuminate Sparkling Wine ($18) contains only 7% alcohol. It shared the same name as the Illuminate Sauvignon Blanc, so I hoped it might be as pleasant. Alas, a canned-tropical-fruit aroma and a chemical aftertaste dominated. So I turned to the Mittnacht Cremant d'Alsace Extra Brut ($27), a Champagne-method sparkling wine from a top Alsace producer. It's not produced or marketed as a low-calorie wine, yet—at 111 calories, 12% alcohol and less than 1.8 grams sugar per 5-ounce serving—is comparable to wines sold as such. Crisp and dry, with notes of pear and spice and a mineral finish, this blend of grapes including Auxerrois, Pinot Blanc, Riesling and Pinot Noir also delivered plenty more pleasure.

> When wine producers advertise low calorie counts on their labels, the unsuspecting are often unduly impressed

While I understand many drinkers are looking for healthier ways to drink wine—and producers are all too happy to accommodate and expand their portfolios—I don't see why one would choose a wine just because it has a few fewer calories. Apart from the exceptions called out here, I wouldn't buy the wines I tasted again. Besides, you can find plenty of light "regular" options—notably dry Champagnes and sparkling wines, as well as Vinho Verde—none of which have to be put through a spinning cone.

► Email Lettie at **wine@wsj.com.**

OENOFILE / 3 HIGH-SCORING LOW-CALORIE SAUVIGNON BLANCS

2023 Kim Crawford Illuminate New Zealand Sauvignon Blanc $15 At 70 calories and 7% alcohol, this wine was among the lowest-alcohol wines I tasted. It's a bit like a shadow version of the New Zealand original—crisp with aromas of lemon and herb.

2023 Chateau Ste. Michelle Light Columbia Valley Sauvignon Blanc $11 This 80-calorie, 9% alcohol, "Zero Sugar" white from Washington's Chateau Ste. Michelle is surprisingly vibrant, crisp and well-made, sourced from a variety of Columbia Valley vineyards.

2023 Decoy Featherweight Sauvignon Blanc $17 This aptly named, 80-calorie, 9% alcohol wine is a lightened version of the "regular" Decoy Sauvignon Blanc, sourced from the same vineyards, and a crisp, dry pleasantly refreshing white on its own.

SLOW FOOD FAST / SATISFYING AND SEASONAL FOOD IN ABOUT 30 MINUTES

The chef
Marco Herrera

His restaurant
Noche Woodfired Grill and Agave Bar in Tulsa, Okla.

What he's known for Exploring elevated Mexican regional cooking in America's heartland. Making headlines on the national food scene right out of the gate.

Breakfast Burrito With Chorizo, Potatoes and Scrambled Eggs

FOR HIS final Slow Food Fast recipe, Marco Herrera spotlights a classic Tex-Mex burrito he loved as a kid. "After church on Sunday we'd go to a cafe where they made a version of this," he said. "It was my favorite."

A flavorful filling of potatoes and pork sausage seasoned with red chile makes the dish. Herrera softly scrambles the eggs and enriches them with heavy cream. Warm flour tortillas slicked with tangy sour cream form the supple wrapper.

If you want to work ahead, fill the burritos and wrap them in foil until you're ready to chow. "[At that point], they can hold at room temperature for a couple of hours," Herrera said. When you want to eat, griddle them in a dry skillet until the tortillas are toasty and their centers warm through. Then make like the chef and spoon a bit of hot sauce on every bite. *—Kitty Greenwald*

Time: 20 minutes **Serves:** 4
Ingredients:

2 tablespoons butter
¾ cup white or yellow onion, finely diced
2 cups ½-inch diced Yukon gold potatoes (from about 2 large potatoes, peeled)
1 pound fresh chorizo (from about 4 links, casings removed)
4 eggs
4-6 tablespoons minced cilantro, plus extra as needed
3 tablespoons heavy cream
Kosher salt
4 (10-inch) flour tortillas
4-6 tablespoons sour cream, plus extra as needed
Hot sauce, for serving

1. Place a large skillet over medium heat. Add butter and onions. Cook until onions are soft but pale, 5-6 minutes. Add potatoes and chorizo. Sauté, breaking up the meat, until crumbly bits sear, about 4 minutes. Add ¼ cup water, cover and cook until potatoes are tender, chorizo cooks through, and pan is dry, about 15 minutes. (If potatoes need more time to cook, add splashes of water as needed.) Gently smash potatoes with a spoon so pieces crumble and some bits crisp.

