

U.S. NEWS



CAPITAL ACCOUNT | By Greg Ip

Gift for Next President: Sturdy Economy

Whoever wins the White House next week will take office with no shortage of challenges, but at least one huge asset: an economy that is putting its peers to shame.

With another solid performance in the third quarter, the U.S. has grown 2.7% over the past year. It is outrunning every other major developed economy, not to mention its own historical growth rate.

More impressive than the rate of growth is its quality. This growth didn't come solely from using up finite supplies of labor and other resources, which could fuel inflation. Instead, it came from making people and businesses more productive.

This combination, if sustained, will be a wind at the back of the next president. Three of the past four newcomers to the White House took office in or around a recession (the exception was Donald Trump, in 2017), which consumed much of their first-term agenda. The next president should be free of that burden.

Meanwhile, higher productivity growth should make the economy a bit less prone to inflation, more capable of sustaining budget deficits, and more likely to deliver strong wages. All would be a boon to President Trump or President Kamala Harris.

To describe this economy as remarkable would strike most Americans as confusing, if not insulting. In the

latest WSJ poll, 62% of respondents rated the economy as "not so good" or "poor," which explains the lack of any political dividend for President Biden.

When you're unhappy at home, you can gain some perspective by checking in on your neighbors. The whole world has been through the wringer since 2020; any country's performance alone is less revealing than how it compares with its peers.

Most leaders from around the world would trade their economies for the U.S.'s in a heartbeat. Through the second quarter, the U.S. grew 3%; none of the world's next six largest advanced economies grew more than 1%. Even China is struggling.

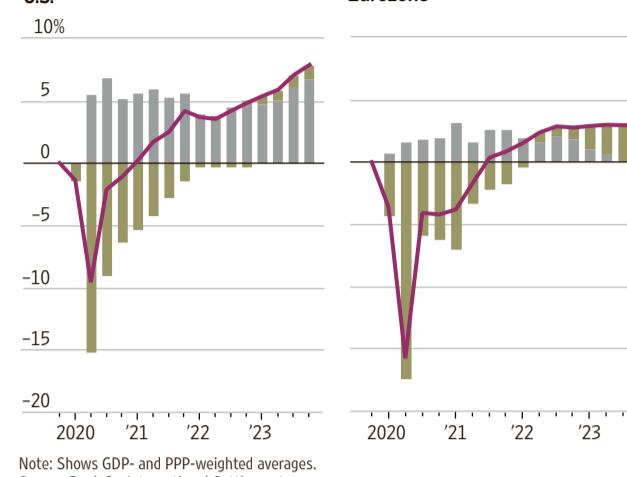
Sometimes strong growth is a prelude to a recession because it comes from straining the economy's capacity, generating inflation and forcing the Federal Reserve to raise rates.

Yet inflation has fallen in the past year, to 2.7% in the third quarter, using the Fed's preferred underlying measure. That's still above the Fed's 2% target, but the progress was sufficient for the Fed to cut rates in September and pencil in more cuts—all without growth flagging.

"That's pretty impressive. That's a bit of a Goldilocks outcome," Robin Vince, chief executive of BNY, said in a recent interview.

Some of that growth was due to the labor force swell-

Cumulative change since 2019, quarterly
— GDP ■ Productivity ■ Working hours



Note: Shows GDP- and PPP-weighted averages.
Source: Bank for International Settlements

ing with inflows of unauthorized migrants. That, however, overstates the contribution of labor because on average each employee worked slightly fewer hours.

Adjusted for that, productivity—i.e., output per hour—probably rose around 2% or more, annualized, in the third quarter, after rising 2.7% in the prior four quarters, above the 1.5% average annual rate from 2007 to 2019.

Economic growth is unlikely to sustain its recent pace. Yet thanks to higher productivity, the U.S.'s potential growth—what it can sustain over the long run—might be higher than the 1.8% that many forecasters like the Fed have long assumed.

Satyam Panday, an economist at S&P Global Ratings, thinks the potential might be 2% to 2.3%, citing booming investment in artificial intel-

The BIS thinks inflation is a bigger risk globally in coming years because of threats to supply chains such as from geopolitical conflict. But productivity provides some cushion by enabling companies to absorb higher costs, such as wages. Shin said, "The U.S. can run the economy hot in a way others cannot."

What's behind the divergence? Read the recent report by former European Central Bank President Mario Draghi on European competitiveness. In explaining why Europe lags behind, it reveals why the U.S. leads.

One reason is the domestic energy supply, which insulated the U.S. from the surge in natural-gas prices that followed Russia's invasion of Ukraine. European Union companies still pay two to three times more for electricity and four to five times more for natural gas than their U.S. counterparts, Draghi found.

More important is the role of technology. No EU company worth more than 100 billion euros, equivalent to \$108 billion, "has been set up from scratch in the last 50 years," while all six U.S. companies worth more than \$1.08 trillion were created in this period, Draghi said.

America's companies are also faster to adopt technology such as artificial intelligence, which explains much higher productivity in professional services, finance, insurance, and information

technology services.

These differences are mostly the product of the intrinsic dynamism of American capitalism rather than any president's policies. Still, Trump and Biden, in their respective fiscal policies, both sought to boost business investment, a key ingredient to productivity: Trump, through lower taxes and regulations on corporations broadly, and Biden by directing federal dollars and tax credits to semiconductor manufacturing, low-carbon energy, and infrastructure.

If the economy is so good, why are Americans so glum? Lots of noneconomic reasons, I've argued. But no question, inflation looms large. Wages, from 2021 to 2023, didn't keep up with inflation, as they are supposed to when productivity and economic growth are strong. Higher prices flowed disproportionately to profits rather than pay.

That has begun to change, though. Average wages since mid-2023 have outpaced inflation as the latter fell. Inflation could yet stall, or even rise; both nominees, and Trump in particular, have plans that could pressure prices. And surprises could interfere, like a big rise, or fall, in oil prices, another pandemic, or war.

Still, odds are inflation will be lower in the next four years than in the past four. With time, anger at today's higher prices will become acceptance. The next president is likely to bear much less of the burden of inflation than Biden did.

Black Cat Devotees Strike Back

Continued from Page One
shielding them from the indignities of what they say are outdated and debunked beliefs. One is promoting "Black Cat November."

"We still will have people who want to surrender cats to us because they're pregnant and they've heard that a cat is going to steal a baby's breath," said Marisa Richardson, board member of Louisiana's Shreveport Bossier Animal Rescue, which halted black cat adoptions in October and is instead doing the November promotion. "You try to dispel those myths but they are still there—people always do associate the black cats with bad luck. We try to educate as best we can with things like that."

But some defenders say making black cats sit out the Halloween season only reinforces negative myths and denies them homes.

Many shelters use the season to promote black cat adoptions. The Massachusetts Society for the Prevention of Cruelty to Animals-Angell Animal Medical Center held an event in October called "Purrrnormal Cativity." The group of four shelters adopted out 31 black cats in four days, including some from its shelter in Salem, Mass., known for its witch trials in the 1600s.

"We're so confident that these myths are nothing to worry about that we would never consider stopping black cat adoptions, even at our Salem shelter, which is in arguably the spookiest, most witchy city in the country," Mike Keiley, vice president of animal protection for the organization, said in a state-



Top left: A cat named Vanagon at Berkeley Humane's 'aPAWcalypse' adoption event in Berkeley, Calif.; right, Mulligan, a cat at the Shreveport Bossier Animal Rescue in Louisiana. Bottom: Jamie Han and Jacob Bedwell with kittens adopted at Berkeley Humane's event.

ment this fall.

Black cats have long faced lower adoption rates for reasons that include their historical association with bad luck, animal shelters say. Feline fans—including local humane societies, animal lobbying groups like the American Society for the Prevention of Cruelty to Animals and social-media groups with names such as "Black Cats are not Halloween props"—are calling for a new view of the cats.

"Often connected to Halloween or witchcraft, black cats have typically been looked upon as a symbol of evil omens and misfortune,"

says insurance provider ASPCA Pet Health Insurance, adding that in many cultures, the felines have the opposite association: "In Japan, owning a black cat is believed to bring good fortune. In some parts of Britain, if a black cat crosses your path, it's considered a blessing, not a curse!"

The Shreveport shelter has sold shirts saying: "Maybe you're bad luck—adopt black cats." Feline advocacy group Alley Cat Allies said on X: "if you know a black cat, consider yourself lucky and celebrate! The only bad luck following black cats, or any cat, is people's superstitions."

Cat Care Society, a shelter in Colorado, wrote on its website about debunking common black cat myths—including that the felines are hard to photograph; it offered "tips to make your black cats look ameowzing in pictures." The shelter added that most black cats are "known to be loyal, sensitive, caring companions. Black cat owners often lovingly refer to their dark-haired feline friends as house panthers or 'voids.'

Danielle Bays, a senior analyst of cat protection and policy with the Humane Society of the U.S., says it's important to promote the more

benign connections black cats have with Halloween and remind people that unlucky stereotypes are untrue. "I don't think we should shed black cats from Halloween," Bays said. "There is so much positive association with black cats and Halloween like some of the more friendly witch stories like 'Sabrina, the Teenage Witch' and her black cat, and that kind of kitsch."

Black cats' spooky image can be traced to European witch hunts from the 15th century to early 18th century, where they were believed to work alongside witches, said Washington and Lee University history professor Michelle Brock. Many feared the suspected witches morphed into black cats so they could slink about the night undetected, Brock said. "Cats can be predatory and unpredictable so they were a convenient animal to imagine that witches might change into."

On Saturday in California, at Berkeley Humane's Halloween-themed event called "aPAWcalypse," roughly a dozen black cats were available, some with names chosen for the event, such as Goblin and Ghoul. Pet Program Manager Carly Skonnard said she hasn't encountered would-be adopters who are freaked out by black cats. Instead, she sees people like herself, who get a black cat because they complement their own goth aesthetic.

"They are little voids," Skonnard said, affectionately.

Jasmine Ascencio, a graduate student at the University of California, Berkeley, deliberated about taking two kittens home. Ascencio said she has no beef with black cats but her mother holds traditional Mexican cultural beliefs about spirits and wouldn't approve of her having one.

"If I were to get a black cat she would say 'Why would you do that?'" Ascencio said. "It's that ingrained stigma that they carry curses."

Key Gauge Of Inflation Approaches Fed's Target

By MATT GROSSMAN

The Federal Reserve's preferred inflation measure fell to 2.1% in September, showing the central bank has wrestled price increases nearly back to target.

Prices measured by the personal-consumption expenditures price index rose by just under 0.2% between August and September, the latest leg of a significant cool-down in the pace of inflation. During the most dramatic spell of inflation in 2022, prices were climbing by nearly 1% a month by this gauge.

"We've been talking about a soft landing for a very long time," said David Kelly, chief global strategist at J.P. Morgan Asset Management. "Now you can say, 'OK, the Eagle has landed.'

The figures didn't show that inflation has been fully tamed. Core prices, which exclude volatile food and energy costs, are still up by 2.7% over the past year. That figure has been roughly flat since May. Prices for services, 3.7% greater than a year ago, have been especially stubborn.

The data come days before an election that has been defined in part by voters' exasperation with price increases over the past few years. Inflation has been declining since mid-2022, but many Americans remain frustrated with sticker shock for big purchases and everyday items.

Still, higher prices haven't broadly dampened their appetite to shop. Inflation-adjusted U.S. economic output grew at an annualized rate of 2.8% in the third quarter of the year, the Commerce Department said Wednesday, with consumer spending driving much of the expansion's continued strength.

The inflation data likely keep the Fed on track to cut interest rates by a quarter percentage point when the central bank's next policy meeting wraps up next Thursday. In mid-September, the central bank opted for an aggressive half-point rate cut, but resilience in the labor market and the broader economy has led several Fed officials to call for a more gradual pace of rate reductions going forward.

THE WALL STREET JOURNAL

(USPS 664-880) (Eastern Edition ISSN 0099-9640)
(Central Edition ISSN 1092-0234) (Western Edition ISSN 0193-2241)

Editorial and publication headquarters: 1211 Avenue of the Americas, New York, NY, 10036

Published daily except Sunday and general legal holidays.

Postmaster: Send address changes to The Wall Street Journal, 200 Burnett Rd., Chicago, IL 60620.

All advertising published in The Wall Street Journal is subject to the applicable rate card, copies of which are available from the Advertising Services Department, Dow Jones & Co. Inc., 1211 Avenue of the Americas, New York, NY, 10036. The Journal reserves the right not to accept an advertiser's order. Only publication of an advertisement shall constitute final acceptance of the advertiser's order.

Letters to the Editor: Fax: 212-416-2891; email: wsjeditors@wsj.com

Need assistance with your subscription?

By web: customercenterwsj.com; By email: support@wsj.com | By phone: 1-800-JOURNAL (1-800-568-7625)

Reprints & licensing: By email: customerreprints@djw.com | By phone: 1-800-843-0008

WSJ back issues and framed pages: wsjshop.com

Our newspapers are 100% sourced from sustainably certified mills.

GOT A TIP FOR US? SUBMIT IT AT WSJ.COM/TIPS

CORRECTIONS & AMPLIFICATIONS

North Korea launched an intercontinental ballistic missile test on Thursday morning local time. In some editions Thursday, a World News article about the ICBM launch said it happened Wednesday, without specifying the time zone.

A photo with a Business &

Finance article on Thursday showed the musical supergroup boygenius at this year's Grammy Awards. In some editions, the caption incorrectly referred to last year's Grammy Awards.

The Chase Aeroplan credit card awards a 25,000-point

bonus to a cardholder who spends at least \$20,000 on the card within the first 12 months after also spending \$4,000 on it in the first three months. A Personal Journal article on Wednesday about non-U.S. airlines' loyalty programs misstated the additional bonus as 20,000 points.

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

U.S. NEWS

Russia, Iran Target Voting By Minorities

By DUSTIN VOLZ
AND VERA BERGEGRUEN

WASHINGTON—U.S. adversaries have targeted Spanish-language speakers and other minority groups in efforts to influence the presidential election, seeking to fan internal social divisions and elevate their favored candidate through disinformation and propaganda.

Russia and Iran have attempted in recent months to focus on specific slices of the electorate to influence voters toward their preferred outcome, according to U.S. intelligence officials and disinformation researchers.

Aided by artificial intelligence, Iran has created websites that pose as legitimate, local news sources to target both Muslim and Black populations in the U.S., including in swing states, experts said, though they appear to attract minimal readers.

In a far more significant effort, Russia has invested heavily in overt and covert efforts to create Spanish-language content, which officials and experts said have grown considerably since Moscow sought to influence the last two presidential elections.

"Russia sees Spanish speakers as a very appealing audience, including in the U.S., where there are opportunities to make inroads," says Valerie Wirtschafter, a fellow at the Brookings Institution who has tracked Moscow's efforts to target Spanish speakers.

Moscow favors Trump, while Tehran prefers Harris, U.S. spy agencies believe.

Vice President Kamala Harris and former President Donald Trump are both courting Latino voters in their race for the presidency, with both making campaign stops Thursday in the battleground states of Nevada and Arizona.

Moscow favors Trump, while Tehran prefers Harris to win, according to U.S. intelligence agencies. The two U.S. adversaries have denied attempting to meddle in the U.S. election.

Recent efforts by U.S. agencies and some social-media companies to identify and dismantle foreign operations to target minority voter groups have underscored how much the tactics have evolved since 2016. In that campaign year, Russia spammed social media with posts denigrating Democratic presidential candidate Hillary Clinton. Russia's 2016 efforts included attempts to suppress turnout for Black Americans, a strong Democratic constituency.

The proliferation of fake websites, expansion to new platforms like TikTok, and popularity of messaging apps such as WhatsApp in these communities have made foreign state-linked content ubiquitous and more challenging to track. The relative lack of moderation of non-English content on social media also makes it difficult to stem the spread of disinformation.

One such effort is HeadPost, which publishes daily content about U.S. politics in both English and Spanish. Its Spanish website lists two names identified as reporters

with what appear to be AI-generated headshots. Neither author, both of whom have pumped out thousands of posts since last year, has a record of writing for other publications. A significant fraction of them promoted Trump's campaign promises and amplified his allies, especially billionaire Elon Musk.

HeadPost on its website claims to be headquartered in Coventry, England. According to a confidential assessment by Microsoft seen by The Wall Street Journal, HeadPost uses overlapping fake personas and content-distribution networks previously tied to NewsFront, a site the U.S. has said is guided by Russia's Federal Security Service, or FSB. NewsFront has been taken off social-media platforms and had its domain removed in August 2023. Five days later, HeadPost was created. HeadPost didn't respond to a request for comment.

While the sites generally brought in little traffic, Russia has also been able to capitalize on the sprawling Spanish-language media operation its state broadcasters have built in recent years, according to U.S. officials and independent analysts. These outlets, including RT en Español and Sputnik Mundo, target a demographic of 600 million Spanish speakers who rank among the globe's most active media consumers—including the 40 million Americans who speak Spanish at home. RT has said publicly that it has hundreds of Spanish-speaking employees and reaches tens of millions of Spanish speakers worldwide.

The rapid expansion of Kremlin-linked Spanish media following Russia's invasion of Ukraine, and its ability to directly reach Americans, has alarmed U.S. officials and lawmakers. A bipartisan group of U.S. senators warned in 2022 that the Russian content in Latin America can "regularly reach Spanish-speaking communities in the United States, directly harming our national interests."

As of June 2023, at least 10% of the traffic to RT en Español was coming from the U.S., according to an analysis by the Bulgaria-based Center for the Study of Democracy.

But its reach is likely much broader, given that it licenses its content to hundreds of cash-strapped outlets in Latin America free.

Ahead of the 2024 election,

Russia also sought to reach younger Spanish-speaking audiences on new platforms.

Engagement for TikTok posts in Spanish from Russia-linked accounts doubled in 2024, according to the Brookings Institution, a Washington-based think tank.

The posts included criticism of Biden's Israel and Ukraine policies, questions about his age and fitness, and promotion of Tucker Carlson's coverage of Russia. Among the 30 most popular TikTok videos focused on U.S. politics posted in the first three months this year, 22 were posted by Russia's Spanish-language accounts, according to Brookings.

Watch a Video: How Harris and Trump Want to Solve the Housing Crisis



MADELINE MARSHALL

The U.S. is in an affordable housing crisis, and the solution seems simple: build more houses. Scan this code for a look at how Kamala Harris's and Donald Trump's housing plans would intervene.



Celebrating a Sweet, Not Scary, Halloween



JEFFEREE WOO/TAMPA BAY TIMES/ZUMA PRESS (3)

BOO! Clockwise from above, as St. Joseph's Children's Hospital in Tampa, Fla., marked Halloween on Thursday, princess Lily Mansour, 11, participated in a parade to collect treats, Spider-Man Jacob Rodriguez, 2, searched for candy in his bag, and witch Kalasia Lopez, 2, took in the festivities.



Researchers Critical of Bad Science Have Own Study Pulled Due to Errors

By NIDHI SUBBARAMAN

A study trumpeting the value of applying rigorous standards to scientific research was retracted, in part because the authors didn't follow their own advice.

In the sprawling project, scientists in four labs designed and tested experiments and then tried to replicate one another's work. The intention, according to the study, was to test methods aimed at ensuring the integrity of published research. But the group neglected to fully document key aspects of the project ahead of running the experiments, one of the practices the study was looking to test, leading to the retraction.

The authors—who include two of the most prominent voices advocating for research reforms—dispute some of the criticisms and said any errors they made were inadvertent.

"It wasn't because we were trying to fool someone, but it is because we were incompetent," said Leif Nelson, one of the authors, a marketing professor at the Haas School of Business at the University of California, Berkeley.

Nelson helps write the Data Colada blog, a website known for discussing research methods and debunking studies built on faulty or fraudulent data. Recently, the blog gained attention for its blistering critique of a star Harvard Business School professor's work, alleging that her research contained falsified data.

After its own investigation, Harvard placed the professor, Francesca Gino, on unpaid ad-

ministrative leave. Gino, who has denied wrongdoing, is suing the university. Her defamation claims against the bloggers were dismissed.

Brian Nosek, another of the paper's authors, is executive director of the Center for Open Science, a nonprofit based in Charlottesville, Va., which advocates for transparency in research. Nosek has run projects showing that the results of many scientific studies can't be reproduced when other researchers try, what has come to be known as the replication crisis. He and others have argued that this is a symptom of the inadequate research standards that undermine the quality of behavioral science.

The retracted study, written with 15 other authors, involved 16 discoveries and 80 experiments in four different labs. The paper was published in the journal Nature Human Behavior in November 2023. It was retracted in September. The retraction was earlier reported by the Chronicle of Higher Education.

The study claimed to use best practices, such as setting sufficient sample sizes and pre-registering research, where researchers spell out what they want to measure and how they will analyze the results to make it difficult to later alter hypotheses to fit results.

The researchers found 86% of the replication attempts in their study confirmed the expected effects. The replication rate demonstrated the value of the standards, the authors said.

"This is a paper about pre-



IAN BATES FOR WSJ

Leif Nelson is one of the retracted paper's 17 authors.

registration by proponents of preregistration, it tries to make a conclusion about pre-registration, and the authors actually failed to preregister their core analyses," said Berna Devezer, a researcher who studies scientific methods at the University of Idaho and whose critique was cited in the journal's retraction notice.

"Even if everything had been registered it would not have mattered because there are fundamental design flaws," said Joe Bak-Coleman, a computational social scientist who co-wrote the critique.

The journal conducted an investigation and found that concerns the duo raised were valid, according to the retraction notice.

In addition, the study didn't describe how they chose or ran the pilot studies that preceded the replication studies, a key flaw according to Jessica Hullman, a computer scientist who studies

decision-making and uncertainty at Northwestern University and was involved in the journal's investigation.

"There's just a whole bunch of mystery around these pilot studies," she said.

In a statement responding to the retraction, six of the study authors, including Nosek, acknowledged "elementary errors" in preregistration and said that they would review how the teams ran their pilot studies.

The project began more than a decade ago, in 2012, at a time of introspection among social and behavioral scientists who were concerned that lax research standards could accommodate untrue findings.

To demonstrate the limits of accepted techniques, Nelson co-wrote a highly cited paper that demonstrated, absurdly, that people who listened to the Beatles song "When I'm Sixty-Four" grew younger. Nosek, meanwhile, was in the midst of an influential project that would estimate that less than 50% of studies in psychology could be replicated.

Against this backdrop, they joined a project intended to test the reforms they advocated.

It appeared to Devezer and Bak-Coleman that the paper's authors had succumbed to some of the bad habits they were trying to expel from the field: using convenient analyses to boost their results or changing course midway when their results didn't suit their goals.

Nosek stands by their experimental design. "I think that the basic conclusion is robust."

U.S. NEWS

Meet the Headhunter-in-Chief for Trump

Howard Lutnick is tasked with finding recruits for possible new administration

BY RACHEL LOUISE ENSIGN

Cantor Fitzgerald Chief Executive Howard Lutnick hired thousands of employees after most of his company's New York staff was killed on Sept. 11, 2001. Now he is in charge of lining up candidates for a similar number of jobs in the event of a second Trump administration.

Lutnick, 63 years old, is MAGA's top emissary on Wall Street, a place where some executives have embraced former President Donald Trump's tax policies but are leery of the tone of his rallies. Trump, a longtime friend, appointed Lutnick co-chair of his transition team in August. His mandate is to compile shortlists of candidates for jobs ranging from attorney general to the deputy solicitor for water resources.

The billionaire says his experience running Cantor makes him uniquely suited for the role.

Terrorists flew a pair of passenger jets into the Twin Towers of the World Trade Center 23 years ago, killing all 658 Cantor employees who were in the office that morning. Lutnick, who wasn't at work because he was taking his son to his first day of kindergarten, made headlines as the CEO who wept on the news. He has spent the decades since rebuilding the business, finding success in niches such as crypto and the blank-check company craze of a few years ago.

Cantor Fitzgerald now has 13,000 employees around the world, compared with about 2,000 after 9/11.

Now he has joined Trump's new inner circle of advisers from the business world. Elon



Howard Lutnick had a speaking slot at a recent rally for Donald Trump at Madison Square Garden in New York City.

Musk is on board as the chief red-tape cutter. Investors John Paulson and Scott Besent are dispensing economic advice and jockeying for the job of Treasury secretary.

Lutnick had a top speaking slot Sunday at Trump's Madison Square Garden rally. He is making the rounds on cable television to tout the former president's policies. On Wednesday, he questioned the safety of vaccines for children in an appearance on CNN.

He also tagged along with Trump to a campaign event in Michigan and a visit to the grave of an Orthodox Jewish leader.

Looking for loyalty

Lutnick said in an interview in his Midtown Manhattan office that a second Trump administration would look different than the first. His team isn't interested in people such as former Defense Secretary

Cantor Fitzgerald's Businesses

Howard Lutnick owns the majority of privately held Cantor Fitzgerald, which controls three companies, two of which are publicly traded.

BGC Group is the old brokerage business, which arranges trades of bonds and other securities for the biggest banks. That company is behind an effort to dethrone the exchange giant CME Group.

Newmark Group is a commercial real-estate broker. And a third company called Cantor offers investment-banking services.

Cantor Fitzgerald has ventured into some controversial corners of finance. A foray into sports betting led to a more than \$22 million penalty for illegal gambling and money laundering. The unit was sold off in 2020.

It also has embraced crypto, which many larger companies avoid. Last year, the Journal reported that the secretive Hong Kong-based owner of the stable-coin tether used Cantor Fitzgerald to help oversee its \$39 billion bond portfolio.

"be loyal to the policies of the president."

Lutnick says he works for his companies from 6:30 a.m. to 9 a.m. and 4 p.m. to 10:30 p.m. In between, he volunteers for the Trump transition team. He is in back-to-back meetings with potential candidates and the executives and politicians vouching for them.

Recommendations come

from executives including Apollo Global Management head Marc Rowan and brokerage founder Charles Schwab. In the middle of a meeting with a Journal reporter, a senator called.

Lutnick credits his rise at Cantor in part to wooing potential clients over drinks. And he doesn't shy away from a hard sell.

Years ago, he wanted to hire Alice Greenwald from the U.S. Holocaust Memorial Museum to be the director of National September 11 Memorial & Museum, where he sits on

the board. When she declined, he told her having to watch someone else do the job was going to ruin her life.

He said she accepted the job a few days later.

Lutnick, a registered Republican, has donated to politicians in both parties over the years. In the 2016 election, he gave to Democratic presidential candidate Hillary Clinton and to Kamala Harris, who was running to represent California in the U.S. Senate, according to OpenSecrets.org. He also donated to Republican presidential candidates Jeb Bush and Trump in that election cycle.

Meeting 'DJT'

He first met Trump, whom he calls DJT, attending charity events in New York decades ago. More recently, the men played golf together. Lutnick and his wife, Allison, who have four children, gave to Trump's 2020 re-election bid.

"For my whole life I was a fiscal conservative, social liberal...The Democratic Party moved away from me," he said, citing the party's approach to illegal immigration as one example.

Trump called him about a year ago to ask him to help with his presidential bid. Lutnick hosted a \$15 million fundraiser for the candidate in the Hamptons over the summer.

Musk took the stage with Lutnick at the Madison Square Garden rally. The pair of billionaires told the packed arena that they plan to create a Department of Government Efficiency, or DOGE, a cheeky nod to a cryptocurrency inspired by a Shiba Inu.

"How much do you think we can rip out of this wasted, \$6.5 trillion Harris-Biden budget?" Lutnick asked Musk.

"I think we could do at least \$2 trillion," Musk said.

"Yeah!" Lutnick yelled, pumping his fist. The crowd cheered.

ADVERTISEMENT
We are now

Breakthrough
T1D™
Formerly JDRF

As we drive toward curing type 1 diabetes, we help make everyday life better for the people who face it.

Join our movement at BreakthroughT1D.org



Comcast Explores Spinoff

Continued from Page One
new company could be a vehicle to acquire other well-known U.S. networks from across the cable dial as rivals look to exit from the business, the people said.

A new cable-network company would be owned by Comcast shareholders and wouldn't include other assets in the company's NBCUniversal unit, such as the NBC broadcast network, the Universal studio or theme parks.

Comcast is still reviewing its options and may choose not to hive off its cable channels. The company on Thursday reported a jump in third-quarter revenue fueled by its media businesses. Its shares rose 3%.

Years of cord-cutting have taken a toll on the financial health and growth prospects of cable channels, leading companies to revisit their valuations for those businesses.

Warner Bros. Discovery, parent of CNN, TNT and TBS, earlier this year wrote down its cable businesses by \$9.1 billion, while Paramount, owner of MTV, Nickelodeon and Comedy Central, issued a \$6 billion write-down.

Still, for now many cable networks are very profitable, in large part because of long-term contracts with cable-TV providers that guarantee annual subscriber fees. That could make them a compelling target for financial investors such as private-equity firms or other companies in the media industry.

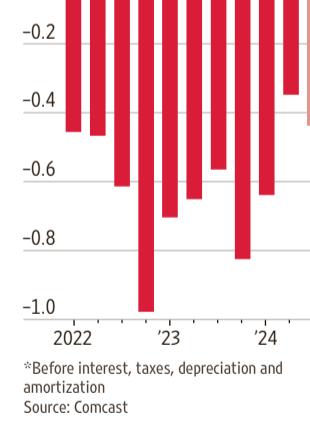
Jeff Hirsch, the CEO of Starz, which is expected to separate from Lions Gate Entertainment by early next year, has expressed interest in acquiring more cable networks to bulk up his company, according to people familiar with the situation.

NBCUniversal's entertainment cable channels have struggled to develop fresh hits, and the company's original programming efforts are increasingly focused on the flagship Peacock streaming service. Separating MSNBC



'Top Chef' airs on Bravo, one of Comcast's cable channels.

Peacock's quarterly losses*



*Before interest, taxes, depreciation and amortization
Source: Comcast

from the broader NBC News operation could be challenging and is one of the issues under review, a person familiar with the situation said.

Jonathan Chaplin of New Street Research called Comcast's announcement a surprise, but one that makes sense. "The cable networks are a challenged set of assets for all media companies that have them," Chaplin said.

Mark Lazarus, who is currently the chairman of NBCUniversal's media group, with oversight of TV and streaming platforms, would be a likely candidate to be CEO of the new venture, the people familiar with the discussions said.

Comcast Chairman and CEO Brian Roberts, who has a one-third voting stake, would have the same ownership position in the new company should it be created.

Comcast said revenue grew 6.5% in the quarter to \$32.1 billion, with the Paris Olympics and new film releases lift-

ing results, despite declines in its theme-park business and broadband subscribers.

Despite the top-line gains, net income fell 10.3% from a year earlier to \$3.6 billion, in part because of rising programming and production costs and asset amortization. On an adjusted basis, income fell by 3.3%. Comcast posted adjusted earnings per share of \$1.12, up from \$1.08 in the year-earlier quarter.

Analysts polled by FactSet had expected revenue of \$31.8 billion and per-share earnings of \$1.06.

Peacock added 3 million paid subscribers in the quarter, when it exclusively streamed the Paris Olympic Games, bringing total paid subscribers to 36 million. Peacock's revenue increased 82% year-over-year to \$1.5 billion. Its quarterly losses rose 25% from the prior quarter, to \$436 million, though they declined from a year earlier.

Comcast said on the earnings call that it will consider partnerships in streaming to help boost the business.

Broadband revenue grew 2.7%, driven by rate increases. Comcast reported losing 87,000 broadband customers, which it attributed to the end of a federal program to subsidize broadband for low-income households. Excluding the impact from that program, Comcast would have added 9,000 broadband subscribers, the company said.

Revenue at NBCUniversal's film studios rose 12.3% year-over-year to \$2.8 billion, aided by the theatrical releases of "Despicable Me 4" and "Twisters." Theme-parks revenue fell 5.3%.

Harris Keeps Gender in Background

Prospect of first woman president gets little attention, unlike in 2016 race

By ELIZABETH FINDELL

This time eight years ago, much of the nation's focus was on a glass ceiling that ultimately didn't break.

This year, as another woman stands on the brink of potential history, the country is talking about everything else.

Unlike Hillary Clinton, whose doomed campaign often invoked the significance of her bid to become the first female president, Kamala Harris has resisted making her gender a talking point in her campaign against Donald Trump. That is one reason why the historic nature of the vice president's candidacy has largely receded into the background during a race overshadowed by shocking turns of events.

Women have made significant gains in elected office at every level and in corporate boardrooms in the last eight years, even as they remain acutely underrepresented. Yet many have felt progress stymied in other ways, most notably the loss of the constitutional right to an abortion after the Supreme Court overruled *Roe v. Wade*.

Some see Harris's avoidance of talking about her gender as a sign of progress, that the nation has evolved past the need to debate women's leadership. To others, it is a sign of regression—that Clinton's loss proved being a woman is a liability. Harris also hasn't heavily focused on her Jamaican and Indian heritage.

Harris stresses that she wants to move past divisions in the country and pitch herself to all Americans. "I'm clearly a woman, I don't need to point that out to anyone," she said last week on NBC News. "The point that most people care about is, can you do the job and do you have a plan to actually focus on them?"

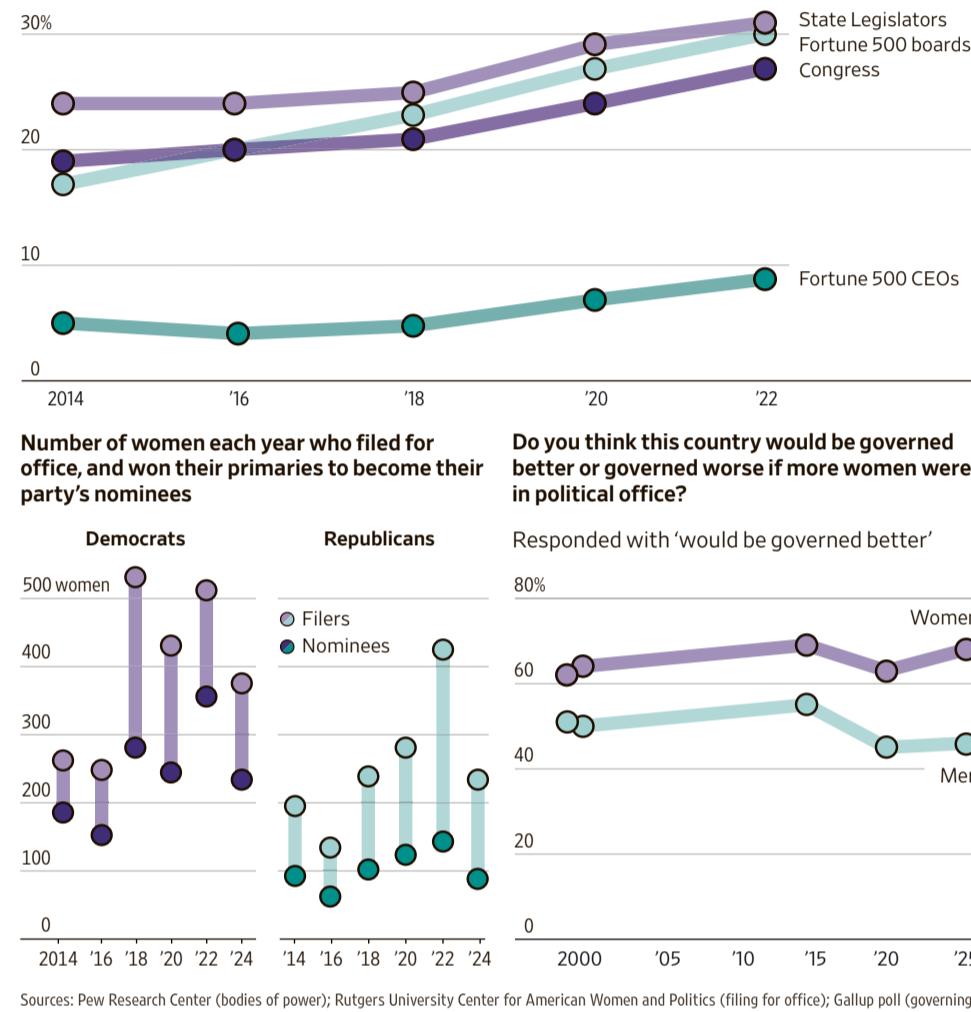
That focus includes an emphasis on issues that affect women, particularly reproductive rights. Harris has tapped high-profile female surrogates to reach voters, most notably last weekend, when superstar Beyoncé at a Houston rally spoke of witnessing "the strength of a woman" under giant signs reading "Trust Women." At another weekend Harris event, former first lady Michelle Obama addressed men specifically as she dived into details of miscarriages and gynecological care.

Signs of backlash

Harris's candidacy follows a series of watershed political and cultural moments for women since Clinton's defeat that has left American women



Kamala Harris, shown Thursday at a rally in Reno, Nev., says she wants to move past divisions.



Sources: Pew Research Center (bodies of power); Rutgers University Center for American Women and Politics (filing for office); Gallup poll (governing). ROSIE ETTEHENHEIM/WSJ

more powerful and politically active. There are signs their gains have triggered a backlash and left women disillusioned, analysts and voters said.

In 2014, 63% of Americans polled by Gallup said the country would be better governed if more women were in political office. This year, that number dropped to 57%, mostly because of a shift in men's sentiment.

Since 2016, the share of women in the halls of power has risen; in Congress from 20% to 28% this year; in state legislatures from 24% to 33%;

on Fortune 500 boards from 20% to 30% and among Fortune 500 CEOs from 4% to 11%, according to the Center for American Women and Politics at Rutgers University and the Pew Research Center. Last year was the first when female CEOs surpassed CEOs named John.

Much of that gain came during Trump's term when many women, stunned by his 2016 victory, became more politically engaged, said Debbie Walsh, director of the Rutgers center. Women tend to lean Democratic. "We saw a spike, particularly, right after 2016,"

Walsh said. "We saw women running in record numbers and beating incumbents."

In 2018, more than twice as many women filed to run for Congress and statewide executive offices as had two years earlier.

More recently, however, the number of women running for office has been falling back to pre-2018 levels.

Republicans have also seen a decline in the number of women candidates who win their primaries. Over the last two cycles, only a third of the 486 Republican women seeking to run for Congress were

selected as their party's nominees, compared with 70% of the 684 Democratic female congressional hopefuls. Before 2022, both parties saw about half of women filing to run for Congress become nominees each cycle.

Erin Loos Cutraro, CEO of She Should Run, a nonpartisan nonprofit that encourages women to get involved in politics, is concerned about a reduced bench of new female candidates and the drop in Republican women winning primaries. She said that She Should Run, which is primarily funded by corporate donations, has seen its fundraising fall by nearly half in recent years, Cutraro said. "I can't tell you how often I hear some version of 'That moment has passed,'" she said.

Clinton's emphasis on the historic nature of her campaign, in which she often appeared wearing suffragette white, relieved Harris of some of the burden of a conversation about women's leadership, political observers said.

Sexist attacks

Yet they fear Harris's avoidance of gender and emphasis on strength are responses to an electorate that remains deeply sexist. Trump's campaign has highlighted grievances of some men and backlash against diversity, equity and inclusion programs. Trump and his surrogates have attacked Harris in sexist and racist terms, including Trump sharing lewd memes of her on social media and a speaker at his recent New York rally referring to "her pimp handlers."

In the U.S., there is evidence that women are moving farther to the left, while men are moving farther to the right. Political observers and voters pointed to the loss of abortion rights, the #MeToo movement that sparked women's mobilization against sexual abuse and pandemic workforce disruptions that hit women harder than men as pivotal developments in the last eight years.

"We are not better off," said Desiree Tynsky, a 59-year-old registered nurse in Glendale, Ariz. "Our freedoms are under attack—every day I feel it."

Julie Harris, president of the National Federation of Republican Women, is skeptical of data that women are drifting farther away from her party.

In traveling around the country talking to women from her party, Julie Harris said the issue of abortion rights "very rarely comes up." Rather, she thinks they are consumed with concerns about kitchen-table issues, especially inflation, and illegal immigration. "What women may have had the luxury of thinking about in 2016 has become secondary," she said.

Bucks officials blamed miscommunication for the fact that people lined up to apply for an on-demand mail ballot were "briefly told they could not be accommodated."

Trump's campaign sued the county on Wednesday, claiming its officials violated state election law by turning away voters. Later in the day, a judge extended the deadline for voters to apply for and receive mail-in ballots in person at a local election office.

Trump has called out two Pennsylvania counties, Lancaster and York, for what he said was election fraud.

Authorities in Lancaster County said Friday they were investigating about 2,500 possible fraudulent voter-registration applications submitted to the elections board on the cusp of the registration deadline.

The workers noticed irregularities, didn't process the applications and referred them to law enforcement.

Officials said the potentially fraudulent applications included people registered in both parties. Schmidt, the Republican chief election official, called Lancaster County's actions a sign that "safeguards in our voter registration process are working."

Watch a Video

Scan this code to see how videos are being used to cast doubt on election integrity.

ELECTION 2024

Judge Delays Ruling on Musk's Voter Giveaway

A judge delayed ruling on whether Elon Musk's cash giveaways to voters are unlawful, amid a battle over where the case should be decided.

