THE WALL STREET JOURNAL.

DOW JONES | News Corp ****** MONDAY, OCTOBER 28, 2024 ~ VOL. CCLXXXIV NO. 101 WSJ.com ★★★★ $5.00

Last week: **DJIA** 42114.40 ▼ 1161.51 2.68% **NASDAQ** 18518.61 ▲ 0.2% **STOXX 600** 518.81 ▼ 1.2% **10-YR. TREASURY** ▼ 1 8/32, yield 4.232% **OIL** $71.78 ▲ $3.09 **EURO** $1.0797 **YEN** 152.30

What's News

Business & Finance

◆ **The fight to control** inflation seems likely to hinge on the election, with economists saying that Trump's tariff and immigration policies in particular pose the risk of fueling price rises. **A1**

◆ **The housing market** is on track for its worst two-year period since the 1990s, as buyers are daunted by high prices and thin inventory, even with interest rates at two-year lows. **A3**

◆ **Investors this week will** sift earnings from many of the big tech companies whose stocks have powered the market to records, especially with an eye to AI spending. **B1**

◆ **The CEO of Douglas** Elliman was pushed by directors to resign after an investigation raised concerns on the board about a sexually charged work culture. **B1**

◆ **Spurred by SpaceX's** feat in retrieving its Starship booster rocket, competing launch companies are pushing to develop their own reusable boosters and other hardware. **B1**

◆ **Delta sued CrowdStrike** over the technology outage that grounded thousands of flights in a debacle for the airline. **B3**

◆ **The parent of 7-Eleven** is raising concerns about the future of its Japanese convenience stores' distinct flavor if the company is bought by Alimentation Couche-Tard. **B1**

◆ **Four tech companies** settled federal cases over allegations they misled investors about the extent to which they were compromised in the 2020 SolarWinds hack. **B4**

World-Wide

◆ **Israel's airstrikes hit** several of Iran's most advanced air defenses, exposing that country's vulnerability to future attacks as the two enemies engage in a new era of direct confrontation. **A1**

◆ **A truck plowed into** a crowd at a bus stop in central Israel, killing one and injuring dozens in a suspected terrorist attack. **A8**

◆ **With little more than** a week until the election, partisans on both sides are in a state of agonized suspense and the campaigns have amped up their appeals to an apocalyptic degree. **A4**

◆ **The authoritarian,** pro-Russia ruling party in the Caucasus republic of Georgia declared victory in an election denounced by the opposition as fraudulent. **A7**

◆ **Japanese voters deprived** the ruling Liberal Democratic Party of the absolute majority it has held for over a decade in the lower house, in an election that prolongs uncertainty for the prime minister. **A7**

◆ **A U.S. government panel** plans to investigate how Chinese hackers breached several U.S. telecom networks, seeking to spy on Trump and other prominent Americans. **A3**

◆ **Mexican President** Sheinbaum faces a major test in her vow to combat organized crime after the recent brazen murder of the mayor of a state capital. **A9**

◆ **Bolivia's ex-President** Morales said he escaped an assassination attempt when gunmen fired on his car. **A9**

JOURNAL REPORT
Technology: Fixing your digitized medical records. **R1-14**

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FROM LEFT: ELOISA LOPEZ/REUTERS; ALEX BRANDON/ASSOCIATED PRESS

FINAL DAYS: Vice President Kamala Harris greets supporters of her Democratic bid for president Sunday in Philadelphia, and former President and GOP nominee Donald Trump addresses a rally Sunday at Madison Square Garden in Manhattan. A6

Economists Warn of Potential For Inflation Following Election

By Nick Timiraos

A punishing 2½-year fight to bring inflation down appears to be succeeding. The election could change that.

Inflation has fallen because of higher interest rates and big assists from healed supply chains and an influx of workers. But whether borrowing costs and price growth continue to ease next year could turn heavily on policy choices by Donald Trump or Kamala Harris.

Both candidates support policies to boost growth that might keep inflation from falling any further. But economists and even conservative-leaning advisers worry that the ideas backed by Trump, in particular, risk stoking the embers of inflation. Those include the Republican presidential nominee's proposals to slap across-the-board tariffs on imported goods, to deport workers and to lean on the Federal Reserve to lower interest rates.

"Put them all together, these levers are moving more in an inflationary direction. I'm legitimately worried about inflation worsening in 2025," said Brian Riedl, a former GOP Senate aide now at the conservative Manhattan Institute.

Moreover, a second Trump term would unfold against a much different economic backdrop than his first one, when price pressures had been low and stable for many years.

Given the changed economic environment and the farther-reaching policies Trump has proposed, it is reasonable to worry that inflation threats would be magnified in a second Trump term, said Marc Short, who served as legislative-affairs director in the Trump White House. Trump's proposals could draw him into new battles with the Fed, which is mandated to keep inflation low.

Inflation is largely driven by global forces, not individual

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◆ **Ahead of Nov. 5, America is stressed out**.................. **A4**
◆ **Farmers backing Trump look past trade threats**... **A5**

Israeli Strikes Expose Iranian Weakness

Attack on Tehran's air-defense sites shows gap between enemies' capabilities

BEIRUT—The Israeli strikes on Iran hit several of Tehran's most advanced air defenses, exposing Iran's vulnerability to future attacks as the two enemies engage in a new era of direct confrontation.

By Sune Engel Rasmussen, Laurence Norman and Anat Peled

During the hourslong attack early Saturday, Israeli warplanes struck Iranian military assets in three provinces, including three Russian-supplied aerial defense systems known as S-300, U.S. and Israeli officials said. A fourth aerial defense system was also hit. An Israeli official said that all the air-defense systems were rendered unusable.

The Israeli attack came after significant U.S. pressure to avoid hitting Iran's nuclear and oil facilities, with the U.S. saying Iran should now stand down from further escalations.

In a speech on Sunday, Iranian Supreme Leader Ali Khamenei said Israel had inflicted damage on Iran, and said that while Israel was exaggerating the impact, it would also be wrong to play down the attack or dismiss it as unimportant. Khamenei, who has led Iran since 1989, refrained from promising harsh retaliation, as he has done after other attacks.

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◆ **Israel's largest strike on Iran took weeks of planning**... **A8**

Close Friends Star In Big Succession Dramas

Kamala Harris and Disney executive Dana Walden have found themselves in remarkably similar situations

By Erich Schwartzel and Sarah Krouse

Around 2004, a rising TV executive named Dana Walden began calling politically connected friends to let them know about a hot new prospect.

She wasn't talking about a star or script. She was talking about a little-known district attorney in San Francisco, her friend Kamala Harris.

When Walden asked her Hollywood pals to donate to Harris's political campaign, some asked why they should care about a DA race nearly 400 miles away.

You may not think you care, she told them, *but she is going to be a national figure someday.*

Over the next two decades, the two friends rose to the upper echelons of their careers while staying close during million-dollar fundraisers, a life-changing blind date and New Year's Eve parties. Now the two women, both 60 years old, born seven days apart, find themselves in remarkably similar situations amid two high-stakes succession dramas.

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SPORTS
Dodgers' Ohtani expected in Monday's lineup despite shoulder injury. **A14**

MICHAEL M. SANTIAGO/GETTY IMAGES

BUSINESS & FINANCE
Keurig and Starbucks get burned as discounts dent revenue. **B1**

Why Women Leave Their Rings Home

* * *

Couples save diamonds for special occasions

By Tara Weiss

When they started discussing marriage, Kate Okenatez-Mahoney made it clear she didn't want an engagement ring from her now-husband Pete Mahoney. So he gifted her an iPod preloaded with their favorite songs, with an engraving on the back that read: Kate, will you marry me?

"That was my engagement ring," said Okenatez-Mahoney, 44, of Roswell, Ga. "It was something practical, usable and so connected to our story with the music aspect. I used it all the time."

Many younger women have a much more casual relation-

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Wealthier Americans Pay Up to Age in Luxury

By Clare Ansberry

In the heart of Silicon Valley, well-off baby boomers enjoy meals of porchetta and cheesy polenta, prepared with herbs plucked from the community garden. Thirty-foot-tall windows offer a view on a quiet creek winding along manicured grounds.

Spending later years at this community, Vi at Palo Alto, comes with a price tag that starts with an upfront payment that can range from $1.17 million for a one-bedroom apartment and up to $7.3 million for a three-bedroom unit. Ongoing monthly fees up to $13,800 cover services such as housekeeping and valet parking, and amenities. Residents can attend lectures by professors of nearby Stanford University or a performance by opera singers.

For wealthier Americans, greater options exist for how to spend their later years. A growing crop of high-end communities, called life plan communities, allow residents to start in an apartment and then move to more nursing-like care as they age. Occupancy rates are rising, with the rate in the independent living units above 80% today, according to NIC MAP Vision, a data source for senior housing research.

Resident contracts typically work like a membership and, depending on terms, lock in rates so that costs don't escalate when higher levels of care are needed. Inclusive care contracts come with higher upfront fees, but allow customers to sidestep having to find, and pay for, different levels of care as they age.

Many baby boomers watched parents or friends struggle to age in their homes—and scramble to find nursing or home healthcare—said they are determined to do

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U.S. NEWS

Wealthier Americans Age in Style

Continued from Page One
things differently, for their own peace of mind and that of their children.

"It's a gift to our kids," said Virginia Pollard, who lives with her husband, David, at Vi at Palo Alto.

Finding the right life plan or continuing care retirement community is like looking at colleges, residents said. The ideal is a place that feels personally comfortable, whether in the city or country, and where they can be among others with similar accomplishments and interests.

Kendal Corp. has life care communities near Oberlin College in Ohio and Cornell University in Ithaca, N.Y. The Forest at Duke neighbors Duke University. Like colleges, they often have wait lists.

Ron Litvak, 66 years old, a retired lawyer in Denver, said he and his wife are on two wait lists—one for a premier life planning community in Denver and another for La Costa Glen in Carlsbad, Calif.—and plans to get units in each.

Litvak saw his own parents grow isolated in their 17-story Denver condominium, his father with Parkinson's and his mother with emphysema. Litvak brought them groceries and managed their care as their needs increased.

"I don't want my kids to do that," he said, adding that he thinks people live better and longer if they have a good social network.

"If we could get ourselves into a community at a time when we are able to enjoy it and make new friends, I think it will make for a better existence for both of us," he said.

KATIE THOMPSON FOR WSJ

David and Virginia Pollard's inclusive-care contract at Vi at Palo Alto, in Silicon Valley, offers access to higher levels of care with little to no increase in monthly fees.

Nursing boost

Entrance fees for life plan communities, which have both independent living and nursing care on one campus, average between $100,000 and $400,000 and can go as high as $7 million, according to industry surveys.

The upfront fees can be partially refundable depending on the contract and often reflect the local real-estate market.

"You're not going to find a $6 million entry fee in the middle of Iowa," said Lisa McCracken, head of research and analytics for the nonprofit National Investment Center for Senior Housing & Care, which tracks the estimated 1,900 life plan communities. Most are located in larger metropolitan areas. Some, such as Willow Valley Communities in Lancaster, Pa., are in smaller cities.

Monthly fees average about $4,800 and are subject to annual increases that have historically averaged about 3% to 4% in the past decade, but have been higher in recent years, according to NIC MAP Vision.

Some communities offer a rental option, with no upfront fee, or have lower entry fees but charge more for nursing care. Others are adding an at-home option, with members paying a one-time membership fee that can range from $50,000 to $140,000 depending on age and coverage terms. There also are monthly fees of $400 to $700 for care and services at home.

The Pollards intended to age in their home on Stanford University's campus, where David taught. They added space for a live-in caregiver.

That changed when they began seeing friends become isolated as they grew frail, said David, a professor emeritus of earth sciences. One acquaintance died after falling from a roof while doing home repairs.

The couple always shared tasks around the house and realized, said Virginia, that if one got hurt or became ill, the other would have to do everything.

"We saw a whole lot of problems coming our way," David said.

His own parents lived in their Napa Valley home a few hours away and relied on private duty aides. If a caregiver didn't show up, they would call David for help.

In 2019, the Pollards moved into a two-bedroom apartment at Vi at Palo Alto, one of 10 high-end Vi life plan communities in the U.S. Their inclusive-care contract offers access to higher levels of care with little to no increase in monthly fees. Monthly fees are about $12,000, David said.

They swim at the aquatic center, attend fitness classes and weekly lectures and serve on various resident councils. David said he marvels at active fellow residents 15 and 20 years older, who have become role models.

"We both know we made the right decision," Virginia said.

Money math

Many life plan communities have waiting lists of about two years, but can stretch to five years or longer, said Tripp Higgins, president of myLifeSite, an education resource for older adults. Longer wait lists can be hard on consumers but benefit life plan communities, which can fill vacancies quickly.

"They rely on a long wait list to maintain high occupancy levels," Higgins said.

Jane McCaffrey, 83, figures she saved money by moving into Meadow Ridge, a 136-acre life plan community in Redding, Conn.

She and her late husband sold their 10,000-square-foot house and moved into a two-bedroom apartment in 2017. The entry fee then was $750,000, of which 80% is refundable to her or her estate.

Her $9,000 monthly fee covers food, transportation to medical appointments, utilities, housekeeping and access to all programs. She no longer pays real-estate taxes.

"I would be paying more if I lived in my very big house," said McCaffrey, a retired CPA, who is on several resident committees. Under her life care contract, the monthly fee will remain comparable if she eventually needs skilled care. "I'm here until I die."

Inflation Risks Loom After Vote

Continued from Page One
presidents. During Trump's term, the overhang of the 2008 global financial crisis kept demand and price pressures subdued globally. Inflation soared beginning shortly after President Biden, a Democrat, took office, as the U.S. reopened from the pandemic.

Strong demand from that reopening received big booster shots from ultralow interest rates and Biden's fiscal stimulus. All of this ran headlong into crippled supply chains and discombobulated labor markets. Inflation hit 9.1% in 2022, after Russia's invasion of Ukraine roiled global energy markets.

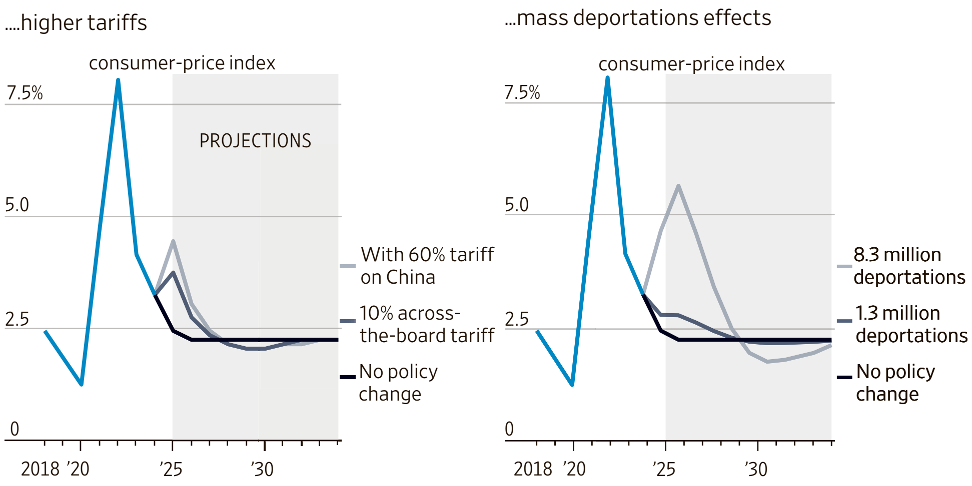
Inflation has slowed steadily as supply problems have sorted themselves out and as the Fed has raised interest rates. The consumer-price index slipped to 2.4% last month, close to where it was before the pandemic. Looking ahead, global trends will likely continue to be the main inflation drivers.