2. Meanwhile, in a small bowl, whisk together eggs, cilantro and heavy cream. Season with salt and stir into chorizo mixture. Cook eggs to desired doneness; for a medium-soft scramble, about 2 minutes. Season with salt or extra cilantro to taste. Set filling aside and wipe skillet clean.

3. Set skillet back over medium heat and add a tortilla. Warm until pliable, 10-15 seconds. Repeat with remaining tortillas. Turn off heat and smear 1-2 tablespoons of sour cream down center of each tortilla. Working with one tortilla at a time, spread ¼ of filling over sour cream. Fold in the short sides and roll to form a burrito. Place seam-side down.

4. Working with two at a time, return burritos to warm, clean pan and toast over medium heat, until golden brown on both sides, about 15-30 seconds. Repeat with remaining burritos. Serve warm, with extra sour cream and hot sauce alongside.

ELIZABETH COETZEE/WSJ, FOOD STYLING BY DANA BONAGURA; PROP STYLING BY CARLA GONZALEZ-HART; MICHAEL HOEWELER (PORTRAIT)

THAT'S A WRAP Warm and comforting, a sausage-and-potato packed Tex-Mex breakfast burrito gives brunch a boost.

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THE BAKEAWAY

More Monkey Than Sense

Everyone goes wild for this pull-apart treat, an easy bake for anyone with opposable thumbs

By Vallery Lomas

THAT SATISFYING pop you get when you press a tube of store-bought biscuit dough is just the start. Once you've made this recipe, that sound will forever signal the caramel-drenched, cinnamon-spiced monkey bread to come.

Using store-bought dough saves fussy measuring and mixing, not to mention time, and makes this gooey pull-apart treat fairly foolproof. Cut each round into quarters, coat the pieces in cinnamon sugar and tuck them into a Bundt pan along with hunks of apple simmered in brown sugar and cider. Save the simmering liquid and whisk in butter and brown sugar to make a rich caramel sauce that helps the monkey bread's top crisp while the interior grows pillowy-soft in the oven.

Since the apples cook on the stovetop and again in the oven, you'll want a baking variety that holds its shape. Granny Smith, Pink Lady and Baeburn are all great; my favorite, Honeycrisp, offers a nice contrast of tart and sweet. Avoid varieties like Red Delicious and Gala that will cook down to mush.

Once the simmering and caramel-making are done, the rest of the prep is ideal for young sous-chefs. My 6-year-old-niece loves to pop the can, and I've found, too, that little hands capably handle rolling the dough pieces in cinnamon sugar and tucking them into the pan.

Using store-bought dough saves fussy measuring and mixing.

The Shape of Things

Feel free to use your most fanciful decorative Bundt pan: The more intricate the design, the more space the air has to circulate around the dough as it bakes and expands to take the shape of the pan. Tube pans get the job done but allow for less air circulation, so you may need to up the baking time by a few minutes. Either way, you'll need a 12-cup pan. Before baking, it might seem there's a lot of extra space, but the monkey bread will expand to fill it.

Coat the pan generously with baking spray, reaching every nook and cranny. Once you remove your monkey bread from the oven, set a timer for 20 minutes exactly. You want it not too hot and not too cold when you flip it. Give the inverted pan a few decisive raps to help with release, and wait about 5 minutes before pulling off a hunk: Those juicy apple chunks get very hot. In the meantime, let the cinnamony fresh-baked-bread aroma waft through your kitchen—another promise of what's to come that you'll appreciate almost as much as the monkey bread itself.