Philadelphia's district attorney is seeking a court order shutting down the sweepstakes, which are being run by Musk's pro-Trump political action committee. Musk meanwhile is seeking to move the case from state court to federal court.

During a 20-minute hearing Thursday morning, Judge Angelo Foglietta said he couldn't dive into the case until the jurisdictional questions were resolved. On Wednesday, Foglietta issued an order that required all parties in the case to be present at the hearing, but Musk wasn't in court Thursday.

A lawyer for Musk told the judge his client couldn't be at the hearing because it was convened on short notice, but would attend future proceedings in the case if required. The district attorney's office said it might seek penalties if Musk doesn't attend.

—Jan Wolfe

Georgia Official Sets Timeline For Ballot Count

The majority of ballots cast in the Peach State will be counted by election night, Georgia Secretary of State Brad Raffensperger said during a Thursday appearance on CNN. Early votes will be reported by 8 p.m. ET on Nov. 5, and in-person Election Day votes will be reported "by the end of the night," Raffensperger said.

Raffensperger said about 10,000 ballots—mostly consisting of military and overseas ballots, and last-minute absentee votes—won't be tabulated until the next day. In 2020, the race wasn't called until 10 days after Election Day. President Biden won the state by roughly 11,000 votes.

—Xavier Martinez

Battleground Polls Paint Mixed Picture

CNN battleground polls show Kamala Harris leading Donald Trump by five points in Michigan and six points in Wisconsin, while both remain deadlocked in Pennsylvania. Both likely need to capture each of these "blue-wall states" to win.

Other polls show Harris and Trump neck-and-neck in these areas. In Wisconsin, Harris carried a one-point lead over Trump, within the margin of error, according to a Marquette Law School poll. Trump had a single-point advantage over Harris in Pennsylvania, according to a Quinnipiac University poll.

The CNN polls, which surveyed hundreds of people last week and this week, show as many as 8% of voters in the three states are still persuadable.

—Alyssa Lukpat

Early Voting Breaks 60 Million Mark

With days remaining until Election Day, 60.6 million voters have cast an early ballot. That includes 14.6 million votes in the seven battleground states, according to data from the University of Florida's Election Lab.

In states that report party identification, 38.7% of early voters cast have been by Democrats, while Republicans have cast 36.2% of votes so far—a closer-than-usual margin that has continued to narrow as more votes are counted. Some swing states, including Georgia and Michigan, aren't included in the breakdown by party registration.

—Xavier Martinez



Republican Al Schmidt, Pennsylvania's top election official

MATT ROURKE/ASSOCIATED PRESS

Vote-Fraud Allegations Have Begun

Continued from Page One

in determining who will win the race for the White House or control of the Senate," Schmidt said of the forces drawing election skeptics to the state.

With its 19 electoral votes, Pennsylvania is considered a must-win for both Trump and his Democratic rival, Vice President Kamala Harris, who are running virtually neck-and-neck in the state. In 2020, Democrat Joe Biden defeated then-President Trump by about 1 percentage point.

While Pennsylvania faced an avalanche of unsuccessful litigation by Trump and his allies challenging the 2020 results, those efforts largely emerged after Election Day. Now, the push to cast doubt on the state's electoral system is already well under way.

Posts suggesting or declaring systemic fraud in Pennsylvania, propelled by Elon Musk and other pro-Trump influencers on Musk's X platform, are outpacing public officials' attempts to explain the realities on the ground. Authorities said the posters are misrepresenting routine or unverified problems, leading to a false narrative about electoral malfeasance.

Musk's X platform amplifies fraud tales that local officials call false.

Conservative activist Scott Presler, who heads a voter-registration group called Early Vote Action, is among those zeroed in on Pennsylvania. On Sunday, Presler thrust Luzerne County into the national spotlight, relaying a "scoop" to

his 1.7 million X followers. He shared a video of a county official speaking at a public meeting about a batch of last-minute voter applications delivered by a former election worker. "If we do not address these inconsistencies," Presler wrote, "Pennsylvania voters cannot have confidence in fair & free elections."

"This needs to be investigated," Musk chimed in, re-posting Presler's message to his own 202 million followers.

Luzerne County District Attorney Sam Sanguedolce, a Republican, said Monday his office did investigate. "None of the registrations were fraudulent," he said in a news release.

Bucks officials blamed miscommunication for the fact that people lined up to apply for an on-demand mail ballot were "briefly told they could not be accommodated."

Trump's campaign sued the county on Wednesday, claiming its officials violated state election law by turning away voters. Later in the day, a judge extended the deadline for voters to apply for and receive mail-in ballots in person at a local election office.

Trump has called out two Pennsylvania counties, Lancaster and York, for what he said was election fraud.

Authorities in Lancaster County said Friday they were investigating about 2,500 possible fraudulent voter-registration applications submitted to the elections board on the cusp of the registration deadline.

The workers noticed irregularities, didn't process the applications and referred them to law enforcement.

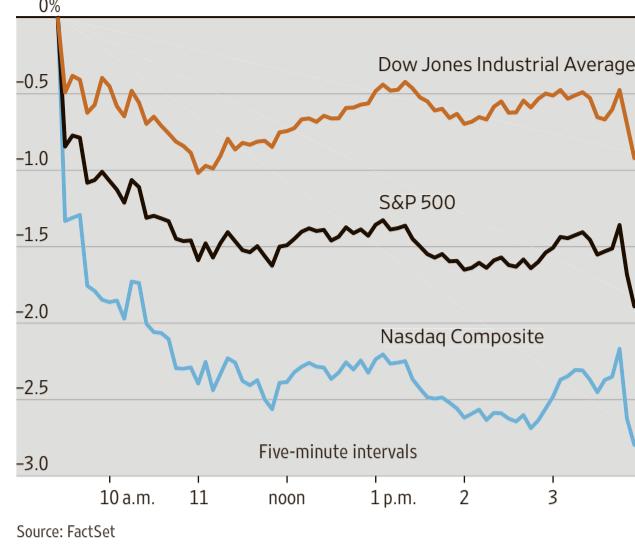
Officials said the potentially fraudulent applications included people registered in both parties. Schmidt, the Republican chief election official, called Lancaster County's actions a sign that "safeguards in our voter registration process are working."

Watch a Video

Scan this code to see how videos are being used to cast doubt on election integrity.

U.S. NEWS

Index performance on Thursday



Another strong report on Friday could extend a sharp selloff in bonds that began after the release of the September payroll data. That report significantly eased recession fears and convinced traders the Federal Reserve might lower rates slower than expected. The central bank cut its benchmark borrowing cost by a half percentage point in mid September.

The yield on the benchmark 10-year Treasury note ended Thursday at 4.282%, up from 3.798% at the end of September. Yields rise as prices fall.

Traders are counting on the Fed trimming rates by an additional quarter of a percentage point at the central bank's meeting next week.

Other frothy corners of the market came down on Thursday.

Earnings sank shares of trading platforms Robinhood Markets and Coinbase Global, the cryptocurrency exchange, which lost 17% and 15%, respectively.

Super Micro Computer shares followed up Wednesday's 33% plunge with a 12% decline, extending losses since the server maker disclosed that Ernst & Young had resigned as its auditor, saying it could no longer rely on management's representations.

Trump Media & Technology Group, which operates former President Donald Trump's social-media platform and tends to move with expectations of a second Trump presidency, lost 12%.

Elsewhere, yields on U.K. government bonds shot higher for the second consecutive session, as investors mulled the new Labor government's budget proposal calling for increased taxes and borrowing. The pound lost ground against the dollar. "Plainly investors are nervous about the fiscal outlook in the U.K.," said Jonas Goltermann, deputy chief markets economist at Capital Economics.

European stock indexes also declined Thursday to end the month lower. London's FTSE 100 index fell 0.6% Friday and the Stoxx Europe 600 ended down 1.2%.

Nvidia, the must-own stock of the artificial intelligence boom, fell 4.8%.

Weekly employment data Thursday showed fewer jobless claims than economists expected. The Labor Department is set to release October payroll data Friday, though economists and analysts warn that the numbers might be messy given the effects of hurricanes Helene and Ian and the machinists' strike at Boeing.

Continued from Page One reported better-than-expected results after trading hours on Wednesday, investors found fault on Thursday.

Microsoft forecast slower growth in its cloud business and fell 6%. Meta said it expects "significant" growth in capital expenditures next year and sank 4.1%.

Apple and Amazon.com gave their results after Thursday's closing bell. In after-hours trading, Amazon gained back some of Thursday's 6.5% loss. Apple extended its 2% decline.

Chip makers continued a recent struggle. Nvidia, the must-own stock of the artificial intelligence boom, fell 4.8%. The PHLX Semiconductor index declined 4%.

Investors are seeing the downside of an equities market built around a few giant stocks, said Lara Rhame, chief U.S. economist at Philadelphia asset manager FS In-

vestments. They still shouldn't equate declining stock indexes with economic weakness.

"Concentration will give us that volatility and when it swings into a painful direction, there's a natural instinct to worry there's a crack in the economy," she said. "The recent data show us that's misguided."

It wasn't all bad. Quarterly results propelled a lot of companies to great days.

International Paper jumped 13%, the latest in a string of blockbuster earnings gains for cardboard-box makers. Oil producer ConocoPhillips added 6.4% after topping Wall Street's profit expectations.

Travel site Booking Holdings and Norwegian Cruise Line climbed 6.3% and 4.8%, respectively, after their earnings reports suggested healthy consumers.

Weekly employment data Thursday showed fewer jobless claims than economists expected. The Labor Department is set to release October payroll data Friday, though economists and analysts warn that the numbers might be messy given the effects of hurricanes Helene and Ian and the machinists' strike at Boeing.

European stock indexes also declined Thursday to end the month lower. London's FTSE 100 index fell 0.6% Friday and the Stoxx Europe 600 ended down 1.2%.

European stock indexes also declined Thursday to end the month lower. London's FTSE 100 index fell 0.6% Friday and the Stoxx Europe 600 ended down 1.2%.

Gradual cooling in the labor market and solid growth have combined to boost confidence in a soft landing for the economy as the Federal Reserve is expected to continue cutting interest rates next week.

Economists have forecast that the unemployment rate stayed steady at 4.1% in October.

U.S. WATCH



HONORING PUBLIC SERVICE: Members of the Ohio State Highway Patrol carry the casket of former Ohio House Speaker Jo Ann Davidson at the Ohio Statehouse in Columbus.

PAUL VERNON/ASSOCIATED PRESS

ECONOMY

Jobless Claims Decline Slightly

A smaller flow of workers filed for new jobless benefits last week, evidence of a relatively stable employment picture ahead of Friday's report on the labor market in October.

The week through Oct. 26 brought 216,000 initial jobless claims, compared with 228,000 a week earlier. Economists polled by The Wall Street Journal had been expecting to see 230,000 initial claims.

The number of continued claims, a gauge of the size of the unemployed population, fell to 1.86 million in the week through Oct. 19, compared with 1.89 million the week before.

Gradual cooling in the labor market and solid growth have combined to boost confidence in a soft landing for the economy as the Federal Reserve is expected to continue cutting interest rates next week.

Economists have forecast that the unemployment rate stayed steady at 4.1% in October.

—Matt Grossman

ARKANSAS

State Buys Land To Build a Prison

Arkansas has purchased land for \$2.95 million to build a new prison that officials hope will ease a backlog of state inmates in county jails, Gov. Sarah Huckabee Sanders and corrections officials said.

The state bought 815 acres in Charleston, about 106 miles northwest of Little Rock. The state Board of Corrections must approve the site before construction begins.

Prison officials haven't given a total estimate on how much the new prison will cost. Sanders, a Republican, called for 3,000 new prison beds and lawmakers set aside \$330 million for that last year. An additional \$75 million originally intended for the expansion of a prison unit is also available for the project.

About 2,500 state inmates are currently housed in county jails.

Corrections officials said once the new prison is built, it will employ nearly 800 people at an average salary of more than \$46,600.

—Associated Press

NATIONAL PARKS

Yellowstone, Denali Get Bridge Funds

Federal highway officials announced \$635 million to repair or replace numerous old and outdated bridges in states across the U.S. from Alaska to Maine, including a couple located in popular national parks.

The grants for more than 70 small and medium-size bridges in 19 states mark the latest infusion from a \$1.2 trillion infrastructure law signed by President Biden in 2021. The measure directed \$40 billion to bridges over five years.

Maine will receive the most money from the latest grants—nearly \$133 million for a dozen bridges along Interstate 95 and Interstate 395.

In Alaska, more than \$13 million will help replace the Ghiglione Bridge in Denali National Park and Preserve.

In Wyoming, \$23 million will help repair an 85-year-old, 200-foot-high bridge that carries vehicles—and sometimes herds of buffalo—over the Gardner River in Yellowstone National Park.

—Associated Press

Phone Sales Lift Apple To a Record

Continued from Page One intensified after domestic smartphone champion Huawei released a high-speed phone, Apple's revenue reached \$15 billion for the region, a slight decline from the same period last year and nearly 6% below analyst expectations.

Apple's peers reported strong results this week. Microsoft and Google parent Alphabet posted double-digit revenue growth due in large part to rising demand for their AI-powered cloud services. On Wednesday, Meta Platforms logged record quarterly sales, fueled by strength in digital advertising.

The growth in iPhone sales was a positive surprise and indicates that people with iPhones that were three to four years old are ready to upgrade, said Charles Rinehart, chief investment officer at Johnson Investment Counsel, an Apple shareholder.

"There's an underappreciated demand," he said. "It's super encouraging to see this growth in advance of the AI features fully launching."

Apple's peers reported strong results this week. Amazon.com rose by more than 4% in after-hours trading after beating Wall Street expectations, with demand rising for its cloud services and e-commerce sales.

But these big tech players, including Microsoft and Meta, faced wary investors after reporting rising spending on the AI boom. Although quarterly sales increased markedly for both companies, their shares fell in after-hours trading Wednesday, underscoring the demand among shareholders for better returns on billions of dollars in spending for new AI products and services.

Apple has taken a more cautious approach compared with Microsoft and Meta, increasing operating expenses at a far slower rate this year, according to FactSet data.

In September, Apple released its iPhone 16 lineup, which it said would enable a personal-

prior year's iPhone 15 launch, according to Counterpoint Research. But stronger sales in China might not last because of recent smartphone launches from domestic Chinese vendors, the research firm cautioned.

The new AI features aren't available in China, and in the U.S., none was available when the devices went up for sale in September. The first batch of features were released earlier this week—summarizing notifications, rewriting text and cleaning up photos—though people first had to get on a wait list to access them. Apple said other features, including an integration with OpenAI's ChatGPT, would be coming later.

Apple plans to be careful as it launches the new tools, and executives have said the company is focusing on privacy and responsibility first.

"This is a big lift," Craig Federighi, Apple's software chief, recently told The Wall Street Journal. "You could put something out there and have it be sort of a mess. Apple's point of view is more like, 'Let's try to get each piece right and release it when it's ready.'"

Users have upgraded to the new iPhone operating system faster than last year in order for them to access Apple Intelligence, said Maestri.

"There is a lot of interest from our customers to get onto the new software so they can experience the intelligence features," said Maestri.

For Apple's biggest new product in nearly a decade, the Vision Pro headset, sales have been slow with its high \$3,499 price tag. A cheaper version is expected as soon as next year.

Apple's quarterly revenue, change from a year earlier



ized and more private AI system than from others. The new AI features are available on the latest phones and the previous generation's iPhone 15 Pro, potentially encouraging a new wave of demand. The last big upgrade cycle for the iPhone was in 2021, when many carriers were subsidizing new phone purchases to get users on 5G-enabled devices.

Early demand signs for the iPhone 16 have been mixed. In the first eight days of sales for the iPhone 16 in the September quarter, sales were better than the same period last year for the iPhone 15, said Apple Chief Financial Officer Luca Maestri.

New iPhone 16 models accounted for 20% of U.S. iPhone sales in September, down from a 29% share in September 2023 of the iPhone 15 lineup, the latest at the time, according to Consumer Intelligence Research Partners. In China, the first three weeks of sales for the iPhone 16 did better than the

iPhone 15. But these big tech players, including Microsoft and Meta, faced wary investors after reporting rising spending on the AI boom. Although quarterly sales increased markedly for both companies, their shares fell in after-hours trading Wednesday, underscoring the demand among shareholders for better returns on billions of dollars in spending for new AI products and services.

But these big tech players, including Microsoft and Meta, faced wary investors after reporting rising spending on the AI boom. Although quarterly sales increased markedly for both companies, their shares fell in after-hours trading Wednesday, underscoring the demand among shareholders for better returns on billions of dollars in spending for new AI products and services.

Apple has taken a more cautious approach compared with Microsoft and Meta, increasing operating expenses at a far slower rate this year, according to FactSet data.

In September, Apple released its iPhone 16 lineup, which it said would enable a personal-



Apple's iPhone 16, introduced in September, was promoted for having a personalized AI system.

The sooner you recognize the signs of autism, the sooner you can help.

ScreenforAutism.org

autism speaks

FREDERIC J. BROWN/AF/GETTY IMAGES

Go Deeper This Election Season.

WSJ offers a holistic and in-depth view in the run up to Election Day.
Explore all the different ways you can stay informed.



THE WSJ APP

Stay close to stories as they unfold, no matter where you are.

VISIT: [WSJ.COM/APP_ELECTION](https://wsj.com/app_election)



ELECTION EMAIL NEWS ALERT

Get immediate updates or an email roundup at the end of the day.

VISIT: [WSJ.COM/ELECTIONALERT](https://wsj.com/electionalert)



LIVE COVERAGE

Stay on top of the latest developments with live coverage.

VISIT: [WSJ.COM/HARRIS-TRUMP-ELECTION](https://wsj.com/harris-trump-election)



POLITICS & POLICY NEWSLETTER

Sign up for objective election coverage, unmatched scoops and bonus editions—delivered straight to your inbox.

VISIT: [WSJ.COM/POLITICSNL](https://wsj.com/politicsnl)

THE WALL STREET JOURNAL.

IT'S YOUR BUSINESS

WORLD NEWS

U.S. Officials Work To End Lebanon War

Hezbollah, Beirut would likely oppose plan allowing Israel to continue strikes

BY SUMMER SAID
AND JARED MALSIN

Senior U.S. officials are in Israel discussing a draft agreement to end the war in Lebanon that would allow Israel to continue striking Lebanon for a two-month period, a proposal that likely will face steep resistance from Hezbollah and the Lebanese government over concerns it violates the country's sovereignty.

The deal, a draft of which was viewed by The Wall Street Journal, includes an agreement between the U.S. and Israel that would allow Israeli forces to strike Lebanon during a 60-day interim period in response to imminent threats. It would enforce the deal and related United Nations resolutions, including Security Council Resolution 1701, which ended the war between Israel

and Hezbollah in 2006.

The draft proposal also calls for Israel to withdraw its forces from Lebanon after one week, after which time the Lebanese armed forces would deploy in the south to assist in dismantling military infrastructure related to Hezbollah and other nonstate militias.

The Israeli security establishment is pushing for a diplomatic solution in Lebanon, believing it is close to attaining many of the goals it set out to achieve. People close to Israeli Prime Minister Benjamin Netanyahu, however, don't expect a deal before the U.S. elections, said a person familiar with his thinking.

Neither Hezbollah nor the Lebanese government has accepted the proposal, which they say gives Israel too much leeway to continue attacking over the border, said Lebanese and other Arab officials involved in the negotiations. Lebanese officials say they don't want to publicly dismiss the deal because the document allows room for continued negotiations that eventually could end the war, Arab officials said.

The proposal is expected to be part of discussions led by senior U.S. officials who flew to the region this week in a renewed push by the Biden administration to end the wars in Gaza and Lebanon. Central Intelligence Agency Director William Burns met with Egyptian officials in Cairo. Top White House officials Amos Hochstein and Brett McGurk met in Israel with Netanyahu and with Defense Minister Yoav Gallant to discuss the Lebanon war.

The Israeli prime minister's office said Netanyahu, at the start of his meeting with Hochstein on Thursday, "made it clear that the main point is not this or that agreement on paper but Israel's ability and determination to enforce the agreement and thwart any threat to its security from Lebanon."

Michael Erik Kurilla, the head of U.S. Central Command, also arrived in Israel on Thursday and was expected to travel to Jordan, a U.S. official said.

The American effort to de-



Lebanese mourned at the grave of a family killed in an Israeli airstrike in Al Khodar in October.

fuse the Middle East crisis comes days before the U.S. presidential election and at a critical time in Gaza and Lebanon. Israel has launched thousands of airstrikes in Lebanon that have killed several top Hezbollah leaders and destabilized the country, uprooting hundreds of thousands of people from their homes. In Gaza, a continuing humanitarian crisis is deepening amid heightened concerns about the fate of Israeli hostages held by Hamas.

Secretary of State Antony Blinken, speaking in Wash-

ington on Thursday, said Israel had achieved its stated objective of dismantling Hamas militarily. "This would be the time to move to end the war," he said.

Hezbollah told mediators that the 60-day transition period also opens the door for Israel to continue what it calls aggression in Lebanon. The Lebanese militant group also says it is opposed to modifying resolution 1701, which called for both sides to cease fire, a withdrawal of Israeli forces from Lebanon, an end to Israeli overflights over Leb-

anon, and for Hezbollah to pull its forces back from areas near the Israeli border.

The draft deal was reported by the Israeli public broadcaster KAN on Wednesday night. The draft and side letter are both dated Oct. 26. Officials familiar with the talks said only minor modifications to the draft had been made since then.

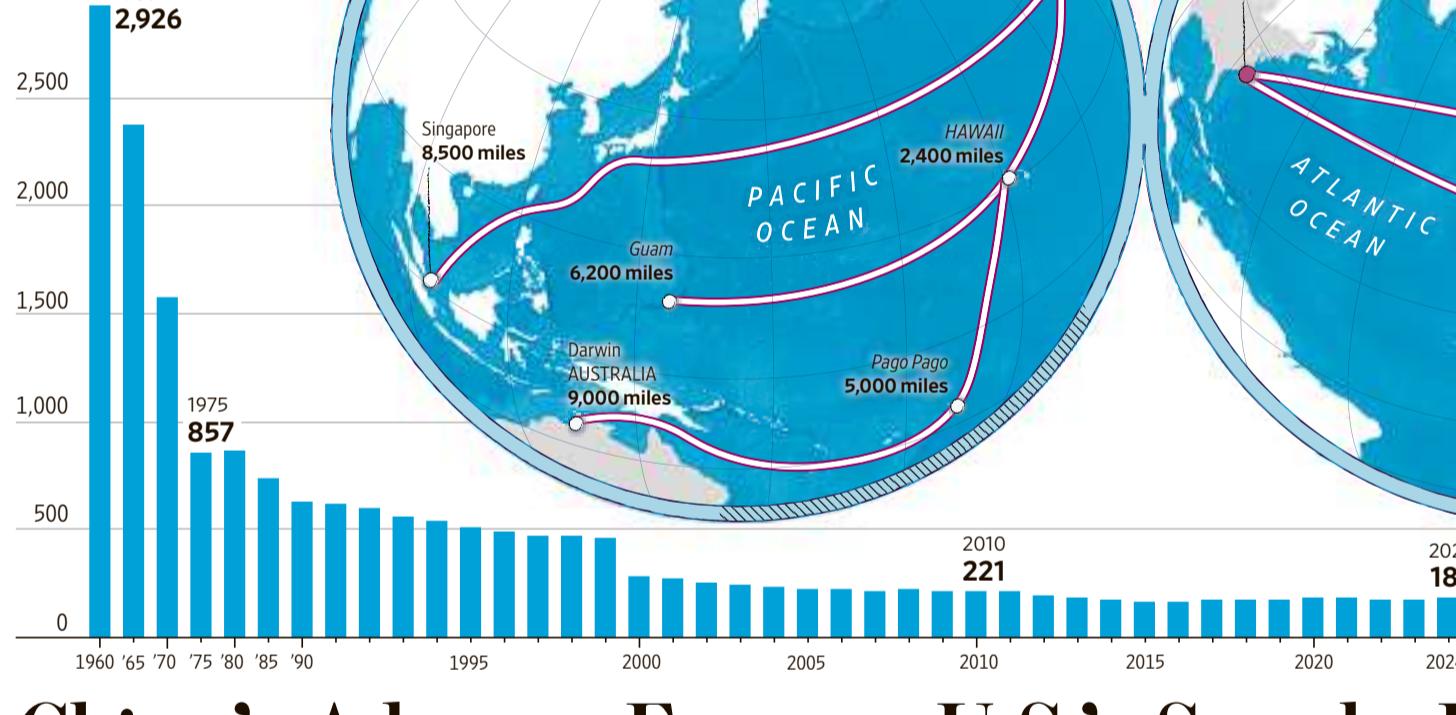
Within Israel, the country's military and other security forces are beginning to press for a deal in Lebanon, arguing that they have achieved many of their goals.

Tyranny of Distance

For a potential conflict in the Pacific, U.S. military logistics has to scale up.

For a conflict with China, logistics would be complicated because crossing the Pacific takes much longer than the Atlantic. Distances* are far greater and shipping routes could face more danger of attack.

Number of U.S.-flagged merchant ships



Across the Atlantic, the U.S. has decades of experience working with NATO allies to send military supplies to Europe for a potential conflict with Russia.

Cargo ships generally only need around two weeks to cross the Atlantic.



*Distances on the map are approximate.

†As of May 7

Sources: MarineTraffic, staff reports (distances); Bureau of Transportation Statistics (merchant ships)

CAMILLE BRESSANGE/WSJ

China's Advance Exposes U.S.'s Supply-Line Weakness

BY DANIEL MICHAELS
AND NANCY A. YOUSSEF

SCOTT AIR FORCE BASE, Ill.—America's combat forces need a lift.

Every two weeks since late last year, officers here convene a classified intelligence briefing about fighting in the Red Sea. The attendees aren't politicians, policymakers or spies. They are private shipping executives.

The meetings are part of a push by the Pentagon's Transportation Command, or Transcom, to integrate shippers as crisis supply lines.

The policy stems from a dire need in an unloved but vital corner of America's military behemoth. A House select committee in February called Transcom's sea-cargo capacity "woefully inadequate."

The U.S. is investing heavily in new weapons systems, but missiles, warships and jet fighters are only a fraction of what the military worries about. Troops sent to battle also need food and water. Their equipment devours fuel and spare parts. Guns without ammunition are dead weight. Wounded fighters require evacuation.

Moving all of that—and keeping supplies flowing for months or years—demands vast and complex support infrastructure, broadly termed logistics. If it doesn't function, even a battle-proven force will grind to a halt.

"Logistics underwrites everything," said Jacqueline Van Ovost, who recently retired as



U.S. military vehicles and equipment are brought ashore at the port of Aarhus, Denmark

Transcom's commander. "You can't outrun your logistics."

China's rise has exposed America's shipping weakness. Beijing isn't just Washington's biggest military rival. It is also by far the world's biggest logistics operation.

Within China's centrally directed economy, the government controls commercial shippers, foreign port facilities and a globe-spanning cargo data network that in a conflict could be repurposed for military aims or to undermine the U.S., including on home soil.

Transcom's fleet of planes and cargo ships, meanwhile, is aging and insufficient.

In conflict with China, the Pentagon would send roughly 90% of its provisions by sea. Among 44 government-owned ships for moving vehicles that Transcom can tap, 28 will retire within eight years. Replacements have faced repeated delays.

"It's not as sexy as a B-1" bomber, said Van Ovost, who served in the Air Force for 36 years, of how officials in Washington set spending priorities. "It's just logistics," she said about the dismissive attitude of some in Washington.

But military logistics isn't "just logistics" because in wartime, supply lines are

prime targets. During Russia's assault on Kyiv in 2022, Ukrainians crippled Moscow's forces by destroying their provisions.

Robust logistics, in contrast, can deter attacks. If adversaries believe the U.S. can quickly mobilize a massive response, they are less likely to initiate hostilities. During the Cold War, North Atlantic Treaty Organization allies routinely made a show of flooding Europe with American troops and gear before exercises.

Transcom has guaranteed access to at most about 200 ships for a potential fight with China. Provisioning for the second Gulf War in 2003 re-

quired more than 165 ships, which crossed the peaceful Atlantic Ocean unimpeded.

War with China wouldn't only require far more equipment to be transported under more dangerous conditions. The Pacific is also far larger than the Atlantic, meaning each ship takes longer to move the same volume, which in turn adds to the number of ships needed. Planners refer to this as "the tyranny of distance."

Transcom aims to offset its shortfall by tapping commercial shippers to handle military cargo outside war zones, potentially shouldering 80% of military freight. That could mean hundreds of ships. The Pentagon would handle the rest, usually closest to front lines.

Coordinating huge fleets of commercial ships and planes with military equipment during wartime would be daunting. Transcom uses around 280 software systems for buying, warehousing and moving provisions.

To smooth that integration, Van Ovost worked to lock in commercial shippers for a wartime role by capitalizing on their hunger for Pentagon peacetime contracts. Her initiative has won industry plaudits.

"The more we talk to each other, the more we understand each other's problems," said Stephen Carmel, president of U.S. Marine Management, a ship operator that works extensively with the military.

"We're eight years from where we need to be," Carmel said, citing Transcom's fleet of fuel-transport ships. In a war,

Transcom could need more than 100, some analysts say. It has guaranteed access to 10.

In peacetime, most Pentagon ocean cargo—such as for deployments and exercises—travels on roughly 60 ships operated by Military Sealift Command, a Transcom component. Much also goes on commercial ships.

In a crisis, Transcom can activate another 48 government ships kept on standby, known as the Ready Reserve Force, run by the Transportation Department's Maritime Administration.

For a big mobilization, Transcom can tap another 95 private ships enrolled in a government program, ideally by contracting with their owners. If that falls short, Transcom can essentially requisition their use.

In 1990, at the Cold War's end, the U.S. had roughly 600 available merchant ships. In 1960, it had more than 3,000.

China today has over 7,000 commercial ships. Chinese entities own every sixth commercial vessel on the seas—including ships flying other countries' flags—a share comparable only to Greece.

Congress, seeking to redress that imbalance, has given the Maritime Administration permission to buy secondhand foreign-made ships and convert them for its use. The number budgeted so far: nine.

"It's a bandage for a cancer patient," said Seth Cropsey, a former Navy officer and deputy undersecretary in the 1980s.

FROM PAGE ONE

Financier, His Novel And a Probe

Continued from Page One
making billions pursuing Argentina's defaulted debt.

Prosecutors want to know what is fiction and what is reality. Their globe-spanning probe is scrutinizing, among other things, the relationship between Forlit and Newman. At the heart of that part of the case: Did an alleged hacking operation set up by Forlit aid Elliott's victory over Argentina?

Newman and Elliott haven't been accused of wrongdoing, but prosecutors are exploring how much Forlit's clients knew of his alleged hacking. A separate focus of the U.S. investigation is looking at Forlit's work for a consulting firm on behalf of Exxon Mobil, in relation to its battle with critics on climate change. The oil giant also hasn't been accused of wrongdoing.

"Exxon Mobil was not involved in or aware of any hacking activities," a company spokeswoman said.

In an email to The Wall Street Journal, Newman said he couldn't talk about his strategies while at Elliott but that "any suggestion or insinuation that I or the firm did anything in any way illegal is categorically false."

As for Forlit or other firms that may have worked with Elliott on the case, Newman said: "I can't for confidentiality reasons confirm any people or institutions that Elliott might or might not have done business with. You would have to ask Elliott."

An Elliott spokesman said: "No one at Elliott is aware of anyone at the firm ever having authorized, commissioned or paid for any hacking activities. When Jay Newman left Elliott in 2016, in his severance agreement, he explicitly represented to Elliott as a contractual matter that he is not aware of any facts that he knows or believes to be...a past or current material violation of laws, rules and/or regulations applicable to [Elliott]. Elliott has no knowledge of any wrongdoing having been conducted on its behalf."

Outsize characters

Newman and Forlit are out-size characters themselves.

Newman has degrees from Yale and Columbia and wrote books about embroidery and other arts and crafts before embarking on a decorated Wall Street career. Forlit was tossed out of Shin Bet, Israel's domestic-intelligence service, for disciplinary reasons and then built a lucrative business as a private investigator.

Slightly more than a decade ago, their paths crossed when Forlit began working on the Argentine campaign.

Prosecutors are now investigating \$20 million paid to a company Forlit controlled, via a consulting firm that worked on behalf of Elliott, according to people familiar with the matter and statements made in open court. In a 2022 deposition, Forlit denied that he'd ever been involved with hacking. He declined to comment after a July court hearing in London and didn't respond to subsequent efforts.

Book signing

While promoting his book, Newman hasn't dissuaded anyone from believing that he followed the famous maxim attributed to Mark Twain: Write what you know.

At a book-signing event at a Miami restaurant in 2022, Newman said many of the characters are inspired by people he knows, some in the world of intelligence. He said the big hedge fund in the book, called Industrial Strategies—corrupt and power-hungry—doesn't exist in that exact form, but is nevertheless based on reality.

"There's not that much fiction in 'Undermoney,'" Newman told one podcast interviewer while promoting the book, which earned plaudits from bestselling authors including Lee Child and Nelson DeMille.

Newman's battle with Argentina was less action-packed than the exploits he depicted in "Undermoney" but no less dramatic.



Argentine lawmakers debated a debt deal steered by Elliott Management's Jay Newman, in blue shirt below. At bottom, Argentine President Cristina Kirchner fought repayment demands, but the government settled after her party lost power.

NATACHA DISARIO/ASSOCIATED PRESS



STAN HONDA/AFLO/GETTY IMAGES



domain—often through journalists and lawyers.

Forlit has told several friends and colleagues that he built an elaborate hacking operation targeting Argentine officials and lawyers who were part of then-president Kirchner's inner circle, and that the material his team gathered was key to helping Elliott achieve its lucrative settlement.

Now 56 years old, Forlit enjoyed an "extravagant lifestyle" with his girlfriend that she documented in "eye-popping photos" on her social-media accounts, according to a profile of her in the Israeli publication Mako.

James Bond

In 2018, Forlit told friends, he paid nearly half a million dollars for her son's animal-themed bar mitzvah at the Waldorf Astoria in Tel Aviv.

The same year, she threw him a James Bond-themed 51st birthday party. The lavish event featured professional dancers flown in from England and included a painting of him as agent 007 and her as a love interest.

When reached by the Journal, she said, "We haven't been in touch for a long time but I hope for the best for him."

During Kirchner's second term as president, allegations of corruption swirled around her and allies. In 2013, Newman and Elliott asked a Cayman Islands court to force a bank to reveal details of an unnamed Argentine official's personal offshore bank account. According to court filings, Newman had obtained confidential records showing that the Cayman bank account recently held \$602,000. In describing where the records came from, Newman said investigators hired by Elliott got them in 2012, but that they wouldn't say how.

"In my experience this is a common characteristic of investigators in this field," Newman said in an affidavit, court records show.

Elliott's lawyers argued that even if the bank-account records were illegally obtained, they should still be fair game for Elliott to use in pursuit of payment from Argentina. The Cayman judge denied the request, lambasting it as an "abuse of confidential information," and "a glaring example of the real mischief at play as it must be assumed that the investigators employed by [Elliott] ply their

craft for gain."

In 2014, a nonprofit partially funded by Elliott set up a website that laid out detailed corruption allegations against Kirchner and her allies. One page on the website gave a "Rat Score" for 28 individuals and organizations it accused of corruption—five rats being the worst score.

The nonprofit closely coordinated its efforts with DCI Group, a well-connected Washington, D.C., firm staffed by many former congressional aides. DCI was key to Newman's strategy, helping develop a sophisticated media and lobbying blitz attacking the Argentine government as a sovereign deadbeat.

\$20 million

In a May court hearing in London related to Forlit's potential extradition, a lawyer representing the U.S. government said that a company controlled by the private investigator was paid \$20 million by a Washington, D.C. firm. The Wall Street Journal has reported that the firm is DCI.

"We don't discuss our clients or the work we do for them, even when asked about work from nearly a decade ago," a spokesman for DCI said. "We direct all of our employees and consultants to follow the law."

DCI hasn't been accused of wrongdoing. U.S. prosecutors have disclosed little publicly about their investigation, and the charges against Forlit haven't been made public.

People familiar with the matter said Newman and Forlit met regularly in New York and elsewhere to discuss the Argentina case.

Newman told the Journal the campaign used open-source research to identify the assets of the debtor, as creditors often do, and that it is absurd to suggest that Elliott could have played a role in ousting Kirchner's party.

In 2016, when a new, post-Kirchner government finally threw in the towel, Elliott's trade yielded more than \$2 billion, or more than 10 times the original investment. Newman's bonus was more than \$70 million. Soon after the saga was resolved, he left Elliott.

Newman and Elliott said he was retiring from day-to-day hedge fund management, leaving investors with the impression that he was ready to go off and enjoy his money.

Behind the scenes, a rift had developed between Newman and Singer, people close to the firm say. Newman was hoping to broaden his strategy of buying the cheap sovereign debt of other troubled countries and then negotiating—or suing, if necessary—for its full value.

Some investors that met with Elliott concluded that the firm was less interested in the sovereign-debt business, and had moved on.

Newman has said on podcasts and other talks that he always planned to spend time writing after he stopped managing hedge-fund money full time, and considered a book about Argentine debt.

Next act

Instead, he penned "Undermoney," which publisher Scribner describes as "an electrifying thriller" that "follows a group of American patriots as they are enmeshed in a world of dark money and conflict ever-increasing danger."

The book takes readers on a romp from the Syrian desert to the power corridors of Washington, with stops on Wall Street trading floors and superyachts coasting off the shores of Mediterranean tax havens. It follows dark-money trails into dimly lit hotel rooms stocked with Champagne, caviar and Eastern European women, where the ultrawealthy congregate with politicians, bankers and journalists they've cultivated for discreet sexual liaisons and dealmaking.

In a scene involving a high-stakes airdrop of \$2.4 billion in cash destined for shadowy purposes, a protagonist weighs the trustworthiness of hired conspirators: "Israelis were expensive, but consistent."

Newman has consistently denied any link between Singer and the psychopathic hedge-fund manager in the novel, and told the New Yorker in an interview that the book further departed from reality when his editor suggested it needed to be much shorter—but include more sex.



A screenshot from a video posted to YouTube shows private investigator Amit Forlit, center, at a James Bond-themed party. He is now in London facing extradition to the U.S.

ARTS IN REVIEW



FILM REVIEW | KYLE SMITH

From 'Here' to Eternity

The creators and stars of 'Forrest Gump' reunite in a film about the same plot of land across eons

What if you parked a camera in one place for a couple of hundred million years and let it roll? Such is the premise, or gimmick, that drives "Here," the cinematic reunion of the director, writer and stars of "Forrest Gump."

Most of "Here" takes place during a period when the stationary view is of the living room in a middle-class home across the street from a more stately residence once owned by William Franklin, the Tory son of Benjamin Franklin. Darting around in time, at one point all the way back to when dinosaurs stomped the area, and also pausing to check in on the Franklins and a loving indigenous couple in what could be the pre-Columbian era, the movie mostly focuses on Richard (Tom Hanks) and Margaret (Robin Wright), whom we meet when they're teens. As is often the case in Robert Zemeckis's films, which include "Back to the Future," "Death Becomes Her" and "Who Framed Roger Rabbit," a visual effect is central to the story: Digital de-aging technology is used to make the two principals look decades younger than they are for almost the entire movie. Paul Bettany and Kelly Reilly, both many years younger than Mr. Hanks, play his parents.

We follow that couple over many years also, starting in 1945. Scene changes are heralded by a tile from the next scene appearing



in the picture, then taking over the entire screen to place us elsewhere in the timeline. At our earliest encounter with them, Mr. Bettany's Al is a cantankerous World War II vet who suffered significant injuries; Ms. Reilly is his wife, Rose.

A central motif, or cosmic joke,

is that things tend to repeat themselves if you stick around long enough: The same spot where a roof leaks to let in rain is where, years later, a pregnant woman's water breaks. Al shouts a lot both when he's young (temporary deafness from the war) and old (per-

manent hearing loss).

We watch these people and several other families living in the house over the years. They have spats, make love, suffer losses, celebrate holidays and live ordinary lives. Mr. Hanks's character is at the center of the film as an artistically gifted but spineless fellow who never has the guts to follow his dreams. After he marries Margaret and has a daughter with her, he drags his feet about moving with them out of his parents' house to get a place for his own family, constantly fretting about taxes and the economy in general.

Mr. Hanks, who has said that he stopped playing dark roles when he realized he was incapable of scaring anyone, should have considered that he's equally incapable of seeming like a dour defeatist. Other characters who inhabit the space as we skip around in time include a husband who invents the La-Z-Boy before our eyes and a pilot who keeps reassuring his wife that 1910s flying technology is safe.

Co-written by Mr. Zemeckis and Oscar-winning "Gump" writer Eric Roth, adapting a graphic novel by Richard McGuire, the film resembles a previous effort star-

Tom Hanks and Robin Wright, above and below, in 'Here,' directed by Robert Zemeckis.

ring Mr. Hanks, "Cloud Atlas," in several ways: its vast leaps in time, its cosmic wonder and its staggering, hilarious ineptitude. If you haven't heard much about "Here"—I do this for a living, and I hadn't either—that's presumably intentional: It barely merits a promotional push.