Harris, the Democrats' presidential nominee, has promised to tackle the cost-of-living crisis by boosting home construction, cracking down on alleged price gouging, and expanding a tax credit for families with young children.

The vice president has committed to offsetting any new spending programs with tax or other revenue increases but hasn't proposed significant outright deficit reduction. "If Democrats hold on to power, I don't think you're going to see a big spike in inflation, but we may find that it remains somewhat sticky and stubborn," Riedl said.

Trump wants to extend pieces of his 2017 tax-cut law that expire after 2025 while further lowering corporate tax rates. He has also proposed eliminating taxes on workers' tips, overtime pay and retirees' Social Security benefits.

Estimates on inflation of...



Note: Tariff scenarios assume other nations impose retaliatory tariffs on imports from the U.S.
Sources: Congressional Budget Office (current policy), Peterson Institute for International Economics (tariff and deportations scenarios)

Changes to trade and immigration policy, where the president has more freedom to act without seeking approval from Congress, make Trump a bigger wild card.

"If he does the things he says he's going to do, straight up, he will be hitting the U.S. economy with a negative supply shock. Prices will go up, and the capacity of the economy to supply goods and services will go down," said Adam Posen, president of the Peterson Institute for International Economics.

A Peterson Institute study estimated that deporting immigrants would significantly reduce economic output while boosting inflation. With fewer workers available, businesses would have to either raise wages and prices or accept lower margins.

Supporters of the Trump administration's immigration proposals said the economy will be better off if Americans earn more doing jobs now held by foreign workers.

"If we in fact restrict the labor market to American workers, they will get paid more, and prices will then have to be higher," said Oren Cass, founder of American Compass, a think tank that is supportive of Trump's trade and immigration agenda. "That sounds to me like how markets are supposed to work."

But many economists said labor markets are more complex and warn of ignoring knock-on effects of shrinking the workforce.

Economists at the University of Colorado, Denver, studied the deportations carried out by the Bush and Obama administrations between 2008 and 2014. They found that, for every one million unauthorized workers expelled from the U.S., 88,000 American workers lost their jobs.

That is because immigrant workers in certain industries such as food processing, agriculture, construction and hospitality don't necessarily compete with U.S. workers. If current workers are expelled, rather than hire more native-born workers, those businesses are likely to scale back production. Fewer sales, in turn, lead to fewer higher-paying jobs held by native-born workers that cater to those industries.

> **Inflation has slowed steadily as supply problems sort themselves out.**

Business leaders and economists agree that U.S. consumers will bear the cost of tariffs. "We will pass those tariff costs back to the consumer," said Philip Daniele, chief executive of AutoZone, in a September earnings call.

Trump has floated an across-the-board tariff of 10% and tariffs on Chinese imports of 60% or higher. Both are much farther reaching than anything he previously attempted.

Advisers to Trump said his tariffs wouldn't be inflationary, either because a more limited series of tariffs in 2018 and 2019 didn't produce inflation, or because he would simply use the threat of larger tariffs to gain leverage.

"Just like 2016, Wall Street and so-called expert forecasts said that Trump policies would result in lower growth and higher inflation....Actual growth and job gains widely outperformed these opinions," said Brian Hughes, a senior campaign adviser.

Some conservative economists said Trump's promises to cut regulations, especially in the energy sector, could lower inflation by removing production barriers.

Short, Trump's former legislative-affairs director, said the first administration didn't cut spending as promised. Likewise, he said, investors are underestimating the risk that a second administration would be less friendly to businesses by seeking to pick winners and losers.

"The first administration was very deregulatory, and I'm just not sure that's what you're going to get in a Trump 2.0 because most of the people around the president now clearly see a more expansive role for government in the economy," Short said.

For the Fed, figuring out the downstream impacts of higher tariffs would be complicated and uncomfortable. Anything that rekindles inflation could lead officials to slow or even halt plans to reduce interest rates. They began dialing rates down from a two-decade high last month.

Trump, who repeatedly pressed for lower rates when he was in office, would be able to name a new Fed chair in 2026. Short predicted "a very active president as far as interaction with the Fed."

Fed officials might conclude that tariffs are akin to a tax hike that weakens demand. In 2019, higher tariffs roiled stock markets and threatened to chill business investment. The Fed cut rates after concluding the trade war's negative hit to economic growth would overwhelm any inflationary impacts.

Some believe the central bank could remain neutral. At a conference this summer, Fed governor Christopher Waller, a Trump appointee, suggested that if tariffs cause a one-time price increase, "it seems like the ultimate supply shock that a central bank should just look through."

Others worry tariffs could stoke inflation. For example, workers might start demanding higher wages because prices are going up. U.S. trading partners could retaliate by placing tariffs on other products, initiating a rolling trade war. "That, to me, sounds more inflationary as opposed to a one-time change in the price level," said Federal Reserve Bank of Chicago President Austan Goolsbee in an interview this summer.

Rising budget deficits pose a final source of concern. Some analysts fear a growing list of spending and tax-cutting promises from both candidates will lead deficits to rise because politicians will underestimate their price tag.

U.S. WATCH

GEORGIA

DA Willis Faces Rare GOP Challenge

Fulton County District Attorney Fani Willis, the Democratic Georgia prosecutor who brought charges against former President Donald Trump over efforts to overturn the 2020 presidential election, faces a rare Republican challenger in her bid for re-election in the state's most populous county.

The GOP candidate, Courtney Kramer, a lawyer who interned in the White House counsel's office under Trump, said she wants to bring transparency and accountability to the office.

Willis said voters should give her four more years because of her record in office, including a pre-indictment diversion program she started and a program in schools to encourage students to choose alternatives to gangs and crime, as well as reductions in homicides and the backlog of unindicted cases.

Kramer, who grew up in Fulton County and knows the political landscape, has visited Trump's Mar-a-Lago estate, posted photos of herself with a "who's who" of MAGA personalities on Instagram.

Fulton County, home to about 11% of the state's electorate, is a Democratic stronghold where no Republican has even run for district attorney since 2000. Willis has raised $2.1 million, compared with Kramer's $278,000, and is heavily favored to win.

—Associated Press

MASSACHUSETTS

Woman Dies in Fire At Encampment

A woman died in an outdoor fire at an encampment in Millbury on Saturday night and crews on Sunday were still fighting a large overnight brush fire in Salem as dry and windy conditions have raised the risk of wildfires in southern New England.

When state police responded to the small brush fire in Millbury around 8:20 p.m. on Saturday, the trooper found the woman dead in the encampment where the fire was thought to have started.

The fire was put out and the cause and origin is under investigation, police said. They said Massachusetts was under a red-flag warning on Saturday, meaning that any outdoor fire could spread quickly and be hard to extinguish.

Another fire started on Saturday evening in the woods near a Walmart store in Salem. Flames were visible and smoke had engulfed the area. The fire was under control by early Sunday, and crews were tending to hot spots as winds were expected to pick up later in the day.

There were no reports of injuries or evacuations.

—Associated Press

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China Breach of Telecom Networks Probed

By Dustin Volz

WASHINGTON—A U.S. government panel plans to investigate how Chinese hackers breached several U.S. telecommunications networks, seeking to spy on prominent Americans, including former President Donald Trump and associates of Vice President Kamala Harris's campaign, according to people familiar with the matter.

The probe by the Cyber Safety Review Board will examine the lapses that allowed the hackers, who are believed to be working for a Chinese intelligence agency, to orchestrate a series of intrusions that some Biden administration officials fear amount to a major espionage coup against the U.S.

"The Cyber Safety Review Board will initiate a review of this incident at the appropriate time," a Department of Homeland Security spokesman confirmed in a statement to The Wall Street Journal. DHS oversees the board, which consists of senior officials and private-sector security experts.

It wasn't clear when the board will begin its investigation. The Biden administration is still actively responding to the fallout from the intrusions into the telecommunications companies, which were first revealed by the Journal last month. Such a probe is likely to take months and would yield a public report.

Salt Typhoon

The hackers, dubbed Salt Typhoon by investigators, are believed to have compromised the phones of a number of prominent individuals in politics and national security, including some in the U.S. government, according to people familiar with the matter. It is unclear if attempts to steal data from Trump and GOP vice-presidential nominee JD Vance as well as from Harris's associates were successful.

There could be valuable information to foreign spy services on the phones of top U.S. politicians, including text messages and phone-call records.

The known scope of the attack, which compromised Verizon Communications, AT&T and Lumen, among others, has grown substantially in recent weeks as the investigation has progressed.

The hackers are believed to have targeted systems used by the companies to comply with court-authorized surveillance wiretaps. They attempted to surveil the phones of Senate Majority Leader Chuck Schumer's staff and of officials within the Biden administration, according to people familiar with the matter.

Dozens targeted

In total, investigators now believe that the hackers targeted—and in some cases successfully compromised—at least several dozen different companies and people. They attempted but failed to access an account belonging to a Journal reporter after that reporter published articles about the group's activities.

The Cyber Safety Review Board, formed in 2022 by President Biden, is tasked with examining significant cybersecurity events that affect government, business and critical infrastructure. It is loosely modeled on the National Transportation Safety Board, which investigates and issues public reports on airplane crashes, train derailments and other transportation accidents.

The panel has previously issued reports on vulnerabilities related to the open-source software logging tool called Log4j, a global cyber-extortion group, and the Chinese hack of Microsoft emails belonging to officials at the State and Commerce departments discovered last year.

Rise in Rates Derails Housing Recovery

By Nicole Friedman And Gina Heeb

The U.S. housing market is stuck.

The real-estate industry hoped 2024 would be a recovery year in which mortgage rates fell and home sales climbed. Mortgage rates dipped over the summer and hit a two-year low in September as they moved toward 6%.

But buyers continued to hold back. They have been spooked by expensive home prices and low inventory. Even at two-year lows, rates were still too high for many buyers, and now they have rebounded to their highest level in nearly three months.

Now, sales of existing homes are on track for their worst year since 1995 for the second year in a row, according to the National Association of Realtors. Even if this year's sales slightly exceed last year's level, they are still on track for the worst two-year period since the mid-90s, when the country's population was considerably smaller.

Widespread frustration with the housing market has made it a campaign issue in the weeks leading up to the presidential election. Both candidates are pledging to bring down housing costs.

The housing-market slowdown since early 2022 has helped the Federal Reserve achieve its goal of curbing inflation and cooling economic activity. A higher borrowing cost for homes is one of the most direct ways that Fed policy ripples through the economy.

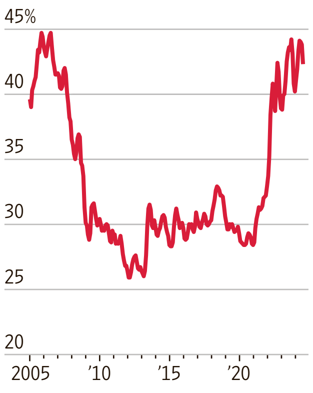
The low level of home sales has hurt real-estate brokerages and mortgage lenders, as well as home-related industries like furniture stores.

"People are only moving if they have to," said Nicole Dudley, a real-estate agent in the Phoenix area. "We'll go a week without a showing, which is a long time compared to even last year."

The rise in mortgage rates since 2022 also exacerbated the shortage of existing homes for sale, because homeowners with low-rate mortgages were unwilling to move and take on a higher mortgage rate. That has kept home prices high.

Federal Reserve Chair Jerome Powell said in September that lower rates would help the market, but more construction also would be needed. Home-building activity plunged during the financial crisis, helping cause today's shortage of homes.

Share of income needed to cover housing costs



Note: Share is based on median household incomes and median home prices.
Source: Federal Reserve Bank of Atlanta

The industry is hoping for a turnaround in 2025. The Fed cut short-term rates in September and is expected to cut them again later this year. That could translate to improved affordability for home buyers.

"We still expect mortgage rates to continue to fall as the Fed cuts," said Ralph McLaughlin, senior economist at Realtor.com. But because rates stayed high in the first half of 2024, "everything got pushed back."

The outlook remains murky and any recovery in home sales could be gradual. The presidential election could play a role. Most economists think inflation and interest rates would be higher under former President Donald Trump's proposed policies.

Peter Estridge and Alexis Pool sold their Chicago duplex in early 2023 but negotiated a two-year agreement to rent one of the units, giving them time to search for a bigger house in the suburbs.

"My plan was thinking, 'Rates go up, prices go down,'" Estridge said.

Instead, he said, they have had to lower their budget as prices and mortgage rates have stayed high and their expectations for property tax and insurance costs have risen. There are few options in their price range, and many are old, small or in less-desirable locations, he said."I did not think we'd be here for two years" without finding a home to buy, he said.

The decline in rates last month sparked optimism among buyers and real-estate agents. New listings and pending sales rose in September from a year earlier, according to Realtor.com. (**News Corp**, parent of The Wall Street Journal, operates Realtor.com.)

But mortgage rates started climbing again this month. Mortgage rates tend to loosely move with the 10-year Treasury yield, which has risen above 4% after surprisingly robust economic data and amid concerns about the budget deficit.

That has sapped the momentum from the market. The average rate for a 30-year fixed mortgage recently rose above 6.5% for the first time since early August, according to Freddie Mac.

"We saw some signs that the buyer was ready to return at 6.2%," said Skylar Olsen, chief economist at Zillow Group. But "when they saw that mortgage rate [rise], at this time of year, they're saying, 'I might try my luck next year.'"

One bright spot this year has been the market for newly built homes, because home builders are offering incentives that lower buyers' mortgage rates. New-home sales in the first nine months of the year rose 3.4% from the same period last year, according to Census Bureau data.

MICHELLE GUSTAFSON FOR WSJ (2)

For Leaders of All Faiths, Politics Can Be Perilous

By Clare Ansberry

The Rev. Thomas Rusert, pastor of St. Paul's Lutheran Church in Doylestown, Pa., recently stood before his congregation holding up two cereal boxes, one brand reportedly favored by Democrats and the other by Republicans.

"We have both in our cupboard," Rusert said.

St. Paul's "purple" congregation, he continued, is filled with people who vote differently but come together on Sundays, share the same pew and sing the same hymns because who they are transcends their political party.

Religious leaders across the country, especially those in battleground states like Pennsylvania, face enormous pressure this election season to deftly navigate political and social issues dividing the country and their congregations. Clergy say they can get criticized from all sides—for being too hard or too soft on political issues, or for discussing politics or avoiding the subject. Religious leaders also don't want to jeopardize the tax-exempt status of their places of worship by engaging in political campaign activity.

Only 20% of pastors said they felt equipped to lead on "politics and civic engagement," according to a survey last year of more than 450 Protestant pastors by Barna Group, a research firm that studies faith in the U.S. One out of four Protestant pastors feel limited in what they can preach regarding race and gender equality and other issues, according to a separate Barna survey this year.