▶ Find step-by-step instructions at WSJ.com/Eating.

HANDS ON This apple monkey bread pulls apart into pillowy caramel-drenched bites.

LINDA XIAO FOR WSJ; FOOD STYLING BY PEARL JONES; PROP STYLING BY SEAN DOOLEY. GETTY IMAGES (APPLE)

Apple Monkey Bread

Available in most supermarkets, the Pillsbury Grands! line of larger-size biscuits works best here. Buy the Southern Homestyle Original Biscuits, batched eight per tube.

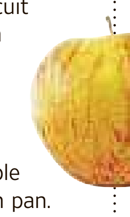
Active Time 30 minutes
Total Time 1¼ hours
Serves 8

Baking spray
½ cup apple cider, apple juice or water
1 cup plus 2 tablespoons packed dark brown sugar
1½ pounds apples, peeled and cut into 2-inch chunks
½ cup granulated sugar
1 teaspoon ground cinnamon
2 (16.3-ounce) cans Pillsbury Grands! Southern Homestyle Original Biscuits
1 stick (½ cup) unsalted butter
Dash of salt

1. Preheat oven to 350 degrees. Place one rack in center position and one in bottom third. Coat a 12-cup Bundt or tube pan with baking spray.

2. Cook apples: In a medium saucepan over medium heat, combine apple cider and 2 tablespoons brown sugar. Stir until brown sugar dissolves and apple cider is simmering. Once simmering, add apple chunks and place lid on top. Cook until apples are just fork-tender, 6-7 minutes. Remove from heat and set aside.

3. In a small bowl, combine granulated sugar and ground cinnamon. Cut each biscuit round into 4 pieces and coat in cinnamon-sugar mixture. Place a third of the coated biscuit pieces in bottom of prepared Bundt pan in an even layer. Spoon half the apple chunks on top in an even layer. Add another third of the biscuit pieces on top in an even layer. Spoon remaining apple chunks on top, and reserve apple cooking liquid in pan. Layer remaining biscuit pieces on top in an even layer. Set saucepan aside, leaving any remaining apple cooking liquid inside.



4. Make the caramel: Set saucepan of apple cooking liquid over medium heat. Add butter, and once it has melted, whisk in remaining brown sugar and a dash of salt. Continue cooking, carefully whisking until brown sugar dissolves into butter. Leave undisturbed until mixture starts to bubble. Once it bubbles, pour caramel over biscuit and apple pieces in the Bundt pan.

5. Transfer Bundt pan to oven's center rack. Place a foil-lined baking sheet on lower rack to collect any juices that might spill over. Bake until deep brown and crunchy on top, 40-45 minutes. Transfer to a wire rack to cool for 20 minutes.

6. After 20 minutes, invert pan onto a serving plate. Serve warm or at room temperature. Store in an airtight container at room temperature for up to 3 days. Reheat monkey bread by wrapping tightly in foil and baking at 300 degrees until hot, 10-15 minutes.

ADVENTURE & TRAVEL

THE BIG SHOW The ticket counter at the Ryogoku Kokugikan National Sumo Arena, which hosts sumo tournaments..

I'll Take Tokyo for a Thousand

Continued from page D1

caps, too—for under $20. But the indigo hat seemed a souvenir that would endure.

Freshly accessorized, I went in search of a meal. Though I was initially tempted by all the ramen joints that beckoned me out of the cold, my own New York neighborhood has at least 15 Japanese ramen restaurants by my count. So I chose a more obscure food genre, *oden*: root vegetables, eggs and fish cakes simmered in dashi. I figured the higher price (about $39 for an array of oden and drinks) would be worth it because I'd find a respite from other tourists. Boy was I wrong. In the last 20 years, Japan has experienced a sixfold increase in foreign tourism. My oden tasted fine and ordering was a cinch thanks to an illustrated English menu. But my goal to escape fellow tourists was a flop.