Mr. Zemeckis, who in "Gump" made perhaps the quintessential Boomer picture, is stuck in a mode of storytelling meant to appeal to a previous generation: He delivers his narrative beats in the most cloying, insufferable, overdetermined way, backed by an intrusive musical score by Alan Silvestri that amounts to putting the sentiments in boldface, italics and all caps. Motifs such as viral disease, the Franklin family and (this one's a puzzler) vacuum-cleaner technology, which seems to preoccupy Mr. Zemeckis, keep popping up in groaningly contrived ways. In an awkward lunge for present-day relevance, the film presents a black family, living in the house in the Covid-19 era, to shoehorn in a speech from a father to his son about how to avoid getting shot by police during a traffic stop that concludes with the advice to "thank God" should he survive.

The inch-deep approach to history and social issues, the high-concept device, and the trite characters all seem better suited to a different type of movie—such as one of those gee-whiz featurettes shown at the EPCOT theme park. The film even carries the necessary hint of corporate sponsorship: With a little pruning, it could function as an extended joint advertisement for La-Z-Boy and a vacuum-cleaner company. "Here" goes nowhere, slowly.

SONY PICTURES (2)

TELEVISION REVIEW | JOHN ANDERSON

Taking Charge Of Challenging Cases

In many traditional private-eye capers, the sleuth is a gifted amateur whose superior skills are resented by the police. In "Inspector Ellis," the sleuth is a professional who parachutes in to rescue other ostensible professionals. Her presence isn't an intrusion. It's a slap in the face.

Sometimes forbidding, always on point, the title character of "Inspector Ellis" (Sharon D Clarke) is a detective chief inspector and the specialist sent in from London when a small-town constabulary can't handle a case. Physically imposing, black and female, she is not affectionately embraced by any of her new colleagues. And she couldn't care less. She is quite the compelling character. And she knows it.

As portrayed by Ms. Clarke, a much-honored English stage actress and frequent TV presence in the U.K., Ellis makes intimidation her

leading tactic. Hold out your hand and she won't shake it; smile and she won't respond. Still, she can also be supremely reasonable, logical and just. Ellis is not hesitant to make dopes of the local cops; she does it routinely, it seems. All we really learn as the three-part season un-

spools (each episode being feature-length) is that she is respected by her superiors and carries a good deal of anguish concerning her estrangement from her daughter, who never calls, though Ellis takes elaborate pains patching together phone chargers in order to be ever-available.

Line up all the detectives on TV and you'd have a fairly sizable police force, though their collective neuroses would make them a herd of cats. As anyone knows who watches television anywhere at any time, the police procedural is reliable entertainment. ("Law & Order: SVU" is on *all* the time.) The genre

thrives, perhaps, because it marries the warmly human to the chillingly criminal, but most detectives still have to have a signature, a trauma, a quirk. Ellis may be seen by the inept and understaffed as a black female intruder, but her signature is really her grim attitude and, naturally, her near-flawless investigative gifts. Ms. Clarke makes her daunting and likable, no small accomplishment, but the only way the show could survive.

Whether it can indeed move on past this three-episode season is a question: Ellis has to soften, as she



Sharon D Clarke stars in the three-part investigative drama 'Inspector Ellis.'

does even over the series, especially regarding Detective Sergeant Chet Harper (Andrew Gower, "Outlander") whom she picks up as an assistant during episode 1. Harper is an interesting case—he fits into the meek, ever-flustered sidekick role yet never loses his dignity. Mr. Gower is terrific, and will have a wonderful life; Harper sees in Ellis superior qualities—of policing and detection, but also morality, all of

which are lacking in DCI James Belmont (the reliably thuggish Chris Reilly, "Slow Horses"), whose approach is to arrest the most obvious suspect and stop investigating. Harper tells Belmont what he thinks, finds himself out of a job and goes to work for Ellis.

The lesson of "Inspector Ellis," should one need one, is managerial: Workers respond to competence and strong leadership, which is what Ellis provides. What is the best storyline provided by writers Paul Lough and Sian Ejiwunmi-Le Berre? Episode 1 has Ellis assigned to a department

that is corrupt because it is incompetent; chapter 2 is about a department that is simply corrupt; 3 involves a group of decent officers short on resources. It has the best opening, but also too many characters and a case that is bafflingly involved. Viewers may keep watching regardless, however, lest they incur the wrath of Ellis.

Inspector Ellis
Monday, Acorn TV

Mr. Anderson is the Journal's TV critic.

AMC NETWORKS

ARTS IN REVIEW

THEATER REVIEW | CHARLES ISHERWOOD

Bringing Schmaltz to Broadway

Delia Ephron adapts her memoir about late-in-life romance and a cancer diagnosis in 'Left on Tenth'

New York The truth of the old showbiz saw about avoiding working with children and animals, often attributed to W.C. Fields, is borne out at "Left on Tenth," a schmaltz-sodden comedy-drama on Broadway by Delia Ephron. The pooch who plays the star Julianna Margulies's pet is, yes, distractingly adorable. More to the point, in its longest, albeit still brief, appearance it looked distinctly bored.

Maybe I was projecting. For the play, adapted from Ms. Ephron's memoir and co-starring Peter Gallagher, is a slight and superficially written later-life romantic comedy that morphs into a grimly clinical depiction of Ms. Ephron's brutal cancer treatment. Neither the love story nor the details of Ms. Ephron's illness generate much drama; the play, directed with little fuss but little inspiration by Susan Stroman, feels like a Hallmark TV movie hauled awkwardly onstage.

The play isn't fictionalized. Ms. Margulies's character is named Delia, and early on she alludes to her older, more famous sister, Nora, whose death from a rare cancer in 2012 came as a shock even to many of her friends. Delia on her sister: "Nora Ephron—writer/director, reinventor of the romantic comedy. We were close. She was the first born. I was the second. . . . We collaborated on many of the movies she directed."

The play is heavy on such bald exposition of events, past and present.

The love story begins with the meet-cute-adjacent incident that brought Mr. Gallagher's character, also named Peter, into Delia's life. After writing a newspaper column about her struggles with Verizon following her husband's death—she requested they cancel his landline but the company also accidentally axed her WiFi—Delia receives an email from Peter, whom she once briefly dated in college, offering condolences and understanding, since he is a widower who similarly tangled with Verizon after his wife's death. (Perhaps the telecom giant should adopt a new slogan: "Bringing Disgruntled Customers Together for More Than 20 Years.")

Although he lives on the West Coast, they soon grow closer via email exchanges. Peter, a Jungian psychiatrist, writes: "Although we are still strangers in some sense, there seems to be a mutual recognition of the other as a potential close



ally. I believe our hearts will tell us how to do this."

While this might turn some off, or at least turn their stomachs, Delia is smitten ("How gorgeous was that") and soon she and Peter are exchanging phone calls, then visits ("What's your favorite color?" she asks at their nervous first

Ms. Ephron struggles to turn a work of prose into a theatrically engaging evening.

meeting), then traveling together. "I began to believe that I had fallen into my own romantic comedy," Delia bubbles happily.

Cue ominous music, as a regular blood checkup indicates that Delia has leukemia. A biopsy further reveals that she has a disease not unlike the one that killed her sister—although

the doctor assures her it is not precisely the same, and that there is a new drug trial she can enroll in.

Apologies for dwelling on the perambulations of the plot, but Ms. Ephron's writing is itself laden with and-just-like-that narration (allusion intentional), spoken directly to the audience, which is always a drama-draining device, as are spoken email exchanges and simulated telephone calls when presented in a play. (Delia is forever on the phone, either with Peter or with friends discussing Peter.) Despite her experience as a screenwriter, Ms. Ephron hasn't solved the problem of turning a work of prose into a theatrically engaging evening.

Ms. Margulies, star of the television shows "ER" and "The Good Wife," has a bright, blooming stage presence, and finds the sweet humor in Delia's anxieties and neuroses about embarking on a new relationship relatively soon after the death of her husband. And when events turn against Delia, Ms. Margulies depicts with sobering realism the cruel side effects of the disease and its treatment, as Delia loses her energy, her appetite, and is bed-bound in the hospital for many weeks—even lashing out at Peter in her frustration.

Mr. Gallagher's Peter is, fortunately, a Galahad, stoically enduring and endlessly supportive, even moving into Delia's hospital room during her treatment and virtually willing her oxygen levels to climb. A fine actor whose elegant good looks have only improved with

Ms. Margulies and Kate MacCluggage, left; the cast of 'Left on Tenth,' below.

Peter Gallagher and Julianna Margulies in the play, directed by Susan Stroman.

age, Mr. Gallagher cannot do much to obscure the halo that seems to hover over this paragon's head. "We will enter the dark tunnel and re-emerge stronger and more in love than ever," he intones at one point, also potentially stomach-turning. Supporting roles, of no great depth or extent—

doctors, friends, neighbors—are played by Peter Francis James and Kate MacCluggage, both experienced actors skillful in their fluid movement between their numerous small parts.

It is hardly giving away anything to reveal that our heroine survives the ordeal of her illness, after a few scary speed bumps. But one's sympathy and happiness for her good fortune do not preclude acknowledging that she has not succeeded

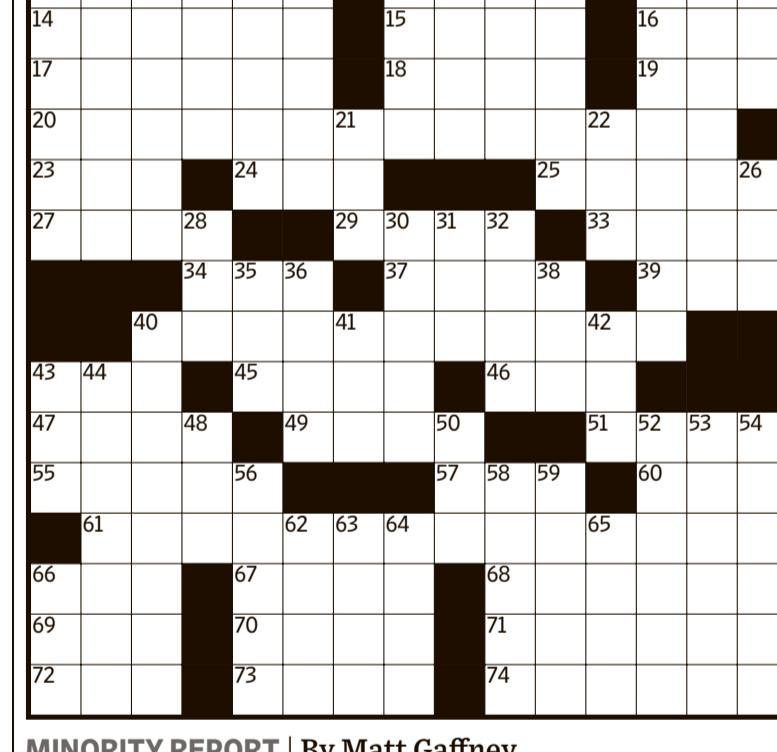
in dramatizing her experiences with any freshness or potency, resulting in a play that glides along the surfaces of her trials and joys without engendering much involvement, if any.

Left on Tenth

James Earl Jones Theatre,
138 W. 48th St., New York,
\$59-\$196, 212-239-6200,
closes Feb. 2, 2025

Mr. Isherwood is the Journal's theater critic.

The WSJ Daily Crossword | Edited by Mike Shenk



PUZZLE CONTEST

- 32 Lowest part of an oak
- 35 Private notes on a phone
- 36 Roadie's burdens
- 38 Not yet decided, as event details
- 40 Granny Smith alternative
- 41 Flap one's gums
- 42 Fantasy novel meanie
- 43 Cable channel named for a billionaire
- 44 "ER" processes
- 48 Drink in the afternoon?
- 50 Exchange rings with
- 52 "I need a hand here!"
- 53 Half-moon-shaped food
- 54 They write programs
- 56 Winter wrap
- 58 First name on posters for the movie "Hairspray"
- 59 Beautify
- 62 Vegas hotel-casino
- 63 Care one way or the other
- 64 Tacks on
- 65 Having two purposes
- 66 Mimicking

MINORITY REPORT | By Matt Gaffney

The answer to this week's contest crossword is a six-letter word.

Across

- 1 Spooky author
- 7 "I'm sorry to hear that!"
- 11 Classic Pontiac
- 14 King of music fame
- 15 Word sung twice after "Que"
- 16 "Go, team!"
- 17 Portugal's peninsula
- 18 "...thunder, lightning, — rain?": "Macbeth"
- 19 It holds your hand
- 20 Have a lot of flair?
- 23 NYC subway letters
- 24 Go over snow
- 25 Standard font
- 27 Suffixes for sugars
- 29 French word on maps of Paris
- 33 Request for permission
- 34 HHS part
- 37 Lace problem
- 39 Recharge your batteries
- 40 Scrape on a parent's knee?
- 43 Like meds requiring no Rx
- 45 Do a vet's task
- 46 Besmirch
- 47 Command from a court
- 49 Erupt
- 51 Candy bar stuff, casually
- 55 Inverted sixes
- 57 Noteworthy period
- 60 Depressing music genre
- 61 Negative report on a time-wasting South American desert?
- 62 Benefit plan at a corp.
- 63 Handel opera
- 64 Michael known for handbags
- 65 Mystal, Honig, and Wiesel, e.g.
- 66 Repeat the question
- 67 Lacking much vegetation
- 68 Pair
- 69 Rock's Claypool
- 70 Cover in the fruit aisle
- 71 "Seinfeld" role
- 72 Fire proof
- 73 They won't last
- 74 Good harbor locations
- 75 Hannibal at Zama
- 76 Medieval drums
- 77 Coralexams
- 78 Where many tech workers land
- 79 Last words of a phone call, often
- 80 Naples number
- 81 Tony of "Taxi"
- 82 Boxing great Rocky
- 83 Neighborhood next to Encino
- 84 Physics unit
- 85 "Take a chair!"
- 86 Story line's path
- 87 Body part that gets balm
- 88 Where many tech workers land
- 89 Last words of a phone call, often
- 90 Naples number
- 91 "I need a hand here!"
- 92 Half-moon-shaped food
- 93 They write programs
- 94 Winter wrap
- 95 First name on posters for the movie "Hairspray"
- 96 Beautify
- 97 Vegas hotel-casino
- 98 Care one way or the other
- 99 Tacks on
- 100 Having two purposes
- 101 Mimicking

Previous Puzzle's Solution

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

► Email your answer—in the subject line—to crossovercontest@wsj.com by 11:59 p.m. Eastern Time Sunday, Nov. 3. A solver selected at random will win a WSJ mug. Last week's winner: Magdalena Niedermeyer, Bluff, UT. Complete contest rules at WSJ.com/Puzzles. (No purchase necessary. Void where prohibited. U.S. residents 18 and over only.)



SPORTS



For the New York Yankees, it is already a World Series to forget—and when I say *forget*, I mean burn and stash the entire event inside a permanently sealed memory cave impenetrable by humans, robots and even the most determined squirrels.

The World Series? What's that? Ask any Yankee fan you know. They're moving on. They're all about the hockey Rangers and the basketball Knicks. They might even talk about the *election*.

The Yankees? That was so yesterday.

Could you blame a Yankee fan for wanting to erase all evidence of this tepid World Series non-performance by the pinstriped baseball colossus?

Falling behind three games to nothing, underperforming stars, sloppy errors, mental blunders, questionable pitching moves, a pair of buffoons trying to wrestle the ball out of an opposing player's glove (more on them in a minute), a horrendous collapse after taking a lead in Game 5, catcher's interference, a balk, watching an old National League nemesis crawl back to celebrate and spill Rob Manfred's finest Champagne on their home diamond...

The biggest Yankee nightmare will always be blowing the 2004 ALCS to Boston. The second biggest nightmare has been encountering anyone from Boston since.

But this Dodger series was a rough ride, too.

It ended Wednesday in the Bronx. An expensive team that spent on star power but skimped on the fundamentals surrendered to the Los Angeles Dodgers after five messy, maddening games.

The ignominy was capped by a meltdown in the back half of the final game, the Yankees mangling a great Gerrit Cole start with a parade of blunders and miscues in the fifth inning. (Cole joined in with a mistake of his own, too, failing to cover first base on a roller to his first baseman.)

A dropped fly ball by Aaron Judge, a missed throw from short to third...it was the kind of self-inflicted disaster you would expect in the early season from Coach Buttermaker and the Bears, not from a \$300 million club with aspirations of a 28th World Series title.

Five unearned runs later, the Dodgers were right back in it. Yankee fans went from pricing out plane tickets to Los Angeles to hiding under the couch.

It felt as if the Baseball Gods had banged a gavel. *Enough already ready with New York*. Los Angeles wasn't merely the better club during this Series—they were playing with a camaraderie and urgency the Yankees didn't seem to have. When the Dodgers finished off

JASON GAY

A Nightmare for the Yankees

It may not be as bad as losing to the Red Sox in 2004, but this was a messy, maddening end



The Yankees dugout, above, reacts during a Game 5 loss. The pressure to resign slugger Juan Soto, left, is expected to heat up in the offseason.

ratings catnip, and an all-time cash grab, with decent tickets costing more than a used sedan.

New York never took the wheel. The Dodgers were a flawed mash-up of clutch offense and opportunistic pitching, and the Yankees couldn't take advantage of the holes in L.A.'s rotation. A Game 2 shoulder injury sustained by incandescent superstar Shohei Ohtani didn't make a difference—not with Series MVP Freddie Freeman swinging into the nightmares of New Yorkers with homers in the first four games.

The sole Yankee victory in Game 4 briefly stirred emotions. So did a mortifying episode early in that game, when a pair of Yankee fans held and tried to pry a baseball from Dodger Mookie Betts's glove when Betts leapt skyward over a fence to catch a foul ball.

Honestly, I can't figure out what's worse: A grown adult thinking ripping a baseball from an opposing player is an acceptable (or safe) behavior, or the strange 12 hours in which these men were elevated as lovable New York outlaws who may have catalyzed a historic Yankee comeback.

Give me a break. Bar them for life. Better yet, give them Jets season tickets.

(Could you imagine the reaction of Yankee fans if a pair of Dodgers fans tried to similarly

maul a ball away from a Yankee? The city would never stop screaming.)

The grim reality is that the Mookie shakedown is probably going to be the most-watched clip from this Series, next to Freeman's Game 1 walk-off Grand Slam. The Yankee highlight reel is very thin.

The fact that this was the first Yankee World Series since 2009 can't be a consolation.

The offseason reverberations begin now. You can expect the usual howling about Hal Steinbrenner's Yankee ownership, Brian Cashman's Yankee management and the dugout technique of Aaron Boone. There is enormous pressure to re-sign beloved slugger Juan Soto, who is expected to be pursued by the profligate Mets and potentially...the profligate Dodgers.

Blame will be assigned, decisions will be made, money will be spent—or not. In the past, the Yankees have tried to avenge October losses by overpaying in January and February—you don't get a \$300 million payroll by being thrifty—but they have a more cautious culture now.

Moves will be made, surely. The team that arrives in spring training will look different than the one that left the stadium dazed on Wednesday. But don't bother Yankee fans about it. They're trying to forget.

FRANK FRANKLIN II/ASSOCIATED PRESS; GODFREDO A. VASQUEZ/ASSOCIATED PRESS

the comeback, took a 7-6 lead in the eighth, and held on, was anyone surprised?

In the aftermath of defeat, exculpatory language won't be hard to find. *At least the Yankees didn't get swept. At least New York showed a little heart in Games 4 and 5. At least Judge finally remembered how to hit a home run.*

Meh. They don't stick plaques in Monument Park for moral victories. The Yankees are a franchise built on winning the World Series—and, more critically, the presumption they will win the World Series.

This presumptuousness makes them both popular and despised, and the Yankee haters are surely dancing today. You know who you are.

A neutral viewer may feel ripped off. The Yankees barely delivered on the most modest expectation for this much-touted Series: Make it interesting.

Falling behind three games to nothing all but sucked the drama out of a Series that started brilliantly with an extra-inning epic in Game 1. This duel had been hyped to the heavens as a coastal showdown of marquee franchises, TV

by feel and has an aggressive approach, often blowing past his coach's pace targets during workouts—and always running in front.

But their bond is clear. Mantz helped support Young when he was recovering from a knee injury. Young advised Mantz on how to prepare for his first marathon in 2022 (Mantz also finished ahead in that one). During races, they have high-fived at key moments and have even shared a water bottle when one of them needed it.

On the course, Mantz is "not afraid to hurt, not afraid to lead," while Young is cautious early but finds a groove and can pick up Mantz if he's tiring out, retired American distance runner Kara Goucher said. "Those dynamics work really well together."

In approaching the brutal Paris Olympics marathon course in August, each runner brought an important strength: Young a capacity to handle hot weather, Mantz a talent for hills.

Mantz ran in front again, with Young coming close to him near the end but fading late. In a race with a surprisingly fast pace given the tough conditions, Mantz finished in 2:08:12, Young half a minute behind in 2:08:44. The

gold medalist in that race, Tamirat Tola of Ethiopia in an Olympic-record 2:06:26, will also race Sunday in New York.

But nowhere was Mantz and Young's friendship put to the test like it was in last February's U.S.

Olympic marathon trials in Orlando. They entered the race aiming to finish in the top two to qualify for the U.S. team.

With about 3 miles to go, Mantz said he wasn't feeling great and that Young should take the lead. Young did. But with about 30 meters to go, Mantz surged ahead, "And it honestly kind of shocked me," Young said. "I was like, 'Oh, right. This is, there's prize money on the line.'"

The winner would get \$80,000 and the runner-up \$65,000, not including sponsor bonuses that often heavily favor the winners. All that flashed through Young's mind but, he said, "It was too late. You can't respond that quick, especially on marathon legs."

Mantz crossed the line first, one second ahead of Young.

"I think there was a, 'Wait, are we competing to the end, or are we not?'" Mantz said. "And I was like, you know, we're in America. We're in a race. I'm competing to the end."

He added that Young had "good intentions of, 'Yeah, let's celebrate Conner and help him get to the finish.' But then it led to me being ahead of him at the end. So when I think back on that race, in my mind, he beat me."

Young said Mantz is the fitter man going into Sunday's race. But the guy who's still waiting to come out ahead has already had a fantastic year. In his final 2024 race, he has nothing to lose.

"So I kind of am taking New York as gravy," Young said. "Let's see what I can do."

Conner Mantz, right, and Clayton Young at the U.S. Olympic trials.



Marathon Finishes

Marathon	Mantz	Time	Young	Time
2023 Chicago	6	2:07:47	7	2:08:00
2024 U.S. Olympic Trials	1	2:09:05	2	2:09:06
2024 Paris Olympics	8	2:08:12	9	2:08:44

Mantz, 27, both starred in college at BYU. Both went on two-year missions for the Church of Jesus Christ of Latter-day Saints, during which time they both stopped training, gained about 30 pounds, lost it again—and then got even faster.

They're both coached by Ed Eyestone, the BYU coach and two-time Olympian. They train in Provo, Utah, doing everything together from road workouts and weight lifting to sauna-sitting and sweatshirt running to prepare for hot races.

"I probably see Clayton more during my waking hours than I see my wife," Mantz said.

For all that, the two runners have distinctive approaches. Young is data-oriented and slow to gather momentum during training, "so for most of the build getting ready for a marathon, I'm hanging on for dear life." By contrast, Mantz runs

BY RACHEL BACHMAN

MARATHONING IS A LONELY pursuit, pounding out the miles and suffering alone as you slog your way around the course for hours on end.

But don't tell that to Conner Mantz and Clayton Young.

The two training partners, who have finished as the top American men in three major marathons, have found a way to turn a 26.2-mile race into something closer to a team sport. Each time, they finished back-to-back.

Mantz and Young crossed the line in sixth and seventh places in the 2023 Chicago Marathon. They went 1-2 in the U.S. Olympic team marathon trials. And they finished eighth and ninth in the Paris Olympics, clocking the fastest times by any U.S. runners in the Games' history.

It's a triumph of collective effort and collaborative spirit. Except for one part: One of them always comes out ahead.

Mantz crossed the line seconds ahead of Young in Chicago, at the U.S. trials, and again in Paris. Which means the most intriguing question as the pair prepare to make their New York City Marathon debuts on Sunday is whether this will be the time that Young finally comes out on top.

"I've wondered: Do I psychologically maybe have this block, or fear of beating Conner and how it would affect our relationship?" Young said.

The two runners have a lot in common. Young, now 31, and

KIRBY LEE/REUTERS

OPINION

Democrats Trash-Talk the Voters



POTOMAC WATCH
By Kimberley A. Strassel

Should Republicans lose this election, it will be in some part due to the contempt Donald Trump has shown his opponent. Should Democrats lose this election, it will be in large part due to the contempt they routinely show tens of millions of voters.

The media is doing its best to play down Joe Biden's causal insult of half of America as "garbage"—he was misunderstood, it was a "gaffe," let's meditate on Donald Trump's garbage-truck "stunt." Why on earth would anyone assume Mr. Biden would again show derision for voters he's labeled "semi-fascists," "MAGA extremists" and proponents of "Jim Crow 2.0"?

Of course it wasn't a gaffe. It's the latest injection of toxic Democratic arrogance—and it explains the party's electoral struggles. It's of a piece with the open dismissal by the media and elites of critics as idiots, yokels, deplorables. The men accused of "toxic masculinity." The women written off as "handmaids." The religious "fanatics." The millions the left scorn with a long list of "ist" and "phobe" words. If you don't bow to progressive dogma, you are a fascist. Sexist. Racist. Nationalist. Insurrectionist. Domestic terrorist. Extremist. "Far" rightist. And a homophobe. And a Nazi.

Who is bitter. And clinging to a gun and a religion.

These labels are now even being employed as an election strategy—pejoratives to be ascribed to people based on their vote. Michelle Obama lectures "the men in our lives" that only a vote for Kamala Harris will prove they take women's health "seriously." (Don't be a misogynist!) Barack Obama explains to black men that a failure to vote for Kamala is evidence that "you just aren't feeling the idea of having a woman as president." (Don't be a sexist!) Mark Cuban reminds us that Donald Trump is never in the company of "strong, intelligent women." (Don't be a weak, dumb, GOP-voting broad!)

The award for most risible ad this season goes to Vote Common Good, which recruited Julia Roberts (D., La La Land) to assist with the following ad: A female voter arrives at the polls with her baseball-hat-wearing husband. As Julia's voiceover explains, she's at the "one place in America where women still have a right to choose." The wife and another woman (secretly) vote for Kamala, grinning conspiratorially at each other. On the way out, the patronizing husband gives wifey a hard stare and asks: "Did you make the *right* choice? "Sure did, honey," she replies. "Remember, what happens in the booth, stays in the booth," Julia assures the viewer. "Vote Harris-Walz."

Or as a progressive activist Jess Piper tweeted to "white

women" this month: "I don't care what kind of sign your husband has put in your yard, or what your pastor preaches on Sunday, you can vote your conscience. You can vote for your children and grandchildren. No one will know." Thanks for the stereotypes, ladies. No doubt millions of us females—as soon as we've unchained ourselves from the

From 'deplorables' to 'garbage,' contempt doesn't seem to be a winning message.

sink and reread Ephesians 5:22—will go mindlessly vote for more inflation, and border chaos and debt. After all, we wouldn't want to check the boxes of spineless, stupid, and baby-hating.

But that's the joke. The contempt isn't working; it's alienating large segments of the country, including once-key sections of the Democratic coalition. The working class is migrating to the GOP as blue-collar laborers wake up to the disdain the left has for their values and their work. Minority voters, too, are feeling taken for granted, on the verge of voting for Republicans at historic levels.

Americans demand more than "vote for me because I self-attest to moral superiority." Yet that's about all the left's got right now. That's because the haughty arrogance—and press protection—

has allowed the party to continue living in a bubble that shields them from their failings. Look, a dozen (left-leaning, partisan) Nobel Prize-winning economists just assured us that up is down—so we're good.

It also shields them from average voters' views. One of the gentler (yet telling) put-downs of this election came from Tim Walz, who pronounced that Republicans are "weird." Hilarious. Want to know what's really weird? Taxpayer-funded sex-change surgeries for felons. Attempts to regulate cow flatulence. The expectation that fewer police will mean less crime. The 1619 project. Decriminalizing border crossings. Boys competing in girls' sports. The word "Latinx." Sizable majorities of Americans think all this is nuts. Yet these remain staples of Democratic policy and rhetoric.

Progressives are fooling themselves if they think a close election is proof the insults are working. The independent and female voters who might pull this out for Democrats aren't voting in favor of this rhetoric or progressive policies, but rather against a very specific and alienating individual—Mr. Trump. He probably won't be on the ballot again.

Insults are the last refuge of fools, and there was a day when politicians on both sides understood the "likability" factor in elections. It's hard to like a party that views you as

Write to kim@wsj.com.

Hospitals Treat Souls as Well as Bodies

HOUSES OF WORSHIP
By Robert L. Klitzman

hospitalized far from home. Her mother was distraught: "Do you think God gave my daughter leukemia because, when she was born, I prayed for her to die?" she asked a hospital chaplain. Overwhelmed, and fearing her baby would suffer, the mother recalled once praying: "Please, God, take her."

Hospitalized patients and their families often struggle with religious and spiritual quandaries but can't attend their houses of worship or don't have one. Chaplains thus fill crucial gaps. As the religious makeup of the U.S. has changed in recent years, their profession has begun to do so too. Board-certified chaplains are now increasingly trained to help patients of diverse beliefs. To learn about their vocations, I recently conducted an in-depth study, speaking with 50 chaplains from across the country and from different faiths.

While chaplains aid countless patients, they are in many cases marginalized and underfunded. The Centers for Medicare and Medicaid Services allows for direct reimbursement for spiritual services only within the Veterans Affairs system. Offering spiritual care for hospice patients enrolled in Medicare is mandatory but

not directly billable. As a consequence, many hospitals have no chaplains; some rely on local volunteer clergy, who know only their own faith, or on other healthcare professionals to fill in spiritual care.

Physicians receive little if any training in spiritual or religious matters. In one 2019 survey, only about 8% of intensive-care doctors said they frequently ask patients about these topics. In a 2014 study, 62% of sampled physicians said they received insufficient education in the field—and 47% said they felt personal discomfort discussing the topic, which was the main barrier to addressing these issues with patients.

Yet religion and spirituality have immense positive potential in medical settings. Both are associated with lower rates of depression, anxiety, stress, hypertension and heart disease, doubtless because they enhance optimism, purpose, hope, meaning and social support.

In an interview, the aforementioned chaplain said that "some people believe that God doesn't make mistakes, or that everything happens for a reason, because God must be trying to teach them something." Selecting the response best suited to the patient can be challenging. In the case above, the chaplain said to the distressed mother: "I hear what you're saying, but do you think of God as a loving God?" "Yes," she replied.

"Do you see the love that your daughter has brought into the world? Could you pray to a loving God if he was hurting your child?"

"No," she said, comforted, "I really don't think that."

Chaplains are often the only staff with time to talk to patients, whom they can therefore get to know well. I learned of one patient who phoned the on-call nurse every day at 2 a.m., complaining of

Chaplains offer crucial spiritual care to patients pondering eternal questions.

pain. The staff tried altering his medicine without success. Finally, a chaplain spoke to the patient, who turned out to be carrying significant guilt from his mother's suicide when he was 18. When the chaplain arranged for the man's elder siblings to talk about it, they were "aghast," the chaplain told me. "They reminded him that their mother had mental-health issues: 'Don't you remember?' It was like a 50-pound weight had been lifted. After that, he never again called the nurses at night."

Chaplains also serve as critical mediators in conflicts among patients, families and physicians. At another hospital, a teenager who was dying

wanted to donate his organs. Soon he was brain dead and on life support, which surgeons planned to remove in the operating room. The boy's family wanted to be present when he died, but the surgeons refused for fear that they'd disrupt the procedure.

Presented with an impasse, a chaplain negotiated a solution: The family would dress in sterile gowns and stay in the theater for three minutes. The family and physicians sang "Amazing Grace," the boy's favorite song. When he died, the mother said to the chaplain, "Thank you for that gift.... We got to sing my son into heaven."

In my research it wasn't uncommon to learn of medical professionals wary of spiritual care, which they saw as having no medical benefit. Yet spiritual counseling can help patients choose palliative care when the treatments available are both futile and painful.

In facing serious disease, millions of patients find themselves pondering the eternal. Most of us will die in hospitals, far from any religious institution, and might benefit from chaplains' care. Our healthcare systems would do well to recognize and value them more.

Dr. Klitzman is a professor of psychiatry at Columbia University and author of "Doctor, Will You Pray for Me?"

Does Anyone Remember Peng Shuai?

By Nicholas Tomaino

The Women's Tennis Association holds its year-end championship Saturday, exactly three years since Peng Shuai alleged on Weibo, a Chinese social-media app, that former Vice Premier Zhang Gaoli had sexually assaulted her. Within 30 minutes, censors scrubbed her message, as well as others referring to it, and blocked search terms such as "Peng Shuai," "sexual assault" and "tennis." Ms. Peng disappeared from sight.

Weeks later, Chinese state media claimed that she denied the allegations, circulating photos and video footage that seemed stilted and coerced. When she briefly resurfaced, it was typically controlled, in at least one case visibly in the presence of a state official. The WTA suspended play in China pending a "full and transparent investigation." CEO Steve Simon warned that "if powerful people can suppress the voices of women . . . then the basis on which the WTA was founded—equality for women—would

suffer an immense setback." "You cannot water down or compromise this type of an issue," he later told the New York Times.

The principled stand proved costly. China had become a mainstay of the women's tour, reportedly accounting for at least a third of its revenue in 2019. Its annual final in Shenzhen, for which the association

had signed a 10-year deal, offered a record \$14 million in prize money. A WTA spokesperson said it had suffered eight-figure losses in 2020 and 2021 owing to the pandemic and suspension, its year-end prize falling as low as \$5 million. In March 2023 the tour announced a \$150 million infusion from a private-equity firm in exchange for a 20% stake in a new commercial subsidiary.

That cushion didn't prevent

it from buckling to Beijing. "After 16 months of suspended tennis competition in China and sustained efforts at achieving our original requests, the situation has shown no sign of changing," read an April 13, 2023, statement. Play would resume that September with a caveat: "Peng cannot be forgotten through this process." Mr. Simon said last year that "we have received multiple confirmations that Peng is currently safe and comfortable," but the WTA hadn't had the "opportunity to meet with her personally." Those in China still reportedly can't find her allegation on search engines—and, save the scant detail that she makes "occasional appearances," as Sports Illustrated's Jon Wertheim has learned, it's impossible to discern much beyond that she's alive.

This WTA tournament will be held in Saudi Arabia, not Shenzhen, an arrangement that is "entirely incompatible with the spirit and purpose of women's tennis and the WTA itself," Chris Evert and Martina Navratilova wrote in a Washington Post op-ed. They opposed awarding Riyadh the event owing to its treatment of women. Billie Jean King has taken the other side: "I'm a huge believer in engagement—I don't think you really change unless you engage," she said last year.

The tour's decisions, whatever the spin, seem self-evidently to have turned on the dollar. One can see why: The WTA was alone in its boycott of China, and other sports leagues never stopped reaping the rewards of unfettered access.

Social-media plaudits are reassuring, but they don't pay the bills. As play picks up, perhaps Ms. King is right and the WTA will encourage Saudi Arabia to liberalize. The game's leadership and fans, however, should harbor no illusions elsewhere: The case of Peng Shuai, the grand-slam champion who for three years has all but disappeared at the hands of authoritarians, leaves little reason to have the same hope for China.

Mr. Tomaino is an assistant editorial features editor at the Journal.

BOOKSHELF | By Brandy Schillace

Caught in the Diurnal Course

The Inner Clock

By Lynne Peeples

Riverhead, 368 pages, \$30

One summer evening in 1986, 33-year-old Derek Naysmith was setting up a fireworks display. In a split second, everything went wrong: A firework exploded in his face. He was rushed to the hospital, but there was nothing the doctors could do to save his eyes. Damaged beyond hope of repair, they had to be removed.

Such a horrific accident was sure to have consequences. There would be reconstructive surgery, followed by the adaptations required for sightless living. But for Mr. Naysmith, something else went awry: He couldn't sleep at night. A month after the accident, Mr. Naysmith's sleeping schedule was at odds with those of his wife, children and much of the diurnal (that is, night-sleeping) world. Yet he wasn't thriving as a nocturnal person, either.

"With the loss of his eyes," writes Lynne Peeples in "The Inner Clock: Living in Sync With Our Circadian Rhythms," Mr. Naysmith had become "time blind." He had lost the ability to "reset his inner clocks" to the sun.

When Earth was first formed out of cataclysmic dust, heat and gasses about 4½ billion years ago, the daily rotation of the planet took six hours. By the time the earliest microbial forms of life emerged at least three billion years ago,

things finally settled into a 24-hour day—and we've been here ever since. We scarcely give a thought to these astronomical features, but our planet's orbit, the moon's gravitational pull, the tilt of our axis and those precious 24-hour cycles are intimately bound up with all existence—including our own. Ms. Peeples, a science journalist, explains that early organisms had to "anticipate the sun's position" and "optimize their journeys to appropriately avoid or reap its rays." To do that, they developed a means of sensing wavelengths of light—especially blue, which penetrates deepest into the ocean. And so the earliest organisms learned to calculate time by photons. In other words, life could track both time and color before the development of eyes. Daylight and Earth's 24-hour clock are at the very heart of evolution.

"The Inner Clock" offers a rich history of what makes us tick, so to speak, paired with fascinating modern discoveries about how circadian rhythms influence our daily lives. We now understand that sleepless nights erode our health, leading to an increased risk of diabetes, obesity, heart disease, depression and more. We've also learned how to optimize our biological clocks: There are "right" times of day to take medicine, pass tests, exercise and eat. Our ancestors were not meant to be up and working after dark, and so we have digestive systems designed for lengthy downtime; even our gut flora rhythmically fluctuate during the day. Time-restricted eating has been called a life-giver, a means of enhancing longevity. Which is why a pizza at midnight is never a good idea.

Ms. Peeples reminds us of the popular adage "eat like a king in the morning, a prince at noon, and a peasant at dinner." (It's often paired, usually by well-meaning parents and grandparents, with other pearls, like "early to bed and early to rise. . .") Some of this received wisdom appears to be correct after all. The author cites studies demonstrating that those who eat large meals early in the day have lower blood-sugar levels than those who eat lightly until dinner. Meanwhile, insulin sensitivity is 54% higher at midday than at midnight. That doesn't mean we should gorge in the morning; the melatonin that our bodies release to help us sleep needs time to metabolize and clear our system; otherwise, we risk confusing our inner clock and throwing off our circadian rhythms.

Disrupted circadian rhythms throw off our body clocks. Hangovers may arise when a tired brain and an overworked liver struggle to reconnect.

It's not just about being tired. Disruptions to our sleep and wake cycles can lead to inflammation, making us prone to a host of autoimmune conditions. (The World Health Organization has even declared night-shift work "probably carcinogenic," or potentially causing cancer.) The reason is less about sleep and more about misaligned clocks. Ms. Peeples explains that our circadian rhythms are so timed with the Earth's cycle that even in studies conducted in complete darkness, most people still operate on a 24-hour (or nearly 24-hour) cycle. Our primary or core clock seems to be located inside our brains and generally set by our eyes as they register wavelengths of light. But we do have other clocks, including ones in our liver and our digestive system. Some of the worst effects of disrupted circadian rhythms—something Ms. Peeples calls "social jet lag"—have to do with the clocks falling out of sync. One theory suggests that hangovers may be a timing problem, as a sleep-deprived brain and an overworked liver struggle to reconnect.

Ms. Peeples's conversational, often humorous style is a delight, and she frequently offers herself as a test subject by climbing into lightless bunkers or forgoing her morning cup of coffee. "The Inner Clock" provides advice on how to reset and restore our internal rhythms; it also sounds a timely warning. Most of us live, work and play under artificial light. From the blue-tinged screens that we stare at well into the night to the light-emitting diodes (LEDs) that can mimic daylight, all this false daylight hijacks our circadian rhythm, scrambling our production of melatonin and leaving us in a state of protracted jet lag. As we have lost the division between night and day, no wonder many of us struggle to establish a sense of internal time. As we approach yet another seasonal "time change," we are well overdue to resynchronize. "The Inner Clock" attempts to show us how.

Ms. Schillace, the editor in chief of the journal Medical Humanities, is the host of the "Peculiar Book Club" podcast and the author of "Mr. Humble and Dr. Butcher."

Coming in BOOKS this weekend

The life and art of Piet Mondrian • Vladimir Putin's army of mercenaries • The letters of Oliver Sacks • Aesop's fables • The world according to mice • Culinary memoirs

• Dwight Eisenhower on the road • & much more

OPINION

REVIEW & OUTLOOK

How Risky Is a Trump Second Term?

Editor's note: The Wall Street Journal hasn't endorsed a presidential candidate since 1928. Our tradition is to sum up the candidacies of the major party nominees in separate editorials, and on Thursday we assessed Kamala Harris. Here we take up Donald Trump.