Plenty of congregants don't want any politics from the pulpit. "When they go to church, a lot of times they say, 'I don't want to hear about the election and politics.' I just want to be reminded that God is in control,' " said Rev. Matt Lowry of Flagstaff, Ariz., whose Holy Trinity Catholic Newman Center parishioners consist of college students and area residents.

The Rev. Thomas Rusert, above, lead pastor of St. Paul's Lutheran Church in Doylestown, Pa., top, uses gospel readings to make points that are relevant but aren't directly political. He is already working on his sermon for Nov. 10.

'No One Likes to Be Told What to Do'

This fall, attendance doubled at two Sunday faith and politics adult education classes at St. Paul's Lutheran, which were led by Judy Hengst, a Democrat, and her husband, Rich Hengst, a Republican. The couple and other members of the group presented party platforms on abortion, gun control and the environment, as well as the position of the Evangelical Lutheran Church in America. People found they supported elements of opposing party platforms, Judy Hengst said.

The Hengsts say they don't want their pastor to tell them how to vote or what to do. They favor his approach of making them think. "No one likes to be told what to do," Rich Hengst said.

The Rev. Brian Tillman, senior pastor of Central United Methodist Church in Atlanta, said he feels a responsibility as a clergy member to talk about politics even if his congregants haven't always wanted him to do so. He frequently discusses poverty, racism and sexism, and laws and public policies affecting them, but refrains from partisanship. "We don't live in a bubble," he says.

Rabbi Aaron Starr, of Congregation Shaarey Zedek in suburban Detroit, said he is careful about not endorsing a candidate from the pulpit, but encourages his congregation to challenge extremes in their own parties. He has had more individuals privately seeking his input regarding the elections this year than in any of his 20 years as a rabbi. He believes that reflects, in part, a greater fear about the war in the Middle East and rising antisemitism in the U.S., and the urgency in electing a leader who can address those issues.

Imam Chris Caras of the Islamic Center of Pittsburgh encourages his members to vote and make informed choices when speaking publicly from the minbar at his mosque. He doesn't tell them who to vote for or which party to support, but does tell them not to vote for "anyone complicit in genocide." Privately, he will tell them that he is supporting a third-party candidate and explains why.

Rusert, in Doylestown, uses gospel readings to make points that are relevant in the current environment but aren't directly political or partisan.

Recently, he said the message of that day's gospel was "Jesus loves the unlovely," but he didn't define the unlovely, which could take on partisan tones.

"I leave it to my purple congregation to figure out how to love the unloved and who is unlovely to them," he said. "People in both camps view the other as unlovely."

Another time, he talked about Jesus helping the oppressed, and then described oppressed people in both Gaza and Israel, without saying one was more oppressed than the other. "Who are the oppressed? You have them here, and there. How do we stand up and advocate for them?" he asked.

Rusert regularly questions himself while preparing for a Sunday sermon and wanting to reference gender, race or immigration. "Am I making a political point or am I making a gospel point? I have to really wrestle with this," he said.

He says he tries to set the tone at the pulpit, but also relies on congregation members to continue the conversation. They have delved into issues in small-group discussions, including one on faith and politics, which initially formed in 2022 and reconvened this year.

He encouraged the group to include Republicans, Democrats and independents.

Religious leaders often dread election season and look forward to its end. This year, they are also concerned about the aftermath, whether results will be contested and whether divisions deepen. The faith and politics group at Rusert's church plans to meet after the election and again in January to pray for a smooth transition.

Rusert is already working on his sermon for Nov. 10, the Sunday after the election. He is studying the text and researching thoughtful authors. He wants to help people understand the gospel message and make it relevant to them in the current moment.

"Half of them are going to be upset or terrified and the other half is going to be delighted and relieved," Rusert said. "I'm trying to think of how to hold them together."

DUSTIN CHAMBERS FOR WSJ (3); ALEX BRANDON/ASSOCIATED PRESS (TRUMP)

Ahead of Nov. 5, America Is Stressed Out

Voters on each side see damage to the U.S. whoever wins; 'a lot of marijuana'

By Molly Ball

Clockwise from top left: Donald Trump appearing last week in Zebulon, Ga.; Kamala Harris in Clarkston, Ga., the following day; stickers for voters in Atlanta; and attendees at the Harris event in Clarkston.

CLARKSTON, Ga.—The sun was shining. Bruce Springsteen was strumming an acoustic guitar. Yet beneath the peaceful surface, the stadium packed with thousands of Democrats practically thrummed with anxiety.

"I'm honestly legit kind of terrified," said Rebekah Williams, a 46-year-old Atlanta resident wearing a T-shirt that read "pro science, pro choice, pro wrestling." The thought of trying to get through the next couple of weeks until the election had her on edge, not to mention what might happen afterward. To get through it, she was counting on "a lot of marijuana."

With little more than a week to go in what could be the closest presidential election in American history, the nation is on edge. Partisans on both sides are paralyzed with suspense and apprehension as they look to white-knuckle it through the coming days. The candidates have amped up their appeals to an apocalyptic degree as the campaigns frantically work to turn out the vote.

As Donald Trump and Kamala Harris both campaigned in this crucial swing state, voters broadly said this election feels different than those that came before—less a regular democratic exercise than a national panic attack, a twilight clash that could end democracy for good.

"I can remember elections where it felt like things would be OK regardless of the outcome," Phillip Appiah, a 50-year-old contractor from Stone Mountain, said as he waited in line for a food truck on the stadium turf. "That feeling is absent this time."

The angst is widespread across the political spectrum. In a Wall Street Journal poll released last week, 87% of voters said they believe America will suffer permanent damage if their candidate loses. Among Harris's voters, 57% said they would feel "frightened" if Trump is elected, while 47% of Trump voters said they would feel frightened if Harris wins; smaller percentages expected to feel the milder reactions of anger or disappointment. At least half of voters said they think violence is likely if either Trump or Harris wins, and 53% say America's divisions will keep growing regardless of the election's outcome.

The same poll found Trump narrowly ahead within the margin of error—essentially a tie, similar to the results of numerous other recent national and swing-state polls. Even the polling guru Nate Silver, who rose to fame on predicting the outcome of elections, says he can't predict which way this one will go (though his "gut says Donald Trump").

In interviews, Democratic and Republican strategists oscillated between confidence and uncertainty. Are the polls undercounting Trump's voters as they have in the past—or overcounting them, as pollsters try to compensate? Could there be an undetected surge of new women voters animated by abortion—or of men drawn to Trump's unconventional appeals?

> Many in the GOP project confidence but admit they can't be sure.

Many Republicans are projecting confidence but privately admit they can't be sure. "It wouldn't shock me if there's some kind of sleeping giant out there," said one Republican strategist—an under-the-radar electoral force that polls aren't picking up. "It wouldn't shock me if Trump ends up overperforming expectations in key voter groups. I also wouldn't be shocked by Harris winning every swing state."

"I don't have emotions anymore. I can't let politics make me emotional," said Lauren Groh-Wargo, a Georgia Democratic strategist who runs the Fair Fight Action voter-mobilization group.

A Democratic lobbyist in Washington put it more succinctly: "There are not enough gummies I can take to soothe the angst!"

More than 38 million people had voted early across the country as of Saturday, according to the University of Florida Election Lab. Georgia has seen record turnout every day since early voting began on Oct. 15. As a steady stream of voters lined up to cast ballots in the politically mixed Atlanta suburb of Marietta on Thursday, nearly all expressed trepidation about the days and weeks to come.

"I have no idea and I don't think anybody else does, so yeah, it's stressful," said Scott Evans, a 64-year-old mortgage broker. "I feel like I live in a country I don't want to be in anymore. There's nobody good to vote for." A Republican-leaning independent who wished Robert F. Kennedy Jr. had stayed in the race, Evans said the country is careening toward a crisis no matter who wins: "Honestly, I think we're in trouble no matter what," he said.

Maria Selva, a 52-year-old Realtor who voted for Harris, said she worried the U.S. was taking democracy for granted the way she had seen people do in Venezuela, where she spent part of her childhood. "Most people think, it's OK, after this election you have a chance again in four years. I truly doubt if Trump wins that will happen," she said. "It's not just the presidency in question—the future of the country really is."

The previous afternoon in Zebulon, Ga., a small town an hour south of Atlanta, thousands of Trump supporters thronged Christ Chapel to hear from their candidate, jamming traffic for miles and spilling out of the church and adjoining parking lot. The screen next to the stage flashed the words "NOV. 5: THE MOST IMPORTANT DAY IN THE HISTORY OF OUR COUNTRY." Here, too, many were in a dark and restless mood.

The Trump supporters' anxiety and foreboding had a different quality than that of the Democrats. After all, for them, the hostile regime has already been installed. They were far more likely to express suspicion about the vote count but were equally inclined to fret about unrest or worse around the corner.

"Civil war—people against the government," said Madison Bates, a 21-year old student. "I definitely think if Trump doesn't get in, that's what could happen. People are fed up. You see it every day."

For many anxious voters, what comes next is simultaneously too awful to fully consider and can't come soon enough. Nathan Mullin, a 50-year-old salesman from Stonecrest, said it was "extremely stressful" to see the polls so close day after day.

"Usually elections are about, you know, who has the best tax policy, or who's going to help the poor," he said. "Now it's about something completely different."

Cracks Seen in Democrats' Blue Wall

By Siobhan Hughes

WASHINGTON—Republicans are starting to crack the solid "blue wall" formed by Democratic-held Senate seats Michigan, Wisconsin and Pennsylvania, using the final leg of the election season to destabilize a foundation of the party's political power.

Democratic Sens. Bob Casey of Pennsylvania and Tammy Baldwin of Wisconsin, along with Michigan Democratic Senate candidate Elissa Slotkin, have all watched their slight advantages turn tighter in recent weeks. Last week, the Cook Political Report, a nonpartisan elections tracker, changed the rating in the Pennsylvania contest to "tossup," making it the latest to shift from the "lean Democrat" column.

"If you could just keep praying, I could use them," Casey told a crowd on Wednesday in Philadelphia, where he was flanked by Sen. Raphael Warnock (D., Ga.), a preacher, as he worked to rally college students to turn out in droves.

Control of the Senate will help determine whether the next president can pass his or her agenda through Congress and get nominees confirmed—including any picks for the Supreme Court if vacancies arise.

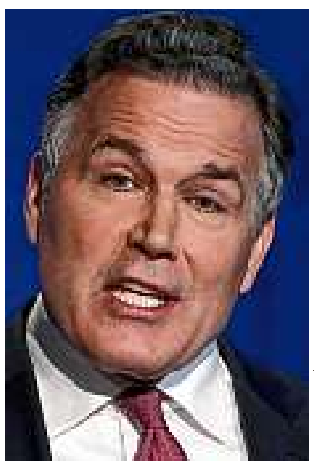
Republicans had already been favored to win Senate control thanks to a favorable map in which Democrats are defending most of the roughly dozen races considered at all competitive. The GOP expects to easily win a West Virginia contest to fill the seat being vacated by centrist Sen. Joe Manchin, and the party is favored in Montana, where Democrat Sen. Jon Tester is swimming against the state's red tide.

Just those two seats could be enough to flip Democrats' current 51-49 advantage, but Republicans have been eyeing broader pickups that could pad out their prospective majority.

The ground in the three blue wall Senate races is starting to shift, thanks in part to a barrage of late advertising by Republicans and relative weakness of the Democrats' standard-bearer, presidential nominee Kamala Harris, in the polls. Over the summer, President Biden's exit from the race in favor of Harris had lifted Democratic morale, but the party's glow has faded.

"These races are all competitive because the presidential race is more competitive," said Jessica Taylor, who tracks Senate races for the Cook Political Report.

In the period from Sept. 1 through Thursday, Republicans had spent more on television and digital ads than Democrats in both Pennsylvania and Michigan, according to data from AdImpact, while spending was close in Wisconsin.



MATT ROURKE/ASSOCIATED PRESS

David McCormick

"Bob Casey—it's going to be competitive. He has great opposition," said Dondi Henderson, a 66-year-old Democrat from Philadelphia who backs Casey over challenger David McCormick, a former hedge-fund executive. Republicans "have good commercials," Henderson said, particularly those that say the three-term senator has "been around too long."

Casey recently began running an advertisement that highlights his distance from Biden on fracking—an important issue in gas-rich Pennsylvania—and his alignment with Republican presidential nominee Donald Trump on the revised U.S.-Mexico trade pact enacted during the Trump presidency.

Democrats say they are seeing enthusiasm among key parts of their base—women, Black voters, and voters in urban areas. While Trump and McCormick lead on the economy and immigration, Democrats hold an edge with voters who care about abortion rights. Democrats also say they have always been prepared for tight races in swing states, and some of their GOP opponents have baggage that makes them vulnerable.

"We'll be successful because we have better candidates, stronger campaigns, and we're running against a roster of deeply flawed, scandal-ridden Republicans," said David Bergstein, a spokesman for the Democratic Senatorial Campaign Committee.

But a combination of some GOP tactics, challenges at the top of the Democratic ticket, and Republican registration efforts have combined to give Republicans a fighting chance in these working-class and predominantly white Rust Belt states.

The three states are an important swing factor in American politics, having backed Republican presidential candidate Trump in 2016 but then narrowly backing Biden in 2020—outcomes that gave both candidates the White House during those respective contests.

Trump-Backing Farmers Look Past Trade Threats

By Jeanne Whalen And Patrick Thomas

CADOTT, Wis.—Justin Matott knows his corn and soybean farm will probably take a hit if Donald Trump makes good on his pledge to start new trade wars with China and others. But he is planning to vote for Trump anyway.

Matott supports Trump for reasons beyond farming—immigration, law and order, and social issues—and is pretty sure his farm can weather whatever Trump stirs up.

"I will do the best I can with what I'm given, and that's on me," he said while taking a break from the busy harvest season in northwestern Wisconsin. "And I want to vote for what I think is going to be best for my country...The trade policies are kind of far down the list for me."

The last time Trump started a trade war, largely with China and the European Union when he was president in 2018, the U.S. lost $27 billion in agricultural exports. Trump slapped import tariffs on steel, aluminum and other foreign-made goods, saying he was aiming to protect domestic manufacturers. The EU and China retaliated by imposing import tariffs on U.S. farm products, which they targeted partly to hurt communities that supported Trump, according to trade experts.

Yet even as that cycle threatens to repeat itself should Trump win, plenty of rural voters throughout the Midwest are still backing the former president.

Some pro-Kamala Harris signs have cropped up on farms near Matott's, but Trump signs still dominate Chippewa County, where 59% of voters backed Trump in 2020. A recent poll of 5,000 readers of Farm Journal, a publication for farmers, found that 77% felt Trump would have a more positive impact on agriculture than Harris.

Already stretched

New trade tension would come as American farmers are already feeling stretched. Crop prices in the U.S. have been on the decline over the past year after surging during Covid-19. High costs for fertilizer, labor and seeds have squeezed budgets, leading farmers to cut equipment purchases.

Congress has compounded farmers' worries by failing to renew the Farm Bill, a decades-old law that provides financial support if crop prices fall too low or if storms ruin a harvest. The legislation must be renewed every five years but is caught in gridlock.