DAY TWO | $642 REMAINING

The next day I continued my dual-purpose hunt for frugal diversions and tourist-free establishments by heading to Tateishi, a more remote corner of the city. My target: a standing sushi bar that a local friend had recommended. To get to Tateishi, I could opt for an easy half-hour ride on Tokyo's efficient and far-reaching train system. But I discovered that Luup, a newish e-bike sharing scheme, could also get me there quickly. Yes, the bike would cost a dollar or two more for the trip, but I'd see everything along the way. I set off on my small e-bike, looking a bit like a giant circus clown on a tiny tricycle.

My choice to stay above ground paid off almost immediately. En route, I smelled burning wood and heard a song over a speaker that, at first, sounded like a call to prayer. Then I made out the words: *"Yaki-imo."* Roasted sweet potato. I bought one ($3) from the back of a small truck, blew on it, bit in and looked around.

I was in a dreary parking lot surrounded by humble houses. But bright plants enlivened the otherwise bland exteriors of almost every home. I'd read about this in Almazán's book—how residents of Tokyo's densest neighborhoods have made the dull postwar architecture of the city feel personal and vital.

A local sushi chef had told me that sushi as we know it was invented in the early 1800s not far from my destination, Sakaezushi. Nigiri sushi was originally sold from street stalls, before also being served in standing-room-only shops. Diners always ate with their hands. Entering Sakaezushi, I found a similar scene. Above standing diners, wooden slats listed cuts of fish; chefs removed a slat whenever a certain fish ran out. The pieces of nigiri I ordered were nearly perfect, with warm rice, just the right amount of wasabi and generous cuts of fatty tuna, salty squid, and oily mackerel. Each set of two cost just a few bucks.

My meal, including soup, beer and many rounds of fish, cost $28. If I'd opted for a Michelin-starred *sushiya*, even at lunch when prices are lower, I'd have been lucky to avoid blowing 10 times that.

My sushi discovery sits on the corner of a covered market that dates to the Showa era (1926-1989) and houses all manner of fruit stalls and fishmongers, sake bars and tiny shops. I wandered down the aisles for a block or two, before coming across a construction site. On the walls around the site hung paintings of old houses, bars and cramped alleyways.

Tokyo rewards the obsessed. It can take some hunting, but if you love something, whether it's natural wine or model ships, you will find it.

Nearby, I saw an inviting-looking counter at an izakaya called Bunka Do. Inside, I asked about the open lot nearby and the diner next to me explained that developers had recently demolished the area to make way for high-rises. The paintings I'd seen depicted a kind of life that would never return here.

From above: Bunka Do, an izakaya in Tateishi; goods on sale at Okura, an indigo specialist.

DAY THREE | $364 REMAINING

I hit the streets early the next day, biking into an area called Ryogoku, famous for sumo. You can buy tickets to a tournament online, generally for between $15 and $60. While disappointed to find no contests scheduled that day, I was somewhat relieved: It meant a little more money to spend elsewhere. I followed foot traffic through the neighborhood until a building stopped me in my tracks.

Designed by Kazuyo Sejima to honor Japan's most famous woodblock artist, the marvelous Sumida Hokusai Museum combines a reflective metallic gray exterior with hard angles that stand out in the neighborhood's back streets. I sprung for the special exhibition, $6.50, and lost most of the morning wandering the galleries. A replica of a 23-foot painted scroll from 1805 depicts courtesans and helmeted horsemen on the banks of the Sumida river, the placid waterway I'd just crossed.

Lunchtime was fast approaching and I contemplated the options before me in the city with more restaurants than any other in the world. Still, my mind kept returning to the izakaya from the day before. On a short trip with a limited budget, most people would find it crazy to revisit a place they'd already been. But even a brief stay offers the chance to feel like a local by becoming a regular.