What a presidential choice America's two major political parties have offered the country. The Democrat is a California progressive, elevated at the last minute, who looks unprepared for a world on fire. The Republican is Donald Trump, who still denies he lost in 2020 and has done little to reassure swing voters that his second term will be calmer than his rancorous first.

* * *

The best argument for a Trump victory is that it would be suitable penance for the many Democratic failures at home and abroad. A spending-fueled inflation that shrank real wages. Adversaries on the march. Abuses of regulatory power and law enforcement. If Ms. Harris wins, progressives will claim vindication and pursue more of the same—perhaps checked somewhat by a GOP Senate. A Harris defeat would slow the forced march left, at least for a time.

A second argument is that Mr. Trump's first term was better than expected. His leadership was often chaotic and caustic, and he rolled through multiple chiefs of staff and security advisers. But voters recall that at home he presided over a strong pre-Covid economy spurred by deregulation and tax reform. His judicial nominations were excellent.

Abroad he broke many diplomatic rules and his praise for dictators was disconcerting. But enemies stayed quiet on his watch, he kept Iran in a box, and the Abraham Accords began a new era of cooperation between Israel and the Sunni Arab states. He renegotiated Nafta rather than blowing it up as he had threatened.

The authoritarian rule that Democrats and the press predicted never appeared. Mr. Trump was too undisciplined, and his attention span too short, to stay on one message much less stage a coup. America's checks and balances held, and Democrats benefited from the political backlash.

Ah, but what about the Capitol riot on Jan. 6, 2021? Mr. Trump's attempt to overturn the election was appalling, and for many Americans is disqualifying for a second term. We thought he shouldn't win the nomination again.

But Democrats helped to revive his fortunes with their unprecedented prosecutions and other excesses. Democrats made Trump II possible as much as GOP primary voters. If Mr. Trump wins, it will be a comeback for the ages, and testament to his resilience and ability to speak for Americans who feel unrepresented.

* * *

Opponents say a second Trump term poses too great a risk given his character flaws, and it surely wouldn't be a return to "normalcy." We don't buy the fascism fears, and we doubt Democrats really do either. Our own concern is whether he can successfully address the country's urgent problems. Most second presidential terms are disappointing, or worse, and Mr. Trump hasn't mapped out a clear agenda beyond controlling the border and unleashing U.S. energy production.

One risk now, unlike his first term, is the lack

He'd slow the left's coercive march, but his policies are likely to be a jump ball.

of a unified or even coherent GOP domestic platform. Mr. Trump inherited a reform agenda from Paul Ryan in 2017, and his policy successes were traditional GOP priorities of deregulation, originalist judges and tax cuts.

Mr. Trump has instincts but no clear philosophy of government, and his second term will be more of a policy jump ball. Most of his 2017 tax reform will expire at the end of 2025, and he has already complicated renewal by proposing tax giveaways that will make pro-growth provisions harder to finance.

He's promising more deregulation, which is a big plus. But he wants much higher and across-the-board tariffs, which will introduce uncertainty that would slow growth. His second term could be a struggle between free-market advisers like those in his first term, and the protectionist, industrial policy, pro-Big Labor voices who surround JD Vance.

If Mr. Trump goes with the latter, the GOP will no longer be a party of free markets and smaller government. This is one way the U.S. turns into slow-growth Europe where the major parties are all statist.

On foreign policy, who knows? The former President understands deterrence far better than Ms. Harris, and he is likely to revive pressure on Iran. But he is above all a deal-maker, and he will court Vladimir Putin, Kim Jong Un and Xi Jinping to uncertain ends.

Much will depend on the advisers he chooses for State and Defense, and whether they can dissuade Mr. Trump from lousy ideas after he speaks with Sen. Rand Paul. We spent much of his first term fielding calls from Congress and White House aides urging editorials to head off the wilder impulses Mr. Trump floated behind the scenes.

Mr. Trump also surrounds himself with grifters and provocateurs who flatter him, and many have new prominence in Trump World as his son Don Jr. gains influence. Think Tucker Carlson instead of son-in-law Jared Kushner. This could lead in destructive policy directions. Mike Pence's influence on policy and personnel will be missed.

* * *

This election should be an opening for a GOP sweep à la 1980. The polls say Americans want change, and they are unhappy with the results of progressive governance.

But if Mr. Trump wins it is likely to be narrowly, and his campaign hasn't done much to expand his coalition. Even after the first assassination attempt, he couldn't offer a unifying message in his GOP convention speech. Mr. Trump's second term could result in four more years of divisive partisan warfare.

Democrats and the press will feed the rancor, as they aim to sweep Congress in 2026 and retake the White House in 2028 as the country tires of the second MAGA interregnum. This is the risk Republicans took in nominating Mr. Trump for a third time, instead of a younger conservative who could serve two terms and build a new center-right majority.

A second Trump term poses risks, but the question as ever is compared to what? Voters can gamble on the tumult of Trump, or the continued ascendancy of the Democratic left. We wish it was a better choice, but that's democracy.

Jamie Dimon vs. Rohit Chopra

JP Morgan CEO Jamie Dimon told a banking conference Monday that he's "tired of this s—" from Biden-Harris regulators. Perhaps he has in mind the extraordinary power grab by the Consumer Financial Protection Bureau under director Rohit Chopra.

The CFPB recently slapped Fairway Independent Mortgage Corp. with a \$10 million fine for allegedly discriminating against minorities. Its evidence? Fairway's ratio of lending in majority-white versus majority-black census tracts in Birmingham, Ala., was higher than that of other lenders.

The CFPB offered no proof of intentional discrimination, and Fairway says it made more loans in majority-black tracts than other non-bank lenders. Fairway also says the CFPB ignored its lending to buyers who moved from majority-black to other neighborhoods, "which indicates the government's preference for furthering racial segregation."

Fairway nonetheless settled the complaint because doing so was less expensive than defending itself in court. Its \$10 million payment will mostly fund subsidies for low-income housing in minority neighborhoods. Mr. Chopra is using his enforcement power to finance the left's housing agenda without an appropriation from Congress.

Or consider the CFPB's "guidance" last week regulating employee background checks and information that employers use to rate worker performance under the Fair Credit Reporting Act. That's the law that regulates how credit agencies collect and use consumer data.

Many employers use third-party technology to conduct background checks, monitor sales and customer-service interactions, on-the-job driving habits (e.g., speeding), as well as time workers take to complete tasks and spend web browsing, among other things. But progressives and unions don't like employers monitoring and measuring workers.

The CFPB is seeking to make this harder by requiring employers to follow the same rules as credit reporting agencies when they collect financial information on individuals. This

means employers will have to let potential hires and employees dispute negative information collected on them.

If a three-year-old theft conviction appears on a worker's background check, he can demand it be removed. If software shows that a remote employee isn't working while on the clock, a worker can seek to have this expunged from a performance review. None of this concerns consumer financial protection.

Here's the kicker: Mr. Chopra's guidance can't be challenged in court because it isn't a formal rule. Yet if employers violate his diktat, they can be fined.

Mr. Chopra last week also issued an "open banking" rule that requires banks and credit card companies to share customer data at no cost with a third party upon customer request. He says this will make banking more competitive by letting customers move to firms with better offerings.

But regulating competition isn't the bureau's responsibility, and federal law doesn't authorize his mandate. Dodd-Frank requires banks to "make available to a consumer, upon request, information in the control or possession of the [bank] concerning the consumer financial product or service that the consumer obtained" from the bank.

Mr. Chopra has redefined "consumers" under the law to include third parties such as fintech startups and even scammers. This means banks will have to turn over customer data to third parties to initiate payments from customer bank accounts. Banks will be legally liable if their customers are swindled.

Mr. Dimon of JPMorgan told the banking conference that it's time to fight back: "We are suing our regulators over and over and over because things are becoming unfair and unjust, and they are hurting companies, a lot of these rules are hurting lower-paid individuals."

He's right, though our sources tell us that Mr. Chopra is looking for a promotion in a Kamala Harris Administration. Alas, there's a better chance he'd be Treasury Secretary than Jamie Dimon would.

THE WALL STREET JOURNAL.

OPINION

LETTERS TO THE EDITOR

Another Case Against Trump That Falls Flat

William McRaven is spot on in listing the personal shortcomings of former President Donald Trump ("Trump Fails George Washington's Civility Test," op-ed, Oct. 29). In a better world, Republicans would have a more honorable candidate. But to claim that Vice President Kamala Harris "won't threaten the press, demean immigrants, mock those who have died for the country, break with our allies, or undermine the Constitution" is where Mr. McRaven loses the argument and this reader's trust.

The Biden-Harris administration threatened Facebook to suppress posts that challenged the administration's narrative regarding the origin of Covid-19 and the efficacy of vaccines. Instead of demeaning immigrants, the administration daily demeans its own citizens who dare to support the other political candidate.

The Biden-Harris administration may not "break with our allies," but Mr. McRaven should ask Israel and Ukraine about all the conditions their American ally has placed on its support these past few years. As for undermining the Constitution, an administration that thumbs its nose at Supreme Court rulings regarding landlord rights and lawless student-loan bailouts fits the bill. Ms. Harris also wants to pack or restructure the Supreme Court and hamstring the minority party in Congress by eliminating the Senate filibuster.

Mr. Trump may be the more dishonest individual, but Mr. McRaven's arguments that his administration would be more dangerous than Ms. Harris's falls spectacularly flat.

ANDREW GLICKLER
Plano, Texas

Adm. McRaven is correct to designate Mr. Trump as beyond the pale. Many conservatives won't vote for

him, and most will shy away from his adversary as well.

While Mr. Trump may appear to be sui generis, he is a fully evolved creature of our political playing field, one surfaced by muck: Harry Reid's lies about Mitt Romney; Hillary Clinton's lies about Russian collusion in an attempt to cripple her opponent; Joe Biden and 51 former intelligence officials lying to defeat Mr. Trump; ditto lawfare in the current contest.

This isn't "whataboutism" but a condemnation of the system. And isn't it a howl that Democrats consider only Trump Republicans to be threats to democracy?

PAUL BLOUSTEIN
Cincinnati

I wrote in Adm. McRaven for president—for the second time now. I first heard of him at his commencement speech in 2014. I agree with his assessment that Mr. Trump fails George Washington's litmus test of being qualified for the job of commander in chief. But I fail to see where Ms. Harris has made a compelling case to conservatives that she is worth supporting, other than simply not being Donald Trump.

Unless the Democrats of the 1990s or the GOP of the 2000s return, I'll probably be voting for Adm. McRaven again in 2028—I hope as a candidate actually on the ballot. If he says he's not interested, I'll remind him that neither was Washington in 1788.

J. STANTON MORROW
Dallas

I'm sure Democrats wouldn't pass the admiral's civility test by calling Mr. Trump a Hitler and his patriotic supporters like me a deplorable domestic terrorist, or "garbage."

KIM McGAHEY
Topsail Beach, N.C.

The Cuban Socialist Experiment Led Here

Regarding your editorial "Cuba Can't Keep the Lights On" (Oct. 21): Apparently, some classes in the classless Cuban society are more equal than others. Some in Havana are resorting to cooking with coal or firewood on the streets, and the crisis has spooked the communist leadership. In response, Cuban President Miguel Diaz-Canel has revealed his clever hoof and bared his incisors.

The president has put on a military uniform and is warning Cubans on social media that protests won't be tolerated. So much for free speech, freedom of assembly and the opportunity to petition the government.

Fortunately for the tyrannical,

dithering, incompetent, kleptocratic Cuban government, the blustering muckety-mucks can always blame U.S. sanctions. The high-sulfur fuel shortages can be blamed on a drop in shipments from Venezuela. Without sacking the bank accounts of Cuba's leaders, there isn't enough hard currency to pay for fuel. As the Romans were wont to say, Sic Semper Tyrannis.

Should we judge socialism by the Cuban experiment? One thing we can be sure of: The lights are on at the presidential palace, if only to do contingency planning.

JEFFREY R. SMITH
Alameda, Calif.

Best Defense Against the Charge of Plagiarism

I greatly enjoyed Ana Siljak's review of Emily Herring's "Herald of a Restless World: How Henri Bergson Brought Philosophy to the People" (Books, Oct. 26), which highlights Bergson's immense influence on modern art and literature. I was surprised, however, that there was no mention of James Joyce, whose masterpiece owes so much to Bergson's notion of the stream of consciousness.

"Ulysses" contains typically Joycean acknowledgments of his debt to Bergson in its references to a Mr. Philip Beaufoy, which was the pen-name of Philip Bergson, Henri's younger brother. Philip Beaufoy is first mentioned in "Ulysses" as the author of a story in a magazine that Leopold Bloom peruses as he relieves his constipation. In this *durée* in his water closet, Bloom does an anti-Bergsonian calculation of printed space to calculate the writer's earnings from this magazine.

Will Our Candidates Get Serious on Foreign Policy?

Former Vice President Dan Quayle's op-ed "Look Abroad, Presidential Candidates" (Oct. 22) presents a cogent summary of the growing threats to our country. Mr. Quayle's credibility is enhanced by the frank admission that his own administration shared in the failure to recognize the potential danger from China.

When Mr. Quayle was vice president, some observers considered him a lightweight. But here Mr. Quayle writes as a seasoned statesman. He provides a clear understanding of the central role of international affairs in a president's duties, an understanding that is absent from the current election campaign. His serious assessment of foreign threats stands in contrast to the pandering on domestic matters by both presidential contenders. Especially on national-security issues, the public deserves more.

MARCUS W. SISK JR.

Naples, Fla.

I have a small bone to pick with the Journal regarding the op-ed "DEI Is Crushing Military Recruitment" (Oct. 25) by Owen West and Kevin Wallsten. At the end of the article, where the Journal notes the authors' credentials, Mr. West is referred to as a "former Marine."

Marines like to remind people that there is no such thing as a "former" Marine; once a Marine, always a Marine. As the son of a Marine who served in Korea, I was often corrected of that verbal miscue. Semper Fi.

KEVIN MYERS
Phoenix

Pepper ... And Salt

THE WALL STREET JOURNAL



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

OPINION

The Three Reasons Harris Will Lose

By Kenneth L. Khachigian

There are three reasons why Kamala Harris will lose on Tuesday.

First, a historic Democratic voting bloc will desert her in margins the polls haven't anticipated. Hundreds of thousands of traditional Democrats who came of age in postwar America can't visualize Ms. Harris walking in the footsteps of their legendary party leaders who preceded her—icons like Franklin D. Roosevelt, Harry Truman, John F. Kennedy, Lyndon Johnson and Hubert Humphrey. She suffers from a stature gap that a billion dollars of advertising can't change, and even if voters don't mark their ballot for Donald Trump, it will be to his benefit.

Traditional Democrats are deserting the party, she was unprepared, and she has no clear message.

The vice president had nearly four years to rise to levels of national and international prominence—to expand her vitae beyond being Joe Biden's choice to fill a designated slot. She squandered that opportunity, or perhaps Mr. Biden and his inner circle didn't loosen the leash. Either way the result is the same: She isn't the person who matches the moment.

Second, Ms. Harris was unprepared to enter the rough and tumble of national politics and at the 11th hour relies on being propped up, as she has throughout her career, by patrons—Barack Obama, his operatives and a national media that is predominantly desperate to prevent Mr. Trump from re-entering office. Ms. Harris is a victim of her own success through moving up the political ladder without being fully tested by challenge and conflict.

Hence, while she promotes her career path as a tough prosecutor, when it came to time to face the national jury, she abdicated to the teleprompter and friendly interviewers. The canary in the coal mine for her impending defeat is the veiled betrayal by those who engineered the putsch that shoved Ms. Harris through the door while forcing Mr. Biden out. They ridicule the vice president's odd-ball answers in televised interviews as retreats into "Word Salad City."

Third, when she responded on "The View" that there wasn't a thing that came to her mind that she would "have done differently than President Biden," Ms. Harris confirmed the substance-free foundation of her cause by placing no distance between herself and the failures of her partner. Either she couldn't find a way to escape her baked-in California Bay Area political culture, or she was flummoxed by her own slippery evasions from left-wing orthodoxy. Nevertheless, there is an empty hole where potential leaders of the free world must have a strong message. She has filled it with the bizarre notion that if she loses, Mr. Trump would establish fascism in America.

That makes for an unserious person seeking to navigate an uncertain world and fragile economy. Last-minute crazy charges and celebrity parades of Bruce Springsteen, Willie Nelson, Beyoncé and Michelle Obama merely reinforce the Potemkin village front of the unraveling Harris-Walz campaign.

Ms. Harris's lack of stature, unreadiness for prime time, and content-confused narrative are why voters will opt for a former president with a proven record over an untested swimmer without a life vest.

Mr. Khachigian was chief speechwriter to Ronald Reagan and an aide to Richard Nixon. He is author of the memoir "Behind Closed Doors: In the Room With Reagan and Nixon."

By Matthew Kroenig
And Dan Negrea

On the campaign trail, Donald Trump proudly contrasts the peace that prevailed during his first term with the wars in Europe and the Middle East that erupted during the current administration. Some observers dismiss the former president's claims and maintain that Joe Biden and Kamala Harris were simply unfortunate to have had conflicts break out on their watch. A closer look shows that Mr. Trump is correct. He instinctively understands the art of deterrence, whereas Mr. Biden and Ms. Harris have consistently, if perhaps unintentionally, undermined this traditional pillar of U.S. strategy.

The Defense Department could be called the Deterrence Department, for the apex of its strategy isn't to fight wars but to deter them. Successful deterrence requires Washington to convince its adversaries that the costs of attacking the U.S. and its allies greatly outweigh any conceivable benefit. For decades, leading deterrence theorists such as Thomas Schelling and Henry Kissinger argued that a successful posture rests on three Cs: capability, communication and credibility.

First, Washington needs the military capability to impose an unacceptable cost on any adversary. While Mr. Trump invested in U.S. defense capabilities and Mr. Biden and Ms. Harris have cut military spending in real terms, it is unarguable that the U.S. has retained a deterrence capability under both administrations. The U.S. nuclear arsenal and the capability of American conventional forces ensure that. The difference, therefore, lies in the other two Cs.

U.S. leaders must clearly communicate the consequences that adversaries will suffer if they cross Washington's red lines. This is one of Mr. Trump's greatest strengths. He told



EVAN VUCCI/ASSOCIATED PRESS

Kim Jong Un meets Donald Trump in Singapore, 2018.

North Korea's Kim Jong Un that his threats to the U.S. would "be met with fire, fury and frankly power the likes of which this world has never seen before."

Mr. Trump told the Journal that he deterred Russia's Vladimir Putin by saying, "Vladimir, if you go after Ukraine, I am going to hit you so hard.... I'm going to hit you right in the middle of fucking Moscow...."

He understands that the American president can't draw red lines unless he is willing to enforce them.

I'm going to take those f— domes right off your head." Because, you know, he lives under the domes."

Speaking about Iran's alleged assassination plots against him, Mr. Trump recommended that Mr. Biden warn that if an adversary kills a former president, "We will bomb that country into oblivion—and it would stop."

Contrast this with the Biden-Har-

ris communication style. When Mr. Putin amassed forces on Ukraine's border in February 2022, Mr. Biden didn't draw red lines. Instead he flashed a green one, proclaiming that the U.S. wouldn't send troops under any circumstance and that a "minor incursion" might be acceptable. Assured by the American president that there wouldn't be serious consequences, Mr. Putin invaded shortly thereafter.

Biden-Harris officials have repeatedly stated that avoiding escalation is their foremost priority. But effective deterrence is essentially the threat of escalation held in reserve. By taking that threat off the table, the administration has also removed any possibility for effective deterrence.

The final C is credibility. Do our

adversaries believe that if they cross U.S. red lines, the president will follow through on threats and impose serious consequences—or that he will simply back down?

Mr. Trump reinforced red lines, striking Syria in 2017 after Bashar al-Assad used chemical weapons on his own people, and killing Iranian Gen. Qassem Soleimani in 2020. His repu-

tation for unpredictability kept adversaries guessing. They didn't know what they could get away with, so they played it safe.

Mr. Biden's credibility was undermined by the disastrous August 2021 withdrawal from Afghanistan, which sent the message that he didn't have the stomach for military action. The administration's reputation for extreme caution means that adversaries know they can push hard without eliciting a response.

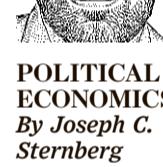
When Iran launched a drone-and-missile barrage against Israel in April, Mr. Biden counseled restraint and encouraged Prime Minister Benjamin Netanyahu to "take the win." The result? Iran learned it wouldn't suffer any consequences for such behavior and launched another massive attack in October. Deterrence failed again.

Maybe Mr. Biden and Ms. Harris thought they could reassure Americans that their administration wouldn't start a large war. Maybe they thought America's adversaries would understand their reasonable intentions and reciprocate in kind. They probably didn't intend to invite aggression, but that's exactly what they did and received anyway.

The world can't risk four more years of a failed American deterrence policy, especially as China threatens to open a third front in the Indo-Pacific with daily military coercion against U.S. allies. The next American president must restore the 3 Cs of deterrence and, with them, global stability and peace. Blessed are the peacemakers.

Mr. Kroenig is a vice president of the Atlantic Council, a professor at Georgetown, and a former Pentagon strategist. Mr. Negrea is a distinguished fellow at the Atlantic Council and a former senior State Department official. They are the co-authors of "We Win They Lose: Republican Foreign Policy and the New Cold War."

Germany Is Forgetting How to Make Cars

POLITICAL ECONOMICS
By Joseph C. Sternberg

be posing the same question about Detroit.

The thought is occasioned by news Monday that Volkswagen is thinking about closing three factories in Germany—the first factory closure within German borders in the company's 87-year history—axing 10,000 jobs, and slashing pay for those workers who remain. The company on Wednesday announced its after-tax profit fell 64% in the third quarter compared with the same quarter last year, and by all accounts it will struggle to meet its profit target for the year.

One could blame this, as German politicians are keen to do, on management failures at a company that's been mired in a global emissions-test-cheating scandal for nearly a decade. This is a tough case to make, in part because the state government of Lower Saxony owns a 20% voting stake in the company.

But blaming management isn't a sufficient explanation because Volkswagen isn't alone in its travails. A grim reaper is killing blue-collar jobs by the tens of thousands in Germany's auto industry. His scythe is Europe's electric-vehicle mandates.

Europe's forced transition from internal-combustion cars to EVs could on net cost 190,000 automotive jobs in Germany by 2035, according to a study released Monday by the German Association of the Automotive Industry and consulting firm Prognos. The auto industry at its peak, in 2019, employed around 958,000. Roughly one-quarter of those net job losses already have happened, the study estimates, as the EV transition has gathered pace.

EV manufacturing is changing both the scale and the nature of auto employment. EVs require fewer total

workers to produce compared to traditional cars, and also different types of workers. EV production is heavy on software engineering and light on metalworking, for instance, which means a loss of high-paying blue-collar jobs.

The truly startling thing about this analysis and others like it is that this is the best case. These estimates assume healthy demand for EVs, such that job losses are caused by the shifting workforce needs of a new product.

Reality is proving much less rosy. Soft demand for EVs has prompted warnings of downsizing even at plants still churning out internal-combustion cars. European Union rules set a quota for EV sales as a proportion of an automaker's total sales. Stellantis Chief Operating Officer Jean-Philippe Imparato said recently that if his company can't foist more EVs on unwilling consumers, it will produce fewer regular cars instead to maintain the correct proportion of EVs in its sales book.

These displaced auto workers may have nowhere else to go in the economy, as Germany risks sinking into an industrial Dark Age. Sentiment in surveys of manufacturing managers is gloomy across the board and unemployment is creeping upward, so

far ameliorated only by the difficulty of implementing layoffs quickly. Climate policy again is a prime culprit, as the Berlin-imposed transition to renewable energy forces higher charges for less reliable electricity on manufacturers of everything.

Lurking behind all this are two emergencies. One is the calamity for individual households whose breadwinners are pushed out of previously stable trades by a political vanity project by the progressive left.

Volkswagen considers shuttering three plants, the result of electric vehicle mandates.

The other is the economic disaster of "human capital" destroyed. The 190,000 people who will no longer be employed by Germany's car industry after the green transition, for instance, are 190,000 people who know how to perform highly skilled tasks. They will no longer be practicing those industrial arts or—crucially—passing them on to the next generation of apprentices and younger workers. Once that deep well of

knowledge is depleted, it isn't obvious how it can be replenished.

In other words, Germany will forget how to manufacture internal-combustion autos.

This column has no brief for dying industries, which is why you've never read me complain about dwindling employment in candle making or fax-machine manufacturing. The German saga is a graphic illustration of why the forced transition to a zero-carbon economy is different.

Normal economic evolution is driven by new industries pulling consumers and workers away from dying fields and toward new opportunities. The green transition is happening suddenly and on an assumption—made by politicians and activists and practically no one else—that one can push unwilling consumers and labor out of currently thriving industries and into jobs and forms of consumption that don't exist but can be conjured forth with sufficient political will.

This is unpopular with consumers and destructive of jobs, and yet it could prove irreversible if the process is allowed to grind on for too long. Volkswagen's saga offers America many warnings. One of the subtler but more important is to stop before it's too late.

How to Build on Trump's Tax Success

By Kevin Brady
And Douglas Holtz-Eakin

The U.S. economy has suffered a poor growth record in the 21st century. From 1960 to 2000, per capita gross domestic product rose 2.3% annually. Since then, it has downshifted to 1.4%. This rough estimate of the standard of living once doubled every 30 years. In the 21st century, it is predicted to take 51 years.

Placing a renewed focus on saving, investment, innovation and business creation can reverse this decline. The 2017 Tax Cuts and Jobs Act did just this, but many of its reforms expire next year. Congress thus has the opportunity not just to extend but to build on these reforms, delivering an even stronger pro-growth tax code. Doing so requires comprehensive business-taxation reform.

The first step is to avoid backsliding. Kamala Harris advocates returning to an uncompetitive top rate of 28% on U.S. corporations, up from the TCJA's 21% rate. As we've explained in these pages, the corporate reforms enacted in 2017 have been the wind at the back of American workers. On average the TCJA stimulated U.S. investment by 20%. Every \$1 cut in corporate taxes increases economic production by an estimated 44 cents.

Workers saw a 9% increase in inflation-adjusted earnings between Jan. 1, 2018, and Dec. 31, 2020—the fastest growth since the government began publishing data in 1979.

But achieving stronger pro-growth policies in the next round of reform requires learning a larger lesson: Corporate taxation and business taxation aren't the same thing—and the latter is tightly related to individual income taxation.

Most business income comes from pass-through entities, in which each owner's income share is "passed through" to be reported and taxed on his individual income-tax return. These businesses—including sole proprietorships, partnerships, Subchapter S corporations and limited-liability corporations—employ more than half of the country's private-sector workers. They aren't subject to corporate taxes.

The TCJA's writers lowered individual income rates to spur growth for Main Street businesses and pass-through companies. They created Section 199A—or what they called the 20 Percent Small Business Tax Deduction—which allows pass-through owners to deduct 20% of their business's income. This deduction reduced the effective tax rate to 80% of the statutory tax rate, supported 2.6 million jobs, raised employee compensation by \$161 billion and added \$325 billion to output. But it's scheduled to sunset at the end of 2025.

Here too, Ms. Harris proposes to go in the wrong direction. She is promising to raise individual tax rates on incomes above \$400,000, thus excluding many pass-through businesses from the deduction

based on their success. She proposes as well to subject more pass-throughs to a higher net investment income tax rate of 5%. These proposals would raise rates as high as 45%, damaging Main Street and big business.

Rather than backsliding, Congress can make real progress. Besides extending the deductions scheduled to expire, it can enact new reforms. These include allowing the immediate expensing of investment in new technology, write-offs for research-and-development expenses, and interest deductibility. And it could extend the bipartisan Opportunity Zones program, which spurs investment in low-income areas. An extension of the estate tax's current design—which saves families from having to sell their property or meet a 40% tax when a loved one dies—would also spur growth.

Raising the standard of living is a nonpartisan goal—one the pro-growth provisions of the TCJA clearly advanced. Over the next year, Congress can do more than merely ensure these provisions don't expire: It should seize this opportunity to build on the gains in global competitiveness and growth fostered by the 2017 reforms.

Mr. Brady served as chairman of the House Ways and Means Committee, 2015-19. Mr. Holtz-Eakin, president of the American Action Forum, was director of the Congressional Budget Office, 2003-05.

THE WALL STREET JOURNAL.

PUBLISHED SINCE 1889 BY DOW JONES & COMPANY

Lachlan Murdoch
Executive Chairman, News CorpRupert Murdoch
Chairman Emeritus, News CorpEmma Tucker
Editor in ChiefLiz Harris, Managing Editor
Charles Forelle, Deputy Editor in Chief
Elena Cherny, Senior Editor; David Crow, Executive Editor; Chip Cummins, Newswires; Tanith Evans, Digital; Brent Jones, Culture, Training & Outreach; Alex Martin, Print & Writing; Michael W. Miller, Features & Weekend; Prabha Natarajan, Professional Products; Bruce Orwall, Enterprise; Philana Patterson, Audio; Amanda Wills, VideoPaul A. Gigot
Editor of the Editorial Page

Gerard Baker, Editor at Large

DOW JONES | News Corp

WORLD NEWS

Canada and Mexico Fear Trade Shift

Trump and Harris have said they would reopen talks on free-trade pact

By VIPAL MONGA
AND SANTIAGO PÉREZ

WINDSOR, Ontario—Every day, goods valued at about \$320 million rumble across the Ambassador Bridge connecting this industrial Canadian city to Detroit. It is so busy that, 2 miles downriver, another six-lane bridge is going up.

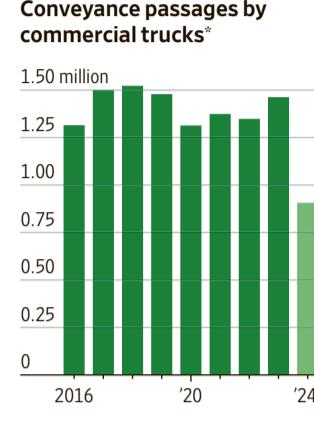
The new span's entire \$4.5 billion cost is borne by Canada—a symbol of how much free trade means to this country, and what is at stake in Tuesday's presidential election for America's closest neighbors.

Both Kamala Harris and Donald Trump say they will look for more protections for America as they review the U.S.-Mexico-Canada Agreement, the pact negotiated by the Trump administration that replaced the North American Free Trade Agreement and has proved a boon for all three countries, economists say.

Trump's threat to impose new tariffs on all goods coming into the U.S. has set businesses and governments on edge in both Canada and Mexico.

"If the walls go up, we're in trouble," said Dave Cassidy, a former union leader who now advises the Ontario provincial government.

As governments across the world revive trade protection-



*Volumes captured which constitute around 99% of the total volumes and manual reporting system ORA †2024 data as of Aug. 31
Source: Canada Border Services Agency

ism, America's neighbors in Canada and Mexico have doubled down on the free flow of goods across borders. Both Canada and Mexico send about 80% of their exports to the U.S., and both have sought free-trade agreements worldwide, including the Trans-Pacific Partnership deal that both countries signed in 2018 with a host of other nations such as Australia, Japan and Vietnam.

Now the wisdom of that bet on free trade is looking shaky. Trump and Harris have said they would reopen the USMCA in 2026, using a review provision in the trade agreement.

"I will renegotiate to the benefit of our country," Trump said, in a recent TV interview when asked about his plans for USMCA. "We've been screwed by Mexico and by China and by Canada and by the European Union."



The Gordie Howe International Bridge connects Windsor, Ontario, to Detroit. Canada paid \$4.5 billion to build the new span.

Harris generally is viewed as less hawkish on tariffs compared with Trump. But she voted against the USMCA in 2020 and in October posted on X that the trade pact "wasn't sufficient to protect our country and its workers." The Biden administration kept many of Trump's tariffs on China.

"We're going to be dealing with a protectionist president, no matter what," said Flavio Volpe, president of the Automotive Parts Manufacturers' Association, an industry group that represents 250 companies, many of them based in Windsor.

The Harris campaign declined to comment. Trump's

campaign didn't respond to a request for comment.

Canada has launched a lobbying effort to protect its \$900 billion trade relationship with the U.S. Government ministers, provincial leaders and its ambassador to the U.S., Kirsten

Hillman, are courting lawmakers in U.S. states and in Washington to strengthen ties ahead of any USMCA renegotiations.

"USMCA is very important to Canada," Hillman said. Trade between the countries has risen 46% since the deal went into effect in mid-2020. She and her colleagues have met 45 state governors to remind them how deep the trading relationship

between the countries runs. "Often that's under-recognized."

In Mexico, the stakes are just as high. The 2,000-mile frontier between the U.S. and Mexico is the world's busiest land border.

When trade-pact consultations begin late next year, negotiators are expected to tackle issues such as trade with China and requirements for increased North American content in goods imported tariff-free into the U.S., Mexican officials say.

If Trump wins, his advisers are expected to pressure Mexico to reopen its energy industry to foreign investment and curtail investment from China, trade analysts said. "Trump is no friend of Mexico," said Luis de la Calle, a former Mexican government official who helped negotiate Nafta.

In 2022, the U.S. launched a trade fight against Mexico, ac-

cusing its government of favoring its state-owned utility and oil company at the expense of American businesses.

The U.S. is seeking dispute-settlement consultations under the USMCA, a step that could lead to tariffs on a range of Mexican products if no deal is reached.

A trade deal that weakens Mexico's push to regain control of the country's energy sector risks undermining its new president, Claudia Sheinbaum's political standing at home, experts say. But Mexican officials say Mexico can accommodate some U.S. demands to curb Chinese imports and investments that can use Mexico as a back door to circumvent USMCA rules to sell tariff-free products in the U.S. Mexican officials said protecting its vast vehicle-manufacturing industry, which exports to the U.S., is a priority.

North Korea Aims to Stir Up U.S.

By TIMOTHY W. MARTIN

SEOUL—Hours after the launch of an intercontinental ballistic missile, North Korea's leader Kim Jong Un reportedly said the ICBM test was meant to show a "counteraction will" to unspecified rivals, in a clear reference to the growing defense partnership and joint exercises between Washington, Seoul and other regional allies.

Pyongyang has carried out provocative actions around key dates in the U.S. It launched missiles on U.S. Election Day in 1980 and 1996. On the Fourth of July during former President Donald Trump's first year in office in 2017, North Korea launched its first-ever ICBM. That one stayed in flight for about 40 minutes.

Years later, North Korea's ruling-party newspaper christened the debut ICBM launch in a front-page editorial as the "July 4th Revolution."

The latest ICBM, launched Thursday, splashed into waters west of Okushiri Island, which is located 12 miles west of Hokkaido, Japan's northern main island.

The outcome of next week's U.S. election could reshape Washington's policy with the Kim regime should Trump win. Pyongyang never took up the Biden administration's re-



People in Seoul watch North Korea's firing of an ICBM.

peated offers to meet without preconditions, with top North Korean officials doubting the talks would deliver meaningful results. Vice President Kamala Harris has signaled adopting a similar tact.

Meanwhile, Trump—the only sitting U.S. president to have met a North Korean leader—has touted his close relationship with Kim, which included

frequent letter exchanges. At July's Republican National Convention, Trump said: "Now North Korea is acting up again, but when we get back, I get along with him," adding, "He'd like to see me back, too. I think he misses me."

An ICBM launch could help Trump make the argument that he is the better candidate to tame autocrats such as

Kim, noting that North Korea refrained from missile tests for a good stretch of his time in the Oval Office, said Lee Sung-yoon, a global fellow at the Woodrow Wilson International Center for Scholars.

"It would be irresponsible of Kim Jong Un not to resort to a major provocation on the eve of the U.S. election," Lee said. "An ICBM launch, the North's first in some 10 months, only helps the candidate who once was his pen pal."

The U.S. and North Korea haven't held formal nuclear talks in more than five years. During that time, Kim has drawn closer to Russian President Vladimir Putin. The blossoming Moscow-Pyongyang relationship entails leader-level summits, arms deliveries and the recent dispatch of roughly 10,000 North Korean troops to Russia.

The risk of Russia helping North Korea's weapons technology came up during a joint news conference in Washington with Defense Secretary Lloyd Austin and South Korean Defense Minister Kim Yong-hyun. Austin said he was concerned that the North Korean soldiers could support Russia's combat operations. "We're seeing them outfitted with Russian uniforms and provided with Russian equipment," he said.

Eurozone Inflation Climbs Back to Target

By JOSHUA KIRBY

There are signs that the bank's efforts are on course to pay off with a soft landing, bringing inflation down to target without pushing the economy into a recession or wiping out a large number of jobs.

Following figures released Wednesday that showed the eurozone economy accelerated in the three months through September, Eurostat on Thursday said the unemployment rate remained at 6.3% in September, a record low.

That helps assuage some fears of a grinding slowdown in the eurozone economy, which was the main headache for central bankers. The high interest rates they used to cool prices could still prove too restrictive, with the risk that inflation will stay below their target, as it did before the pandemic.

"The risk of sustainably missing our target by going down now exists as much as that of exceeding it," Bank of France Gov. François Villeroy de Galhau said. French inflation remained below target in October, as did that of Spain and Italy.

Nevertheless, ECB boss Christine Lagarde warns against claiming victory. "I'm not going to tell you that inflation is defeated yet," she told French daily *Le Monde*.

SPAIN

Death Toll Rises From Flash Floods

Crews searched for bodies in stranded cars and sodden buildings on Thursday as people tried to salvage what they could from their ruined homes following flash floods in Spain that claimed at least 158 lives, with 155 deaths confirmed in one region alone.

More horrors emerged from the debris and ubiquitous layers of mud left by the walls of water that produced Spain's deadliest natural disaster in living memory. Officials on Thursday said 155 people were killed by the floods in the hardest-hit region of Valencia.

Rushing water turned narrow streets into death traps and spawned rivers that tore through homes and businesses, sweeping away cars, people and everything else in its path.

—Associated Press

GERMANY

Iranian Consulates Are Ordered Closed

Germany ordered the closure of all three Iranian consulates in the country on Thursday in response to the execution of Iranian-German prisoner Jamshid Sharmahd, who was kidnapped in Dubai in 2020 by Iranian security forces.

Sharmahd, 69, was put to death in Iran on Monday on terrorism charges, the Iranian judiciary said. That followed a 2023 trial that Germany, the U.S. and international rights groups dismissed as a sham.

The decision to close the consulates in Frankfurt, Hamburg and Munich, announced by Foreign Minister Annalena Baerbock, leaves Tehran with only its embassy in Berlin.

The family of Sharmahd, who lived in Glendora, Calif., disputed the allegations and had worked for years to see him freed.

—Associated Press

UNITED NATIONS

Food Agencies Say Crises Widening

Severe food crises threaten hundreds of thousands of people in vulnerable areas, including the Palestinian territories, Sudan, South Sudan, Haiti, and Mali, where populations face or near famine, a report by the United Nations' food agencies released on Thursday said.

Conflicts, economic instability, and climate shocks—combined with reduced funding for emergency food and agriculture assistance—are driving alarming levels of acute food insecurity, the report warned.

The U.N. Food and Agriculture Organization and the World Food Program said acute food insecurity is projected to worsen across 16 "hunger hotspots" during the next six months in 14 countries and two regions.

—Associated Press

WORLD WATCH



SHINING ON: Earthen lamps glowed in front of the Shri Mani Mandir, a temple in Varanasi, India, during celebrations Thursday marking the start of Diwali, the Hindu festival of lights.

NHARIKA KULKARNI/AGENCE FRANCE PRESSE/GETTY IMAGES

BUSINESS & FINANCE

THE WALL STREET JOURNAL.

Friday, November 1, 2024 | B1

© 2024 Dow Jones & Company. All Rights Reserved. *****

S&P 5705.45 ▼ 1.86% S&P FIN ▼ 1.22% S&P IT ▼ 3.57% DJ TRANS ▼ 0.44% WSJ\$IDX ▼ 0.22% 2-YR. TREAS. yield 4.162% NIKKEI (midday) 38196.53 ▼ 2.26% See more at WSJ.com/Markets

Intel Records a \$16.6 Billion Loss

Chip maker blames results mainly on charges from broad restructuring efforts

By ASA FITCH

Intel reported write-downs and other charges that led to a stunning \$16.6 billion net loss in the latest quarter, as the chip maker works through a costly turnaround effort that Chief Executive Pat Gelsinger says is bearing fruit.

The net loss reported Thursday—the largest in its 56-year history—far exceeded than the \$1.1 billion loss analysts expected in a FactSet survey. At the same time, Intel's revenue in the quarter was \$13.3 billion, a 6% decline from the same period last year but slightly above Wall Street forecasts. And Intel offered guidance for sales growth in

the current quarter that was above expectations.

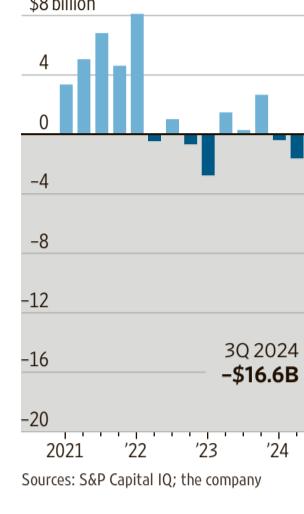
Investors seized on the positive news, sending Intel's beleaguered shares up nearly 9% in after-hours trading.