Tim Walz, the Democratic nominee for vice president, has zeroed in on both issues in campaign stops in Wisconsin. "We saw Donald Trump's horrific tariffs hurt agriculture. Now we have a Congress that, for the first time ever, can't pass a Farm Bill," Walz said in a local TV interview.

In a September meeting with Pennsylvania farmers, Trump threatened to impose 200% import tariffs on John Deere farming equipment if **Deere & Co.** moves manufacturing to Mexico.

Harris supporters remember the damage of the last trade war acutely. Les Danielson, a longtime Democrat who runs a large farm near Matott's, said the dispute cost him "a great deal of money," not only undermining crop prices but raising his costs for equipment and grain-storage bins because imported steel became more expensive.

Charles Wachsmuth, who helps run a family-owned kidney-bean processor in Menomonie, Wis., said that in 2018, giant bags of kidney beans accumulated as his buyers disappeared. The import tariffs Europe slapped on U.S. beans made them 25% more expensive for Europeans, causing many customers in Wachsmuth's biggest market to back out of their contracts.

Lost market share

Wachsmuth, a Harris supporter, said the company still hasn't recovered the market share it lost to Argentine growers, even though the U.S. and the EU reached a trade truce in late 2021. Trump's promises to deploy tariffs again "keeps me up at night," he added.

The Trump administration sent $23 billion in taxpayer money to farmers during the last trade war to compensate for tariff-related losses. The payments helped cushion the blow, and for some, have eased worst-case fears for another trade war.

For Zach Bacon, a 24-year-old farmer in central Wisconsin who said he is probably voting for Trump, financial ups and downs are part of life in agriculture. "I don't really think the threat of tariffs is going to push too many farmers away from Trump," Bacon said.

Ken Rosenow, 69, who runs an 800-acre grain farm between Milwaukee and Madison, said the last trade war cut his profits by about 25%. He is concerned about more trade tension but is planning to vote for Trump.

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JUSTIN MERRIMAN/BLOOMBERG NEWS

A sign displayed before a September roundtable event with Donald Trump in Smithton, Pa.

Court Fight Looms in Split Control

Lawmakers expect a standoff if there is a high-court vacancy in divided government

By Jess Bravin And Lindsay Wise

ARNIE SACHS/CNP/ZUMA WIRE

DOUG MILLS/ASSOCIATED PRESS

Clarence Thomas, above left in a 1991 Senate committee hearing, replaced an ailing Justice Thurgood Marshall. Above right, President Ronald Reagan in 1988 with newly confirmed Justice Anthony Kennedy, nominated after Robert Bork was rejected.

If voters divide control of the White House and the Senate between Democrats and Republicans, expect collateral damage to the third branch of government: the judiciary.

Once considered a step removed from partisan politics, the federal courts over the past decade increasingly have been treated as part of an ideological spoils system, with the biggest prize—the Supreme Court—now firmly in conservative hands. Should a seat there open during a period of divided government, senators of both parties are doubtful it would be filled.

"I believe if there's a Democratic president and the Republican Senate, they will not even grant a hearing to a Democratic nominee," said Sen. Tim Kaine (D., Va.). "We've seen it. So once you've seen it, it would be foolish to assume that's not going to happen again," referring to Republicans' blockade of a Democratic pick in 2016.

A new president typically brings in a Senate majority, but that precedent looks uncertain this year, given the tight nature of the races. The prospect of a split government has put a fresh spotlight on whether the White House could get any nominee on the court—or what kind of concessions lawmakers would demand.

Democrats are still smarting over the power play Republicans pulled when Justice Antonin Scalia died in February 2016. Then-Majority Leader Mitch McConnell (R., Ky.) said the Senate wouldn't consider any nominee President Barack Obama submitted, taking the chance that Donald Trump would win election the following November. That knocked the court down to eight members for 14 months.

Trump won, and the GOP-led Senate confirmed Justice Neil Gorsuch in April 2017.

Republicans expect similar treatment if Trump returns to the White House and Democrats control the Senate during part or all of his term.

As Sen. Markwayne Mullin (R., Okla.) sees it, Majority Leader Chuck Schumer (D., N.Y.) isn't "willing to work with any of the Republicans right now on anything. So, I would assume that would be the same moving forward."

A Schumer representative said he wouldn't comment on speculation.

Senators from both parties are saying they intend to be reasonable but have doubts about the other side's good faith. There's also the possibility that the president's party could pick off a few members of the majority and force a vote on a president's nominee through a procedure known as a cloture petition.

Sen. Lindsey Graham (R., S.C.), who was chairman of the Judiciary Committee when Republicans last controlled the chamber, noted that a split-government Supreme Court fight would be the first instance since lawmakers ended the 60-vote threshold for justices in 2017. Now, a nominee needs only 51 votes.

"Bottom line here is we're in uncharted territory," said Graham. "We'll work through all this," he said when asked about how a GOP-run Senate would handle a Harris nominee. In the case of Trump facing a Democratic Senate, Graham wouldn't rule out a cloture petition. "We're not going to sit on the sidelines and let them destroy President Trump's ability to pick a judge."

Sen. Richard Blumenthal (D., Conn.) said a Republican Senate would leave Harris "somewhat constrained" in filling a vacancy. But he offered a hopeful note, saying that Sens. John Cornyn of Texas and John Thune of South Dakota, who are vying to head the Republican caucus, were both "reasonable, pragmatic leaders" who have been able to work with Democrats.

Were the roles reversed, Blumenthal was reluctant to predict the result. If Trump "appoints hard right-wing ideologues to the lower courts or to the Supreme Court, they'll have a fight. But the American people want us to work together and to do our job," Blumenthal said.

Sarah Binder, a political scientist at George Washington University, said the stakes have risen. After Trump-appointed justices provided the votes to eliminate abortion rights in 2022, "there's far more recognition of how important the court is to Democratic policy goals," she said. "I would expect for them to at least follow the McConnell [approach]—to play hardball."

No Supreme Court justice has indicated an interest in retirement. But typically, justices prefer to step down when they believe there is a strong chance a like-minded jurist will fill their seat. That is, a conservative would likely retire when Republicans control the White House and Senate, and hold off if the Democrats were in charge.

But death or deteriorating health can create an involuntary vacancy, sometimes with momentous consequences.

In 1991, an ailing Justice Thurgood Marshall stepped down, allowing President George H.W. Bush to replace the civil-rights pioneer with an archconservative, Clarence Thomas. The September 2020 death of liberal Justice Ruth Bader Ginsburg let Trump and a Republican Senate quickly confirm an ideological opposite, Amy Coney Barrett. That solidified a 6-3 rightward lean on the court.

Although there have been periodic exceptions, for most of American history Supreme Court nominations were uncontroversial affairs, and divided government didn't typically result in leaving vacancies to fester until the next cycle of single-party control.

In past eras, divided government sometimes promoted compromise. After liberal Justice Abe Fortas resigned in 1969, the Democratic Senate rejected the first two replacements President Richard Nixon nominated as too conservative. Nixon's third choice, Harry Blackmun, was confirmed unanimously in 1970 and ultimately emerged as one of the court's more liberal members.

In 1987, President Ronald Reagan nominated Anthony Kennedy after the Democratic Senate rejected Robert Bork. White House aides concluded that he was the most conservative nominee Democrats would accept. Kennedy was confirmed unanimously 11 months before Reagan left office.

Obama tried to use the same playbook in 2016, the last time a Supreme Court seat opened under an opposition Senate. Instead of seeking a liberal trailblazer to succeed the conservative icon Scalia, Obama selected Merrick Garland, a longtime judge and former prosecutor.

GOP senators didn't budge. Garland "had received wide praise previously by the Republicans and yet they wouldn't bring him up for a vote," said Richard Hall, professor of public policy and political science at the University of Michigan.

Sen. Jeff Merkley (D., Ore.) has written legislation to ensure that the Senate at least considers picks, regardless of which party is in charge.

"I would certainly fiercely advocate for us holding a debate and a vote on the nominee. Let the majority decide," he said.

—Siobhan Hughes contributed to this article.

Democrats Try to Head Off GOP Vote Lawsuits

By Mariah Timms And Jan Wolfe

TRAVIS LONG/THE NEWS & OBSERVER/ASSOCIATED PRESS

Lawyer Marc Elias is on the Harris team to fend off Republican efforts to contest election results.

Four years ago, Joe Biden assembled hundreds of lawyers to work with his presidential campaign, which took an unusual detour through the courts when rival Donald Trump and his allies brought dozens of lawsuits making unsupported claims of election fraud.

Bracing for a flurry of post-election lawsuits to cap what has already been a fiercely litigated presidential contest, Kamala Harris's campaign has expanded the Democratic legal team considerably, spending the better part of a year trying to anticipate any legal curveball that could arise in the crucial days before—and after—voters go to the polls.

"It's really just making sure we have systems in place—which we do—to monitor what Republicans are doing everywhere," said Dana Remus, a former Biden White House counsel who is leading the Harris legal operation. "As soon as they file a case, as soon as they start saying election results can't be trusted, we are prepared to respond."

Remus, a partner at Covington & Burling, is a Yale Law graduate with a diverse résumé, including a clerkship to conservative Justice Samuel Alito. Her inner circle includes Bob Bauer, a personal lawyer to Biden and White House counsel to former President Barack Obama who also teaches law at New York University. They have assigned priority to better coordination with local lawyers who are steeped in the minutiae of state election laws and how to best navigate their hometown courts. A series of teams, each focused on a specific battleground or priority state, have been running for the past year, with local attorneys working with a designated partner at one of a handful of large, national law firms that are helping to guide strategy.

More than 400 lawyers have been writing thousands of pages of draft legal pleadings and memos that could be deployed quickly in fast-moving litigation. A larger network of about 10,000 lawyers is on tap to be on the ground and supporting voter protection at polling places across the U.S. Senior advisers have held weekly brainstorming sessions that in effect work like legal game theory, with top lawyers sketching out strategies for addressing a host of hypothetical scenarios that could arise in legal combat over the election results.

The group has focused heavily on planning for potential delays or disruptions to the certification of vote totals, both at the county and state level, and in Congress. They say they are prepared to respond to any efforts to intimidate voters and election workers, including physical unrest on Election Day or during state vote counts afterward.

Other heavy hitters in the Harris camp include two lawyers who served as U.S. solicitor general: Seth Waxman, who has argued more than 80 cases at the Supreme Court; and Donald Verrilli, who successfully defended the constitutionality of the Affordable Care Act in a landmark 2012 case.

Also in the mix is Marc Elias, who became something of a celebrity in Democratic circles for publicly championing his efforts to battle Trump and Republicans in court. Elias and Harris have a close relationship dating to his work on her 2016 Senate race and his efforts to help her navigate Washington after she won. His aggressive style didn't always mesh with the Biden team, but Harris tapped him to bolster her group, according to people familiar with the matter, and he has focused on potential recounts and other postelection issues.

The Democratic National Committee has spent more than $22 million on lawyers in this election cycle as of this summer, according to a Wall Street Journal analysis of the most-recent federal campaign finance records. At the top of the expense list are national firms including Covington, WilmerHale, Perkins Coie, and Munger, Tolles & Olson.

There has been plenty of litigation already. Republicans, who also have mobilized thousands of lawyers, have been the driving force for much of it, filing or supporting lawsuits contesting a range of voting procedures. Claire Zunk, a Republican National Committee spokeswoman, said the party is involved in more than 130 lawsuits in 26 states to protect election integrity, including to ensure that voter rolls are accurate and ineligible people, including noncitizens, don't vote.

"Our unprecedented election integrity operation is committed to defending the law and protecting every legal vote," Zunk said. "We have engaged, and won, in record numbers of legal battles to secure our election. We have stopped Democrat schemes to dismantle election safeguards and will continue to fight for a fair and transparent election for all Americans."

Democrats, who have intervened in court to help defend against GOP legal claims, say their opponents are inventing problems that don't exist to serve their political narrative.

"By filing all these lawsuits week after week," Bauer said, Republicans are seeking to "lay the foundation for claims that they can make after the fact about why, if Trump loses, he lost."

The GOP has been on the losing end of a number of recent rulings. Among them, judges in North Carolina and Michigan last week rejected Republican efforts to prevent some U.S. citizens living overseas from registering and casting votes. The Pennsylvania Supreme Court rejected GOP arguments that counties shouldn't have to count provisional ballots from voters who messed up their mail-in ballots by not filling them out properly. Courts also have turned away several GOP-backed challenges to how states are maintaining their voter rolls.

While Democrats have largely portrayed their legal strategy as a defensive one against Republican aggression, they also have gone on offense, most notably in Georgia, where they challenged new rules from the pro-Trump State Election Board that could have given that body more power. A judge recently halted those rules from taking effect.

Still, the most intense legal period likely hasn't begun, and the weeks after Nov. 5 will be a sprint for election lawyers. Deadlines to count ballots and certify results at the local and state level start looming immediately after Election Day. In 15 states, election officials at the county level must finish counting within one week, according to the National Conference of State Legislatures.

Four years ago, dozens of cases were litigated after Election Day. Though Trump and his allies lost them all, the battles continued through mid-December of that year, when the Supreme Court rejected a last long shot bid to void millions of votes in four battleground states.

ELECTION 2024

Trump Rally Speaker Draws Backlash

Comedian and podcaster Tony Hinchcliffe received swift backlash from Democrats over raunchy remarks Sunday at Donald Trump's rally at Madison Square Garden, where he made crass jokes about Latinos, Black Americans, Arabs and Jews in his speech.

Trump seemingly avoided new controversy with his words. At around 75 minutes, his speech was slightly longer than many of his recent campaign rallies but far shorter than some of his marathon sessions from years past. Some of the crowd began to filter out before his remarks were over.

Hinchcliffe said Latinos have many children, using a sexually explicit joke to make a point about illegal migration. He also referred to Puerto Rico as a "floating pile of garbage," and mocked a Black man who he said "carved watermelons" for Halloween.

In his speech, conservative media personality Tucker Carlson said Kamala Harris was running to be the first "Samoan, Malaysian, low-IQ former California prosecutor" to become president.

Harris's X account criticized Hinchcliffe for a "vile racist tirade." Hinchcliffe said he told "a joke taken out of context to make it seem racist."

—Vivian Salama and Dustin Volz

Harris Draws Crowd of 30,000

After an introduction from Beyoncé, a performance by Willie Nelson, and speakers talking about abortion care, Vice President Kamala Harris settled a screaming stadium crowd of some 30,000 and urged them to not get distracted in the mission to defeat former President Donald Trump.

"You are ground zero in the fight for reproductive freedom," Harris said in Houston on Friday night.

She spoke of the conservative state's abortion law, which bans nearly all abortions from conception, with no exceptions for rape or incest; the potential prison sentences for doctors; the state's bounty-hunter law to encourage people to report abortions; and the counties that have banned traveling through them to access abortions in other states. A video interspersed a cut of Trump saying "On Roe v. Wade, I did a great thing," with footage of women telling wrenching stories of being denied care for pregnancy complications.

Harris urged the crowd to vote. "The people of America have voted for freedom every time it has been on the ballot," she said.