I hopped on another bike and pedaled back to Tateishi. The prior afternoon, I thought Bunka Do's proprietor had viewed me with skepticism. This time, I got a knowing nod. I spotted a curious item on the menu: a fermented northern Thai pork sausage. I asked if they made it on site. The owner, needling me as if I were a familiar customer, replied, "You think we order it from Uber Eats?"

On my first visit, I'd noticed some bottles of obscure natural wines behind the counter but had felt too shy to strike up a conversation about them. This time, I asked if he had, by the glass, a wine from a hard-to-find Hokkaido producer that I'd longed to taste. He left and returned smiling. After he opened the bottle ceremoniously and poured me a glass, two other customers asked for the same.

DAY FOUR | $52.50 REMAINING

Frequent travelers know that laundry is a hotel's biggest grift, with prices at five-star properties easily hitting triple digits. The Richmond—like other business hotels of its ilk—had an all-in-one machine that cost me just $4. Another win.

While my clothes spun, I went looking for coffee. The day before, I'd stopped in at Fuglen, an Oslo-based chain that was delicious but (surprise) swarming with other tourists.

Today I decided to seek out a *kissaten* (a traditional coffee shop) called Coffee Aroma. One man, who looked to be in his 70s, took every order, washed every saucer and brewed every cup with a devoted focus. After I ordered an iced coffee, I watched him hand carve ice from a giant block with a wooden pick. My $6 breakfast set included a slice of toast, and was served at a small counter where I could watch the master at work.

Tokyo rewards the obsessed. It can take some hunting, but if you love something, you'll find it here. I had fixated on a perfect cup of coffee, obscure wine and the city-planning philosophies of a Tokyo-based Spanish architect, but those are just my obsessions. This city is filled with tiny stores stocking the rarest plastic model-ship kits, laser-focused restaurants serving hyper-regional cuisine and vintage stores piled high with French workwear you can't find in Paris.

I'm always tempted to think about value in terms of getting the most for my dollar, but this trip widened my view: By jumping on a bike instead of a train, by visiting—and returning to—places like Bunka Do, I was helping my ideal version of Tokyo survive and thrive. You can't put a price on that.

SHIN NOGUCHI FOR WSJ

What to Skip and Where to Spend

On a budget-squeezed trip to Tokyo every well-spent yen feels like a triumph, but mistakes happen. Here, some worthy gems and some traps to avoid.

A cream puff from Lawson, a convenience-store chain.

Skip the tourist bait, *Spend* at the neighborhood izakaya

While I went to **Otafuku** hoping I'd be able to try Japan's *oden* cuisine alongside locals, instead I found a place that's sadly succumbed to the lucrative tourist trade. Head instead to **Bunka Do** for an awesome izakaya experience that will make you feel like you're a regular.

Skip the tchotchkes, *Spend* at the old-school shotengai

Nakamise, in Asakusa, is a historic market street that now sells overpriced incense, good-luck charms and other temple-related knickknacks. It's fun for a quick stroll, but not for souvenirs worthy of precious suitcase real estate. Instead, save your yen for the nearby **Ameyoko** *shotengai*, or shopping street, which grew out of a post-World War II black market. Today it's a dense and intoxicating maze of open-air izakaya, sneaker specialists and denim outlets.

Skip the lines, *Spend* at an underappreciated museum

The **Tokyo Skytree**, the world's tallest tower, might top the list of guidebook must-visits, but it feels less like a reflection of Tokyo and more like a way to drive business to the seven-story shopping mall below its observation decks. Instead of this dystopian vision of the future, head to the **Sumida Hokusai Museum** for the artist's imaginative portrayals of Tokyo as it once was.

Skip the fancy desserts, *Spend* on a convenience-store treat

Tokyo is full of dessert wonderlands where a premium parfait can run you more than $40. But don't miss out on the sweets available in the city's fluorescent-lit convenience stories, or *konbini.* Of the products that the konbini excel at, the cream puff from **Lawson** (75 cents) is my pick, with a filling made from Hokkaido's famously rich milk and a pillowy shell that doesn't break when you bite in. —*T.D.*