The losses largely reflected charges related to a continuing cost-reduction plan and accelerated depreciation on some of its manufacturing assets, Intel said.

In an interview, Gelsinger characterized the accounting charges that led to the large loss as one-off moves necessary because of the company's sweeping business shake-up. Intel disclosed accounting charges totaling nearly \$16 billion, some of which related to write-downs on manufacturing equipment it bought during the pandemic-era boom in chip demand for a manufacturing technology it calls Intel 7.

"In the Covid-enthused period of PC demand, our expec-

Intel's quarterly profit/loss



tations for the Intel 7 products were much higher than the reality is today," Gelsinger said, adding that the equipment to make those chips couldn't be repurposed to make more advanced ones.

"These restructuring things are largely finished this quarter," he said. "That's a lot to get done and we're proud of that work."

Intel expects revenue in the current quarter to be between \$13.3 billion to \$14.3 billion, compared with analysts' expectations of around \$13.7 billion.

Intel also clarified the size of its planned layoffs announced earlier this year, saying in a securities filing they will total 16,500, from a previous target of roughly 15,000. Intel said \$2.8 billion of the charges for the latest quarter resulted from severance and other restructuring costs, with a large share of the rest coming from tax-related charges in addition to the equipment write-downs.

The latest period's shortfall dwarfs Intel's previous record loss of \$2.76 billion in the first quarter of last year, and un-

derlines the enormous challenges that its CEO is grappling with.

An Intel veteran who had been pushed out more than a decade earlier, Gelsinger took the helm in 2021 vowing to turn the company around after it fell behind in the race to make the fastest-calculating chips with the smallest transistors.

He planned aggressive efforts to close that technology gap and expand Intel's network of chip plants while also building a so-called foundry business manufacturing chips for other companies.

Gelsinger quickly hit challenges. Pandemic-era PC buying faded with the return to regular work patterns, and Intel largely missed out on a new computing revolution—chips that power artificial intelligence. Intel makes AI chips, dubbed Gaudi, but Please turn to page B4

Amazon Sees Strong Demand, Surge in AI Services

By PREETIKA RANA

Amazon.com recorded robust revenue and profit growth last quarter as demand for its cloud services and e-commerce sales rose and capital expenditures reached a record amid a big artificial-intelligence buildout.

The company said it plans to spend around \$75 billion on capex this year and more next year as part of a push to build generative AI services.

The faster we grow demand, the faster we have to invest capital in data centers, network gear and hardware," Chief Executive Andy Jassy said on a conference call after results. "We invest in all that upfront in advance of when we can monetize it."

Shares of Amazon—which have risen more than 20% this year—rose close to 5% in after-hours trading following its results the announcement Thursday.

Many top technology companies have been ramping up spending on the expensive chips, data centers and real estate needed to meet the anticipated demand for computing power from AI.

Amazon's capex jumped more than 80% to \$22.62 billion last quarter, its biggest-ever quarterly spend.

The company's net sales rose 11% to \$158.87 billion and its net income rose 55% to \$15.33 billion. Both results were above Wall Street's forecasts.

Earnings announcements earlier this week underlined the focus on capital expenditure. The \$53 billion that **Microsoft** has spent this year represents about 28% of the company's revenue, well above the 12% of revenue the company has averaged between 2014 and 2023. **Meta Platforms** said it plans to spend between \$38 billion and \$40 billion on capex this year, which would represent about 24% of Wall Street's projected revenue for the company for the year.

Jassy wants to make Amazon an AI leader. The company has created special teams to drive generative AI innovation and has released a flurry of services, including an AI shopping assistant on its app named Rufus.

To make way for its AI pivot, Jassy has looked to cut costs in other divisions. In May, the company named Matt Garman, a veteran executive with a strong engineering

Please turn to page B5

U.S. Drone Startup Passes Test in Ukraine

By HEATHER SOMERVILLE

Above a battlefield littered with failed American drones, California startup **Shield AI** notched an important victory in Ukraine.

The company in August became a rare Western supplier to demonstrate it can withstand the brutal electronic warfare that is downing drones across Ukraine. The country, which has preferred locally made drones, has now requested hundreds of Shield AI systems.

The company's success is a bright spot for an otherwise anemic American drone industry. U.S. drone makers sent hundreds of drones into Ukraine with the hope of earning the badge of being battle-hardened. Few made the cut.

The sale of a big squadron of drones to Ukraine would more than double Shield AI's revenue and potentially position it as one of the few winners in a new generation of military-tech startups. It is a field in which many have struggled to convert developing high-tech weapons into a self-sustaining business.

Shield AI said it had revenue of \$163 million last year, nearly double what it earned in 2022, mostly from contracts with the U.S. and NATO governments.

The Ukrainians asked for more than 200 of the Shield AI drones, which typically cost about \$1 million each, though they are cheaper when bought in bulk.

Shield AI was started nearly a decade ago by Brandon Tseng, the company's president and a former Navy SEAL, and his brother, Ryan,



The Shield AI flight test team conducts power checks. Below, deconstructed aircraft during-in-the-loop testing.

the chief executive. Investors have held it out as a promising private-sector partner for modernizing the Pentagon.

The San Diego-based startup has raised about \$800 million at a nearly \$3 billion valuation, making it the fourth most valuable venture-backed defense company globally. It trails better-known defense firms including Anduril Industries and SpaceX.

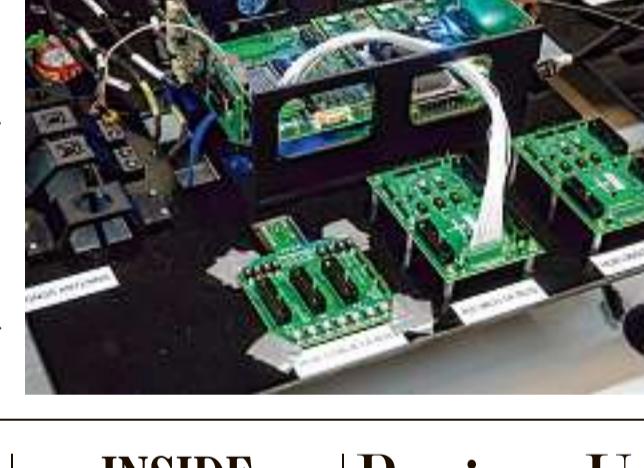
Shield has focused on building AI software that operates much like the brains of a self-driving car, turning weapons into self-maneuver-

ing machines.

The company has started worming its way into the U.S. defense complex. The U.S. Navy and Marine Corps use the same long-range drone that was tested in Ukraine—the V-BAT, a vertical-takeoff and -landing drone about 9 feet tall. The U.S. Air Force is testing jet fighters that use Shield's AI software to explore flying uncrewed aircraft.

Shield is hoping its success in Ukraine will help it break away from the swarm of struggling drone startups.

Please turn to page B9



AstraZeneca Latest to Feel Heat From China Business Probe

By YOKO KUBOTA AND JOSEPH WALKER



Leon Wang of AstraZeneca

Public Security didn't respond to a request for comment.

Chinese authorities are looking at companies on issues including medical-insurance fraud, drug smuggling and patient-data collection, people involved with the industry say.

In China, industry clampdowns and corruption campaigns tend to come in waves. In recent years, the internet technology sector—which has grown powerful with its grip on personal data—as well as after-school tutoring and soccer have come under the spotlight, resulting in fines, new regulations and sometimes arrests.

Chinese leader Xi Jinping has focused on corruption during his dozen years in power. In January, he indicated some of his latest areas of interest, telling the Communist Party's anticorruption body that a campaign would target corruption in "power-concen-

Please turn to page B2

INSIDE



AUTOS

Ford will pause production of its electric F-150 Lightning. B3



RETAIL

Estée Lauder shares fall after it slashes dividend, warns of lower sales. B3

Boeing, Union Chiefs Agree on New Pact With Striking Workers

By SHARON TERLEP

The union plans to vote on the deal Monday. Nearly 95%

of workers voted to reject the first tentative deal, which the union's leaders had recommended. About 64% of workers rejected a second offer that included a 35% wage increase over four years and other improvements from the first deal.

The latest offer doesn't restore pensions, which was a key demand of many members but something union leaders had said might be out of reach. Boeing would increase company 401(k) contributions under the new deal.

The company also would keep paying annual bonuses, which were eliminated as part of the initial offer, and pay \$12,000 ratification bonuses.

The previous offer included a \$7,000 ratification bonus and a \$5,000 401(k) contribution, which isn't part of the latest deal.

Healthcare industry in rapidly aging China is one of the most attractive opportunities for foreign businesses, but a broad and heightened crackdown on alleged wrongdoing in the industry is an example of how government scrutiny can hit corporate leadership and dent profits.

On Wednesday, AstraZeneca said its China president, Leon Wang, was under investigation by Chinese authorities. "If requested, AstraZeneca will fully cooperate with the investigation," the British-Swedish drugmaker said, without offering further information. Wang couldn't be

reached for comment.

Earlier this year, several employees of AstraZeneca were detained on suspicion of bringing an unapproved cancer drug into China. At the time, the company said it was aware of the cases and declined to comment further.

It couldn't be determined why Wang was under investigation. China's Ministry of

Please turn to page B2

China's Ministry of

Boeing has reached a deal with leaders of its machinists union, trying for a third time to end a strike that has halted most of its airplane production.

The strike, which began on Sept. 13, has hobbled Boeing's business, costing the company an estimated \$1 billion a month. Chief Executive Kelly Orberg has set plans to cut 17,000 jobs while raising more than \$24 billion in equity to keep the company afloat.

The company is offering a 38% wage increase over four years in its latest proposal. That is up from its original offer of 25%, which was overwhelmingly rejected by a union local representing machinists in the Pacific Northwest who build most of Boeing's jets.

The company and union announced the deal Thursday.

B2 | Friday, November 1, 2024

THE WALL STREET JOURNAL.

INDEX TO BUSINESSES

These indexes cite notable references to most parent companies and businesspeople in today's edition. Articles on regional page inserts aren't cited in these indexes.

A	H	Q
AeroVironment.....B9	Hapag-Lloyd.....B9	Quantum Systems.....B9
Alphabet.....A6,B10	Hitachi.....B10	
Amazon.com.....A6,B1,B10	Holtec.....B10	
Apple.....A1,A6,B4	Huawei Technologies.....A1	
ASML.....B4		
AstraZeneca.....B1,B2		
B	I	R
BDO.....B9	Intel.....B1	Robinhood.....A6
BGC.....A4	International Paper.....A6	
Boeing.....B1	Kairos Power.....B10	
Booking.....A6	Kymera Therapeutics.....B2	
BP.....B2		
C	K	S
CME.....A4	Kairos Power.....B10	Samsung Electronics.....B4
Coinbase Global.....A6	Kymera Therapeutics.....B2	Shell.....B2
Comcast.....A1		Shield AI.....B1
ConocoPhillips.....A6		SK Hynix.....B4
E	M	T
Estée Lauder.....B3	Meta Platforms.....A6,B10	Temu.....B4
F	N	Microsoft.....A6,B5,B10
Ford Motor.....B3	Newmark.....A4	TerraPower.....B10
Fortescue.....B9	Norwegian Cruise Line.....A6	Tesla.....B3,B4
G	O	NuScale.....B10
General Motors.....B3	Nvidia.....A6,B4,B10	Teva Pharmaceuticals.....B5
PDD.....B4	Oklo.....B10	TotalEnergies.....B2
X-Energy.....B10	Oracle.....B10	Westinghouse Electric.....B10
		X-Energy.....B10

INDEX TO PEOPLE

A	H	P
Altman, Sam.....B10	Gates, Bill.....B10	Ostermann, Doug.....B3
B	Gelsinger, Pat.....B1	Ortranto, Dino.....B9
Bessent, Scott.....A4	Goltermann, Jonas.....A6	
Brown, David.....B10	Gwak, Dan.....B9	
C		
Campbell, Bradley.....B2	Hirsch, Jeff.....A4	
Carulli, Maurizio.....B2	Hood, Amy.....B10	
Cavanagh, Mike.....A1	Jassy, Andy.....B1	
Chaplin, Jonathan.....A4	Kelly, David.....A2	
Chery, Jean-Marc.....B4	Lauder, Jane.....B3	
Clerc, Vincent.....B9	Lauder, William.....B3	
E	Laufer, Mike.....B10	
Ellison, Larry.....B10	Lutnick, Howard.....A4	
F	Mainolfi, Nello.....B2	
Farley, Jim.....B3	Musk, Elon.....A4,A5,B3	
Faverie, Stéphane de la B.....B3	Narayan, Tom.....B3	
Federighi, Craig.....A6	Ortberg, Kelly.....B1	
Freida, Fabrizio.....B3		
G		
Gadomski, Chris.....B10		
Garmann, Matt.....B1		
		Zuckerberg, Mark.....B10

Beijing Crackdown Raises Fears

Continued from page B1
trated, capital-intensive, and resource-rich fields such as finance, state-owned enterprises, energy, medicine and infrastructure projects."

Since last year, foreign companies have been concerned about raids by authorities and the detention of executives and employees, some under unclear circumstances. An expansive update of an antiespionage law raised the risk that ordinary business behavior could be misconstrued.

A Japanese pharmaceutical executive was recently indicted on suspicion of espionage, more than a year after his detention.

Last year, Chinese authorities questioned staff at U.S. consulting firm Bain as Beijing's concerns grew over gathering of potentially sensitive information. Police also detained then- and former employees of GroupM, a unit of London-based advertising company WPP, citing suspicions that they accepted bribes.

Beijing has been trying to clean up and overhaul its healthcare system. By 2050, nearly a third of China's population will be 65 or older, according to United Nations projections.

Last year, China carried out an anticorruption purge that led to nearly 200 hospital heads being detained as of September 2023.

This October, China's State Administration for Market Regulation issued a draft guideline for healthcare companies about avoiding commercial bribery, and a separate medical regulator released a draft rule that

seeks to establish a whistleblower system for drugs and medical devices including potential monetary rewards. Whistleblowers have played a central role in many U.S. healthcare-fraud cases, sometimes earning multimillion-dollar rewards.

Foreign drugmakers have noticed the effects of both the anticorruption efforts and moves by regulators to limit the prices paid for some advanced drugs.

A Johnson & Johnson executive said in October that his company's results were hurt by the cost-cutting push, and this "has also been exacerbated by the anticorruption campaign." He said, however, of the campaign: "We believe this is absolutely the right thing to do."

Many healthcare companies say China remains too big to ignore. It was the world's second-biggest pharmaceutical market, at about \$112 billion in 2023, after the U.S.'s \$714 billion, according to IQVIA, a data and drug-testing company.

Wang is among AstraZeneca's most important and visible executives, regularly appearing on the company's quarterly earnings calls with analysts. He is also a key lieutenant to AstraZeneca CEO Pascal Soriot, who has long been bullish on expanding inside China, which he got to know while living in Asia for many years while climbing the ranks of the pharmaceutical industry as a sales manager. Even today, Soriot spends 15% to 20% of his time in the country, he said in a recent interview.

Last year, Wang appeared at an event in the country to celebrate AstraZeneca's decades-long presence in the country. Following 30 years of growth in China, he said, "we have deeply fulfilled our commitment of 'rooted in China while benefiting China,'" according to a Chinese-language transcript of his remarks posted by AstraZeneca.

Listen to a Podcast: How Brain-Computer Interfaces Could Change Lives



HANHAI YUON FOR WSJ

Scan this code to listen to a podcast about brain-computer interfaces. People with physical disabilities could one day control computers with their thoughts, according to the co-founders of Precision Neuroscience.

BUSINESS & FINANCE

Shell Earnings Beat Estimates

BY CHRISTIAN MOESS LAURSEN

Shell's earnings topped market views thanks to its gas and upstream divisions, partly offsetting low oil prices and weak refining margins that have hit energy majors' results over the third quarter.

The British energy giant's adjusted earnings fell slightly on year to \$6.03 billion, but exceeded consensus estimates of \$5.36 billion.

The beat was driven by higher volumes from Shell's integrated gas unit and maintenance work completed ahead of time at its upstream unit, helping both segments significantly outperform market expectations.

Shell is the world's top liquefied natural gas trader.

This comes amid a weak macroeconomic environment where slumping refining demand and low oil prices have pressured profits of the world's top oil and gas companies in the past quarter.

BP booked its lowest profit in nearly four years, while TotalEnergies hit a three-year low.

Earnings from Shell's chemicals and products segment dropped to less than a third of the year-earlier result on weaker refining and trading margins.

However, this was offset by higher mobility margins and seasonally higher volumes in the marketing division, helping Shell's downstream result beat market views by 12%, according to a company-provided forecast.



ANP/ZUMA PRESS

Shell said its additional stock buybacks would bring the total for the year to \$14 billion.

Analysts said the results show Shell's operational strength, highlighting its resilience despite a weak macro environment and its solid financial position.

"The business has put itself in a strong position to weather any volatility in commodity prices and take advantage of competitor struggles," Maurizio Carulli, analyst at Quilter Cheviet, said in a market comment.

Under Chief Executive Wael Sawan, who took the reins at the start of last year, Shell has vowed to grow its core gas unit while cutting costs and spending as well as trimming operations to fund shareholder returns and low-carbon energy investments.

On Thursday, it lowered its

capital-expenditure guidance for the year to below \$22 billion from \$22 billion to \$25 billion previously. Spending had reached a \$40.145 billion peak in 2013.

Its capital discipline has helped Shell improve its balance sheet materially as its net debt fell to \$35.23 billion, its lowest since 2015.

This, along with the overall result and a \$2.7 billion working-capital inflow, drove a 19% increase to Shell's cash flow from operations to \$14.68 billion, beating consensus forecasts of \$12.60 billion. The metric is closely watched as it supports Shell's buyback pledge.

Europe's biggest oil and gas company by market value de-

clared a quarterly dividend of 34.40 cents and said it would buy back \$3.5 billion of shares during the fourth quarter, in line with its previous guidance. This would take total buybacks for the year so far to \$14 billion.

Shell has been highlighted by analysts as one of the few European energy majors with a healthy enough balance sheet to sustain its current promises of lofty returns into next year.

The cost cuts, along with capital discipline, bode well for shareholder returns in the future, Berenberg analysts said in a note in September.

Shares in London rose 3.5% to 25.79 pounds, or around \$33.26.



WUXI BIOLOGICS/REUTERS

A bill in the U.S. Congress would curb business with Chinese companies, including WuXi Biologics. One of its plants, in Germany

Drugmakers End China Alliances

BY JARED S. HOPKINS AND CLARENCE LEONG

U.S. drugmakers and biotechs have come to rely on Chinese partners for manufacturing, research and ingredients. Now, some of them are looking for alternatives as geopolitical tensions rise.

From big pharmaceutical companies such as AstraZeneca to small biotechnology firms like Amicus Therapeutics of New Jersey, which is looking for a non-Chinese company to supply raw materials for its rare-disease treatment, the companies say it is time to reduce China risk.

Industry officials say one consequence could be slower drug rollouts and higher costs in the U.S. because the shift takes time and money.

Mostly unbeknown to American patients, U.S. and European companies often depend on China for basic chemistry services and pharmaceutical ingredients—which is why U.S.-China disputes over trade and military issues in recent years have shaken the industry. Executives say the cost for top-notch Chinese work is typically lower than in the West.

Now, companies are "making choices based on lowering risks of relying on a single country or a couple of countries," said Kymera Therapeutics Chief Executive Nello Mainolfi. His Massachusetts-based company, which is developing cancer and immune-system drugs, relies on Chinese firms for manufac-

uring but has begun to do more of that work in Europe, India and the U.S.

One driver of the shift is the Biosecure Act, which passed the House in September with overwhelming bipartisan support. The legislation would bar companies that receive government funds or contracts from doing business with a list of Chinese companies of concern.

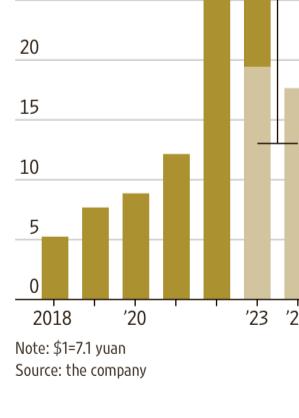
The biggest names on the list are WuXi AppTec and WuXi Biologics, two affiliated Chinese companies to which thousands of customers around the world have turned for research and manufacturing.

WuXi AppTec said in May that naming it in the bill is "a pre-emptive and unjustified designation without due process." Both it and WuXi Biologics said they don't pose a security risk to the U.S. or any other country.

The prospects for the Biosecure Act in the Senate are uncertain this year, and the current version gives companies until 2032 to cut ties with the targeted Chinese companies. Still, the prospect of restrictions has had a chilling effect on companies considering whether or not to engage with WuXi or other Chinese companies," said Steve Abrams, global co-head of the life sciences practice at Hogan Lovells, a law firm.

The changes don't mean a full severing of industry ties between China and the West. U.S. and European drugmakers still see promise in selling

U.S. revenue at WuXi AppTec



their products in China, the second-largest drug market after the U.S. and a country with a rapidly aging population. Chinese biotech companies have signed billions of dollars in licensing deals that seek to bring medicines of Chinese origin to the world.

The greater impact is on drug supply chains.

One example of a U.S. company cutting China ties is San Francisco-based Vir Biotechnology, which develops antiviral and cancer treatments. It ended manufacturing at WuXi Biologics earlier this year and is working with U.S. manufacturing partners and focusing on in-house development and manufacturing, a spokeswoman said.

Other companies are looking for new sources of raw materials as a backstop. Big drugmakers such as AstraZeneca, meanwhile, are working to create separate supply chains for China and the West.

Amicus Therapeutics relies on WuXi Biologics in China to produce its treatment for Pompe disease, a rare condition affecting the heart and muscles, and its main supplier of some of the raw materials is also in China. While Amicus remains comfortable working with WuXi based on the latest iteration of the Biosecure Act, it is searching for a materials supplier outside of China, said Amicus CEO Bradley Campbell.

The Biosecure Act "forced us to take a hard look at where we get our materials and the kind of delicate nature right now of our relationship with China," Campbell said. WuXi is helping him diversify: It has a plant in Ireland set to provide commercial medicines next year.

Nearly 80% of U.S. biotechnology companies contract with at least one Chinese firm, according to a survey by the Biotechnology Innovation Organization, an industry group.

Chinese companies have spent years honing their expertise and infrastructure with government help, winning respect from global executives.

The WuXi companies make the raw materials for cancer drugs Imbruvica and Jemperli, among other drugs, according to supply-chain analytics firm Qyobo. Among listed U.S. biotechs and pharmaceutical companies, 60 have flagged their work with at least one of the companies in filings, according to data platform AlphaSense.

BUSINESS NEWS

Bankruptcy Filing by TGI Fridays Expected

By SOMA BISWAS
AND HEATHER HADDON

TGI Fridays, the destination for generations of workers' happy hour gatherings, is in talks to prepare a Chapter 11 bankruptcy filing, people familiar with the matter said.

The Dallas-based chain could file for bankruptcy in a court in Texas within days, the people said. The situation remains fluid, they said, and any filing could still be delayed or tabled.

TGI Fridays, which locked itself into a complex financing deal in 2017 based on its franchisee royalties, has lost business over the years as diners gravitated to newer restaurant options. It closed dozens of locations this year as it sought to stabilize its finances, and in September a planned deal for its U.K. franchisee to purchase the company fell through.

The company's independent auditor said in a June statement that the company was running out of funds to meet its debt obligations.

Representatives for TGI Fridays didn't respond to requests for comment.

Restaurant chains and operators this year are on track to declare the most bankruptcies in decades outside of 2020, when the pandemic scrambled the industry, according to an analysis of BankruptcyData.com records. Visitor traffic to restaurants has declined this year, and sit-down chains like TGI Fridays have been hit harder than the industry average, according to market-research firm Black Box Intelligence.

New York restaurateur Alan Stillman opened the first TGI Fridays in 1965 in Manhattan, with a prominent bar helping make it a neighborhood meetup spot. Also known as one of the first singles bars, the concept spread, with memorabilia-packed TGI Fridays later opening in airports and expanding internationally.

Private-equity firms TriArtisan Capital Advisors and Sentinel Capital Partners took ownership of TGI Fridays in 2014.

For years, though, TGI Fridays has been losing diners in the U.S. The company had \$728 million in U.S. sales last year, down 15% from the year prior, according to data from market research firm Technomic.

The chain operated 292 U.S. locations last year, 11% fewer than it had in 2021, according to the company. It also had locations overseas.

'Jeopardy' And 'Wheel' Are in Middle Of Legal Spat

By JOE FLINT

"Wheel of Fortune" and "Jeopardy" are two of TV's best known programs. Now a legal fight has erupted between the companies behind the game shows.

Sony Pictures Television, which makes "Wheel of Fortune" and "Jeopardy," is suing CBS, the distributor, for allegedly undercutting the value of the shows to serve its own interests. CBS licenses the shows to TV stations and sells some ad space in them, receiving a cut of the revenue.

"Wheel" and "Jeopardy" together generate more than \$100 million in profits annually for Sony, a person familiar with the matter said.

Sony filed suit in Los Angeles Superior Court on Thursday alleging breach of contract and claiming CBS earned distribution fees from unauthorized deals, licensed the shows at prices below market rates and favored its own shows over "Wheel" and "Jeopardy" when making distribution deals and selling advertising.

"We strongly refute any claims by Sony that we did not use our best efforts in distributing the programs or otherwise failed to abide by our obligations under the agreements," CBS said.

Estée Lauder Slashes Dividend

Cosmetics giant warns of lower sales and pulls financial forecasts for year

By PAUL ZIOBRO
AND NATASHA KHAN

The family feud at Estée Lauder is turning into a financial crisis.

Shares of the beauty giant plunged 21% Thursday after it slashed its dividend by nearly half and pulled its financial targets for the current fiscal year after reporting another quarter of falling sales.

The moves spooked investors the same week that the maker of its namesake skin creams, Jo Malone perfumes and MAC lipsticks said a long-time insider, Stéphane de La Faverie, would be taking over as chief executive rather than recruiting an outsider to lead a turnaround effort.

The board and members of the Lauder family had been split over whether an insider should run the business or if

an outsider was needed, and there was disagreement over how quickly to name a successor, The Wall Street Journal reported.

This week, the company also said Jane Lauder, who was passed over for the CEO job, would be leaving her executive role and her cousin William Lauder, the longtime executive chairman, would shift to nonexecutive chairman. The changes mean that no Lauder family member will have a senior executive role.

In a surprise, the board on Thursday cut the quarterly dividend by 47%, to 35 cents from 66 cents, freeing up some cash for the company's restructuring efforts.

The incoming CEO, de La Faverie, will take over on Jan. 1, a business in a steep decline under current CEO Fabrizio Freda. On Thursday, Estée Lauder reported a quarterly loss and said revenue fell 4% from a year ago. It also warned that sales would fall between 6% and 8% in the current quarter, worse than Wall Street analysts expected, and



The company warned that it expected steep sales declines in its important China and Asia travel markets.

withdrew guidance for the rest of the year.

The troubles are tied to big bets that Estée Lauder placed on the China beauty market and shoppers buying its skin creams and cosmetics at airports in Asia. Freda has started a restructuring program to cut unsold inventories and had been promising investors that sales would turn a corner this fiscal year.

On Thursday, the company warned it expected steep sales declines in its key China and Asia travel markets.

Freda said that recent economic stimulus measures in China should help stabilize its business over the medium to long term, but that declines will persist.

In a call with analysts, Freda said the company was working to rebalance its

growth and avoid "future overexposures to areas of the global world that are becoming too volatile and more uncertain." He was pleased the board decided on internal succession, he said, because he believed that would allow for faster improvements.

The company reported a loss of \$156 million for its fiscal first quarter, compared with a profit of \$31 million in the year-ago period. The results were hit by about \$159 million in charges related to talcum litigation for current and potential future claims with law firms.

Adjusted earnings, which exclude one-time charges, came in at 14 cents, better than analyst forecasts. Revenue of \$3.36 billion fell just below expectations.

The cosmetics market is under strain after years of rapid growth. L'Oréal posted sales below analysts' expectations last month, and Coty, which makes Gucci and Marc Jacobs fragrances, warned of slowing sales in North America and Asia.

Ford to Pause Production of F-150 Lightning

By BEN GLICKMAN

Ford Motor is pausing production of its electric F-150 Lightning truck for several weeks, as the outlook for electric vehicles remains downbeat, with car companies confronting slumping demand.

The Dearborn, Mich., automaker said Thursday that it would idle the assembly factory that makes the battery-powered truck from mid-November to Jan. 6. The Lightning, a centerpiece of the legacy auto manufacturer's EV strategy, has been the victim of steep price cuts and waning interest from consumers.

"We continue to adjust production for an optimal mix of sales growth and profitability," Ford said.

The pause comes less than a year after Ford said that it was permanently cutting a production shift at the plant in suburban Detroit, where it builds the electric truck. The move is also days ahead of the U.S. presidential election, where government support for EVs has been sharply debated with Michigan being a major swing state.

Automakers in the past year have scrambled to adjust plans for their EV models after finding weaker-than-expected demand from car buyers.

Ford in August said it was scrapping plans for an electric



The battery-powered truck has been the victim of steep price cuts and waning interest from consumers.

three-row sport-utility vehicle, citing pressure on prices for battery-powered cars.

Automakers have poured billions of dollars into developing and churning out more electric vehicles, even as their new models continue to generate steep losses.

Ford, which is one of the few legacy automakers to separately report results from its electric-vehicle business, has generated billions of dollars in

losses on the technology in recent years. On Monday, the car company said its adjusted pretax profit for the year would come in at the low end of its guidance, weighed down by loss-making EVs and higher warranty expenses.

Crosstown rival **General Motors**, meanwhile, has pushed back plans for a battery-making factory and has delayed a new Buick EV. GM has said its electric-vehicle

business is still expected to lose money next year.

Battery-powered models have been piling up on dealer lots, prompting aggressive discounts and price cuts to whittle down unsold inventory. Elon Musk's **Tesla** was among the first to begin slashing prices in 2023 and rivals have since followed suit with their own reductions.

The auto industry is also facing the prospect of over-

seas competition from Chinese automakers, which have rapidly expanded globally with cheap EVs that are stylish and tech-forward. While they don't sell cars in the U.S., the concern among auto executives is that they could one day arrive here, undercutting the traditional car companies in price.

Ford Chief Executive Jim Farley has described the rise of Chinese car manufacturers as "an existential threat."

Stellantis Says It Is Moving Quickly to Cut U.S. Inventories

By DOMINIC CHOPPING

Stellantis said it is moving quickly to reduce bloated inventories in the U.S., with efforts to bring down the number of cars held at dealers running ahead of schedule.

Third-quarter group shipments fell 20% on the year as the company slashes U.S. inventories and as it suffered from gaps in its product lineup ahead of new car launches, but it said the company is on track to launch around 20 new models this year.

Headwinds from a challenging European market that included product delays and pricing pressure also dented shipments, it said.

U.S. dealers have long complained that Stellantis cars are less affordable than those of competitors, driving away buyers and leaving a glut of vehicles on dealer lots. In response, the company has increased incentives for customers and intensified plans to cut the number of cars it ships to its dealers.

The U.S. dealer inventory level was reduced by more than 80,000 units in the four

months to the end of October, and the company expects to reach its guided 100,000 unit reduction year-end target by the end of November.

Shares rose 2.9% in European trade but have still fallen more than 40% so far this year.

Revenue in North America fell by 42% in the quarter with sales also held back by the gaps in its product lineup. But the company is preparing to

launch a new generation of cars starting in late 2024 that it hopes will make up the shortfall.

Overall inventory levels have fallen by 129,000 vehicles so far this year and stood at 1.33 million

units at the end of September.

RBC Capital Markets analyst Tom Narayan said in a note to clients that revenue per car in North America fell to €41,555, equivalent to \$45,230, in the quarter from €44,227 in the three months ended June, suggesting that in addition to cutting production the company is also offering sharp discounts in the region.

"Analysts will be keenly focused on whether it can reduce dealer inventories there without sacrificing too much

on price," he said.

The auto giant, which houses a host of brands that includes Jeep, Ram, Chrysler, Fiat and Peugeot, said third-quarter revenue fell 27% to €33 billion. This was due mainly to the lower shipments and fewer sales of its more profitable cars, as well as impacts from lower pricing and currency movements.

"While third quarter 2024 performance is below our potential, I'm pleased with our progress addressing operational issues, in particular U.S. inventories, which have been reduced meaningfully and are on track for year-end targets, as well as stabilization of U.S. market share," Chief Financial Officer Doug Ostermann said.

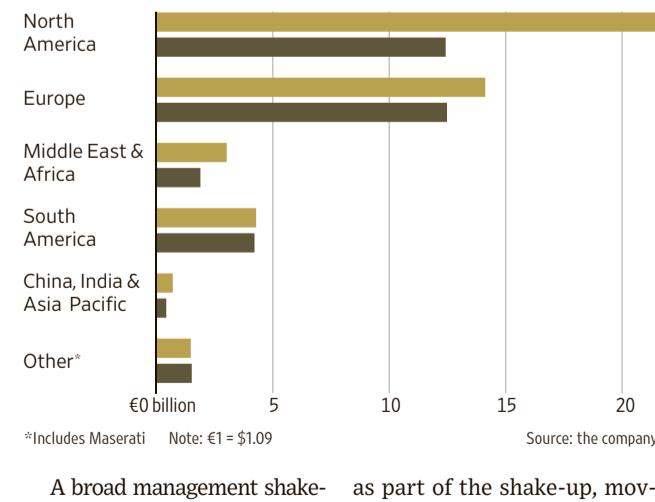
The company's U.S. problems came as it was already facing an increasingly challenging auto market with waning demand and intense competition that led it to cut profitability and cash forecasts for the year.

In a sign of the broader challenges facing the auto sector, **Volkswagen** on Wednesday highlighted the need to urgently cut costs amid an expensive domestic manufacturing base, tepid demand and increasingly fierce competition from lower-cost Chinese electric-vehicle makers, while **Mercedes-Benz** has also recently warned of softer pricing and lower sales of higher-end cars.



Stellantis has increased customer incentives and intensified plans to cut the number of cars it ships to its dealers.

Stellantis third quarter revenue by segment



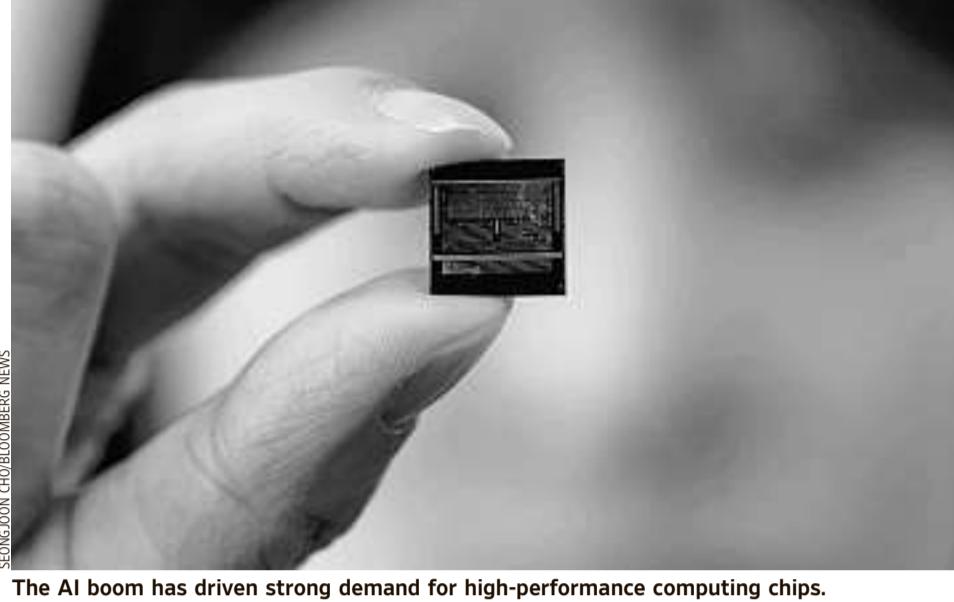
Source: the company

as part of the shake-up, moving to the position after heading the company's operations in China.

The company backed recently lowered guidance for a full-year adjusted operating margin of between 5.5% and 7% and negative free cash flow of between €5 billion and €10 billion.

Ostermann was named CFO

Samsung on Track to Sell New AI Chips



The AI boom has driven strong demand for high-performance computing chips.

SEONG-JOON CHO/BLOOMBERG NEWS

Company says it completed an important phase with major client

BY JIYOUNG SOHN
AND KWANWOO JUN

SEOUL—**Samsung Electronics** said it was on track to ramp up sales of its latest specialized memory chips for artificial-intelligence computing after suffering delays that left it behind industry rivals.

SK Hynix of South Korea and **Micron Technology** of the U.S. have moved ahead of Samsung in the development of high-bandwidth memory chips that work in tandem with processors made by

Nvidia and other companies to enable AI computing.

Samsung said in its third-quarter earnings call Thursday that it had “completed an important phase” in qualifying to sell the most advanced form of the memory chips, called HBM3E, to a major customer.

While it didn’t identify the customer, the description matched Samsung’s relationship with Nvidia, whose chief executive said this year he was interested in Samsung’s HBM3E but hadn’t yet determined whether it met Nvidia’s quality standards.

Samsung expects to start expanding sales in the last three months of the year. It said the proportion of HBM3E in its overall HBM revenue

was expected to reach 50% in the fourth quarter, compared with slightly above 10% in the third quarter.

SK Hynix is the leading supplier of HBM to Nvidia, whose latest AI processors incorporate HBM3E.

The AI boom has driven strong demand for high-performance computing chips to train and operate generative AI models such as the one behind chatbot ChatGPT.

Samsung’s semiconductor business chief recently apologized to investors for downbeat earnings and acknowledged delays in bringing HBM3E to major customers.

The company’s stock has dropped about 25% this year, while **SK Hynix** and **Micron** shares are higher.

STMicroelectronics Cuts Outlook on Rocky Chip Demand

BY MAURO ORRU

STMicroelectronics slashed its annual guidance for the third time this year after posting a slump in net profit and sales in the third as demand for chips in cars and industrial equipment remained weak.

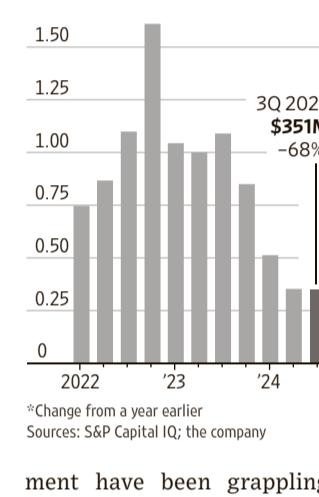
The European chip maker also said Thursday that it was launching a company-wide program to reshape its manufacturing footprint and cut costs. Chief Executive Jean-Marc Chery said the move would bring annual cost savings in the high Triple-digit million-dollar range at the end of 2027.

The company—which counts **Apple**, **Samsung Electronics** and **Tesla** among its customers—said it was expecting revenue of about \$13.27 billion this year compared with a previous range of \$13.2 billion to \$13.7 billion, down more than 23% from 2023. Its gross margin should be slightly below 40%, it said.

Demand for semiconductors has been uneven across the industry in recent months. Orders for artificial-intelligence chips keep booming, but manufacturers of smartphones, laptops, electric vehicles and industrial machinery aren’t placing many orders for chips as they stockpiled the semiconductors they needed years back.

Chip makers with significant AI exposure like **Nvidia** have grown exponentially in recent years. However, those mostly exposed to personal electronics, the automotive sector and industrial equip-

STMicroelectronics quarterly net profit



ment have been grappling with sluggish demand.

Dutch semiconductor-equipment maker **ASML Holding** warned last month that while AI demand remained strong, the recovery for other parts of the industry could stretch well into the next year.

STMicroelectronics had already cut its annual guidance twice this year after sales and earnings declined in recent quarters.

STMicroelectronics posted \$351 million in net profit in the third quarter, down nearly 68% on year. Analysts had forecast \$302.1 million in quarterly profit, according to consensus estimates by Visible Alpha.

Revenue fell almost 27% to \$3.25 billion. Analysts had forecast \$3.24 billion in revenue, according to the Visible Alpha consensus. “Our revenues, compared with our ex-



Manufacturers of smartphones, laptops, electric vehicles and industrial machinery aren't placing many orders for chips.

TOBY STERLING/REUTERS

pectations, were higher in Personal Electronics, declined less in Industrial and were lower in Automotive,” Chery said.

Gross profit—a closely watched metric for compa-

nies operating in the semi-conductor industry—declined to \$1.23 billion from \$2.11 billion, generating a 37.8% gross margin.

For the current quarter,

STMicroelectronics is forecasting revenue of about \$3.32 billion and gross margin of about 38%. Chery said he was expecting a revenue decline between the fourth

quarter and the first quarter of the new year well above normal seasonal trends, based on current customer order backlog and demand visibility.

Temu Faces EU Investigation Over Sales of Counterfeit Products

BY DOMINIC CHOPPING

The European Union is investigating Chinese e-commerce platform **Temu** over concerns that it may have failed to limit the sale of illegal products.