—Elizabeth Findell

U.S. Says Fake Video Is Russian

Russian trolls "manufactured and amplified" a fake video that went viral on social media this past week purportedly to show a person ripping up election ballots in Pennsylvania, U.S. intelligence agencies said.

Local officials and independent disinformation researchers had already debunked the video as false.

The video claimed that they were mail-in ballots for Donald Trump.

"This Russian activity is part of Moscow's broader effort to raise unfounded questions about the integrity of the U.S. election and stoke divisions among Americans," said a joint statement from the Federal Bureau of Investigation, the Office of the Director of National Intelligence and the Cybersecurity and Infrastructure Security Agency.

The agencies expect Russia to "create and release additional media content that seeks to undermine trust in the integrity of the election and divide Americans" in the periods before and after the election.

—Dustin Volz

WORLD NEWS

Pro-Russia Party Claims Georgia Vote Win

Opposition cries foul over results leaving former Soviet state closer to Moscow

BY GEORGI KANTCHEV

TBILISI, Georgia—The increasingly authoritarian ruling party in Georgia declared victory in an election denounced by the opposition as fraudulent, an outcome that could solidify Moscow's hold on a former Soviet state that was once seen as moving toward the West.

With almost all votes counted, the ruling Georgian Dream party was ahead with 54%, official results showed on Sunday. The opposition called the result a "constitutional coup," setting up a possible showdown over a bitterly fought election that was watched closely by the European Union and the U.S.

Georgia's pro-Western president, Salome Zourabichvili, whose role is largely ceremonial, denounced the vote and called for protests on Monday. "I do not recognize these elections. Recognizing them would be tantamount to legitimizing Russia's takeover of Georgia," she said.

JUSTYNA MIELNIKIEWICZ FOR WSJ

People in the capital Tbilisi on Saturday scanned lists of eligible voters at a polling place.

The election's stakes extend well beyond the border of the country of 3.7 million. Georgia, which has long held aspirations to join the North Atlantic Treaty Organization, has become a battleground in the West's strategic competition with Russia. Moscow has been fighting for influence in a region it sees as its backyard. This month, a Moscow-backed campaign nearly thwarted the pro-EU side in a referendum in Moldova, which borders Ukraine.

The Ukraine war has been at the center of the election here with the Georgian Dream party casting it as a choice between war and peace. The party's billboards contrast scenes of devastation from the war with idyllic images from Georgia. The party has been moving the country, a thoroughfare for energy and trade routes, closer to China and Russia.

The opposition had painted the vote as a make-or-break moment after protests erupted this year as Georgian Dream, in power for more than a decade, moved the country toward Russian President Vladimir Putin's authoritarian model. The party passed laws restricting gay rights and requiring some organizations to register as foreign agents.

"If they retain power, it means less democracy, less Westernization, more autocracy and more Russia," said Iago Kachkachishvili, professor of sociology at Tbilisi State University. "It will be extremely difficult to get back on the Western path."

Prime Minister Irakli Kobakhidze of the Georgian Dream party said that voters had expressed their trust in the party, promising peace and economic growth. "The Georgian people chose peace and development of the country, they chose a bright future for the country."

Voting observers alleged the election was seriously compromised by widespread fraud and voter intimidation. My Vote, a coalition of Georgian election observers, said voting had been marred by physical violence, violations of voting secrecy and stuffing ballot boxes. Election authorities rejected those allegations, saying the vote had been peaceful and free.

Top EU official Charles Michel called on Georgian authorities to swiftly investigate the alleged voting irregularities. "We reiterate the EU's call to the Georgian leadership to demonstrate its firm commitment to the country's EU path," he said.

The vote in Georgia highlights the treacherous path toward Western democracy for nations that were once firmly within Russia's orbit—and the risks of backsliding.

Countries are still grappling with legacies of Soviet-era authoritarianism and economic dependence and remain susceptible to Moscow's pressure, including economic influence, disinformation campaigns, cyberattacks and covert funding of pro-Kremlin political parties and media outlets.

While the Kremlin has dismissed suggestions that it seeks to interfere in Georgia or other countries in the region, Russian officials have praised the government for resisting what they say is a Western agenda.

Georgian Dream rejects accusations of repressive tactics, saying it has brought economic growth and that the laws it has enacted are necessary and can be challenged in court.

North Korean Soldiers in Ukraine Not Seen as Good Fit

The North Korean troops nearing Russia's front lines with Ukraine may not be the cream of the crop in Kim Jong Un's army.

By Dasl Yoon and Timothy W. Martin in Seoul and Jane Lytvynenko in Kyiv

They are seemingly young—teenagers or in their early 20s—and likely in the early stages of military conscription, according to video footage and intelligence officials. The soldiers appear relatively short and slightly built, reflecting widespread malnourishment across impoverished North Korea, military analysts said.

Their special-forces training would have focused on assassinations and infrastructure destruction in mountainous South Korea, a far cry from the trench warfare unfolding in the flat plains along the Ukrainian-Russian border. The fresh-faced troops have likely never left North Korea. The country's army operates aging and outdated conventional military equipment.

"Mere cannon fodder mercenaries," South Korean Defense Minister Kim Yong-hyun told lawmakers on Thursday.

About 3,000 of the soldiers arrived this month in Russia, according to U.S., South Korean and Ukrainian assessments. They were spotted at Russian military training sites, and some had arrived in Kursk, the Russian border region partially occupied by Ukraine.

Kim Jong Un, North Korea's 40-year-old dictator, may want to gauge internal reaction to the move—as well as the Kremlin's—by first sending those deemed relatively expendable, said James JB Park, a former South Korean defense and national-security official.

"They will pave the way for the more experienced ones," said Park, now a Kelly Fellow at the Pacific Forum, a Hawaii-based think tank. That is, if Russian President Vladimir Putin requests more reinforcements—or Kim sees reasons to live up to the two countries' recently strengthened bilateral commitments, he added.

It isn't clear yet what role the North Koreans would play. They could, without fighting, bring their country valuable gains: insights from observing the use of drones and war conditions, especially with the Russians using North Korean munitions and missiles. But a combat role for North Korea would represent a major escalation of the conflict that has stretched on for more than 2½ years, U.S. and NATO allies have said.

The initial deployment to Russia's Kursk region may reflect an effort to portray it as a defensive measure, said Samuel Cranny-Evans, associate fellow at the Royal United Services Institute, a London-based think tank.

"Deploying only to Russia would allow Pyongyang to claim that it is helping restore an ally's territory," he said.

Putin on Friday said the choice to use North Korean forces was a Russian decision. The same day, North Korea's Foreign Ministry said if the country had dispatched troops, it would have done so in compliance with international law.

Japanese Vote Costs Ruling LDP Absolute Majority in Lower House

BY MIHO INADA

TOKYO—Japanese voters deprived the ruling Liberal Democratic Party of the absolute majority it has held for over a decade in Japan's lower house, with an election Sunday that prolongs a period of uncertainty over the leadership of an important U.S. ally.

RICHARD A. BROOKS/AGENCE FRANCE-PRESSE/GETTY IMAGES

Officials opened ballot boxes for the count in Tokyo on Sunday.

Prime Minister Shigeru Ishiba now faces a political battle to keep his job and continue on the path set by his predecessor, Fumio Kishida, who sought to strengthen U.S. security ties to counter China, boost the Japanese military and steer the economy toward a complete exit from deflation.

Ishiba, who took office on Oct. 1, said before the election that he would consider it a victory if the ruling two-party coalition held on to a majority.

"We're being judged harshly," he said Sunday night as exit polls indicated that the LDP would fail to carry the coalition over that relatively low bar. "We must accept it with humility and solemnity."

Ishiba, a 67-year-old inveterate agitator within the LDP, was billed as an agent of change when he was selected as party leader last month, with a mission of helping reverse a decline in the party's popularity. He quickly set the date for Sunday's election as an opportunity to secure a mandate for the LDP.

But after he made a series of policy reversals, Ishiba's approval ratings fell and voters began to see him as a continuation of the status quo under his predecessor, who stepped down from office in response to public anger over a funding scandal involving senior party members.

The LDP secured 191 seats in voting Sunday for the 465-seat House of Representatives, down from its 247-seat majority, according to results reported by public broadcaster NHK. Its junior coalition partner, the Komeito party, won 24 seats, down from 32.

To hold on to power, the LDP and Komeito will need to bring in new partners to attain the 233 seats needed for a majority.

Some members of the LDP are likely to call on Ishiba to take responsibility for the poor election result, possibly costing him his job, said political scientist Lully Miura.

Sunday's election was the first in three years for Japan's lower house, which is the more powerful of the parliament's two chambers, with the power to select the prime minister and pass the budget on its own.

Asuka Eitoku, a 28-year-old occasional supporter of the LDP in Tokyo, said she didn't vote for the party this time in protest over the funding scandal, which involved a failure to report fundraising revenue.

"I'm concerned about one-party monopoly politics," Eitoku said.

The LDP's domination of the government has been nearly unbroken since the party's founding in 1955, in part because of the fragmentation of the opposition.

Tokyo voter Toshimitsu Miyajima, 85 years old, said the LDP had become complacent. "Politics must change. Change is important," he said. Miyajima said that he had voted for the largest opposition party, the Constitutional Democratic Party of Japan.

The CDPJ ended up with 148 seats after voting Sunday, a leap from its pre-election count of 98, NHK reported.

Among Kishida's priorities was a goal of nearly doubling Japan's military spending by the fiscal year that begins in 2027, a shift from conventional postwar policy. Ishiba, a former defense minister, supported that shift.

Before Ishiba was selected to be prime minister, he also called for revising what he described as an unequal security alliance with the U.S. and floated the idea of forming an Asian version of the North Atlantic Treaty Organization.

But after taking office, Ishiba backpedaled. There was no mention of either of those ideas in the LDP's campaign platform published ahead of Sunday's election. Instead, it reprises a message from previous platforms: "Make the Japan-U.S. alliance the cornerstone" of partnerships "to further promote a free and open Indo-Pacific."

U.S. Ambassador to Japan Rahm Emanuel said after the vote that the relationship remains strong. "It's clear that there is a consensus in Japanese politics that the ever-deepening cooperation between our two nations is critical to the security and collective deterrence of the Indo-Pacific region and beyond," he said.

The LDP's platform also called for a significant strengthening of Japan's defense capabilities to address security challenges such as missile tests by North Korea.

—Chieko Tsuneoka contributed to this article.

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One Dead After Truck Rams Israeli Crowd

Suspected terrorist attack at a bus stop injures dozens more, as Gaza talks renew

By Dov Lieber

ODED BALILTY/ASSOCIATED PRESS

The truck rammed into the crowd as people were getting off a bus in Glilot, north of Tel Aviv, on Sunday, police said.

TEL AVIV—A freight truck plowed into a crowd at a bus stop in central Israel on Sunday, killing one person and injuring dozens more in a suspected terrorist attack, while negotiations for a cease-fire in Gaza renewed in Doha.

The truck rammed into the crowd as people were getting off a bus, police said. At least six of the 35 injured were in serious condition and five were in moderate condition, medical officials said. A 72-year-old man died later from his injuries, Ichilov Hospital in Tel Aviv said.

Police said they were investigating the incident as a terrorist attack.

The site of the attack was adjacent to a mall and across from a military base in Glilot, north of Tel Aviv. Civilians and soldiers were among the injured, medical authorities said. Glilot is home to the headquarters of Israel's Mossad spy agency, which Hezbollah and Iran have both claimed to have targeted over the past year in separate missile attacks.

Video from the scene showed several elderly civilians trapped under the hood of the truck, with bystanders struggling to pull them out. Paramedics said they found victims under the truck when they arrived.

The driver of the truck was "neutralized" by armed civilians at the scene, police said. It wasn't immediately clear if the driver was killed or injured.

"I saw a number of people trapped under the truck and the attacker was neutralized inside of it," said Raziel Yosefovich, a paramedic of Magen David Adom, which manages Israel's emergency medical response.

In a separate incident on Sunday, Israel's military said a Palestinian accelerated his vehicle at soldiers operating in the West Bank, before stepping out of his vehicle with a knife and trying to stab them. The soldiers killed the attacker, the military said.

The incidents come as tensions in the region run high following Israel's retaliatory strikes on Iran and amid a stepped-up campaign by Hamas and other Palestinian militant groups to carry out attacks inside Israel. Hamas claimed responsibility for two shooting attacks.

On Sunday, Egyptian President Abdel Fattah Al Sisi said the country proposed an initiative for a two-day cease-fire in Gaza to exchange four hostages for some Palestinian prisoners.

Also on Sunday, Israeli spy chief David Barnea, CIA Director William Burns and Qatari Prime Minister Mohammed bin Abdulrahman al-Thani met in Doha to lay the groundwork for a larger summit in the coming days to discuss a cease-fire not only in Gaza but also Lebanon, a person familiar with the matter said.

Barnea has been working on a new framework for a deal to free the hostages, the person said. The Mossad chairman believes that Israel shouldn't agree to a cease-fire in Lebanon unless Hezbollah and Iran pressure Hamas to agree to releasing the hostages in Gaza, said the person.

Israel will take into consideration the Egyptian proposal for a short-term cease-fire, the person added.

Hamas has already informed the Egyptian government that it wants a comprehensive cease-fire proposal.

Hamas said it welcomed the Glilot incident, calling it a "natural response" to Israeli crimes against Palestinians, but didn't take responsibility. Hezbollah also praised the attack, calling it a "heroic operation," but didn't take responsibility for it.

—Summer Said contributed to this article.

Israel's Largest Strike on Iran Took Weeks of Planning

TEL AVIV—Shortly before 2 a.m. on Saturday in Israel, airmen and women wearing bomber jackets bearing the Star of David climbed into the cockpits of about 100 jet fighters, spy planes and refueling aircraft at an Israeli military base. They were following commands from an underground bunker known as the pit.

By Carrie Keller-Lynn, Rory Jones and Dov Lieber

PLANET LABS PBC

One of Israel's hits was at the Parchin military site, where four buildings were struck.

Israel's wartime leaders, who were gathered in the bowels of the military headquarters in Tel Aviv, had just given the green light for the largest attack against Iran in Israel's history—and its most politically perilous. They called the operation "Days of Repentance."

The assault was calibrated to punish Iran for an attack on Israel but aimed to avoid setting off a full-scale war between the two foes involving American forces and other countries in the region. The attack steered clear of the oil and nuclear facilities that Iran had warned would prompt a retaliation, and appeared to heed the caution urged by U.S. officials.

The attack, however, marked a dangerous new phase of confrontation between Israel and Iran, which began striking each other directly earlier this year. It left Iran even more exposed to further air attacks, with Israel destroying several of the country's Russian-made S-300 batteries, according to an Israeli official.

"The message is that we don't want an escalation but if Iran decides to escalate and attack Israel again, this means that we have increased our range of freedom of movement in the Iranian skies," an Israeli official said.

For weeks, Israeli Prime Minister Benjamin Netanyahu had signaled that Israel would hit back over Iran's ballistic-missile assault on Israeli territory on Oct. 1. Pulling it off required weeks of planning and delicate diplomacy.

Iran "knew that Israel was coming, and still they couldn't prevent anything," said Assaf Orion, a retired Israeli brigadier general.