The European Commission, the EU’s executive arm, said Thursday it had opened formal proceedings against the platform to assess whether it may have breached Europe’s digital services regulations.

The investigation will focus on the systems that Temu has

in place to limit the sale of noncompliant products in the EU, with the bloc noting concern around the systems for limiting the reappearance of previously suspended traders who are known to have been selling illegal products in the past, as well as systems to limit the reappearance of the goods.

The EU’s Digital Services Act requires large social-media platforms to take steps to deal with content that regulators view as harmful, and give users an avenue to register

their complaints about content moderation. The maximum fine for a large online platform or search engine that breaks the rules is set at 6% of global revenue.

Temu—a subsidiary of China’s **PDD Holdings**—will also be investigated for its platform design, as the commission looks to assess the

Temu said it is in discussions to join a European anticounterfeiting pact.

risks linked to the addictive gamelike design of the platform, as well as the systems it has in place to mitigate those risks.

Temu said it takes its obligations under the

Digital Services Act seriously and will cooperate fully with regulators to support a safe, trusted marketplace for consumers.

It said it is also in discussions to join a European anticounterfeiting pact that collaborates to prevent the sale of fake products online in Europe.

The “Memorandum of Understanding (MoU) on the sale of counterfeit goods on the internet” is a voluntary agreement facilitated by the European Commission.

“Counterfeiting is an industrywide challenge, and we believe that collaborative efforts are essential to advancing our shared goals of protecting

consumers and rights holders,” a Temu spokesperson said.

The announcement of formal proceedings comes after the commission carried out a preliminary analysis of a report provided by Temu in September and requested information from the company last month.

Temu’s processes for recommending content and products to users as well as its compliance with data access rules will also be examined in the probe.

Intel Posts Huge Loss In Quarter

Continued from page B1
slower-than-expected uptake meant the company wouldn’t achieve a target of \$500 million of revenue this year from them, Gelsinger said in a call Thursday with analysts, where he faced skepticism about his strategy for AI.

Analysts also grilled him about progress in the company’s contract chip-making business, which has struggled to attract big customers for its contract chip-making business, which cycled through several leaders.

Intel also has struggled to attract big customers for its contract chip-making business, which cycled through



Visitors photographed Intel wafer samples at the Computex 2024 expo in Taipei in June.

HWA CHENG/AFP/GETTY IMAGES

several leaders.

To help fund its manufac-

turing expansion, Intel is rely-

ing on government grants of up to \$11.5 billion from 2022’s Chips Act. Intel is still hashing

out final terms of those provisioinal grants with the U.S. government.

ADVERTISEMENT

The Marketplace

To advertise: 800-366-3975 or WSJ.com/classifieds

DEA

LEGAL NOTICE
DEA NOTICE OF FORFEITURE
SOUTHERN DISTRICT OF TEXAS
1996 Transcraft Flatbed Trailer
VIN 1TF4820XT1050272
Seized from Jesus Gerardo Vela, on
10/08/2019 at 10700 Block of Cutten
Road, Houston, TX. Any person assert-
ing an ownership or possessory interest
and desiring to claim the above trailer
has 30 days from the date of the first
publication to file a claim with DEA at
1433 West Loop South, Suite 600,
Houston, TX 77027. Attn: DEA/ARG.

PUBLIC NOTICES

NOTICE OF FINAL DIVIDEND TO INVESTORS OF THE FUNDS
We request all investors who have not yet done so to promptly submit all requested AML (Anti-Money Laundering) and KYC (Know Your Customer) documents, along with updated bank account details, to the contact below.
The final distribution will be paid as soon as reasonably practicable after all requested AML and KYC information has been received and reviewed by the administrator of the Funds.
For any questions regarding this notice, please contact the administrator using the details below.
Dated: 30 October 2024
Fund Wind Down Services Limited
Administrator Contact Details:
Name: Fund Wind Down Services II Limited
Email: vg_fundadmin@pvc.com

THE WALL STREET JOURNAL
THE MARKETPLACE
(800) 366-3975 | wsj.com/classifieds

© 2024 Dow Jones & Company, Inc.
All Rights Reserved.

BUSINESS WATCH

PELOTON INTERACTIVE

Peter Stern Named Chief Executive

Peloton Interactive appointed Peter Stern as its chief executive following a monthslong search for a new leader to reverse its string of losses.

Stern will join on Jan. 1 from Ford Integrated Services, where he serves as president. Peloton said it expects to appoint Stern to the board. Stern, 52 years old, will succeed board members Karen Boone and Chris Bruzzo, who had been appointed interim CEOs.

—Jasmine Li

TEVA

Drugmaker Fined In Antitrust Case

European Union antitrust authorities fined Israel's Teva Pharmaceuticals 462.6 million euros, or \$502.3 million, saying the company abused its market position in a way that delayed competitors from entering the multiple-sclerosis market.

Teva said it intended to appeal the decision and that it disagreed with the legal theories on which the European Commission based the outcome of its investigation.

The commission said the company delayed market entry of competing drugs by unjustly prolonging the exclusivity of the patent for its blockbuster MS treatment Copaxone.

—Helena Smolak



French energy company TotalEnergies said it expects output to pick up in the fourth quarter. A gas station in Paris

ING GROEP

Dutch Bank Raises Income Outlook

ING Groep raised its total income outlook for the year and said it would distribute up to 2.5 billion euros, or \$2.71 billion, back to shareholders after net profits exceeded analysts' expectations.

The bank said it expected to achieve more than €22.5 billion in total income for the year, compared with more than €22 billion previously. The raised outlook comes as it made €1.88 billion in net profit for the third quarter, compared with €1.98 billion a year ago. Net interest income fell 8.4% on year to €3.69 billion.

—Pierre Bertrand

JPMORGAN CHASE

SEC Settlement Costs \$151 Million

JPMorgan Chase agreed to pay \$151 million to settle charges that two of its units violated securities laws such as not acting or making recommendations in the best interest of shareholders.

The Securities and Exchange Commission said Thursday that the bank's violations also included misleading disclosures to investors and prohibiting joint transactions and principal trades.

J.P. Morgan agreed to the settlement without admitting or denying the findings in the SEC's orders, the agency said.

—Connor Hart

TOTALENERGIES
Lower Production Hits Net Profit

TotalEnergies said net profit took a hit in the third quarter on lower refining margins, production and prices, but that output should pick up going forward.

The French energy major reported net profit of \$2.29 billion for the quarter, down from \$6.68 billion in the year-

prior period, while sales fell 12% to \$52.02 billion.

TotalEnergies had warned in October on sharply lower refining margins, and noted that hydrocarbon production would decline slightly compared with the previous quarter. It produced 2.41 million barrels of oil equivalent a day in the third quarter, down 1% on quarter. It said it expects output to pick up in the fourth quarter.

—Pierre Bertrand

SOCIÉTÉ GÉNÉRALE
French Bank Appoints New CFO

Société Générale shares jumped 11% after the bank said its quarterly results confirmed a rebound in its domestic retail business and shook up its executive ranks. It named Banco de Sabadell's Leopoldo Alvear as its next chief financial officer, succeeding Claire Dumas, as part of a shuffle.

The reorganization was announced alongside third-quarter results in which it posted a surge in net profit for the three months ended Sept. 30 to 1.37 billion euros, or \$1.48 billion, from €295 million in the same period last year. This was driven by a 10.5% increase in revenue to €6.84 billion, particularly thanks to a rebound in net interest income.

—Elena Vardon

BUSINESS & FINANCE

Amazon Sees Surge In Demand

Continued from page B1
background, as the new Amazon Web Services CEO in a move to better capitalize on AI.

Revenue from Amazon's

cloud-computing unit, Amazon Web Services, grew by 19% to \$27.45 billion last quarter. The business is the company's main profit driver and has shown renewed strength after experiencing a slowdown in 2023.

Demand for cloud services slowed last year as corporate customers curtailed some spending. Meanwhile, the artificial intelligence boom has also led to more competition for Amazon from its cloud-computing rival, Microsoft,

which has been attracting customers through its AI business.

The company has recently had to contend with new competitors in its e-commerce business. Temu and Shein, both companies with Chinese roots, have captured the spending of many U.S. consumers looking for bargain deals online.

Amazon is planning a Temu-like service focused on shipping inexpensive fashion, household goods and other products directly to customers

from warehouses in China. The company has tried to find ways to make its bargain items more visible to customers. It is also pushing its fast delivery deeper into rural America.

The company expects net sales to be between \$181.5 billion and \$188.5 billion during the current quarter, which is in line with Wall Street's expectations. The company projected an operating income of between \$16 billion and \$20 billion, which is also in line with forecasts.



Amazon is contending with competitors like Temu and Shein.

Monitor the Market

Build a custom watchlist to track companies and indexes you care about.

EXPLORE
WSJ.com/buildwatchlist



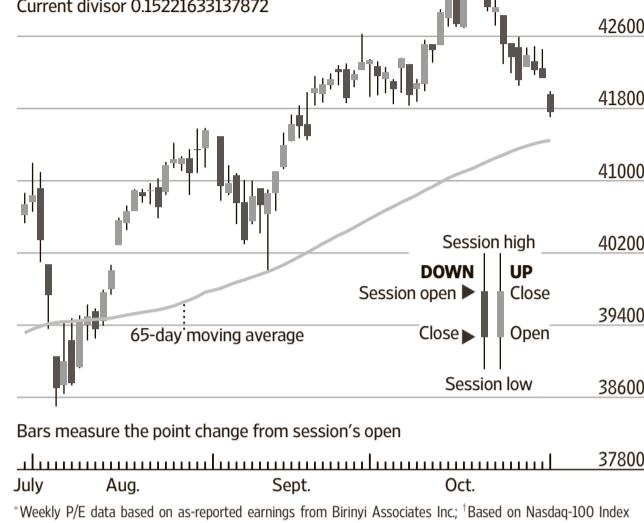
THE WALL STREET JOURNAL.

MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

41763.46 ▼378.08, or 0.90%
High, low, open and close for each trading day of the past three months.

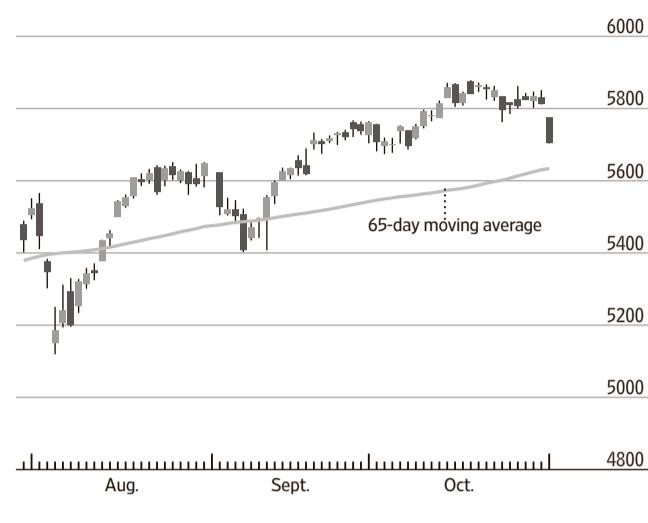


Bars measure the point change from session's open
July Aug. Sept. Oct.

*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; Based on Nasdaq-100 Index

S&P 500 Index

5705.45 ▼108.22, or 1.86%
High, low, open and close for each trading day of the past three months.

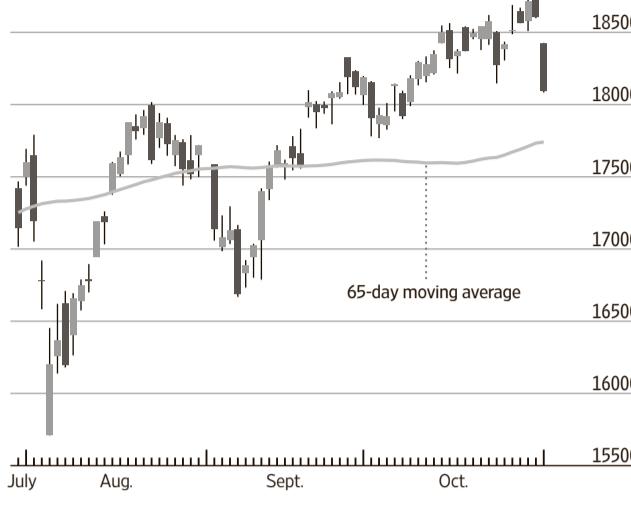


July Aug. Sept. Oct.

*Based on Nasdaq-100 Index

Nasdaq Composite Index

18095.15 ▼512.78, or 2.76%
High, low, open and close for each trading day of the past three months.



July Aug. Sept. Oct.

Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD % chg	3-yr.ann.
Dow Jones										
Industrial Average	41991.91	41704.63	41763.46	-378.08	-0.90%	43275.91	33839.08	23.4	10.8	5.3
Transportation Avg	16453.90	16225.98	16252.15	-72.16	-0.44%	16562.66	14266.24	13.8	2.2	0.7
Utility Average	1045.41	1029.86	1036.91	7.68	0.75	1071.27	827.37	21.9	17.6	4.2
Total Stock Market	57267.00	56583.42	56595.25	-1041.60	-1.81%	58160.93	42826.38	32.2	18.4	5.9
Baron's 400	1236.62	1224.23	1224.23	-13.84	-1.12%	1263.18	934.94	29.5	14.2	4.6

Nasdaq Stock Market

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD % chg	3-yr.ann.
Nasdaq Composite	18427.31	18083.95	18095.15	-512.78	-2.76%	18712.75	13294.19	36.1	20.5	5.3
Nasdaq-100	20227.19	19880.26	19890.42	-497.28	-2.44%	20675.38	14919.55	33.3	18.2	7.9

S&P

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD % chg	3-yr.ann.
500 Index	5775.34	5702.86	5705.45	-108.22	-1.86%	5864.67	4317.78	32.1	19.6	7.4
MidCap 400	3137.88	3098.00	3098.00	-40.39	-1.29%	3198.21	2409.27	27.5	11.4	3.5
SmallCap 600	1406.43	1383.59	1383.60	-22.39	-1.59%	1442.34	1103.24	23.8	5.0	0.2

Other Indexes

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD % chg	3-yr.ann.
Russell 2000	2232.16	2196.65	2196.65	-36.38	-1.63%	2286.68	1687.24	28.1	8.4	-1.5
NYSE Composite	19416.27	19236.63	19238.95	-177.32	-0.91%	19884.81	15235.18	25.5	14.2	4.2
Value Line	617.60	608.90	608.92	-8.68	-1.41%	630.13	512.92	17.3	2.5	-3.2
NYSE Arca Biotech	5888.23	5814.19	5837.60	-50.63	-0.86%	5953.12	4639.09	25.3	7.7	0.9
NYSE Arca Pharma	1038.06	1023.01	1028.17	-9.89	-0.95%	1140.17	864.90	18.0	13.0	9.7
KBW Bank	123.61	121.82	121.85	-1.33	-1.08%	123.34	77.16	57.6	26.9	-4.2
PHLX® Gold/Silver	164.01	159.65	161.20	-5.24	-3.15%	175.74	102.94	44.5	28.2	7.5
PHLX® Oil Service	74.99	73.86	74.38	0.47	0.64	95.25	72.67	-16.9	-11.3	7.1
PHLX® Semiconductor	5085.56	4911.61	4946.75	-206.74	-4.01%	5904.54	3368.54	46.9	18.5	12.7
Cboe Volatility	23.42	21.12	23.16	2.81	13.81	38.57	11.86	47.9	86.0	12.5

\$ Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
World	MSCI ACWI	832.30	-12.64	-1.50	14.5
	MSCI ACWI ex-USA	336.16	-2.95	-0.87	6.2
	MSCI World	3647.14	-59.15	-1.60	15.1
	MSCI Emerging Markets	1119.52	-6.99	-0.62	9.4
Americas	MSCI AC Americas	2147.66	-39.59	-1.81	18.4
Canada	S&P/TSX Comp	24156.87	-350.92	-1.43	15.3
Latin Amer.	MSCI EM Latin America	2120.28	-18.79	-0.88	-20.4
Brazil	Bovespa	129713.33	-926.00	-0.71	-3.3
Chile	S&P IPSA	3546.96	...	Closed	2.3
Mexico	S&P/BMV IPC	50611.05	-216.19	-0.42	-11.7
EMEA	STOXX Europe 600	505.39	-6.12	-1.20	5.5
Eurozone	Euro STOXX	499.23	-4.77	-0.95	5.3
Belgium	Bel-20	4214.05	-15.78	-0.37	13.7
Denmark	OMX Copenhagen 20	2407.27	-18.72	-0.77	5.4
France	CAC 40	7350.37	-77.99	-1.05	-2.6
Germany	DAX	19077.54	-179.80	-0.93	13.9
Israel	Tel Aviv	2203.97	-14.93	-0.67	18.2
Italy	FTSE MIB	34281.24	-221.46	-0.64	12.9
Netherlands	AEX	874.18	-7.09	-0.80	11.1
Norway	Oslo Bors All-Share	1643.86	-21.31	-1.28	8.2
South Africa	FTSE/JSE All-Share	85384.82	-1374.22	-1.58	11.0
Spain	IBEX 35	11672.60	-42.40	-0.36	15.5
Sweden	OMX Stockholm	973.34	-11.20	-1.14	7.8
Switzerland	Swiss Market	11792.92	-174.78	-1.46	5.9
Turkey	BIST 100	8863.88	-142.67	-1.58	18.7
U.K.	FTSE 100	8110.10	-49.53	-0.61	4.9
U.K.	FTSE 250	20386.96	-305.16	-1.47	3.6
Asia-Pacific					

COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures

	Contract		Open			Contract			Open			
	Open	High	Low	Settle	Chg	Interest	Open	High	Low	Settle	Chg	interest
Copper-High (CMX) -25,000 lbs; \$ per lb.												
Nov	4,3325	4,3400	4,3025	4,3135	-0,0140	3,174						
Dec	4,3580	4,3800	4,3260	4,3400	-0,0115	118,958						
Gold (CMX) -100 troy oz.; \$ per troy oz.												
Nov	2787,40	2787,50	2733,50	2738,30	-50,20	800						
Dec	2799,10	2801,20	2741,80	2749,30	-51,50	437,889						
Feb'25	2823,80	2826,00	2766,60	2774,00	-51,70	89,498						
April	2845,50	2845,50	2788,40	2794,50	-51,50	29,685						
June	2863,70	2866,20	2809,60	2815,50	-51,30	18,009						
Palladium (NYM) -50 troy oz.; \$ per troy oz.												
Nov	1151,50	1154,50	1151,50	1106,50	-42,50	6						
Dec	1151,50	1153,00	1109,00	1111,60	-42,50	15,683						
Platinum (NYM) -50 troy oz.; \$ per troy oz.												
Nov	1053,80	1053,80	1013,80	991,60	-21,60	80						
Jan'25	1022,60	1022,99	993,00	999,60	-22,10	77,771						
Silver (CMX) -5,000 troy oz.; \$ per troy oz.												
Nov	33,525	33,525	32,590	32,653	-1,261	562						
Dec	33,945	34,040	32,640	32,796	-1,279	123,941						
Crude Oil, Light Sweet (NYM) -1,000 bbls; \$ per bbl.												
Dec	69,10	70,81	68,30	69,26	0,65	345,864						
Jan'25	68,65	70,31	67,87	68,81	0,63	197,056						
Feb	68,26	68,97	67,51	68,45	0,63	121,536						
March	68,01	69,54	67,25	68,19	0,62	137,597						
June	67,58	69,80	66,85	67,70	0,55	158,383						
Dec	66,63	67,71	66,06	66,69	0,34	158,115						
NY Harbor ULSD (NYM) -42,000 gal; \$ per gal.												
Nov	2,2022	2,2301	2,1924	2,2195	-0,0319	3,909						
Dec	2,2160	2,2275	2,1995	2,2347	-0,0362	145,373						
Gasoline-NY RBOB (NYM) -42,000 gal; \$ per gal.												
Nov	1,9941	2,0177	1,9941	2,0035	-0,0078	5,508						
Dec	1,9669	2,0088	1,9522	1,9738	-0,0148	151,962						
Natural Gas (NYM) -10,000 MMbtu; \$ per MMbtu												
Dec	2,813	2,830	2,688	2,707	-138	284,512						
Jan'25	3,073	3,088	2,958	2,968	-133	296,415						
Feb	2,996	3,012	2,878	2,888	-125	130,133						
March	2,770	2,779	2,664	2,674	-111	242,633						
April	2,734	2,734	2,625	2,632	-106	97,784						
Oct	3,224	3,226	3,129	3,133	-092	105,815						
Agriculture Futures												
Corn (CBT) -5,000 bu; cents per bu.												
Dec	411,50	412,75	409,25	410,75	-75	706,835						
March'25	425,50	428,00	423,25	426,00	-50	465,717						
Oats (CBT) -5,000 bu; cents per bu.												
Dec	391,00	403,75	387,75	394,50	3,75	3,030						
March'25	391,00	402,50	387,50	394,50	4,25	891						
Soybeans (CBT) -5,000 bu; cents per bu.												
Nov	977,50	985,50	975,50	982,50	6,00	5,967						
Jan'25	991,25	999,25	988,25	994,50	3,25	350,141						
Soybean Meal (CBT) -100 tons; \$ per ton.												
Dec	301,50	302,70	298,90	299,50	-2,10	201,924						
Cash Prices wsj.com/market-data/commodities												
These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.												
Thursday, October 31, 2024												
Energy												
Coal,C.Aapl,12500Btu1.2SO2-r.w	74.00											
Coal,PwdrRvrBsn,8800Btu0.8SO2-r.w	14,150											
Metals												
Gold, per troy oz												
Engelhard industrial	2772,00											
Handy & Harman base	2734,15											
Handy & Harman fabricated	3034,91											
LBMA Gold Price AM	*2783,95											
LBMA Gold Price PM	*2777,80											
Kruegerand,wholesale-e	2869,01											
Maple Leaf-e	2937,64											
American Eagle-e	2957,64											
Mexican peso-e	3541,92											
Austria crown-e	2694,10											
Austria phil-e	2882,73											
Silver, troy oz.												
Engelhard industrial	33,5500											
Handy & Harman base	32,6910											
Handy & Harman fabricated	40,8640											
LBMA spot price (U.S.\$ equivalent)	*26,2400											
Coins,wholesale \$1,000 face-a	24858											
Other metals												
LBMA Platinum Price PM	*1020,20											
LBMA Palladium Price PM	*1156,00											
Platinum,Engelhard industrial	1016,00											
Palladium,Engelhard industrial	1149,00											
Grains and Feeds												
Bran,wheat middlings,KC-u.w	110											
Corn, No.2 yellow,Cent IL,bp,u.p	3,7300											
Corn, No.1 white,Midwest-u.w	119,7				</td							

BIGGEST 1,000 STOCKS

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are consolidated from trades reported by various market centers, including securities exchanges, FINRA, electronic communications networks and other broker-dealers. The list comprises the 1,000 largest companies based on market capitalization.

Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.

Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher.

Footnotes:

i-New 52-week high; 1-New 52-week low; dd—Indicates loss in the most recent four quarters.

Stock tables reflect composite regular trading as of 4 p.m. ET and changes in the official closing prices from 4 p.m. ET the previous day.

Thursday, October 31, 2024

Stock Sym Close Chg

Net Stock Sym Close Chg

Stock Sym Close Chg</div

MARKETS

Audit Reports Matter, Court Says

Decision reverses earlier ruling in favor of accounting firm, after SEC weighs in

By JONATHAN WEIL

A federal appeals court has changed its mind and decided that accounting firms' audit reports really do matter to investors after all.

In a case brought by investors against the accounting firm **BDO**, the Second U.S. Circuit Court of Appeals on Thursday released an amended version of an opinion it originally decided in August 2023. At that time, the court ruled in favor of

BDO in a shareholder lawsuit over its audit work for insurance company AmTrust Financial Services.

In explaining its reasoning at the time, the court said the firm's audit report was so general that an investor wouldn't have relied on it. Consequently, the court said the audit report wasn't material—meaning it didn't matter—and upheld the dismissal of fraud claims against BDO.

After the ruling, a trio of former Securities and Exchange Commission officials filed a brief with the court asking it to reconsider the decision. The court then asked the SEC to submit a brief expressing its views on the subject.

The SEC did so and it, too, asked the court to reconsider, writing in a brief last February that "audit certifications convey crucial information to the investing public" and "audit certifications are not too general to be material."

The appeals court on Thursday reissued its decision with amendments and ruled the investors' claims against BDO could proceed. "Although the challenged audit certification reflects standardized language, it is not so general that a reasonable investor would not depend on it as a guarantee," the court's amended opinion said.

BDO said the firm continues to believe the original decision was correct and that

"we are in the process of evaluating the path to seek reconsideration of the decision."

Samuel Rudman, an attorney for the plaintiffs, called the amended ruling "a sentinel decision for investor protection" and said, "The message here is simple, but increasingly important—auditors need to do their jobs and will be held accountable to investors when they don't."

The appeals court's original ruling last year prompted debate within the accounting profession and among investors about whether audit reports serve a useful purpose. Audit reports operate on a pass-fail model, and their language is standardized.

The SEC in a 2018 order had accused three BDO accountants of signing off on their audit work for AmTrust's 2013 annual report without completing all the required audit procedures beforehand. They agreed to be suspended from auditing public companies, without admitting or denying the agency's misconduct claims. The SEC didn't allege any violations by BDO.

AmTrust in 2017 restated five years of earnings downward, and its shares are no longer publicly traded. In 2020, the company and its former chief financial officer settled SEC fraud claims covering several years and were fined, without admitting or denying the allegations.

STOCK SPOTLIGHT

Apple

Apple shares edged about 1% lower after the tech giant reported record revenue for the September quarter, propelled by a modest rebound in iPhone sales that came ahead of its release of new AI tools.

Uber Technologies

The ride-hailing company's results broadly beat analysts' expectations, but bookings came in slightly lower than expected. Shares fell 9.3%.

Estée Lauder

The cosmetics company slashed its dividend by nearly half and pulled its financial targets, following another quarter of falling sales. The stock dropped 21%.

Meta Platforms

Facebook's parent said it expects "significant" growth in capital expenditures next year as it continues to prioritize AI investment. Shares fell 4.1% Thursday.

Microsoft

Shares fell 6% after the software company said it expects slower growth for its cloud business—a core of its AI offering—this quarter.

Super Micro Computer

Shares fell 12%, extending Wednesday's slide.

FRIDAY'S EARNINGS:**Before the bell:**

Chevron

Exxon Mobil

Charter

Communications

Wayfair

Dominion Energy

AUCTION RESULTS

Here are the results of Thursday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

EIGHT-WEEK BILLS

Applications	\$241,585,226,000
Accepted bids	\$90,253,105,200
"noncompetitively	\$1,423,906,700
"foreign noncompetitively	\$0
Auction price (rate)	99.291444 (4.55%)
Coupon equivalent	4.651%
Bids at clearing yield accepted	99.92%
Cusip number	912797MRS

The bills, dated Nov. 5, 2024, mature on Dec. 31, 2024.

FOUR-WEEK BILLS

Applications	\$268,184,407,600
Accepted bids	\$95,267,264,200
"noncompetitively	\$6,492,108,300
"foreign noncompetitively	\$100,000,000
Auction price (rate)	99.643778 (4.580%)
Coupon equivalent	4.660%
Bids at clearing yield accepted	98.88%
Cusip number	912797M4E

The bills, dated Nov. 5, 2024, mature on Dec. 3, 2024.

Maersk's Profit Rises on Higher Freight Rates

By NINA KIENLE

A.P. Moller-Maersk's third-quarter net profit jumped after continued disruptions in the Red Sea shipping lanes pushed freight rates higher.

The Danish shipping giant last week prereleased some third-quarter earnings figures and raised full-year guidance as it continued to benefit from robust container demand, which has maintained higher average freight rates.

In its report on Thursday, the company said net profit rose to \$3.05 billion from \$521 million in the same period the prior year. Revenue rose to \$15.76 billion from \$12.13 billion.

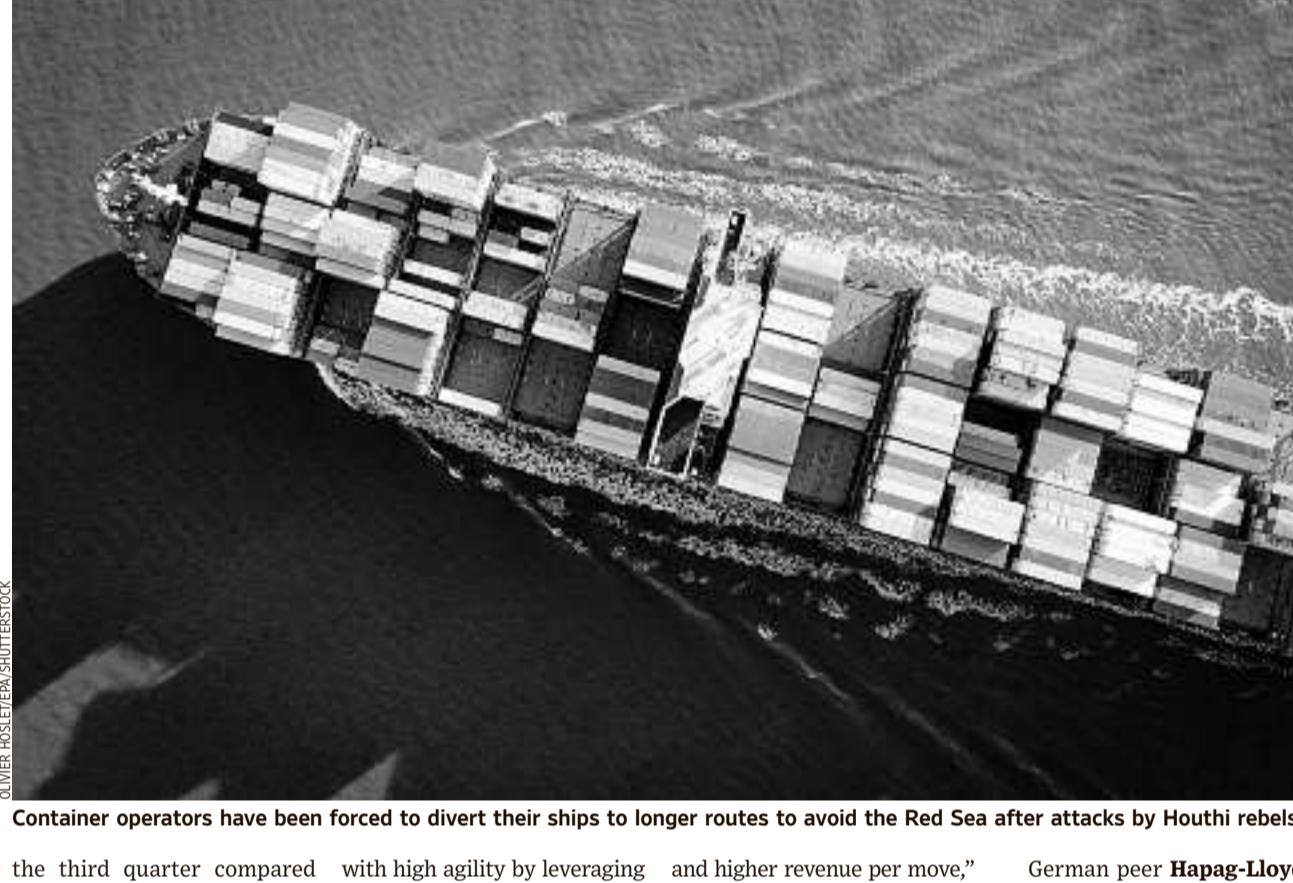
Earnings before interest, taxes, depreciation and amortization were \$4.8 billion and underlying earnings before interest and taxes of \$3.3 billion landed in line with prereleased guidance.

Container operators have been forced to divert their ships to longer routes to avoid the Red Sea after Houthi rebels began attacking commercial vessels at the end of last year.

The disruption created a shortage of vessels and port bottlenecks and pushed freight rates up.

Overall revenue in its ocean business rose to \$11.11 billion from \$7.9 billion, as freight rates rose 54% on the year. Volumes were 0.3% higher.

Maersk said profitability in the main shipping business was substantially higher in



Container operators have been forced to divert their ships to longer routes to avoid the Red Sea after Houthi rebels.

the third quarter compared with the second because of higher container demand from prevailing supply-chain disruptions in the Red Sea and the Gulf of Aden.

"This quarter, we once again supported our customers through times of high volatility and low visibility. Our Ocean team responded to the recurring network disruptions

with high agility by leveraging our hub terminals and investing in capacity and equipment to mitigate the supply chain impact on our customers while optimizing unit costs," Chief Executive Vincent Clerc said.

"Terminals demonstrated another strong quarter, building on operational strength supported by good volumes

and higher revenue per move," the company said.

Maersk last week raised its 2024 guidance for the fourth time this year. It now expects the global container market to grow around 6% this year, and underlying Ebitda of between \$11 billion and \$11.5 billion, underlying EBIT of \$5.2 billion to \$5.7 billion and free cash flow of at least \$3 billion.

German peer **Hapag-Lloyd** followed Maersk by also raising its full-year guidance last week as it continued to also see strong demand and higher freight rates. Container lines have also benefited from the early peak shipping season this year as retailers moved early to stock up for the holiday season ahead of the U.S. dockworkers strike in October.

Drone Passes Key Test

Continued from page B1

Scuttled by electronic warfare, most of the U.S. drones brought to Ukraine have flown off course, fallen out of the sky or struggled even to take off. They have often been glitchy, difficult to operate and expensive, Ukrainian officials said.

"The Ukrainians are super skeptical of every company claiming anything, and they have great right to be skeptical," Tseng said.

Ukraine has largely relied on itself, building a national industry of more than 200 drone makers. However, the ever-evolving intensity of electronic warfare has led to the diminishing effectiveness of their tactics to harden the drones against jamming.

The Ukrainians and the Russians deploy jammers—devices that use radio signals to drown out the transmissions from GPS satellites, disabling the receivers drones rely on.

"You have never seen a threat like this amount of jamming," said Stacie Pettyjohn, director of the defense program for the Center for a New American Security.

Ukraine loses at least 10,000 drones a month to electronic warfare and is seeking new technologies to keep drones flying. Among them are AI-enabled drones that operate autonomously without radio and GPS, using software and internal maps to maneuver above jammed front lines.

"If you can't put a pilot in the plane and you can't control a plane remotely, how is the plane going to fly?" said



The propeller is checked at the production floor of the Shield AI building in Frisco, Texas.

Dan Gwak, managing partner at firm Point72 Private Investments, a Shield AI investor and board member. "There's only one answer, and that's AI."

Shield's V-BATs can fill Ukraine's need for aircraft that can conduct long-range missions unburdened by electronic warfare, Tseng said, as local drones often can't fly more than 10 or 15 miles from the front lines.

Shield's V-BAT has AI software, sensors and Nvidia chips on board. That technology enables the drone to maneuver itself, survey battlefields and identify targets without a remote pilot or GPS. It can fly for 12 hours or 600 miles and carry 25 pounds of explosives to drop on targets.

At a testing range west of Kyiv, the V-BAT was put through two days of intensive electronic-warfare tests—seven jammers running at full blast to try to down the aircraft. The V-BAT kept flying,

according to the Ukrainian testers and a Ukrainian military document.

The V-BAT was later tested during a Ukrainian operation near Dnipro, southeast of Kyiv and close to the front line. It flew more than 60 miles and deep into Russian-controlled territory through airspace so jammed that GPS and most radios wouldn't work. The drone spotted a Russian surface-to-air missile system and alerted the Ukrainians, who hit it with a rocket, Tseng said.

"It feels like a good drone for battle," said a Ukrainian drone pilot who tested the V-BAT and goes by the call sign Kord. "A lot of the drones don't pass this test because they don't have the capabilities."

The long-term performance of drones from Shield AI remains to be seen as Russia pursues a relentless offensive by air and by land and Ukraine struggles to respond. The company lacks experience

in warfare, and its manufacturing capabilities haven't yet been tested. It can currently build about 120 aircraft a year at its production plant in Frisco, Texas.

A small number of other American and European defense companies have also had some success weathering electronic warfare in Ukraine. Virginia-based **AeroVironment** has a Defense Department contract to supply drones to Ukraine and Germany's **Quantum Systems** is building drones in Kyiv.

Shield AI joins the exclusive group of Western drone companies that have gotten a request from the Ukrainian government, which prefers its domestic suppliers.

"Buying from outside is not the priority," said Oleksandr Kamyshev, an adviser to Ukraine President Volodymyr Zelensky.

—Brett Forrest
and Alistair MacDonald
contributed to this article.

Terrain Challenges Fortescue's Iron Ore Ambitions in Africa

By RHIANNE HOYLE

SYDNEY—When **Fortescue** shipped a cargo of iron ore from a project in the African nation of Gabon last December, the miner cheered what was its first export from outside Australia. It has yet to ship another.

The chief executive of Fortescue's mining business, Dino Otranto, says the shipment was essentially a proof of concept, to demonstrate to the government and local community that the miner was serious about the project.

"And, look, if the concept worked and it was economic, we would continue to do it, right," Otranto said.

But getting the ore from the project, called Belinga, to the port was challenging. It had to be trucked over more than a hundred miles on an unsealed road to be transferred to a rail line—an inefficient method incapable of handling the sort of volumes Fortescue envisages shipping from the site, he said.

"Was it a little bit ugly? Was it profitable? It was just—but probably not to the margins that our shareholders would expect," Otranto said.

Mining has stopped and Fortescue is focused on exploration-related drilling to get a better estimate of the size of the deposit.

It will take time to work out a plan for the infrastructure, such as a railway, that would be needed for an ongoing mine, said Otranto.

"It's through some pretty gnarly countryside," he said. "But what we're knowing so far about the deposit, it's as big and as exciting as we thought it was going to be."

Otranto said the company is in the final stage of legally ratifying an agreement signed with

Gabon's previous government, ousted last year in a military coup.

Fortescue estimated the cost of early stage development at the site around \$200 million. It hasn't yet projected how much a full-scale development could cost, but has said Belinga has the potential to revolutionize its portfolio.

If the project goes ahead, it could have a capacity of between 50 million metric tons and 100 million tons a year, said Otranto.

The company shipped a total of nearly 192 million tons of iron ore last fiscal year.

Fortescue, which makes its money mining iron ore in remote northwest Australia, last week reported record-high first-quarter iron ore shipments. However, it also reported a jump in costs, and prices that missed analysts' expectations.

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Big Tech Paves Way for Nuclear Boost

Small modular reactors could eventually make the power source cheaper, safer and faster to build

Small modular nuclear reactors long seemed like moonshots with lots of promise but not enough commercial interest. That changed recently after tech giants with surging power needs for AI processing swooped in with announcements backing SMR projects.

Last month Google parent **AlphaBet** said it signed a power purchase agreement with Kairos Power for an up-to-500-megawatt SMR project. **Amazon** said it would work with X-energy on a 320 MW project that is jointly backed by a utility in Washington state.

Both Google and Amazon expect their initial projects to come online by the 2030s at the earliest. **Oracle** is another company to watch: Chairman Larry Ellison said in September that the company is designing a one Gigawatt-plus data center with building permits for three SMR reactors.

SMRs come with the potential to solve some of nuclear energy's biggest headaches: Cost, safety and time—at least, in theory. That is why tech companies' backing is so crucial. The industry needs to test and learn before it can prove out the benefits.

SMR technologies differ

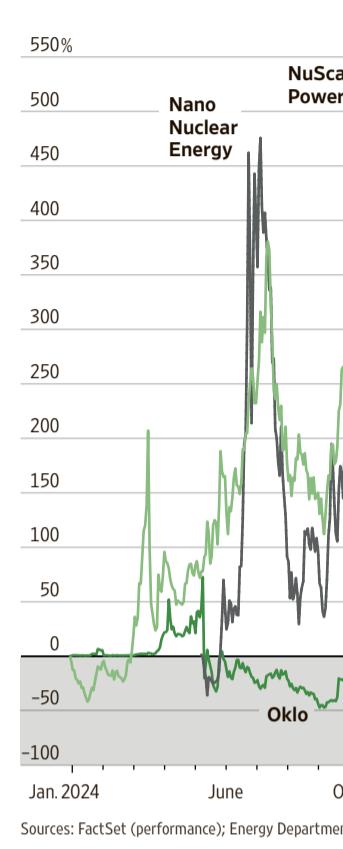
There are more than 80 SMR designs and concepts being developed globally, according to the International Atomic Energy Agency. These differ in size, type of coolant and fuel.

Companies such as **NuScale**, **GE Hitachi**, **Holtec** and **Westinghouse** are proposing to essentially build smaller versions of existing nuclear power plants, with modifications. Those designs use water as coolant and low-enriched uranium as fuel in their SMR units, just as all operating U.S. nuclear plants do.

The Department of Energy's recent report on advanced nuclear energy notes that these types of SMRs are more likely to be deployed earlier just because they resemble existing nuclear power plants. NuScale is the only SMR company to have received a standard design approval from the agency. It applied for certification for a larger version of the reactor (77 MW) and expects approval on that by mid-2025. NuScale has a contract with Romanian nuclear energy producer RoPower for a 462 MW project that could be completed as early as 2029.

Others, including Sam Altman-backed **Oklo**, Bill Gates-backed **TerraPower**, **Kairos Power** and **X-Energy** propose using a different type of coolant (molten salt, liquid metal or gas) and a more enriched type of uranium fuel known as high-assay low-enriched uranium, or HALEU. These contain a higher percentage of the uranium isotope that produces energy during a chain reaction. Kairos is the first and only company designing nonwater SMRs to receive construction approval by the NRC for a demonstration reactor. Construction began in July, and the company's plan is to learn rapidly through such smaller-scale projects.

These advanced SMR technologies come with some promising safety features, and HALEU has longer fuel life, according to the Energy Department. But they also don't have a long record, and access to



Sources: FactSet (performance); Energy Department (generation, lifecycle)



Alphabet said it signed a power purchase agreement with Kairos Power for an up-to-500-megawatt Small modular nuclear reactors project.

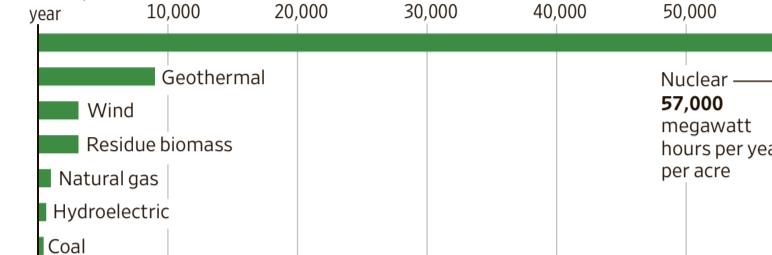
HALEU is limited: The only commercial-scale HALEU enrichment capabilities are in Russia. The Energy Department has been pushing to make the fuel available, and it recently awarded up-to-10-year contracts to companies to produce HALEU.

Cost

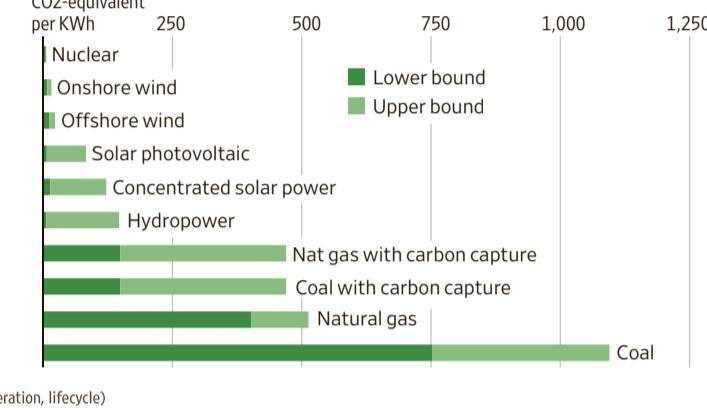
One reason nuclear power plants have run into cost overruns isn't so much the technology itself, but the fact that such projects were so infrequently built that there was a lack of "muscle memory" and a shrunken industrial base, according to the Energy Department report. A lack of frequent projects also means that nuclear-trained workers are aging or have moved on to other industries. Before Vogtle Units 3 and 4 in Georgia, the most recent nuclear reactors to start up in the U.S., the last nuclear project construction in the country started in 1978.

The modular, factory-built nature of SMRs means costs should decline over time as a company gains experience. Industry observers think initial SMR projects won't necessarily have a lower levelized cost of en-

Electricity generation per acre, by energy source



Lifecycle greenhouse gas emission range, by energy source



choice—molten fluoride—is able to bind to a large fraction of fission products, providing another containment mechanism.

But these new coolants also come with other challenges. Liquid sodium explodes on contact with water, and helium has frequently run into supply issues in recent years.

These companies are also developing new ways of packaging the fuel for safety. Kairos and X-Energy are proposing to coat fuel in a material known as TRISO that is more resistant to high temperatures and corrosion.

Because of these safety features, most SMR companies say they require a smaller safety buffer zone. Nuclear energy generates about 57,000 MWh a year per acre of land, which is 18 times more land-efficient than wind and 285 times more land-efficient than solar. SMRs come with the potential added benefit of needing even less space.

Time

Permitting and construction take a long time for full-scale nuclear power plants. It is unclear if the permitting process will get any faster for SMRs, but their smaller size could mean that construction time will be shorter than mega nuclear projects, notes David Brown, director of energy transition at Wood Mackenzie. The research firm estimates that for initial SMR projects, getting from permitting to construction completion could take around 10 years.

NuScale got its design certification from the NRC in 42 months, the fastest ever, notes Chief Commercial Officer Clayton Scott. That might not be a reliable reference point for other SMR companies using different coolants and HALEU, but NuScale estimates that construction will take considerably less time than large-scale projects, which have typically taken at least a decade.

Problems to be solved?

For many of these companies, getting a good pipeline of customers is a key step to commercialization. That is why Google and Amazon's announcements led to such a surge in stock prices of publicly listed SMR companies Oklo and NuScale.

Getting a license is another big hurdle, and a costly one. NuScale spent \$500 million on testing and engineering to prepare for its NRC standard design approval and another \$200 million to complete the process. And the build-out of the fuel supply chain will take time, too, as the U.S. builds out HALEU enrichment facilities and SMR companies build up manufacturing capacity for their advanced fuel designs.

There are certainly reasons to be optimistic about SMRs. The U.S. power grid needs more round-the-clock electricity as dirtier coal-fired power plants retire and tech companies race to build data centers for artificial intelligence.

"Tech companies are so profitable and the pipeline of data centers is fundamental to their growth. Power supply is a necessary factor for that," says Wood Mackenzie's Brown. "They are probably among a select group of companies that can afford to pay a premium for nuclear power."

—Jinjoo Lee

Safety

An important safety feature of nuclear energy is controlling the rate at which neutrons split atoms so that the heat and energy don't get out of hand, causing the reactor core to melt. Nuclear fuel rods are usually immersed in some sort of coolant, typically water, and reactors also use control rods made of neutron-absorbing materials to control the reaction rate.

A typical nuclear power plant has multiple safety barriers. An initial one is the metal tube encasing the uranium fuel pellets, followed by a heavy steel reactor vessel—9 inches to one foot thick. A surrounding concrete wall is supposed to be the last barrier, according to the Nuclear Regulatory Commission.

SMRs come with potential for better safety. They tend to rely on passive safety systems—for example, relying on natural circulation to cool the reactor core. This means there is less need for external power or human intervention to shut down systems. The Fukushima nuclear accident in Japan, for example, occurred because an earthquake disabled the power supply that provided cooling for the nuclear plant. NuScale notes that its reactor core is cooled by the natural circulation of water, rather than relying on reactor coolant pumps, pipes and valves that could fail if external power sources shut down.

Advanced SMR technologies—those using different coolants—come with additional safety features. Water-based coolants require high atmospheric pressure to prevent boiling. Alternative coolants typically have much higher boiling points than water, which means reactors can operate in a low-pressure environment. This means if anything goes wrong, the fuel just melts in place instead of exploding because of the high pressure, according to Chris Gadomski, head of nuclear research at BloombergNEF.

Kairos Chief Executive Mike Laufer notes that the company's coolant of

Meta and Microsoft: AI's Spending Champs Won't Be Tapping the Brakes

said the blowout capital spending that has been fueling their race into AI services will continue in the current quarter, with Meta giving strong signals that next year will bring even more.

Alphabet's Google and **Amazon.com** are running in the same race. But the recent pattern of spending at Microsoft and Meta stands out more, relative to their historic patterns. The \$53 billion that Microsoft has spent already in this calendar year represents about 28% of the company's revenue for that time—far above the 12% of revenue Microsoft has averaged on capex for the years 2014–23. Meta said it plans to spend between \$38 billion and \$40 billion on capex this year, about 24% of Wall Street's projected revenue for the year. The company has spent on average about 19% of its revenue on capex

over the past 10 years.

Providing generative AI services doesn't come cheap, given the computing power involved. Nor do cutting-edge data centers go up quickly—especially as some of the newest systems from **Nvidia** require liquid cooling that also has to be built in. Hence, the business of AI requires a lot of money going out the door before (hopefully) a lot more comes back in. "You have to build to meet demand," Microsoft Chief Financial Officer Amy Hood said on her company's conference call Wednesday.

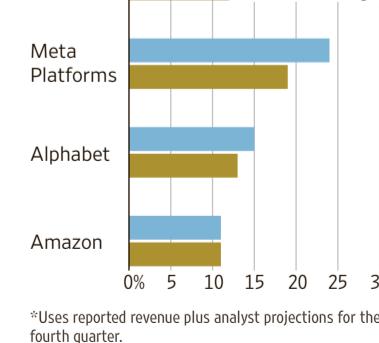
Is the demand there? Microsoft said it is. Hood said generative AI services contributed about 12 percentage points to the 33% year-over-year growth the company's Azure cloud-computing service showed in the recent period. And at Meta, Mark Zuckerberg said on

his call Wednesday that the generative AI tools the company has deployed are boosting user time spent on Facebook and Instagram—and helping advertisers craft more-effective campaigns that are raising conversion rates by 7%.

Still, these partial disclosures, which fall short of making explicit just how much revenue AI is generating, are challenging for investors to evaluate. And gauging the return on these companies' investment might not get easier soon—especially with the spending still going skyward. Zuckerberg said Wednesday that "our AI investments continue to require serious infrastructure, and I expect to continue investing significantly there" in discussing plans for next year.

That might curb some of the enthusiasm regarding Meta's stock,

Capital spending as a percentage of annual revenue



*Uses reported revenue plus analyst projections for the fourth quarter.

Sources: the company; Visible Alpha

which had surged 67% so far this year ahead of Wednesday's results. Microsoft has been a far more modest performer for the year, up only 15% ahead of the latest report. Investors cheered the potential of AI last year but have grown a bit weary of the staggering sums being spent. Showing a more distinct return on those investments should be high on big tech's resolution list for the new year.

—Dan Gallagher



\$26 Million
Brazilian soccer
star Neymar has
bought land in
Miami. **M3**

MANSION

THE WALL STREET JOURNAL.

HOMES | MARKETS | PEOPLE | REDOS | SALES

Looking Up
In North Carolina,
a single-story
house that's 31
feet tall. **M7**

Friday, November 1, 2024 | **M1**

Going Once, Going Twice

More wealthy homeowners are turning to the auction market, but the results don't always live up to their lofty expectations

BY KATHERINE CLARKE AND E.B. SOLOMONT



Randy and Robin Landsman had been trying to sell their Manhattan penthouse for over a year when they turned to the auction market this summer. First listed for \$12.2 million, their triplex in the sought-after Tribeca neighborhood came with more than 2,000 square feet of terraces, a floating staircase and a private elevator.

At auction, the roughly 3,300-square-foot property sold for \$5 million, less than half of what they had originally asked and little more than they paid for it two decades ago. "It was obviously a stupid mistake," Randy said of deciding to auction the home.

More closely associated with pricey art or collectibles, auctions are on the rise for luxury real estate, with auction houses reporting a dramatic spike in the number of high-net-worth sellers seeking their services since 2020. Amid a slowdown in luxury home sales, auction companies are pitching homeowners on their ability to market unique properties to a range of deep-pocketed buyers beyond local markets and to sell them within a precise time frame.

Emboldened by the trophy home prices they see on television, or stuck on a major sale that happened previously in their neighborhood or city, sellers who aggressively priced their luxury homes often have been forced to repeatedly cut their asking prices,

Please turn to page M5



Randy and Robin Landsman didn't set a minimum, known as a reserve price, when they auctioned their Tribeca triplex penthouse with Concierge.



TRIBECA PENTHOUSE
New York City

BRYAN BANDUCCO FOR WSJ (3); NAOKI NISHIMURA/AEFO/ZUMA PRESS (NEWARK)

Room for Prayer, Without Leaving Home

Hindu owners drive demand for upscale pooja rooms with gold trim, oil lamps and custom art

BY SARAH PAYNTER

IN THE DALLAS SUBURBS, Sanjeeta Kulkarni lights an oil lamp in front of a wooden structure housing idols in her kitchen. The newly renovated area is dedicated to prayer and is backed by gold-and-white tiles matching the gilded trim and the white quartz countertop, the 41-year-old said.

Practitioners of Hinduism, particularly in India, have long-created pooja rooms or areas in their homes; the word pooja, sometimes spelled puja, refers to the Sanskrit word for worship. A pooja room usually has an altar, mandir or table supporting idols and pictures of Hindu gods. They are used for solitary or communal prayer, worship and meditation, and are often

decorated for special ceremonies during festivals such as Diwali, said Pallavi Chhelavda, a consultant in Vastu Shastra, a set of architectural-design principles based on Indian traditions.

As the population of Indian-Americans in the U.S. has grown, more interior designers, home builders and developers are specializing in accommodating the demand for pooja rooms.

Do-it-yourself pooja-room decoration tutorials are popular on social media. A fixture on Mindy Kaling's hit Netflix comedy "Never Have I Ever," about a first-generation Indian-American teenager, were scenes of prayer in front of the Vishwakumar family's pooja area—an armoire filled with pic-

Please turn to page M4



LEAH HARDY PHOTOGRAPHY

More U.S. builders and developers are accommodating demand for pooja rooms. Renuka Sardesai says she's getting more interior-design inquiries after posting her pooja-room renovation projects on Instagram.

PRIVATE PROPERTIES

After Selling \$112 Million Home, Coupon King Buys Again in L.A.



Park, just north of Beverly Hills on L.A.'s Westside. The house has a gym, wine cellar, billiards room and a double-height foyer with coffered gold-leaf ceilings, according to the listing. The country-style kitchen has six ovens and a wood-burning fireplace.

Outdoors, the roughly 2-acre property has a pool, a tennis court with a viewing gazebo, a kitchen pavilion and vegetable and herb gardens.

Ruan purchased his previous home, a roughly 21,000-square-foot house in Bel-Air, for \$60 million in 2020 and listed it for \$150 million in 2022.

Beverly Park, a gated community, has commanded top dollar for its privacy and large lots, drawing celebrity residents including Denzel Washington, Sylvester Stallone and Mark Wahlberg.

Ruan co-founded Honey, which helps consumers find discount codes for online purchases, in 2012.

—Katherine Clarke



WWW.TERIJON.COM

Weeks after selling a Los Angeles mansion for around \$112 million in one of the city's largest-ever deals, entrepreneur George Ruan has paid about \$44 million for a home in exclusive Beverly Park, according to people familiar with the deal.

The sellers were busi-

nessman Larry Cohen and his wife, Paulette Cohen. They put the house on the market for \$48.5 million in January with Sally Forster Jones of Compass. Ruan didn't respond to a request for comment. Paulette Cohen confirmed the sale price but declined to com-

ment further.

Ruan is the co-founder of online coupon-and-discounts company Honey, which was acquired for about \$4 billion by PayPal Holdings in 2020. His new home is a roughly 16,000-square-foot, nine-bedroom house in North Beverly



FROM LEFT: WAYNE FORD; ADRIAN TIEMENS (4)



THE RITZ-CARLTON
RESIDENCES

PALM BEACH GARDENS

TIMELESS COLLECTOR ESTATES

On fourteen acres of the most pristine stretch of Intracoastal waterfront, The Ritz-Carlton Residences, Palm Beach Gardens blossom with a once-in-a-lifetime collection of expansive estates, born to frame the breathtaking views of the waterway with a private marina and blooming grounds.

The singular maritime lifestyle is augmented by over 20,000 square feet of masterfully-crafted resort amenities—imbued with legendary hospitality by The Ritz-Carlton.

EXPANSIVE THREE- TO FIVE-BEDROOM
WATERFRONT RESIDENCES FROM \$4.5 MILLION



561. 316. 0879

TheResidencesPalmBeachGardens.com

SALES GALLERY: 4001 DESIGN CENTER DRIVE
SUITE 110, PALM BEACH GARDENS, FLORIDA

DEVELOPED BY CATALFUMO COMPANIES
EXCLUSIVE SALES AND MARKETING BY
DOUGLAS ELLIMAN DEVELOPMENT MARKETING

THE RITZ-CARLTON RESIDENCES, PALM BEACH GARDENS ARE NOT OWNED, DEVELOPED OR SOLD BY MARRIOTT INTERNATIONAL, INC. OR ITS AFFILIATES ("MARRIOTT"). DMBH RESIDENTIAL INVESTMENT, LLC USES THE RITZ-CARLTON MARKS UNDER A LICENSE FROM MARRIOTT, WHICH HAS NOT CONFIRMED THE ACCURACY OF ANY STATEMENTS OR REPRESENTATIONS MADE ABOUT THE PROJECT. ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER. FOR CORRECT REPRESENTATIONS, MAKE REFERENCE TO THIS BROCHURE AND TO THE DOCUMENTS REQUIRED BY SECTION 718.503, FLORIDA STATUTES, TO BE FURNISHED BY A DEVELOPER TO A BUYER OR LESSEE. ☈

PRIVATE PROPERTIES



Rosie O'Donnell's Former Home Lists

The only available home on Miami's Star Island—a mecca for celebrities, CEOs and the global rich—is listing for \$54 million.

The waterfront estate is the former home of comedian Rosie O'Donnell, who bought it in 1999 for \$6.75 million. O'Donnell sold the estate for \$16.5 million in 2003 to Dr. David Frankel, a doctor and real-estate investor, and his wife Linda Frankel, a former fashion editor at *Vogue* and the sister of the journalist Diane Sawyer. Linda died in 2023 and David in March 2024, according to their

son, attorney and former music executive Greg Frankel, who is currently living on the property with his family.

The roughly 1-acre property totals about 11,000 square feet across an eight-bedroom, Mediterranean main house and two guesthouses, according to listing agent Liz Hogan of Compass. There is a large pool with a slide and a boathouse, where the Frankels stored water sports equipment and gear. There is also a private dock and a 40,000-pound boat lift.

The estate was originally built

in the 1920s. Before O'Donnell, the Star Island property was occupied by a marijuana-smoking religious organization known as the Ethiopian Zion Coptic Church. In the 1970s, neighbors complained about the smell of dense marijuana smoke on the island.

When O'Donnell owned the house, she famously had a mounted hammerhead shark suspended above the staircase, according to Greg Frankel. The Frankels replaced the shark with a contemporary art piece, he said with a laugh.

FOR SALE
\$54 MILLION
11,000 sq. ft.,
8 bedrooms

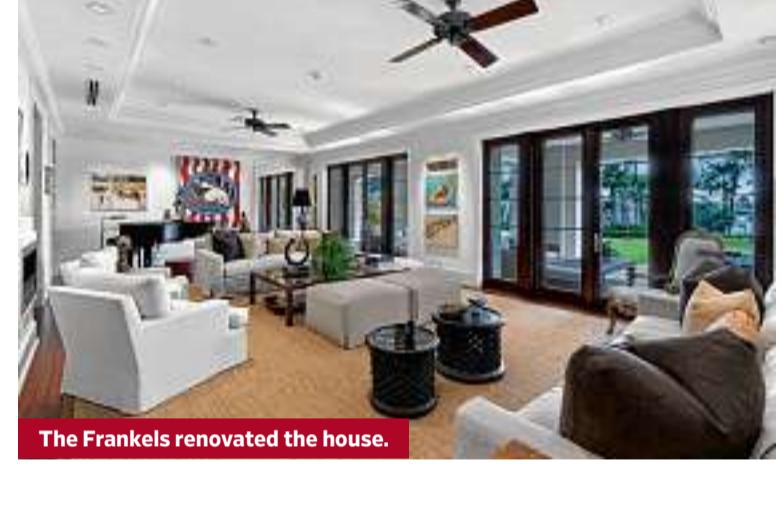
Greg said the property has been well maintained, but he doesn't rule out the possibility that a new owner may want to tear it down. All over the island, wealthy buyers have torn down older homes to make way for bigger, more extravagant mansions. Another Star Island owner, dental products entrepreneur John Janesheski, moved an older house on his lot to the far side of the property to make way for a new house, for instance. "You don't know what to think anymore at this level," Greg said.

With its guarded gate and secluded location,

Star Island has long drawn high-profile people, including Gloria Estefan and former NBA star Shaquille O'Neal. More recently, billionaire hedge funder Ken Griffin purchased numerous contiguous lots on the island.

Hogan said the Miami-area luxury market has been extremely active in recent months. Among recent deals, a nearby La Gorce island property sold for \$100 million, and David and Victoria Beckham closed on a Miami Beach home for \$72.25 million.

—Katherine Clarke



The Frankels renovated the house.

Soccer Star Neymar Buys Land in Miami

Brazilian soccer star Neymar has purchased a piece of waterfront land in Miami for \$26 million amid speculation he may be joining the Major League Soccer team Inter Miami CF, according to sources familiar with the deal.

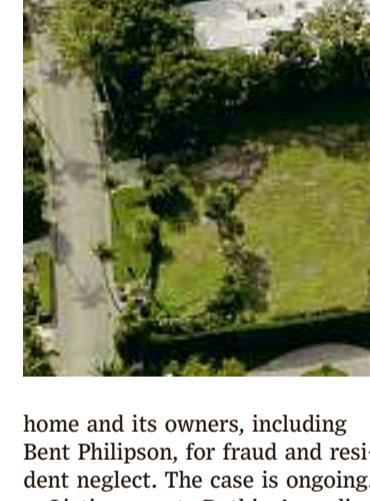
Located in the tony, gated village of Bal Harbour, the vacant lot is about 0.63 acre with 150 feet of frontage on the Intracoastal Waterway, property records show. The offering includes approved plans for a 13,000-square-foot house designed by the London-based design firm Elycyon. The property was most recently listed for \$28.5 million, according to Zillow.

According to property records, the seller is Bent Philipson, founder of Philosophy Care, a con-

sulting firm for skilled-nursing facilities in New York and New Jersey. He couldn't be reached for comment.

If Neymar, who currently plays for the Saudi Pro League club Al Hilal, were to join Inter Miami, he would reunite with former FC Barcelona teammates Lionel Messi and Luis Suárez. Neymar didn't respond to a request for comment.

Bent Philipson and his wife, Deborah Philipson, purchased the property with an older home on it for \$9.3 million in 2020, records show, and demolished the house. They first listed the vacant land for \$30 million in 2021. Deborah Philipson died in 2022. In 2022, New York Attorney General Letitia James sued a Long Island nursing



home and its owners, including Bent Philipson, for fraud and resident neglect. The case is ongoing.

Listing agents Ruthie Assouline and Ethan Assouline of Douglas Elliman declined to comment.

Bento Queiroz of Compass, who represented the buyer, declined to



Queiroz said Miami's luxury market is "firm and steady," with a lack of turnkey properties driving up prices for waterfront properties. An assemblage on La Gorce Island recently sold for \$100 million. A waterfront compound in Coconut Grove is currently asking \$135 million.

—E.B. Solomont
and Katherine Clarke

Dove Mountain

The greatest discovery in life is finding oneself.

Seek and you shall find, in the foothills of the Tortolita Mountains of Southern Arizona's spectacular Sonoran Desert. A home or second home at The Ritz-Carlton Residences, Dove Mountain is like nothing else. This community of luxury homes with the 5-star services of The Ritz-Carlton, Dove Mountain resort hotel and spa is inspiring. We're just minutes north of Tucson, the first UNESCO Capital of Gastronomy in America, and the center of a chic metropolis of a million-plus where creativity, culture, and adventure abound. Distinctive single-family residences from \$1.8 million to over \$5 million with custom homesites also available. Jack Nicklaus Signature championship golf. 45 miles of geocaching hiking trails. Tennis, pickleball, a world-class spa and every amenity. Call now for more information.

(877) 451-7205 | TheResidencesDoveMountain.com

Tucson, Arizona

The Ritz-Carlton Residences, Dove Mountain is not owned, developed or sold by The Ritz-Carlton Hotel Company, L.L.C. Dove Mountain Investors, LLC uses The Ritz-Carlton marks under license from The Ritz-Carlton Hotel Company, L.L.C. Access to and use of the recreational amenities of The Golf Club at Dove Mountain requires payment of monthly Club membership dues. This is not an offer of solicitation where prohibited by law. Prices, plans, amenities, availability and improvements referenced herein are subject to change without notice. Sales are conditional upon buyer's receipt and acceptance of the Arizona Subdivision Public Report.

MANSION



Pooja Room Renovations

Continued from page M1
tures and statues of deities. Some homeowners have dedicated 400-square-foot backyard structures as pooja rooms with marble and custom murals and budgets topping \$100,000.

"Growing up in the U.S., we never saw people like us. You never saw things catered to us. Now, I can't begin to tell you how many more people are catering to our culture where we kind of have found a sense of identity that we finally belong here," said New York City-based interior designer Nikita Madhyani, whose parents immigrated to the U.S. from India in the 1980s and who now offers pooja-room design services.

There were about 4.8 million Indian-Americans in the U.S. in 2020, up about 50% from 2010, according to AAPI Data, a research organization focused on Asian-Americans and Pacific Islanders. About half of Indian-Americans identify as Hindu, according to Pew Research.

Kulkarni and her husband, information-technology executive Sumeet Borwankar, paid \$350,000 for their roughly 3,300-square-foot home in 2015, shortly after Kulkarni moved from India to the U.S. to join her husband. Initially, they set up idols and pictures of Hindu gods and goddesses including Annapurna, the goddess of food and nourishment, on the kitchen's granite countertop. Overhead cabinets made the space feel cramped, but she said it was important to have a dedicated area for her own religious practice and to teach their children about their traditions. Last year, she and her husband spent about \$15,000 to renovate the area, she said.

"They should know what our traditions are back in India," said Kulkarni of their 11-year-old daughter and 4-year-old son. "So that's why I just wanted to make it better."

Kulkarni's new pooja area has a roughly \$1,000 tiled wall with a brass sign from Etsy of the Sanskrit letter "Om" used in meditation, she said. She commissioned contractors to build the mandir, a



Sangeeta Kulkarni, above left with husband, Sumeet Borwankar, and their children, renovated the pooja area, above, with bells, gilded trim and idols.

structure used to hold idols. It cost about \$7,000 and has steps and overhanging, backlit eaves draped in bells and two hanging peacock statues, said Dallas-based interior designer Renuka Sardesai of Blueberry Hill Designs.

Sardesai first renovated a pooja room in 2021 as part of a larger makeover of a client's home, she said. Since then, her Instagram posts showing off her initial project and Kulkarni's renovation have elicited numerous inquiries for her services across the country. She has also started working with clients virtually. "Since I'm from the same background and can relate to their needs, they are more comfortable talking to me," said Sardesai.

Arranging floor plans for pooja rooms often involves putting a bonus room in the northeast, north or east corner of the house and moving bathrooms away from the pooja room, though each family's needs can vary, said Vivek Puri of Classic Homes in Chantilly, Va., who has customized about 30 to 40 homes to include pooja rooms.

Often, if families don't have enough space to allot an entire room to prayer, they combine it with a home office or living room, said interior designer Madhyani. Special features might include ventilation for fire offerings or drainage for bathing idols, depending on the Hindu tradition, she said.

Pooja rooms are often decorated in bright colors, though calming neutrals are popular with second- or third-generation Indian-Americans, said Madhyani, who has helped design several acquaintance's pooja rooms and now has

two pooja-room renovation projects lined up in 2025. The atmosphere is often rounded out with sensory experiences like natural light or colored LED lights, running water and preprogrammed music, said Madhyani. People often choose marble, sevan wood and crystal chandeliers, as they are considered spiritually beneficial, said Chhelavda, who is based in the Orlando, Fla., area.

The pair invite a priest to conduct ceremonies in their pooja room several times a year to give thanks or for special occasions, such as their daughter's wedding, she said.

Developers are taking notice of demand for pooja rooms, building apartment buildings and townhomes with layouts suitable to such spaces, said Chhelavda, the Vastu Shastra consultant. Johnson



Sheila and Rajiv Deshpande custom-built a house to have a pooja room.

In Buckhead, an upscale neighborhood of Atlanta, a terrace with a foot shower opens through french doors to a room with marble floors and a Ganesh statue in an arched alcove set up as an altar. Married entertainment-technology executives Rajiv and Sheila Deshpande, 71 and 68, light a lamp in the room and pray each night before bed.

The pair custom-built their eight-bedroom home in 2011, in part because they couldn't find a home they liked with a layout suitable to their ideal pooja room, said Sheila, who moved to the U.S. for her studies in 1979. Their old house, which they tore down for their new home's construction, only had room for a small alcove dedicated as a pooja area, said Rajiv, who joined her in the U.S. in the early 1980s.

"One of the main reasons I decided to design and build my own home rather than get a home on the market was because I knew I wouldn't find a home with a pooja room. So I said only if I build it myself can we actually have a pooja room," said Sheila. The pair paid about \$580,000 for the property with its original ranch house in the 1990s, according to public records.

The pooja room is located in the northeast portion of the house, central to the kitchen, said Sheila, who said its main upgrade—marble floors—cost about \$10,000.

The pair invite a priest to conduct ceremonies in their pooja room several times a year to give thanks or for special occasions, such as their daughter's wedding, she said.

Developers are taking notice of demand for pooja rooms, building apartment buildings and townhomes with layouts suitable to such spaces, said Chhelavda, the Vastu Shastra consultant. Johnson



Lakshmi, goddess of wealth, above a Ganesha statue in New Jersey.

City, Tenn., developer Vivek Vatrana said that when building large houses in neighborhoods with a large Indian population, he consults with Chhelavda and orients bonus rooms to the northeast, far from bathrooms, to entice buyers who might want to use the extra room for prayer.

Sometimes, home builders include a built-in alcove with shelving for displaying idols, or even supports for a swing hanging from the ceiling where idols sit, depending on the specific tradition being followed, said Puri. Designing floor plans with space for pooja rooms isn't complicated, but changes down the line can add to the expense of moving a bathroom or pipes, so planning is important, he said.

Private-equity investors Charles Dadoo and Gretchen Barlow-Dadoo, 49 and 43, chose Puri to build a roughly 15,000-square-foot home on their 1-acre lot in Fairfax, Va., in 2020 because of his experience building pooja rooms.

The Dadous are still putting the finishing touches on their pooja room, as the pandemic and moving into a new home delayed the completion of the room's design, said Gretchen. Now that they finally have the bandwidth for the project, they pushed to have it completed in time for Diwali, the Hindu festival of lights, beginning Oct. 31, said Gretchen, whose in-laws live with them and spend about two to three hours a day in the pooja room.

The completed room, which has a budget of about \$15,000, will have a contemporary feel with a custom marble altar and a marble backdrop surrounded by wood panels, said Gretchen. The Dadous plan to include bell-shaped light pendants—honoring the significance of bells in Hinduism—and wallpaper with religious imagery. They also plan to replace the carpet on the hardwood floors and add tufted sofa chairs that will be more comfortable for Charles's parents, said Gretchen, who is not a practicing Hindu but said she wants their children to learn about their father's traditions.

"It's really brought our family close together and allowed us to share with the kids and see what it means and how important it is. I get a little emotional talking about it," said Gretchen.

CLOCKWISE FROM TOP LEFT: SANGEETA KULKARNI; BLUEBERRY HILL DESIGNS; SIRISHA VALLABHANENI; RAJ DESHPANDE

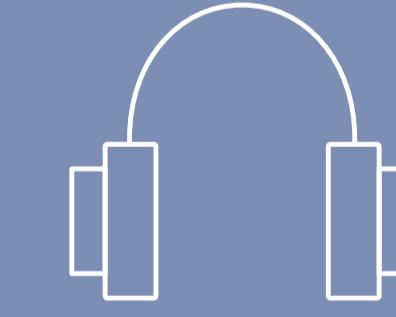
WSJ
Podcasts

Sound Thinking

Audio storytelling on news you care about, at home or on the go.

BROWSE OUR PODCASTS

WSJ.com/listen

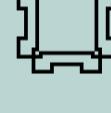


THE WALL STREET JOURNAL.

TRUE LUXURY IS IN THE DETAILS



- NOW UNDER CONSTRUCTION -



SOUTH FLAGLER HOUSE

Conceived by globally renowned Robert A.M. Stern Architects, these ultra-luxury waterfront condominiums in West Palm Beach offer stately design and gracious scale, enriched by artful details and elegant interiors. See how South Flagler House is redefining true luxury for South Florida living.



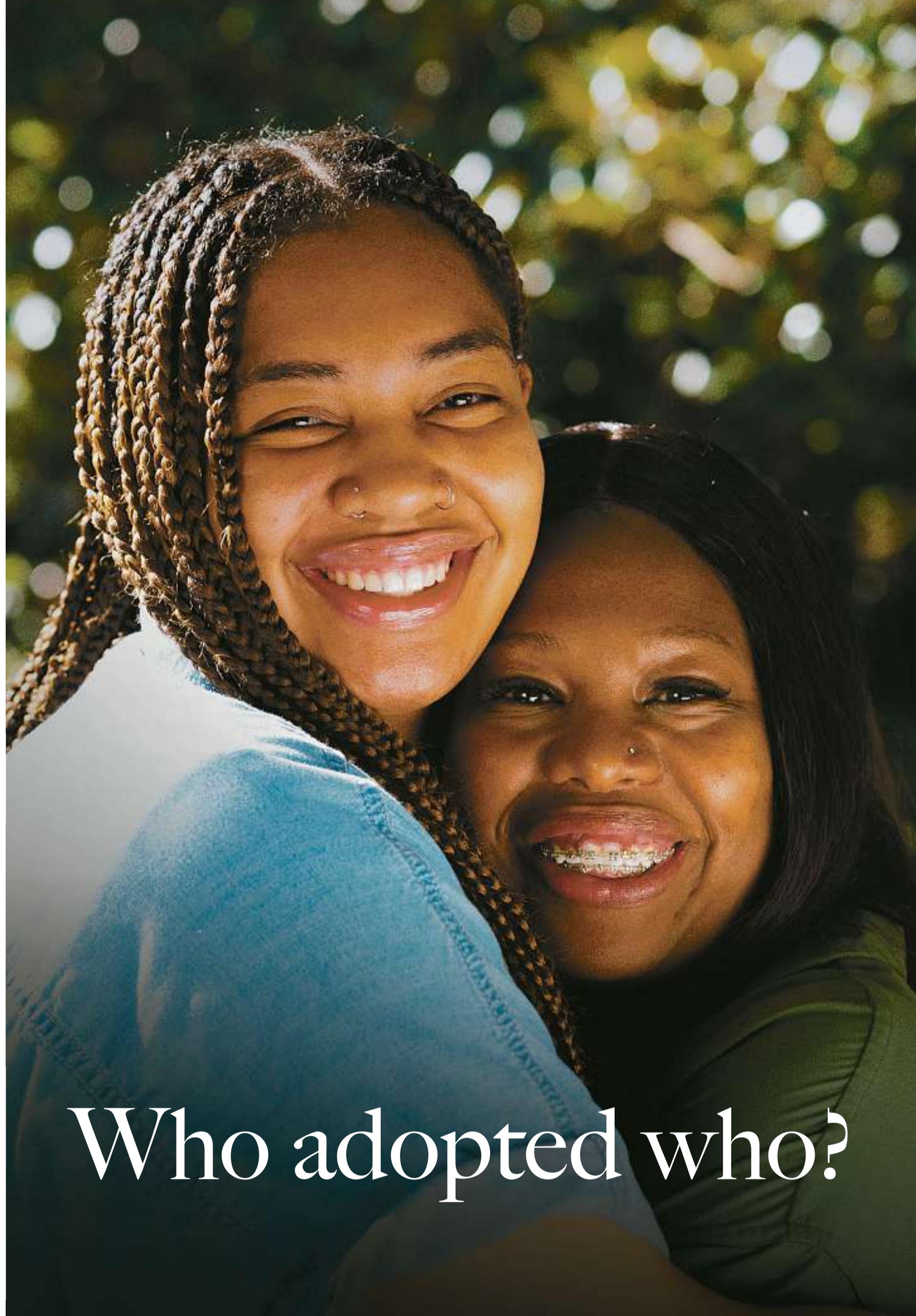
**TWO- TO FIVE-BEDROOM LUXURY CONDOMINIUMS
PRICED FROM \$6 MILLION TO \$73 MILLION**

**SALES GALLERY LOCATED AT 221 ROYAL POINCIANA WAY, SUITE 1, PALM BEACH, FLORIDA
SOUTHFLAGLERHOUSE.COM • 561.210.8911**

Exclusive sales by Suzanne Frisbie of The Corcoran Group with Corcoran Sunshine Marketing Group



WE ARE PLEDGED TO THE LETTER AND SPIRIT OF THE U.S. POLICY FOR ACHIEVEMENT OF EQUAL HOUSING OPPORTUNITY THROUGHOUT THE NATION. WE ENCOURAGE AND SUPPORT AN AFFIRMATIVE ADVERTISING AND MARKETING PROGRAM IN WHICH THERE ARE NO BARRIERS TO OBTAINING HOUSING BECAUSE OF RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS OR NATIONAL ORIGIN. This is not an offer to sell, or solicitation of offers to buy, the condominium units in jurisdictions where such offer or solicitation cannot be made or are otherwise prohibited by law, and your eligibility for purchase will depend upon your state of residency. This offering is made only by the offering documents for the condominium and no statement should be relied upon if not made in the offering documents. The features, amenities, designs, design professionals, finishes and specifications are proposed only, and the Developer reserves the right to modify, substitute, revise or withdraw any or all of same in its sole discretion and without prior notice. This Condominium is being developed by SFH Owner LLC ("Developer"). Any and all statements, disclosures and/or representations shall be deemed made by Developer and not Related Companies or any principal of the Related Companies and any purchaser agrees to look solely to Developer (and not to Related Companies and/or any of its affiliates or principals) with respect to any and all matters relating to the marketing and/or development of the Condominium and with respect to the sales of units in the Condominium. The complete offering terms are available from the Sponsor, SFH Owner LLC, 360 South Rosemary Avenue, Suite 800, West Palm Beach, Florida 33401; File No. CP23-0115; South Flagler House Condominium, 1355 South Flagler Drive, West Palm Beach, Florida 33401. ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER. FOR CORRECT REPRESENTATIONS, MAKE REFERENCE TO THIS BROCHURE AND TO THE DOCUMENTS REQUIRED BY SECTION 718.503, FLORIDA STATUTES, TO BE FURNISHED BY A DEVELOPER TO A BUYER OR LESSEE.



Who adopted who?

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



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

MANSION

Luxury Home Auctions

Continued from page M1
agents said. Then, when all else fails, they turn to auction.

The disconnect between what luxury homeowners think their properties are worth and what buyers will pay is driving interest in auctions. But aspirational sellers are finding that auctions don't always yield their desired outcome—and that they aren't without risks.

La Dune, an oceanfront Hamptons estate that was listed for \$150 million in 2022, sold at auction for \$89 million this year. The One, a Bel-Air megamansion once slated to list for \$500 million, sold for \$126 million at auction in 2022. Villa Firenze, a Los Angeles estate in the storied Beverly Park neighborhood, sold for \$51 million at auction in 2021, having been initially listed for \$165 million. It has since traded hands again for \$52 million.

Earlier this year, former "The Real Housewives of New York City" star Sonja Morgan auctioned her Upper East Side townhouse, which had been on and off the market for more than a decade. Once listed for as high as \$10.75 million, its price had been slashed more recently to \$7.5 million. It fetched \$4.595 million in the auction.

Misha Haghani, founder of real-estate auction house Paramount Realty USA, said he frequently counsels prospective auction clients that they have been too aggressive.

"I will tell the seller, 'You've been on the market for X period of time at three different price points. Why hasn't it sold? It's obvious why. Because it's mispriced,'" he said.

The number of luxury U.S. home sales fell 10.6% in the third quarter from a year earlier, according to brokerage Redfin. But sellers have been reluctant to lower prices. Luxury home prices rose 9% in that same time to the highest third-quarter level on record, growing nearly three times faster than nonluxury prices.

Since the pandemic boom, properties are also taking longer to sell. On average, luxury listings spent 46 days on the market during the third quarter, up from 36 days during the same period in 2021, Redfin data show.

White Elephants

Haghani said Paramount, founded in 2009, has seen a flood of interest from high-end sellers since the pandemic, 99% of it now inbound from owners approaching Paramount. Scott Kirk, chief executive

SLATED TO LIST FOR
\$500 MILLION

SOLD FOR
\$126 MILLION AT AUCTION



THE ONE
Bel-Air, Los Angeles

of home-auction competitor Interluxe Auctions, founded in 2013, said business has more than doubled every year for three years.

Auctions tend to attract the real-estate world's white elephants—properties that may be quirky, highly personalized or ultraluxury, resort-style homes atypical for the neighborhood.

A White House replica in the San Francisco Bay Area, designed for the oldest son of William Randolph Hearst, included a duplicate of the Oval Office, East Room and White House Rose Garden. In Whitefish, Mont., former pro football player Drew Brees built a home that resembled a treehouse, perched 15 feet above the ground. And a castle-style home owned by former baseball star Derek Jeter in New York's Greenwood Lake area had a medieval-looking tower, rooftop battlements and a copy of the Statue of Liberty.

"The properties that we represent that do really well at auction, they're not fungible," said Kirk.

"These properties have extremely unique attributes about them that make them very difficult to comp."

By the time a property comes to auction, it has likely already undergone at least one price reduction, said Haghani.