The U.S. has been pushing for a cease-fire in Gaza. Secretary of State Antony Blinken visited Israel and other Middle East capitals this past week in an effort to reach a deal that has eluded negotiators for months. The calibrated nature of the attack appeared to leave room for those talks to continue. Negotiators met in the Qatari capital, Doha, on Sunday.

But even as Israel worked diplomatic channels that could end the war in Gaza and cool tensions with Tehran, Israeli officials were completing details of the retaliatory attack.

On Friday evening, as the sun set marking the start of Shabbat, Israel's cabinet in a phone conversation led by Netanyahu agreed to move ahead with an attack that night, according to an Israeli official.

Hours before the attack began, Israel alerted the U.S. and several Arab-world and European capitals about the nature and scope of the attack, according to people familiar with the matter. Officials in some of those countries then alerted Iran.

Israel's prime minister's office later said the idea that it informed Iran about the nature or timing of the attack was "false and absurd."

When they finally began, the Israeli strikes unfurled in waves. The attack involved Israel's most-advanced aerial weapon, F-35 jet fighters, which are adept at evading radar, people familiar with the mission said.

As the jet fighters were airborne, Israeli officials—conscious that their U.S. counterparts were frustrated that Israel hadn't forewarned last month that it would kill Hezbollah's leader Hassan Nasrallah—also made a point of actively briefing their U.S. counterparts about their attack.

Israeli Defense Minister Yoav Gallant called his U.S. counterpart, Defense Secretary Lloyd Austin, who assured him of America's readiness to defend Israel against backlash from Iran and aligned militant groups.

The first crop of jet fighters destroyed air-defense batteries in Syria and Iraq, clearing the flight path for the second and third sorties to funnel through to Iran.

Their exact route, which hasn't been shared by Israel, appeared to dodge airspace in Jordan after the Arab nation said it wouldn't be part of an attack on Iran.

Most of the attacks were launched from outside Iranian airspace, said Amir Aviv, a former senior Israeli military official. Iran said Israeli planes attacked from within Iraqi airspace, around 70 miles from its border.

At around 3:30 a.m. in Israel, the country's military launched the second of at least three waves of attacks, according to people familiar with the matter.

Israel's strikes targeted Iranian facilities involved in the production of missiles like the cruise and ballistic missiles that targeted Israel twice this year.

One of Israel's hits was at the sprawling Parchin military site, where Iran once worked on nuclear weapons capabilities, according to the U.N. atomic agency. Four buildings were hit there, including three solid-propellant facilities for missiles, said Fabian Hinz, research fellow at the International Institute for Strategic Studies focused on Iran's missile program.

Just before sunrise, Israel's military said its attack and retaliation were complete. The planes returned at the end of the four-hour assault with no losses.

Soon after, Iranian officials began privately telling Arab nations that the attack hit sites with great accuracy. In public, the regime said it led to "limited damage" and that Iran reserved the right to carry out a response at a time of its choosing. Four Iranian soldiers were killed in the attacks, Iran said.

Israeli officials said they hope that the attack would end a tit-for-tat exchange of fire with Iran and Israel's military could now focus on its war goals fighting Hamas in Gaza and Lebanon's Hezbollah, Iranian allies.

—Anat Peled, Summer Said and Aresu Eqbali contributed to this article.

Airstrikes Show War Disparities

Continued from Page One

Successfully defanging Iran's self-defense capabilities marks a new chapter in Israel's confrontation with the Islamic Republic. It created a vulnerability in Iran's air defenses that highlighted the significant gaps between the two sides' military capabilities. Israel claims it now has the ability to fly over Iranian airspace.

"Iran will have to do a lot of soul-searching and spend a lot of money on air-defense systems that are capable of intercepting these kinds of new threats," said Farzin Nadimi, senior fellow and expert on Iran's military with the Washington Institute, a think tank. "Iran is a military-industrial nation. There are so many targets in the country, so they really need all the air defenses they can get their hands on."

For decades, Iran and Israel have fought each other indirectly. Iran has armed and trained militias to harass and threaten its enemies, including Israel, as a way to keep conflict away from its own borders. Israel has pressured Iran through sabotage and assassinations targeting Iran's nuclear program, and by hitting Iranian forces abroad, including in Syria.

The recent war has pitted the two enemies in a different kind of battle: a direct, long-distance war. And they are performing very differently.

Iran has twice, in April and October, been able to sporadically penetrate Israel's air defenses, but only by firing hundreds of missiles at a time.

Israel has twice shown its ability to strike sensitive Iranian targets, with few if any of its weapons being intercepted. A previous Israeli attack hit an aerial defense radar in April. Saturday's assault involved Israel's most-advanced aerial weapon, F-35 jet fighters, which are adept at evading radar, people familiar with the mission said.

Israel hailed the attack as a major victory. "Now, the state of Israel has wider freedom of action in the air over Iran as well," military spokesman Daniel Hagari said on Saturday.

The S-300 is a family of surface-to-air missile systems designed by the Soviet Union in the 1960s and 1970s, and now used to defend against planes, drones and, to some extent, cruise and ballistic missiles. Russia supplied Iran S-300 systems in 2016, after nine years of delay because of nuclear negotiations and international sanctions.

Israel has twice shown its ability to strike sensitive Iranian targets.

Experts believe Iran received between 40 and 60 launchers as part of the total order, each of which is capable of carrying up to four missiles.

The S-300 systems are used to protect high-value targets such as nuclear sites and the domestic Mehrabad Airport used for official flights. One battery is kept mobile and travels with Khamenei when he visits his home city of Mashhad in the country's east, said Nadimi, whose research is based on sources inside Iran and satellite imagery.

Iran has a domestically produced long-range, road-mobile air-defense system called Bavar-373, which it says can compete with the more advanced S-400 system. It also has a range of less advanced domestically produced aerial defense systems, which it can redeploy to replace the damaged batteries, Nadimi said.

Iran has long sought the more advanced S-400 systems from Russia, but Western officials say there is no evidence Tehran has received any.

Israel struck one of the S-300 defense batteries positioned near the Natanz nuclear facility in April when it attacked Iran in retaliation for a barrage of 300 missiles and drones. Saturday's attack is believed to have hit most if not all of the remaining S-300s. Experts said that, even as the damage from the attack is still being assessed, the fact that Israel was able to hit Iran's most advanced aerial defenses and some of its most sensitive military sites is significant.

While Israel owes much of its military prowess to U.S. assistance, Iran has relied mostly on domestic technological development and support from Russia and China. The recent exposure of its vulnerabilities raises questions about the limits and benefits of its alliance with Moscow and Beijing.

Since Russia's full-scale invasion of Ukraine, Tehran and Moscow have strengthened their military ties, with Iran supplying drones and ballistic missiles to Moscow, Western officials said. China in 2020 signed a long-term partnership deal with Iran, which included some cooperation on military research and weapons development. Russia and Iran are due to complete their own long-term strategic partnership, President Vladimir Putin of Russia said after meeting his Iranian counterpart last week.

Central Intelligence Agency Director William Burns said in July 2023 that there were signs of Russian technicians working on Iran's space launch vehicle program "and other aspects of their missile programs." Iran's space program is believed to be part of efforts to develop intercontinental missiles.

Those relationships come with caveats, however. Russia and China have strategic ties with some of Iran's regional rivals, including Saudi Arabia.

U.S. officials question how quickly Russia will be able to provide Iran with new missile defenses when its resources are stretched by the Ukraine war.

In the aftermath of the attack, Iranian officials appeared to play down the Israeli attack, suggesting Tehran isn't planning an immediate forceful response against Israel directly. Khamenei said Sunday that military pressure shouldn't dissuade Iran from pursuing advanced weapons.

—Aresu Eqbali contributed to this article.

Watch a Video

Scan the code for a video breaking down how the conflict escalated.

Mexico Gangs Call Shots in Fearful Towns

BY JOSÉ DE CÓRDOBA AND STEVE FISHER

YAEL MARTINEZ/MAGNUM PHOTOS FOR WSJ

The family of slain Chilpancingo Mayor Alejandro Arcos at a memorial Mass this month in the city he governed.

CHILPANCINGO, Mexico—Six days after taking office, Mayor Alejandro Arcos loaded his pickup with bottles of water for hurricane victims, ditched his bodyguards and drove off alone into a gang-controlled area here in the capital of Guerrero state, a few hours south of Mexico City.

Hours later, on Oct. 6, police found Arcos's severed head displayed on the roof of his car, his eyes carefully closed and hair perfectly combed. His decapitated body was left on the front seat.

The unprecedented killing of a serving mayor of a state capital is a major security test for President Claudia Sheinbaum, who has vowed to restore government control where organized crime prevails. The complexities of the case suggest it won't be easy and cast fresh light on the extent to which the country's gangs have attained significant political influence in some of Mexico's most lawless places.

"The gangs are saying: We rule here," said Renato Sales, Mexico's former security commissioner.

Three weeks later, there have been no arrests. Security Minister Omar García Harfuch said days after the killing that Arcos was on his way to an unspecified meeting when he dropped from sight, but offered no details on the progress of the investigation. The federal government hasn't taken over the probe, as it does with most high-profile cases.

This area of southern Mexico is home to some of the country's cruelest criminal gangs, which have carried out barbaric killings over the years.

Its rugged mountains were known for opium poppy cultivation until fentanyl replaced heroin as a drug of choice in the U.S. Criminal gangs splintered into smaller groups, which turned to extortion of local businesses as the opium trade cratered.

Sheinbaum, who took office on Oct. 1, is under pressure to halt spiraling violence across the country, including in northwestern Sinaloa state where more than 250 people have died in a turf war between factions of the Sinaloa cartel, the top smuggler of fentanyl to the U.S. In Guerrero, too, criminal gangs largely rule. It is virtually impossible to run or be elected to local office without the consent of kingpins, residents say.

"Unless you want to be a martyr, if you are going to go into politics you need a seal of approval from these groups," Sales said.

During his campaign, the 43-year-old Arcos appeared to have that approval. A member of the opposition Democratic Revolution Party, he was the only candidate allowed to stump in areas controlled by the Ardillos, or squirrels, one of two gangs that dominate Chilpancingo, people with knowledge of his campaign said. In June, Arcos was elected by just 1,700 votes. He pledged to work for peace.

In exchange for their backing, the Ardillos demanded a slice of the city's public-works budget, a person in contact with the gang said. Arcos agreed. But the newly elected mayor also made overtures to the Ardillos' main rival, the Tlacos, this person said. It was then that the killings began.

In late September, gunmen riddled the car of the incoming security chief with bullets, killing him. A week later, gunmen killed Arcos's deputy. Arcos was beheaded three days later.

The city is paralyzed with fear, residents say.

"Nobody goes out after 8 p.m. anymore," said Joaquín Rodríguez, a lawyer who attended a packed memorial Mass for Arcos at Chilpancingo's colonial cathedral.

No gang claimed responsibility for Arcos's assassination. But few residents doubt that the killing's motive lies within the complex thread between Chilpancingo's criminal and political establishment.

"Alejandro was very naive," said Pioquinto Damián, a hotel owner and former local politician who says he believes Arcos was caught up in the gangs' feud. "He tried to build peace when the conditions were not there," said Damián, who survived an assassination attempt 10 years ago that left his car riddled with bullets and his daughter-in-law dead.

Arcos's family declined to comment.

His predecessor, Norma Otilia Hernández, was expelled from Mexico's ruling party, Morena, after a video showed her having breakfast with the Ardillos' boss at a restaurant in an area under the gang's control. The video was leaked a month after the bodies of seven people and their severed heads were found with a note taunting the mayor: "I continue to wait for that second breakfast you promised."

Hernández, who didn't respond to requests for comment, said at the time that no agreements had been reached at the meeting with the Ardillo boss.

Shortly after, security forces detained two Ardillo lieutenants. In retaliation, the gang mobilized thousands of supporters from neighboring towns to march on Chilpancingo. They battled police and National Guard troops, rammed a captured armored police vehicle through the gates of the state legislature, and took officials and soldiers hostage.

The siege ended when the Ardillos' supporters released the hostages after being assured the government would build roads in their area.

Some residents say it may have been the work of the rival Tlacos, or a third gang, wishing to disrupt the Ardillos' business by drawing security forces' attention to them. Beheading is a common Ardillo way to send a message.

Gustavo Alarcón, the short and stocky successor mayor—the alternate candidate during the election—has taken over Arcos's office. Since the killing, the federal government has sent hundreds of National Guard soldiers to patrol the city as Alarcón tries to project a sense of normalcy. Last week, he smiled as he touted job opportunities in Chilpancingo and shook hands at a job fair guarded by soldiers whose faces were hidden behind balaclava masks.

"It is normal to have fear," said the new mayor, who is protected by 18 bodyguards.

Pink Meth vs. Blue Meth

The rival gangs control the sale of many basic foodstuffs and services in Chilpancingo, a city of some 300,000 people.

The Ardillos dominate the wholesale market for chicken. The Tlacos hold sway over the sale of pork and beef. Each gang controls public-transport routes and the sale of drugs such as crystal methamphetamine in its sectors. The Ardillos' meth is colored blue. The Tlacos' is pink.

Gangs force the city to award public-works contracts to businesses controlled by them. The gangs pressure local governments to put people they control in charge of security, traffic police, public works and bar and restaurant inspections, residents say.

"They are the owners of daily life," said Juan Angulo, publisher of El Sur, Guerrero's leading newspaper.

WORLDWATCH

ESA ALEXANDER/REUTERS

THE BENEFIT OF MR. KITE: Sunday's 30th annual Cape Town International Kite Festival in South Africa was part of a fundraising and awareness campaign for World Mental Health Day.

IRAN

Nobel Laureate Gets Medical Care

Iranian authorities have allowed imprisoned Nobel Peace Prize laureate Narges Mohammadi to be hospitalized after almost nine weeks of feeling sick, a group campaigning for the activist said on Sunday. But the Free Narges Coalition said just transferring Mohammadi to the hospital won't address the severe health issues caused by months of neglect and deprivation, and called for her to be granted a medical furlough to receive comprehensive treatment.

Mohammadi, 52 years old, is being held at the notorious Evin Prison, which houses political prisoners and those with Western ties. Her initial 30-month sentence was extended by 15 months in January, and on Saturday authorities added six months after she protested the Aug. 6 execution of another of the political prisoners in the prison's women's ward.

Mohammadi suffers from heart disease, and according to a medical report issued in September, the main artery of her heart has again developed a serious complication.

—Associated Press

SUDAN

U.N., Doctors Group Count Rampage Toll

Fighters from the notorious paramilitary Rapid Support Forces rioted in a multiday attack that killed more than 120 people in one town, a doctors group and the United Nations said.

In the rampage in the province of Gezira between Oct. 20 and 25, fighters shot at civilians and sexually attacked women and girls, the U.N. said on Saturday. More than 46,500 people were displaced, according to Sunday's data from the International Organization for Migration's Tracking Matrix.

The Sudanese Doctors' Union said at least 124 people were killed and 200 others were wounded in the town of Sariha, adding that the group rounded up at least 150 others.

The war began in April 2023 when simmering tensions between the military and the RSF exploded into open fighting in Khartoum, before spreading across the country. Marked by atrocities, the war has killed more than 24,000 people, according to the Armed Conflict Location and Event Data.