"Hopefully they've had some sense knocked into them," he said. "They're tired, they've had enough. They say, 'As long as the offer is decent, as long as it's fair,'

Please turn to page M6

FIRST LISTED FOR
\$165 MILLION

SOLD FOR
\$51 MILLION AT AUCTION



VILLA FIRENZE
Beverly Park, Los Angeles

LISTED FOR
\$150 MILLION

SOLD FOR
\$89 MILLION AT AUCTION



LA DUNE
Hamptons

OLARA



SAVANNA

NOW UNDER CONSTRUCTION
LUXURY RESIDENCES WITH THE FULL-SERVICE AMENITIES OF A WORLD-CLASS RESORT

Douglas Elliman
Development Marketing

PRICED FROM \$2–10 MILLION · SCHEDULE YOUR PRIVATE PRESENTATION
1919 N Flagler Dr, West Palm Beach, FL 33407 · 561-401-0066 · OlaraWestPalmBeach.com

ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER. FOR CORRECT REPRESENTATIONS, MAKE REFERENCE TO THIS BROCHURE AND TO THE DOCUMENTS REQUIRED BY SECTION 718.503, FLORIDA STATUTES, TO BE FURNISHED BY A DEVELOPER TO A BUYER OR LESSEE. This is not intended to be an offer to sell, or solicitation to buy, condominium units to residents of any jurisdiction where prohibited by law, and your eligibility for purchase will depend upon your state of residency. All images and designs depicted herein are artists' conceptual renderings, which are based upon preliminary development plans, and are subject to change without notice in the manner provided in the offering documents. All such materials are not to scale and are shown solely for illustrative purposes. This project is being developed by N Flagler Drive Developer, LLC, a Delaware limited liability company, which was formed solely for such purpose. Olara is sponsored by a Savanna affiliate. Savanna is a proven owner, operator, developer, and institutional fund manager with a 30+ year track record. It has invested in and developed over 17 million square feet of real estate. Other affiliated parties include the MacTaggart Family Partnership, which has invested in and developed premier real estate projects in the United States and England for over 100 years, as well as Haymes Investment Company and Brandon Rinker. Haymes and Rinker assisted in the acquisition of six of the eight parcels within the assemblage that became the Olara development site and served as development consultants as the site was assembled and the development vision was finalized. The principals of Haymes Investment Company have owned, operated, and developed millions of square feet of commercial, residential, and retail real estate in New York, Florida, and around the United States. Brandon Rinker has assembled some of the premier sites in the Palm Beaches. The Condominium has been registered with the Massachusetts Board of Registration of Real Estate Brokers and Salespersons F-1277-01-01. THE COMPLETE OFFERING TERMS ARE IN A FLORIDA PROSPECTUS AVAILABLE FROM THE DEVELOPER. A CPS-12 APPLICATION HAS BEEN ACCEPTED IN NEW YORK AS FILE NO. CP22-0089. WARNING: THE CALIFORNIA DEPARTMENT OF REAL ESTATE HAS NOT INSPECTED, EXAMINED, OR QUALIFIED THIS OFFERING. This advertisement is a solicitation for the sale of units in Olara Condominium; NJ. Registration #: 22-04-0012. Equal Housing Opportunity.

MANSION



Continued from page M5

I'm going to take it even if it's not exactly what I wanted before."

For many sellers, the draw of an auction is the set timeline. Where their home could linger on the market for months or years listed the traditional way, the auction template offers a sale date, as long as bids reach the minimum, if one was set. Auction companies also promise to market a property more widely, to a national and international audience.

In 2018, Randy Singer, a retired entrepreneur, listed the family's historic home in the West Chop neighborhood of Martha's Vineyard without an agent for \$16.9 million, inspired by a \$17 million listing nearby. He then worked with at least three agents and cut the price as low as \$7.9 million in May. He said it needs significant updates.

Now, Paramount is auctioning the property in November with a \$6 million reserve price, which acts as a minimum. "We've been trying so long, and I need to move on with my life," Singer said.

Corporate consultant Ed Vilandrie and his wife, Martha Cavanaugh, are glad they auctioned their 144-acre Vermont estate with Interluxe, 45 days after listing it for \$6.275 million. They had a hunch the Peacham, Vt., property would get a better price with the broader marketing of an auction because of its unique scale. They paid \$2.2 million in 2011.

After three days of bidding in October, the auction closed with a high offer of \$5.88 million, including the 12% buyer's premium that covers a commission to the auction house and fees for the agents who worked on the deal. Excluding that premium, the deal was well above their \$3.9 million reserve price.

How it works

A number of auction companies focused on luxury homes emerged in the wake of the financial crisis and have since tried to shake the stigma that auctions are just for bankruptcy or financial distress.

Concierge Auctions, Paramount and Interluxe are now among the largest players, and some top brokerages have issued formal recommendations of auction houses to their agents as prescreened vendors. In 2021, Realogy, the parent company of Sotheby's International Realty now known as Anywhere Real Estate, partnered with Sotheby's art auction house to buy a majority stake in Concierge. Paramount has partnerships with Compass and Serhant.

"There's a lot of education that we do," said Interluxe's Kirk. Sellers are "appreciating and really understanding that auctions are not an admission of failure."

The auction companies all have slightly different strategies. Paramount offers a format that calls for a transparent online auction where the bidding is visible in real time, but also offers a sealed bid process whereby prospective buyers submit their offers privately in best-and-final style. The sealed-bid process is a kind of hybrid between an auction and a traditional sale. In both instances, if an offer doesn't meet the reserve price, the seller isn't obligated to sell.

In the vast majority of cases,

included U.S. sales that closed and where recorded prices were publicly available. This year, 39 closings through Sept. 18 had an average discount of 41%.

An analysis of Interluxe auctions, based on a list of sales the company provided, shows seven publicly recorded closings in 2023 with an average discount of about 26%. Through Sept. 18 of this year, it had four closings with an average discount of about 21%. The analysis only included sales that closed and where recorded prices were publicly available.

Paramount said its statistics weren't readily available.

Concierge declined to comment beyond a statement that it stands by its results. "We specialize in high-value properties that are challenging to price and often require multiple years to sell. Our transparent platform determines market value through competitive bidding, with final sale prices representing the market price in a 60-day process resulting in a compelling value proposition for our sellers," a spokeswoman said.

Rather than listing their East Hampton estate, financial-services executive Erik Stern and his wife, Michelle Stern, went straight to auction. They said they were referred to Concierge by Charles Stewart, the CEO of Concierge's part-owner Sotheby's, who had been renting their property.

"It's almost like a stock market, where you've got buyers and sellers and they come to the market price," Erik said. "So I thought this actually sounds much more reasonable to me."

They expected the modernist property designed by Norman Jaffe was worth \$20 million or more, based on the 3-acre parcel of land alone. The Sterns said Concierge representatives didn't want a reserve price because it would stifle momentum; the couple were assured there was a high level of interest.

"There was all this talk about, 'You know, we've got people flying in from Switzerland to see your home, people from all over the U.S., a lot of Texans,'" said Michelle.

The auction ended in minutes and closed at \$15 million, far less than the Sterns had expected. "I think I vomited and blacked out," Michelle said. The Sterns were offered \$100,000 by Concierge to settle their claims that Concierge had misled them; the agreement had a confidentiality provision that would have prevented them from speaking negatively about Concierge. They declined.

The Landsmans also hadn't set a reserve price for their Tribeca penthouse. They agreed to proceed after Concierge representatives predicted a "very active" auction and said seven bidders had registered to participate.

Much of the couple's retirement nest egg was tied up in the property, said Randy Landsman, CEO of a financial-advisory firm.

Once the auction began, none of the registered bidders submitted new bids. The property sold by default for the highest pre-bid of \$5 million. Without a reserve price, they were forced to accept the bid.

The deal fell apart soon after; the buyer pulled the plug after the Landsmans failed to close by the agreed-upon date, the Landsmans said. The couple said they have since been served with a letter for arbitration by Concierge, which says it's still due its commission.



INSIDE STORY

Their 31-Foot-Tall House Is a Single Story

The North Carolina home has a steeply pitched roof and expansive windows that put the surrounding woods on full display



CLOCKWISE FROM TOP RIGHT: MADISON KOPER; MARK HERBOTH (2)

BY FRED A. BERNSTEIN

People always ask if there's a second floor," says Steve Chase, speaking of the house he shares with his wife, Kim Chase, on 60 acres in North Carolina. The question is understandable. The house, though modest in size, has a pair of peaked roofs so tall that they could easily contain a second level.

In fact, the house is just one story. But if the overhead space isn't occupied, it also isn't wasted. The twin peaks are the work of the award-winning Los Angeles

architect Lawrence Scarpa. "The luxury of living here isn't the square footage," says Kim, "but more the feeling of 'the sky's the limit.' That sense of openness is affirming and uplifting."

Since the Chases moved into the house in Hillsborough last year, they have been fascinated by the seductive shapes and evanescent shadows overhead. "Consciously or unconsciously," says Kim, "we're always looking up."

Beneath its roof—which tops out at 31 feet—the house is relatively simple. Scarpa divided it into two rectangles, each about 1,000 square feet, one containing

private spaces (bedrooms and baths), the other public (living room and kitchen). The two rectangles are connected by a flat-roofed, glass-enclosed loggia that runs along the front of the house and also serves as a dining area. Extending west from the loggia, the living room and bedroom wings angle toward each other, turning the 2,900-square-foot house into a large triangle around a triangular courtyard.

Inside, the floors are made of French white oak, while almost everything else—from shelving to cabinets to accent walls—is made of ordinary plywood. But the ply-

wood displays as much grain as the choicest marble—especially after being sprayed with seven coats of polyurethane. The wood is animated by light that filters through leafy trees into the east-facing loggia each morning and then illuminates the two west-facing gables every afternoon. Along the way, the sun hits two chimney-like skylights, one over the living room and the other over the couple's bathroom. If she waits until the light is streaming in, Kim says, she can bathe and sunbathe all at once. There are no curtains anywhere. With 60 wooded acres, the Chases say, they have no privacy problem. "I've had an occasional deer peeper when I'm in the bath," says Kim.

In the initial design, there were glass doors in each of the two gable walls. That would have made it easy to get from the bedroom to the living room, or vice versa. But the Chases eliminated those

Please turn to page M8



The house is divided into two rectangles. In the living room, artwork by Allison Schulnik overlooks a large modular sofa by Sergio Bicego for Saba.

**ROSEWOOD
RESIDENCES**
HILLSBORO BEACH

INSPIRED BY PLACE

Exquisite Oceanfront & Intracoastal Residences
on Hillsboro Mile

RESIDENCESHILSBOROBEACH.COM

INQUIRE 754 812 3361

1180 Hillsboro Mile, Hillsboro Beach, FL

Info@ResidencesHillsboroBeach.com

RELATED

DEZER
OWNERS & DEVELOPERS



ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING REPRESENTATIONS OF THE DEVELOPER. FOR CORRECT REPRESENTATIONS, MAKE REFERENCE TO THIS BROCHURE AND THE DOCUMENTS REQUIRED BY SECTION 718.503, FLORIDA STATUTES, TO BE FURNISHED BY A DEVELOPER TO A BUYER OR LESSEE.

New York Residents: THE COMPLETE OFFERING TERMS ARE FOUND IN A CPS-12 APPLICATION AVAILABLE FROM THE OFFEROR. FILE NO CP23-0067.

WARNING: THE CALIFORNIA DEPARTMENT OF REAL ESTATE HAS NOT INSPECTED, EXAMINED, OR QUALIFIED THIS OFFERING.

1180 HILLSBORO MILE CONDOMINIUM (the "Condominium") is marketed as Rosewood Residences Hillsboro Beach and is developed by Hillsboro Mile Property Owner, LLC ("Developer"), which uses the marks of The Related Group, Dezer Development, and of Rosewood Hotels and Resorts, LLC under license agreements. Rosewood Hotels and Resorts, LLC is not the offeror and makes no representations with respect to any aspect of the Consult the Prospectus of Developer to understand the amenities, proposed budget, terms, conditions, specifications, fees, Unit dimensions, site plans, and to learn what is included with purchase and by payment of regular condominium assessments. 2023 © HILLSBORO MILE PROPERTY OWNER, LLC, with all rights reserved.

MANSION

*Continued from page M7*

doors, consciously choosing to take a more circuitous route when they go from one side of the building to the other. "It was just too efficient," Kim says. "We're in the country." Now, with no straight line from point A to point B, "you sort of amble through the house," she says. "It's like taking a walk in the woods." And that is fine with the Chases, who moved here for the woods.

Neither Kim nor Steve had lived in North Carolina before they built this house. Montreal natives, they married in 1984 and a few years later moved to Toronto, where Kim worked as a creative director and Steve began helming commercials. In 1998 they relocated to Los Angeles, where Steve's career took off. He went on to shoot more than 500 ads for some of the best-known products in the world, including competitors like Pepsi and Coke, plus Tylenol, Pizza Hut, AT&T and many other brands. Several dozen of his spots debuted during Super Bowls, including Bud Light's "I Love You, Man" ad. He has won at least 36 Clio awards.

But for all that to happen, Steve needed an office for his production company, Reactor Films. He found a vacant Art Deco building with 20-foot ceilings in Santa Monica. An associate recommended he hire a young architect named Lawrence Scarpa. Steve, busy shooting commercials, met with Scarpa on the fly. "I liked his sensibility. All I told him was: 'All my clients are super creative people. When they walk in here, I want them to go, 'Wow!'"

It took just 14 weeks for Scarpa to create a wow-inducing office.

His key move was cutting a shipping container into pieces, then assembling the pieces into a kind of deconstructed boardroom. The project won many design awards.

Kim, meanwhile, worked part time and raised their daughter, Madison, now in her 30s and the mother of their 1-year-old grandson, Jameson. In 2014, Madison

settled in Vermont. Steve and Kim, now in their early 60s, wanted to follow her East, but they also wanted to avoid New England winters.

So they started looking in places below the Mason-Dixon Line. "It added a nice twist," says Kim. "I've always been intrigued by Southern culture."

Kim visited properties for more than a year before settling on a slightly inclined, wooded site 12 miles south of the center of Hillsborough. Having tangled with a homeowners association back in California, they wanted enough land to ensure them autonomy. The property, including a small house that they eventually demolished, cost \$640,000.

Every time the Chases were in town they passed a small, board-and-batten chapel—a long building with a steeply pitched roof.

"The overall shape, the simplicity, and the empty expanse of the interior inspired us," says Kim.

In the 20 years since Steve had worked with Scarpa, the architect had gone on to great professional success. Brooks + Scarpa, the firm he runs with his wife, Angela Brooks, won the American Institute of Architects' gold medal, that organization's highest honor, in 2022.

When the Chases asked him to design the house, Scarpa agreed, and he and Brooke flew to Hillsborough, about 15 miles west of Durham, to see the property. The Chases also sent him photos of the chapel they admired. When Kim went to see him in his office a few weeks later, he sketched the house he envisioned on a napkin. The sketch matches the finished house almost exactly.

Once the design was finalized, the Chases moved to Hillsborough to supervise construction. The process they thought would take two years ended up taking more than four. Right after they broke ground, a summer of torrential

rains brought the project to a halt for months. Then Covid hit, causing a second shutdown, and there were supply-chain problems.

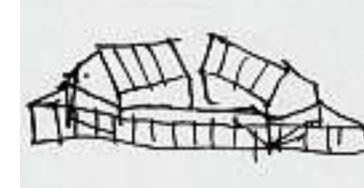
A sliding door took a full year to manufacture. Damaged during installation, it took another full year to replace. And it was hard

when it came to building the two fin-windows, which the Chases call Findows. The one over the couple's bath is "12 feet high and super thin," Kim notes. "Only the skinniest of the Sheetrock guys and painters could get up there."

They also sampled dozens of kinds of window glass on-site to get the right degree of reflectivity. Now, Steve says, "you can see the house and you can see through the house at the same time."

Building the house cost about \$1.3 million, with at least \$150,000 of that for the glass, the Chases say. They also say they got off easy. If they had started after the pandemic, when prices surged, "the house might have cost twice as much," Kim says.

The best thing about the finished house, the Chases say, is the constant exposure to nature. "You live in the weather," says Steve. "One minute it can be bright and sunny, and the next there are dark clouds rolling in." In other words, living in the house is like watching a show, and the Chases don't want to miss a minute of it.



Scarpa sketched the house he envisioned on a napkin. It matches the finished house almost exactly.

finding builders for a house with almost no right angles. "Guys would walk in and see nothing square, nothing flat, nothing level, and just say, 'Nah, not interested,'" says Steve.

The builders who did sign on had to be resourceful, particularly



The kitchen is made entirely of plywood. Steve Chase helped the contractors by driving for hours to find boards with an attractive grain. Below, the front of the house consists of a glass "loggia" connecting the two wings, with their tall, angular roofs.



MARK HERBOTH (3) BROOKS + SCARPA (SKETCH)

ADVERTISEMENT

Property Portfolio

To Advertise: Visit [WSJ.com/classified](#), Email: adoperations@dowjones.com or Call: 800-845-9719



55+ LIVING IN 4 GREAT FLORIDA LOCATIONS

The Florida lifestyle of your dreams can be yours at Valencia, where gorgeous new homes, world-class amenities, and an exciting lifestyle await! Enjoy a magnificent clubhouse, resort-style pool, pickleball, and so much more. Single-family homes include luxury standard features. 4 amazing locations – Boynton Beach, Naples, Port St. Lucie and Tampa. Experience the best today! Call or visit for more.

From the \$400s to \$2 million

[ValenciaLiving.com](#)

To Advertise...

Please call

800-845-9719 or email adoperations@dowjones.com



25 Years of Excellence

BALLANTRAE FARM \$39,995,000 1288 Ballantrae Farm Dr. McLean, VA Piper Yerks 703-963-1363 Penny Yerks 703-760-0744	MCLEAN'S GOLD COAST \$18,500,000 1260 Crest Ln. McLean, VA Piper Yerks 703-963-1363 Ben Roth 202-465-9636	POTOMAC RIVERFRONT \$17,500,000 1169 Crest Ln. McLean, VA HRL Partners Christopher R. Leary 202-243-1620	GEORGETOWN \$12,500,000 1534 28th St. NW Washington, DC Jamie Peva 202-258-5050 Nancy Taylor Bubes 202-256-2164 Lenore G. Rubino 202-262-1261 Jonathan R. Spencer 202-643-1181	KENT \$9,495,000 3131 Chain Bridge Rd. NW Washington, DC HRL Partners Christopher R. Leary 202-243-1620	FOREST HILLS \$9,100,000 4701 Linnean Ave. NW Washington, DC Nancy Itteleg 202-905-7762 Chris Itteleg 301-633-8182
PRIVATE OFFERING					
WESLEY HEIGHTS \$8,625,000 4526 Hawthorne St. NW Washington, DC HRL Partners Christopher R. Leary 202-243-1620	EDGEMOOR \$7,950,000 7116 Glenbrook Rd. Bethesda, MD Nancy Itteleg 202-905-7762 Christopher R. Leary 202-243-1620	GEORGETOWN \$7,500,000 1314 28th St. NW Washington, DC Jean Hanan 202-494-8157	SPRING VALLEY \$7,495,000 3300 Nebraska Ave. NW Washington, DC Ben Roth 202-465-9636 The Roth Team	CLEVELAND PARK \$7,350,000 3126 38th St. NW Washington, DC HRL Partners Christopher R. Leary 202-243-1620	KENTSDALE ESTATES \$6,950,000 10408 Stapleford Hall Dr. Potomac, MD Anne Killeen 301-706-0067 Christopher R. Leary 202-243-1620



GEORGETOWN \$6,900,000
3255 Prospect St. NW #4
Washington, DC
Anne Hatfield Weir 202-255-2490
Jamie Peva 202-258-5050



KENT \$6,250,000
3065 University Ter. NW
Washington, DC
Ben Roth 202-465-9636
The Roth Team



PHILLIPS PARK \$5,595,000
4410 Meadow Rd. NW
Washington, DC
Cailin Monahan 804-874-1847
The NTB Group

Now More Than Ever

In today's flight to quality, you can trust the market-leading experts at WFP.

WFP.COM



WESLEY HEIGHTS \$6,495,000
3001 Foxhall Rd. NW
Washington, DC
HRL Partners
Christopher R. Leary 202-243-1620



MASS AVE HEIGHTS \$5,650,000
2812 Woodland Dr. NW
Washington, DC
Liz Lavette Shorb 301-785-6300



MCLEAN \$5,500,000
928 Peacock Station Rd.
McLean, VA
Piper Yerks 703-963-1363
Penny Yerks 703-760-0744



KENWOOD \$5,395,000
6419 Brookside Dr.
Chevy Chase, MD
Kathy Kiernan 301-523-7926



AVENEL \$5,150,000
7019 Natelli Woods Ln.
Bethesda, MD
Ethan Drath 202-258-5120
The NTB Group



GEORGETOWN \$4,995,000
3314 1/2 Volta Pl. NW
Washington DC
Nancy Taylor Bubes 202-256-2164
Liz D'Angio 202-427-7890
Jamie Peva 202-258-5050



KALORAMA \$4,995,000
2120 Bancroft Pl. NW
Washington, DC
Liz D'Angio 202-427-7890
The NTB Group



POTOMAC \$4,950,000
9919 Logan Dr.
Potomac, MD
W. Ted Gossett 703-625-5656



CLEVELAND PARK \$3,995,000
3307 Newark St. NW
Washington, DC
Margot Wilson 202-549-2100



PRIVATE OFFERING

PENN QUARTER \$3,995,000
925 H St. NW #901/902
Washington, DC

Ben Roth 202-465-9636
The Roth Team



BETHESDA \$3,895,000
7101 Pyle Rd.
Bethesda, MD
HRL Partners
Christopher R. Leary 202-243-1620



KENT \$3,895,000
3115 Chain Bridge Rd. NW
Washington, DC
Margot Wilson 202-549-2100



LOGAN CIRCLE \$3,000,000
1519 Swann St. NW
Washington, DC
Daryl Judy 202-380-7219



BURLEITH \$2,950,000
3534 S St. NW
Washington, DC
W. Ted Gossett 703-625-5656



KENT \$2,795,000
5220 Watson St. NW
Washington, DC
Eileen McGrath 202-253-2226
Kay McGrath 202-276-1235



GEORGETOWN \$2,675,000
3604 Winfield Ln. NW
Washington, DC

Nancy Itteleg 202-905-7762
Chris Itteleg 301-633-8182



GEORGETOWN \$2,495,000
3253 P St. NW
Washington, DC

Nancy Itteleg 202-905-7762
Chris Itteleg 301-633-8182



BURLEITH/GEORGETOWN \$2,375,000
3721 Reservoir Rd. NW
Washington, DC

Lenore G. Rubino 202-262-1261



ADAMS MORGAN \$2,299,000
1851 Vernon St. NW
Washington, DC

Matt Ackland 202-320-5227
The NTB Group



SHAW \$1,485,000
934 Westminster St. NW
Washington, DC

Anne Hatfield Weir 202-255-2490
Craig Davitian 202-333-2225



RESTON \$950,000
1629 Stowe Rd.
Reston, VA

Marianne Prendergast 703-626-7500
Will Prendergast 703-434-2711

VIEW ALL OUR VIRTUAL TOURS AT WFP.COM



202.944.5000

BRINGING YOU THE FINEST
AGENTS • PROPERTIES • EXPERIENCE

WFP.COM



MANSION

HOUSE CALL | LAMORNE MORRIS

Mom Saved His Life, Then Ellen DeGeneres Saw Him

The 'Saturday Night' actor on his father's deportation, childhood in the Chicago suburbs and Jon Hamm

MY MOTHER KNEW things had to change. Otherwise, there wouldn't have been much of a future for me or our family. The final straw was a neighborhood flag-football game on the street when I was 14.

I played in the game with my brother, and it didn't go well for the other team. One of the guys who lost got pissed off, a fight broke out and his brother came outside with a gun.

So, we moved from Chicago's South Side to Wheaton, a suburb about an hour west. We went from a Black neighborhood to a mostly white one.

In Chicago, we lived in my grandmother's four-bedroom,

two-bathroom home. Sadly, there was a crack house across the street. My mother, Gwennett, got a transfer with the post office and moved us into a three-bedroom rental.

She was a single parent raising four kids. I'm the youngest. My dad, Ernest, was deported back to Belize when I was 8. I had no direct communication with him from 1991 to 2022.

I was proud of what my mom had done for us. Then I'd go to friends' houses, where both parents worked six-figure jobs. They had three floors, multiple cars and housekeepers. I couldn't believe it.

My group of six friends in-



Above, Lamorne Morris in Los Angeles in 2023. To the left, Morris at age 2, with his 4-year-old brother, Devon, on the right.

cluded kids of different backgrounds—Indian, white, Black, Puerto Rican and Italian.

Chris was my best friend. He's white. We'd go to Old Navy and buy the same clothes and then tell people at school we were cousins.

The first play I auditioned for was "Godspell." I loved being on stage.

In high school, my algebra teacher carved out a time slot for me. He'd say, "Do you want to say something to the class and get it out of your system?" He'd add, "Do it now because if you interrupt

later, I'll send you to detention." I wound up in detention a lot.

I attended the two-year College of DuPage and majored in theater. My second year, a Second City recruiter came to see me in a play. She invited me to take classes at Second City, on them.

After I moved to New York in 2006, I hosted a talk show on BET called "Hotwired." Ellen DeGeneres caught my monologue while on her treadmill and invited me to Los Angeles to be part of her show, as a correspondent.

I couldn't because of my BET

contract. But I no longer wanted to be a talk-show host. Ellen had motivated me to move to L.A.

I was dead broke when I was cast in a string of TV ads. They caught the eye of a casting director for the series "New Girl," in 2011. That was my first big break. When I won an Emmy for "Fargo," my mom was there in tears, but she was more excited Jon Hamm fixed the back of her dress.

Today, I live with my 4-year-old daughter in the San Fernando Valley. We moved into a farmhouse four months ago. I wanted a big backyard so she could be active. There's a guesthouse, pool, playground and full basketball court.

My father and I communicated for years through others. When his mother was on her deathbed in 2022, I went to see her.

My father FaceTimed a family member who was there with me, and I spoke with him. It was emotional. He said he enjoyed watching me on TV and in movies. He died the next year. I regret not extending an olive branch sooner.

—As told to Marc Myers

Lamorne Morris, 41, is an Emmy-winning actor and comedian best known for TV series "New Girl," "Woke" and "Fargo." He co-stars in the new film "Saturday Night."

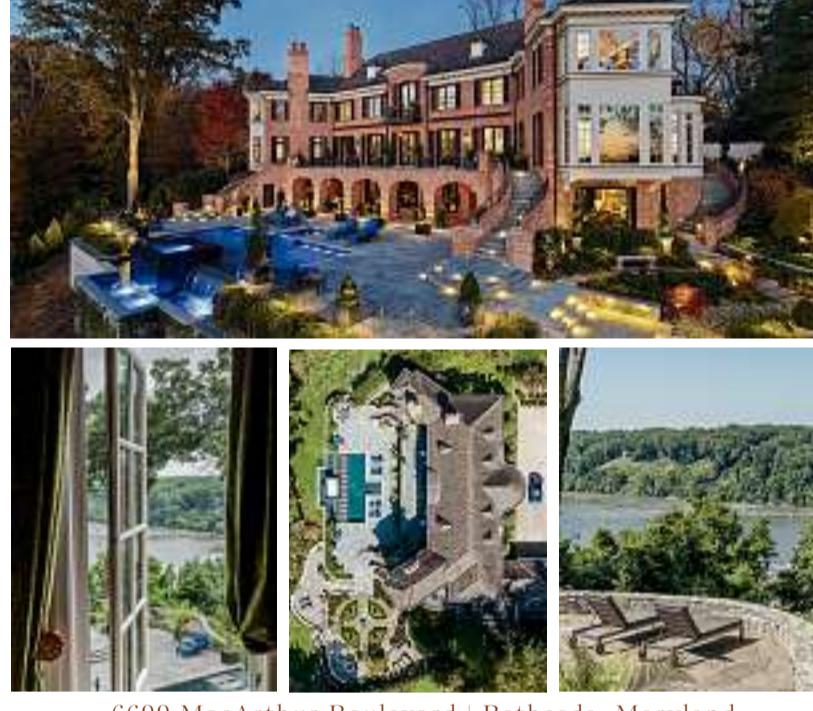
FROM LEFT: LAMORNE MORRIS (FAMILY PHOTO); ARI MICHELSON

ADVERTISEMENT

Distinctive Properties

To advertise: email sales.realestate@wsj.com or WSJ.com/classifieds

MARYLAND

HEIDER
At TTR Sotheby's International Realty

6699 MacArthur Boulevard | Bethesda, Maryland



A PANORAMIC PERSPECTIVE FROM BETHESDA'S MOST COVETED ADDRESS

Standing as Bethesda's premier estate offering, 6699 MacArthur Boulevard is amongst only a handful of world-class waterfront properties within the entire Capital Region. Towering over the Potomac River, old-world elegance meets contemporary luxuries in an enchanting intersection of craftsmanship and art. Designed by an all-star team of acclaimed artisans comprising architect Franck & Lohsen and master builder Leonard Nurmi of CDC Builders, the estate's nearly 12,000 square feet of interior space has been meticulously transformed by the current owner through a three-year renovation by BOWA Builders. A full-width upper terrace gracefully descends to the lower terrace and its focal point - an infinity pool and bubbling hot tub whose edge seemingly vanishes into the expanse beyond. An English garden perfectly complements the historical essence of the home's exterior. Irreplaceable like the world's rarest collectibles, 6699 MacArthur Boulevard is truly like no other.

6699MacArthur.com

EXCLUSIVELY REPRESENTED BY THE HEIDER COMPANY AT TTR SOTHEBY'S INTERNATIONAL REALTY

RANKED #1 IN WASHINGTON BY REALTRENDS | AS ADVERTISED IN THE WALL STREET JOURNAL

DANIELHEIDER.COM | 202-938-3685 | DANIEL@DANIELHEIDER.COM

MONTANA

ONLINE AUCTION EVERETT RANCH

A Luxurious Rustic Retreat on 120 +/- Acres
WHITEFISH, MT

BIDDING CLOSES NOV 14TH



PROPERTY FEATURES

- Boasting a 6,100 +/- Sq Ft Estate
- Stunning Panoramic Views
- Various Out Buildings
- 1.5 Miles From Downtown Whitefish
- Proximity to Ski Resorts and Whitefish Lake
- Just Minutes Away From Glacier National Park, Recently Ranked as the #1 Best U.S. National Park for 2024!



J. P. KING

www.jpking.com

800.558.5464

THE WALL STREET JOURNAL.

SHOW ROOM

ADVERTISE TODAY

(800) 366-3975
sales.showroom@wsj.com

For more information visit:
wsj.com/classifieds



THE WALL STREET JOURNAL.

NOTABLE COMMERCIAL PROPERTIES

EVERY WEDNESDAY

List Your Property Today

(800) 366-3975

sales.realestate@wsj.com

For more information visit:

wsj.com/classifieds



D | DOW JONES



THE WALL STREET JOURNAL.

DISTINCTIVE PROPERTIES

SELECT RESIDENTIAL LISTINGS FRIDAYS IN MANSION

LIST YOUR PROPERTY TODAY

(800) 366-3975 | sales.realestate@wsj.com

For more information visit: wsj.com/classifieds

D | DOW JONES

NORTH TEXAS' #1 LUXURY BROKERAGE

Curators of the unique.

The new neighborhood where classic architecture is going very contemporary

From the President's P.O.V.

**Anderson, anytime**

Don't miss Russ Anderson's weekly thoughts, always on briggsfreeman.com/blog

Alot more luxury is coming to Las Colinas.

That highly unique area of Irving, just 20 minutes from Dallas and 30 minutes from Fort Worth, is unlike anywhere else, with its Venice-inspired canals, Fortune 500 companies and perfect mix of residential, commercial and corporate areas. Oh, and the golf — lots of places to play golf. (Selfishly, that's my sport of choice.)

All of this adds to the excitement that Briggs Freeman Sotheby's International Realty is the exclusive brokerage for a superb new neighborhood being built there: Avadene at Las Colinas.

Avadene, for short, is a gated community with just 73 homesites across 22

acres. It is the creation of Mark Alexander, president of Alexander Hunt Distinct Homes and Alexander Homes Development Company. Mark and his team are building something really fresh — homes that are sleek interpretations of beloved architectural styles, including Tudor, Spanish and French Provincial. The distinct styles are unified by rich materials such as limestone, stucco and hand-cut stone, and roofs of slate, tile or standing-seam metal. Each will be a generous 4,000 to 6,000 square feet, with energy-efficient features and modern luxuries, such as an upstairs game room with a bar and, in some, a temperature-controlled wine room. Each offers four or five spacious bedrooms with private baths.

**Briggs
Freeman
Sotheby's
INTERNATIONAL REALTY**

BRIGGSFREEMAN.COM

The first two homes are underway, estimated to be completed by the end of this year. The lots are selling now, starting at \$407,000, and the homes begin at \$2 million. Come see avadene.com and briggsfreeman.com for all the details.

Then, come to 7200 Las Colinas Boulevard and have a look around. I'll be the one checking out Avadene's private pickleball courts. (Don't tell my golf partners.)

Russ Anderson

President and CEO

randerson@briggsfreeman.com



5108 Cantera Way | \$2,399,000
La Cantera at Team Ranch | Benbrook, Texas | Gated community

Jana Stidman / 714-394-3114 / jstidman@briggsfreeman.com

5910 Lupton Drive | \$4,900,000
Preston Hollow | Dallas, Texas

Penny Cook / 214-384-2847 / ptcook@briggsfreeman.comLisa Besserer / 214-543-2940 / lbesserer@briggsfreeman.com

738 N. Edgefield Avenue | \$786,000
Oak Cliff | Dallas, Texas

Joseph Romero / 817-606-7175 / jromero@briggsfreeman.com**WORK OF ART****GALLERY PENTHOUSE UNVEILED**

Rising high above the vibrant Dallas Arts District, the newly unveiled Gallery Penthouse at HALL Arts Residences is more than just a residence—it's the canvas for a life well-lived. With its striking architectural design and tranquil, welcoming spaces, this penthouse is the first in our exclusive collection.

Stay tuned for more luxurious penthouse offerings to come.



HALLARTSRESIDENCES.COM
214.269.9535 | info@hallartsresidences.com



MARKETED BY

**Briggs
Freeman**

INTERNATIONAL REALTY

Each Office is Independently Owned and Operated.



The designs, features and amenities depicted are subject to change and no assurance is made that the project will be of the same nature as depicted or that the project or the condominium units will be constructed. This is not an offer to sell, or solicitation of offers to buy condominium units in states where such offer of solicitation cannot be made.



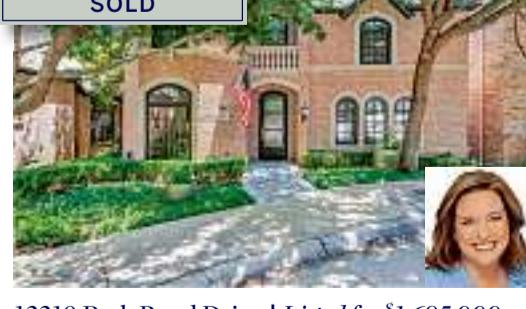
3901 Bradbury Circle | \$1,800,000
Town Lake | Flower Mound, Texas

Kim Bedwell / 817-229-9445 / kbedwell@briggsfreeman.com

Indian Ridge Ranch | \$3,200,000
Cisco, Texas | Eastland County | 286+ acres

TT Ranch Group / 214-718-2800 / tthomas@briggsfreeman.com

4507 Harvest Hill Road | \$1,200,000
North Dallas | Dallas, Texas

Shelle Carrig / 469-443-8765 / scarrig@briggsfreeman.comMatt Wilkerson / 214-471-2996 / mwilkerson@briggsfreeman.com

12210 Park Bend Drive | Listed for \$1,695,000
Lake Forest | Dallas, Texas | Gated community

Katherine Roberts / 214-457-7878 / kroberts@briggsfreeman.com

9531 Spring Branch Drive | Listed for \$1,250,000
Lake Highlands | Dallas, Texas

Malinda Arvesen / 214-354-7029 / marvesen@briggsfreeman.comDavid Arvesen / 214-354-6142 / darvesen@briggsfreeman.com

3510 Turtle Creek Blvd #18B | Listed for \$2,100,000
The Claridge | Turtle Creek | Dallas, Texas

Ralph Randall / 214-533-8355 / rrandall@briggsfreeman.com

214-350-0400

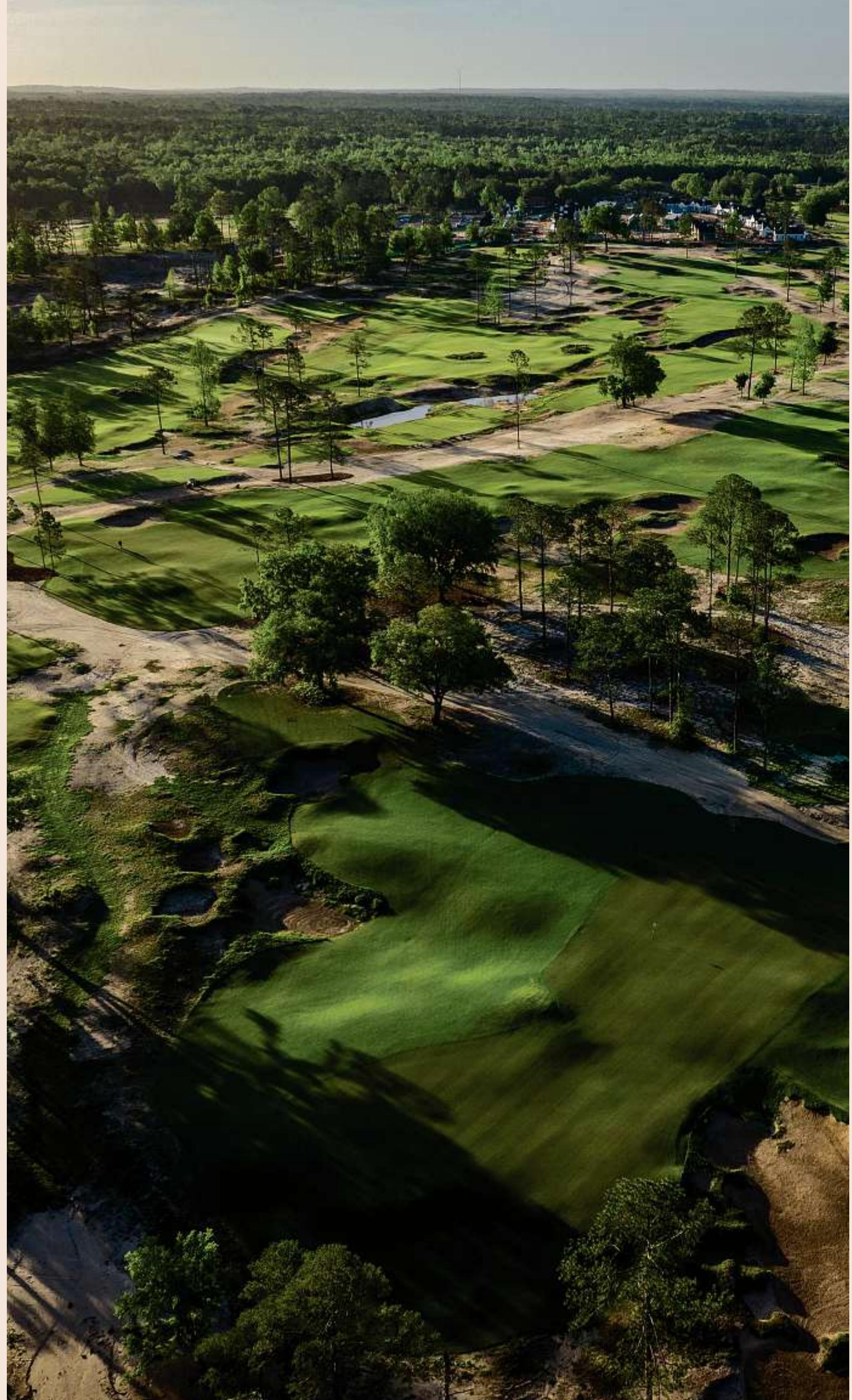


FIND US ON SOCIAL MEDIA

@BRIGGSFREEMAN AND #BRIGGSFREEMAN



WORLD-CLASS GOLF | REAL ESTATE COMMUNITY | RESORT AMENITIES | CABOTCITRUSFARMS.COM



For state registration, visit cabotcitrusfarms.com/legal for details.



Four world-class courses at your doorstep.

Nestled on 1,200 pristine acres, Cabot Citrus Farms offers a collection of graciously appointed two- and four-bedroom Cottages as well as Fairway Homes and four masterfully crafted golf courses. Golfers and homeowners alike can enjoy world-class amenities including two 18-hole courses, one 9-hole course, an 11-hole par-3 course, a new clubhouse, wellness center, adult and family pools and practice facilities.

Two-Bedroom Cottages start at \$1,800,000 USD | Four-Bedroom Cottages start at \$3,200,000 USD.