—Associated Press

BOLIVIA

Ex-President Claims Shooting Attempt

Former President Evo Morales claimed he survived an assassination attempt on Sunday after unidentified men opened fire on his car in what quickly became the latest flashpoint in a struggle between the ex-leader and his successor, current President Luis Arce.

Morales, 65, said the shooting was part of a campaign by authorities to sideline him from politics. Arce's government claimed the leftist icon staged an attack on himself to boost his political fortunes ahead of presidential elections next year.

Both sides rejected the claims against them, which threatened to ignite Bolivia's political tinderbox and plunge the nation further into turmoil. Morales alleged the shots were fired while he was being driven in his rural stronghold of Chapare, whose residents have blockaded the main east-west highway in a show of defiance and solidarity after new legal threats against Morales emerged. That has choked off cities and disrupted food and fuel supplies, exacerbating an economic crisis.

—Associated Press

Friends Star In Big U.S. Dramas

Continued from Page One

Both are auditioning for big promotions—Harris for president of the United States and Walden for chief executive of Disney. Both would be the first women to serve in those roles, and both of their trajectories have been complicated by older bosses reluctant to leave the stage.

Harris is barnstorming through swing states in the home stretch of her truncated campaign to replace President Biden, while Disney said last week it wouldn't name a replacement for Walden's boss, CEO Bob Iger, until early 2026.

Friendships between high-powered business executives and politicians are a mainstay of elections, where influence and deep pockets can help attract critical votes. Donald Trump has grown close with Elon Musk, the billionaire owner of one of the world's most powerful social-media platforms. Musk recently took the stage at a Trump rally and has started giving away $1 million a day to registered voters in swing states.

Still, the long friendship between Harris and Walden has turned into a minefield of partisan politics.

Walden spoke with Disney's legal department in 2022 after a promotion put her in charge of Disney's general entertainment, including ABC News, and she disclosed that the families were close. She stopped hosting fundraisers for Harris when the news division came under her purview, and suspected their friendship would draw unwanted attention during ABC News's coverage of the 2024 campaign.

She was right. In an August post on Truth Social, Donald Trump asked whether "Kamala's best friend, who heads up ABC," would leak questions to the Harris campaign ahead of their September debate. Trump earlier this year had sued ABC, ABC News and anchor George Stephanopoulos for defamation, a case that a judge allowed to proceed in July. ABC has denied publishing any false and defamatory statements and said it did not act maliciously.

Opinions on the network's coverage continued to be split after the debate, which some critics said featured a disproportionate amount of fact-checking for Trump while others applauded the moderators' pushback.

Disney said that while Walden—co-chair of Disney's entertainment division, which includes all of its TV and streaming operations—has oversight of executives who run ABC News, she is only involved in corporate matters, not coverage decisions. She has never sat in on editorial meetings and leaves others to manage ABC News' day-to-day operations, the company said. Those close to Walden were infuriated by Trump's suggestion of impropriety, describing her as a rule follower with integrity, and see such attacks on the women as gendered.

Republican critics have decried Walden as further evidence of a left-leaning agenda at Disney that included fights with Florida Gov. Ron DeSantis and LGBT characters in its cartoons.

"It feeds into this ongoing grievance that Trump and the campaign have with all things mainstream media," said Debbie Walsh, director of the Center for American Women in Politics at Rutgers University.

Other media executives with business oversight of news networks have also given money to political candidates, defenders say, and Iger in the past explored a run for president as a Democrat.

Kamala Harris in Clarkston, Ga., on Thursday, above. Below, Harris's husband, Doug Emhoff, middle, with Dana Walden, right.

FROM TOP: DUSTIN CHAMBERS FOR WSJ; SHANNON FINNEY/GETTY IMAGES FOR UNITED TALENT AGENCY

Early friends

Harris's and Walden's husbands, Doug Emhoff and Matt Walden, were friends for several years before their wives met in 1994 as up-and-comers breaking into their respective industries. The two women met through Chrisette Hudlin, who works in public relations and whom Harris has described as her best friend.

For many years, Harris and Walden joined other women for group vacations. The Waldens live not far from the home Harris shares with Emhoff in Los Angeles's Brentwood neighborhood, a wealthy enclave popular with show-business executives and movie stars.

By the time she announced plans to run for president in 2019, Harris was a party star, and won the backing of dozens of Hollywood actors and executives, a raft of support that flooded her effort with cash.

Harris's campaign failed to gain traction, however, and folded before the Iowa caucus and ran out of money. The day after the announcement, the Waldens joined a small gathering of Harris's friends, donors and sorority sisters at a home in Brentwood.

The couple sat with other guests in a living room while Harris approached each one to talk about the decision, one visitor remembered. As everyone headed to their cars afterward, the conversation shifted to a recurring question: Would she be the vice presidential nominee?

Walden and her husband donated more than $20,000 to the Friends of Kamala Harris PAC in the first quarter of 2020 and gave more than $200,000 to the Biden Victory Fund in 2020, Federal Election Commission records show.

While in office, Harris and Walden have had many occasions to see—and support—one another. In April 2022, Walden and her husband hosted a DNC fundraiser at their home in Brentwood that featured the vice president and about two dozen guests.

"Dana and I have been friends for decades," Harris told the crowd. "And that's all I will say," she added before laughing.

Harris joked that the Waldens were "responsible for my marriage" since their mutual friends Chrisette and Reggie Hudlin had in 2013 set Harris up on a blind date with Emhoff.

In late 2022, Walden was one of several Hollywood executives invited to a state dinner for French President Emmanuel Macron. Hours earlier, she and her husband had visited Emhoff.

Walden's name has come up in other ways around D.C. Biden named Walden as one of 25 appointees to his Export Council, the White House's primary advisory committee on international trade, in early 2023. The CEOs of Citi, Qualcomm and Land O'Lakes were among the other members. The White House had wanted a Disney representative on the Council, which Iger had served on, and the company's government relations team suggested Walden.

She is the Council's only representative from Hollywood, and at a June 2024 meeting she touted Disney shows like "Grey's Anatomy" and "The Bear" and extolled the soft power impact of American entertainment.

"Through these stories, we communicate what it is to live here, who the people are in this country and how we want to be perceived around the world," she said.

Though she has kept her distance from political events, Walden has maintained a social life with the vice president. She and her husband spent last New Year's Eve with Harris and Emhoff, along with TV producer Ryan Murphy and his husband.

Last November, Dana Walden gave $20,000 to support Biden, and her husband donated $250,000 to what was then the Biden Victory Fund in April of this year.

When Harris took over the top of the ticket in July, Walden's oversight of ABC News became the political liability she'd feared. With a spotlight on their friendship, Walden is well aware of the optics of her family's ties to the Harris household and has kept her distance.

Matt Walden, however, has been described as an enthusiastic member of the second gentleman's entourage. He is among the small group of Emhoff pals known as "Doug's friends" who help organize events and rally support, according to acquaintances. In August, Matt Walden celebrated with Emhoff in Chicago at the DNC Convention, mingling with other donors and friends.

The evening Harris formally accepted her party's nomination, attendees saw Matt Walden sitting in the middle of the action. Dana Walden spent the evening back in Los Angeles, at a premiere for Hulu's "Only Murders in the Building."

Risky moves

In her first years out of college, Walden worked in entertainment publicity, managing press for "The Arsenio Hall Show" and other clients.

In 1995, early in her time in the publicity department at Twentieth Century Fox and soon after she'd met Harris, Walden gave a presentation at a company retreat in which she told her bosses that they had been risk-averse and lost opportunities to produce the kinds of shows that run for years and throw off cash in syndication. It was a risky move itself, considering Walden was a recent hire in the publicity department, but it put her on the path toward climbing the corporate ladder at Fox and later at Disney.

Walden became known as the executive hand behind several hits, including "Ally McBeal," "24" and "Modern Family." Disney completed its $71.3 billion purchase of most of 21st Century Fox's entertainment assets in 2019, setting in motion Walden's ascent to a future contender for Hollywood's top job: Disney CEO.

Harris's entrance to California society also came in the mid-1990s, when she was a deputy district attorney for Alameda County, where she'd earned a reputation for prosecuting child sexual assault cases. She was the girlfriend of Willie Brown, a longtime California politician then serving as the Assembly Speaker.

In the summer of 1994, Harris left the district attorney's office when Brown appointed her first to the state's Unemployment Insurance Appeals Board, then the California Medical Assistance Commission, jobs that paid tens of thousands of dollars. Critics decried both appointments as patronage jobs handed to the speaker's girlfriend.

Succession drama

Harris soon introduced herself as the tough prosecutor of grisly crimes in northern California, such as a 1996 case in which a 33-year-old man was sentenced to life in prison for scalping his girlfriend with a kitchen knife.

In 2003, she was elected as San Francisco district attorney—the first woman to hold the role—and increased the city's conviction rate. She became the state's attorney general in 2010. She earned national attention in 2012 for her role forging a multibillion-dollar deal with big banks over their mortgage foreclosure practices. In 2016, she was elected to succeed Barbara Boxer as U.S. Senator.

For the past four years, both Harris and Walden have weathered their own succession dramas. In 2020, after 15 years in the job and several contract extensions, Iger named Bob Chapek as Disney CEO. Chapek's tenure was marked by internal dissent—Walden was among his top critics—while Iger, on the outside, disparaged his successor to friends around Hollywood. Harris was named Biden's vice presidential pick that same year.

The Disney board fired Chapek in late 2022 and brought Iger back for another stint as CEO. His return set off a new succession race, with Walden established as an early internal front-runner.

Several months later, Biden and Harris formally announced their re-election bid—one that was derailed after the president's debate performance over the summer. Harris was left to quietly support her running mate even as major donors and party leaders urged him to step aside. When he did, Harris had just over three months to convince voters to stick with their ticket.

Walden has watched her friend sprint toward the finish line while she faces the opposite problem. With Disney announcing last week it had pushed back its decision on Iger's successor, she has to wait.

—Anthony DeBarros contributed to this article.

Why Rings Are Left At Home

Continued from Page One

ship with their engagement rings than previous generations of wives, who rarely left home without them. Traditionally, engagement and wedding rings announced the wearer as a member of a club and conferred a certain status, especially when they upgraded the diamond size as their family's income rose.

These days, whether a woman wears her ring often depends on the day's agenda. (No, it's not because they're looking for some outside-the-marriage action.) Some of that is leftover from the pandemic and lingering work-from-home schedules. If you're working from home in sweatpants, why put the diamond ring on? Some who commute into the office on public transit say they leave it off for safety reasons.

Engagement rings are frequently reserved for date nights, social outings and family gatherings where the lack of a ring could prompt unwanted questions.

"I see it as a lovely ring with great memories, not as a sign of our commitment," said Jasmine Ferrell, 30, of Brooklyn, N.Y., who got married in June and wears her engagement ring "when she remembers to" and while visiting family in Wisconsin. "I definitely don't want people [at home] to assume we're unhappy. In New York I care less about what other people think."

After getting engaged in Paris last year, Ferrell created a social-media post with a collage of photos to share the news with friends. She says she buried the photo showing the ring among other pictures because "it felt cringey." Her husband, Christopher Baez, a line cook, doesn't wear his wedding band to work because he wants to protect it from damage, and mostly saves it for when the couple goes out.

The wedding experts at The Knot have noticed the trend too. Esther Lee, The Knot's deputy editor, said that while "it's still overwhelmingly common for women to wear their engagement rings," those in their 20s and 30s are "thoughtfully" deciding when to wear it instead of automatically putting it on daily.

Wedding planners report that some couples question traditions they feel are outdated, including the engagement ring. "There is heightened awareness of what is a societal trend that might inadvertently create gender inequality," said Sarah Klingman, founder of Mostest, an on-demand event planning firm based in New York City.

Brides magazine conducted an Instagram poll last spring and found that of the 5,087 respondents, 21% don't wear their engagement rings daily. Reasons included leading a more active lifestyle that isn't conducive to wearing a diamond ring, avoiding damaging it and only wearing it on special occasions.

Those who don't want an engagement ring say they'd rather spend the money on something more practical like a home.

For Okenatez-Mahoney, the more practical item was a $6,000 Orbea carbon fiber road bike. The couple purchased inexpensive bands to exchange during their small ceremony in Wisconsin. They also shipped the bike from their home in Salt Lake City, Utah and put it in front of the wedding cake. "The bike is so much more practical and it's a thing we did together," said Okenatez-Mahoney, adding that the reason she didn't want an engagement ring is because, "I am not property. I am not a piece of land to be signed over." Despite that, wearing a ring has come in handy in certain situations. Before starting her photography business, Okenatez-Mahoney worked as an HR executive and wore a $20 wedding band when delivering an important presentation or traveling for business. She said colleagues took her more seriously since she looked young enough to be an intern.

> 'The bike is so much more practical and it's a thing we did together.'

Jayme Gruetzmacher, 42, has taken the opposite approach by not wearing her ring at work. As an HR executive who is often involved in employee salary negotiations and frequently interacts with coworkers of all ages, she wants to "show up in a neutral, relatable way."

"I don't want it to come off that I am of a different [financial] category or stage in my life," said Gruetzmacher, of Garrison, N.Y.

She has noticed that since moving to the Hudson Valley from Manhattan in 2020, she wears her diamond wedding band less too, since living there is "a bit granola and wearing big diamonds is not a thing."

That's something Toni Sicola has noticed too. Today she and her husband Loren Rothman live in Moab, Utah but they previously lived in the San Francisco Bay Area and Sicola said she wore her engagement ring, a garnet surrounded by diamonds, more frequently. Her wedding band, which she describes as inexpensive tsavorite, got "messed up" and she never replaced it. "I just don't care, it's not important to me," said Sicola, 42. "I'd rather spend money on other things."

As a child, Andi Hawkins remembers taking her grandmother's engagement ring off her finger, putting it on her own and walking around the house with it on. "I couldn't wait to get that thing," said Hawkins, 32, of Adairsville, Ga., whose husband proposed with it seven years ago. Now she thinks it's too precious and big to wear every day, so it sits on the bathroom counter and only comes out on holidays or when her grandmother is around.

Instead, Hawkins has a tattoo of her husband's initials on her ring finger. She got an inexpensive silicone wedding band for the wedding ceremony but has since lost it, saying it's likely forgotten in a pair of "muddy caving gloves."

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PERSONAL JOURNAL.

Your Office's 'Happy Warrior' Knows How to Get Ahead

The perpetually upbeat co-worker stands out because so many others are grumpy or slacking off

ON THE CLOCK
CALLUM BORCHERS

They smile even when work is a slog, but fierce ambition lies behind their sunny dispositions.

They're the happy warriors in your office, and make no mistake: The "warrior" half of the moniker is just as important as the "happy" part.

"I want to win," says Danielle Korins, chief human resources officer of an artificial-intelligence company in Connecticut and a self-described happy warrior. "I want to get things done and make money."

These cheery colleagues weren't all born this way. While others try to impress the boss by working late or developing hard-to-find skills, this army of relentless optimists is determined to outwork everyone else and smile while doing it.

It signals loudly to the upper ranks that they haven't fallen prey to negativity and burnout. And they say it's working.

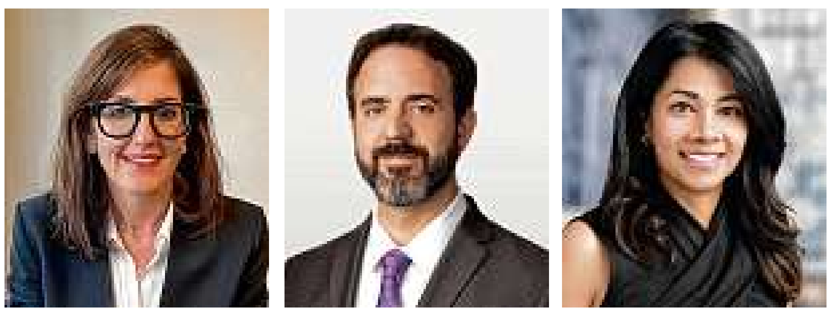
The phrase is coming up a lot lately. I've noticed people using "happy warrior" as an unofficial job title on LinkedIn. You have surely seen it attached to Democratic vice-presidential nominee Tim Walz, who seems to have inherited the label from fellow Minnesotan Hubert Humphrey, elected vice president 60 years ago.

No party has a claim on the slogan. Ronald Reagan urged conservatives to be happy warriors full of "good cheer and stout hearts" in a 1985 speech.

The mindset is meant to project friendliness and toughness at the same time. The term is at least a couple of centuries old, the subject of a William Wordsworth poem, "Character of the Happy Warrior."

Korins, 52 years old, says she's no personality hire or chief happiness officer—not that there's anything wrong with those roles. It's just that she and others who wear the happy-warrior label say they bring intensity to work along with good vibes.

She tells me she has no work-life balance, and likes it that way.



Danielle Korins, left, is a self-described happy warrior; Kenneth Ely says being affable can help. Mary Varghese Presti's philosophy is 'your vibe attracts your tribe.'

She says being a happy warrior means giving people the benefit of the doubt if she feels slighted and not taking disappointments personally, so that a sour mood doesn't hinder her job performance.

"People waste so much time feeling hurt or thinking that someone else has a negative agenda," she says. "Happiness is a decision."

Grin and get ahead

In a survey published in Harvard Business Review this month, hiring managers listed a negative attitude—demonstrated by criticizing former colleagues or employers—as a top red flag for job candidates. The poll's conclusion: "Hiring managers want to see that you can handle challenges professionally and move forward with a positive attitude."

That's a big ask when so many of us are mentally checked-out. Less than one-third of U.S. workers feel engaged in their jobs, according to Gallup, near an all-time low since the firm started tracking in 2000.

"Work can be a roller coaster, but the people who keep bringing energy usually get more assignments and chances to grow in the organization," says Ed O'Boyle, who leads Gallup's research and consulting practices.

Nick Tan, a senior analyst at a New York software company, credits his happy-warrior persona for the three promotions he's earned in eight years with his employer. He started as a temp worker and now boasts a tenure that is long by tech-industry standards.

"So many people jump ship every two years for a pay bump and a fancier title," he says. "The harder thing to do is to commit to a project or an enterprise for a long time."

Now that many tech companies are slowing hiring or laying off employees, it isn't so easy to flee to greener pastures. Tan, 33, says he knows people who are struggling to press forward in jobs they don't love because they are accustomed to bailing at the first sign of trouble.

Happiness as a weapon

Kenneth Ely's grandmother—like mine and probably yours, too—preached killing enemies with kindness. He's carried that advice into his career as a civil litigator, an adversarial profession if there ever was one.

Many factors go into a settlement, but Ely, 44, says being affable can help his client and opposing counsel warm to the idea of making a deal. He views his cheery attitude as a weapon that makes achieving good results easier.

For Ely, the Wordsworth poem is a touchstone, especially a passage that describes a happy warrior as someone "who, if he rise to station of command, rises by open means; and there will stand on honorable terms."

"It's like a mirror image of the Machiavellian approach to business, where you do the cutthroat thing and the only principle is success," Ely says. "Wordsworth's words vibe with me a little better. They're a reminder to bring your best self to work."

Mary Varghese Presti's philosophy is "your vibe attracts your tribe." Her happy-warrior stance within Microsoft, where she's a vice president in the health division, has helped her form alliances.

One of her latest efforts is an artificial-intelligence tool to help nurses take notes about patients faster. She has to convince colleagues that an AI tool can win converts among nurses who may be reluctant to change old, handwritten habits.

Some of her peers find data persuasive, while others rely on intuition. That's where Presti's ability to share firsthand experience from her previous job as a pediatric nurse comes in handy. She practices what she calls "optimistic fortitude," tailoring her arguments to her audience and deploying personal charm throughout.

"People want to work with people they like," she says. "We've all worked with the bull in a china shop. It doesn't work."

CLOCKWISE FROM TOP: OLEG BORODIN; ISTOCK (15); MICROSOFT; PHOTOBYELSA.COM; CATE KORINS

MY RIDE | A.J. BAIME

Royal Enfield Bike Is the Chef's Kiss

Marc Forgione, 45, the chef/owner of New York City's Forge, Peasant and Trattoria One Fifth, on his 2023 Royal Enfield INT 650, as told to A.J. Baime.

My restaurants are relatively close to each other, maybe a mile apart. To get from one to another—if I have a meeting, or I need to taste something, or if there's a guest I want to see—can take a long time. I found myself on the subway, taking Ubers, or walking as fast as I could. It was taking over my life. I was spending way too much on Ubers every day.

I tried getting an e-bike, but it got stolen. I thought: You know what? I've always wanted a motorcycle. Now is as good a time as any.

I talked to a lot of people. In today's world, there are lists for everything: the best bike for city riding, the best bike for your first bike. When I saw pictures of a Royal Enfield, I thought, wow, that's cool. I test-rode an Interceptor, took a safety class, and that was it. The bike was not overly expensive—about $8,000—especially considering what I was spending on Ubers.

Originally a British brand, Royal Enfields are built in India, where there's a huge motorcycle culture. The Interceptor looks vintage, like something out of the 70s, and I've always been an old-school guy. You have to be careful when you're riding in Manhattan, because everyone is on their phone and no one is looking where they're going. But you can move and you don't have to sit in the traffic. The bike keeps you in an upright position, so you're always paying full attention. If you're on a cruiser, you might get a little chill. This bike keeps you entirely engaged.

I have two saddlebags and a backpack, so I can carry things.

I go to a farmers market and pack stuff in. I've brought chocolate coconut cake home for my wife. I've carried bottles of wine. I sometimes carry my kitchen shoes, if I have to be at work and then to an event.

Earlier this month, I had to host a New York City Food & Wine Festival dinner at the Beekman hotel, and I had to be at my niece's bat mitzvah on the same night. I took the family photo at 5:45 p.m., hopped on my bike in my suit and sped downtown, addressed the dinner guests, looked over all the dishes with my chefs, then made it back to the bat mitzvah in time for the hora. Crazy night! It would not have been possible without this motorcycle.

It costs me 10 bucks a week to fill the tank. Another beautiful thing about it is parking. Anyone who's ever had a car in New York knows what a headache parking can be. I put my motorcycle in a garage at night, and during the day, I have particular spots where I put it at all my restaurants. The traffic police usually don't bother me because they know the bike.

The Royal Enfield opens up the city to me. Then, if I have a couple hours of free time, I jump on and go over the George Washington Bridge onto the Palisades Parkway, up and down the Hudson River—especially this time of year with the foliage. It's like heaven.

No more Uber bills. Forgione spends about $10 a week on gas.

JONAH ROSENBERG FOR WSJ (3)

A Haunted House Is Scary Business

By Heidi Mitchell

Owner John LaFlamboy in the HellsGate Haunted House in Lockport, Ill.

John LaFlamboy has about one month to earn his living for the year. That month is October, and his business is scaring people.

He does it at the HellsGate Haunted House in Lockport, Ill., 35 miles south of Chicago. Like most other haunted houses, HellsGate is open only during the Halloween season—and a rainy autumn or a winning streak by his beloved Cubs can keep people away and destroy his profit margin.

"When they are in the playoffs, I see a 23% drop in ticket sales," says LaFlamboy, who is 49.

Running a haunted house can be a risky—if not scary—business. The barrier to entry is high, the overhead costs can be massive, and the attractions have just one very vulnerable month to earn their money. Like many other small businesses, 60% of them don't make it past their third year, according to haunted-house review company and directory Scare Factor. Most operators have to keep their day jobs or do side hustles to make ends meet.

"The most successful haunts, the ones that last more than three years, are full-on destinations rather than a 20-minute attraction," says Scare Factor co-owner Nora Proffet. "Haunters are competing with all other forms of entertainment, and visitors want to spend the whole evening having fun."

In the past few years, that has meant adding food trucks, ax throwing, bars and escape rooms, Proffet says. Many attractions also create special events—whether scary or not—for Christmas and Valentine's Day.

Over the past nine years, LaFlamboy has added numerous flourishes to lure people to his haunted attraction. Customers can now visit a midway with bonfires, food concessions, two bars, a free photo booth, an escape room, a gift shop and giant movie screen, and roaming actors—playing various creatures—to take selfies.

Left, customers Lindsay Inmon and Kevin Inmon at a photo booth with an actor at HellsGate. Below, a performer interacts with customers waiting to enter.

LaFlamboy is also on the lookout for ways to tweak the spooky experience to keep it fresh. He rewrites a big chunk of the haunted house's story line every season, and he keeps a close eye on visitors at the 23,000-square-foot haunted mansion.

"I follow the audience in costume every single night, looking for what they fall in love with and what doesn't work," LaFlamboy says.

The terror business

Over the past few decades, haunted attractions have become a go-to destination for people who celebrate Halloween. A National Retail Federation survey showed that approximately 18% of U.S. adults visited a haunted attraction last year, or about 46.5 million people. The Halloween and Costume Association says that haunted houses are a $500 million industry.

That money is split among a relatively small number of attractions. According to Scare Factor, the U.S. is home to 2,100 for-profit haunted attractions—that is around double the number in the 1990s—plus an estimated 1,000 not-for-profit ones, which include pop-ups in cornfields.

About 500 haunted attractions shut down each year, with the same amount cropping up annually, whether they are run by a Junior Chamber of Commerce or a for-profit business.

About half of haunted attractions saw 5,000 or fewer visitors, while just 2% of haunted attractions reached more than 50,000, typically near large metropolitan areas, according to Alex Linebrink, chief executive officer of niche ticketing company HauntPay, a platform for ticket sales in the haunt world.

Overhead costs can be massive. Property leases, actors, makeup, props, safety training, animatronics, construction, lighting, technology, marketing and insurance can quickly add up to $1.5 million annually. "It can cost $40,000 just to put in a fire system along an outdoors trail," which is often required by fire marshals, says Proffet.

By the time HellsGate opened in the fall of 2016, LaFlamboy and his business partner, Rick Rudie, had spent around $2 million, including $400 apiece for basic foam corpses, and up to $1,400 for particularly gory bodies in the medical lab. One of the three animatronic dragons in the basement cost him $15,000, while the 120 or so actors got paid $125,000 for eight weeks of work, including training beforehand and breaking down sets afterward, he recalls.

Making money

The investment paid off. HellsGate drew 55,000 visitors last year, who paid $35 per ticket. Including sales of merchandise, food and drinks, the Illinois native grossed over $2 million from HellsGate in 2023, with a 15% margin. By far his biggest cost is labor. He now brings on 300 temporary workers for the season, about half of them cast, crew and management. Performer-related salaries alone run $330,000.

Rent and fees, two other big expenses, cost him about $136,000, while annual insurance runs another $64,000 or so. Along with other expenses, he ended up with that 15% margin, he says. This year, with all the new attractions on the midway, he is charging $40 per customer, which translates to about $1 per minute of entertainment.

HellsGate has also had a big impact on other businesses. Lockport mayor Steven Streit estimates that visitors to the attraction spend $2.5 million a year at local bars, restaurants, hotels and gas stations.

TAYLOR GLASCOCK FOR WSJ (3)

'Doctor Odyssey' Drama Says Ahoy to Campiness

By Ellen Gamerman

"DOCTOR ODYSSEY," TV hitmaker Ryan Murphy's new network medical drama set on a cruise ship, has already featured a syphilis outbreak, a nose falling off a woman's face, a man overboard, a lot of defibrillator jolts ("Stay with me, Kelly!"), a shrimp overdose, a life raft rescue, a honeymoon penile fracture, a medically diagnosed broken heart and a dead passenger stored in the walk-in refrigerator of the ship's flower shop.

And the show has been on for only a month.

The series, with hourlong episodes on ABC and Hulu, is like the self-aware baby of "The Love Boat" and "ER," winking at its own campiness. On one level, it's this fall's throwback to a bygone era, when it was OK to be hypnotized by easy mass entertainment rather than challenged by the latest streaming auteur. The show was partly inspired by Bravo's luxury-yacht reality series, "Below Deck."

But bobbing amid the fruity drinks, bikini antics and sparkling seas of "Doctor Odyssey" is a morality tale, said series co-creator Jon Robin Baitz, a playwright who'd rather read Russian novels on a cargo ship than go on a cruise. For a writer whose internal GPS heads for more tortured imagined destinations, the show is a metaphor for purgatory and a commentary on the role of pleasure in American life.

"I think of it almost as a voyage of the damned," he said.

In today's competitive media landscape, with studios cutting staff and slashing output, escapist shows want to be smart, smart shows want to be escapist and floating doctors come with a dash of existential dread. Highbrow TV made audiences used to being treated like critical thinkers, and some fans have already theorized that the story is the fever dream of a dying man.

The show tells the tale of Dr. Max Bankman (Joshua Jackson, always and forever Pacey from "Dawson's Creek" to some), a breezy newcomer in a Hawaiian shirt who has survived a near-death bout of Covid and now wants a chill job. He instantly enters an inappropriate workplace relationship with Avery Morgan (Phillipa Soo), a nurse who maybe should have been a doctor. The medical team is rounded out by Lothario nurse Tristan Silva (Sean Teale). Overseeing it all is Captain Robert Massey (Don Johnson), a loner at the helm who indulges in silk boxers and the occasional hookup.

Baitz's captain is a man emotionally at sea. He compares Captain Massey not to Captain Stubing, the merry womanizer in white knee socks on "The Love Boat," but to the wizened seaman traveling with Death in Samuel Taylor Coleridge's 1798 poem, "The Rime of the Ancient Mariner."

Baitz, also a screenwriter who collaborated with Murphy on the recent FX miniseries "Feud: Capote vs. The Swans," is fascinated by his show's network presentation, where high drama is condensed into short blocks between ads. "The more sophisticated streaming gets, the more I appreciate, anthropologically, things like commercials for Cadillacs," said Baitz, who created the 2006-2011 ABC drama "Brothers & Sisters."

He has never been on a cruise and doesn't feel he needs to change that. "I'm able to appreciate 'Death of a Salesman' without having been a shoe salesman," he said.

Still, he doesn't think he's the best person to be interviewed about his own show. Baitz, 62, thought "The Love Boat" was insipid and "the end of the world" for entertainment when he first saw it as a moody ex-pat on a trip back to the U.S. during high school.

Sean Teale, Phillipa Soo and Joshua Jackson in 'Doctor Odyssey.' Don Johnson, below.

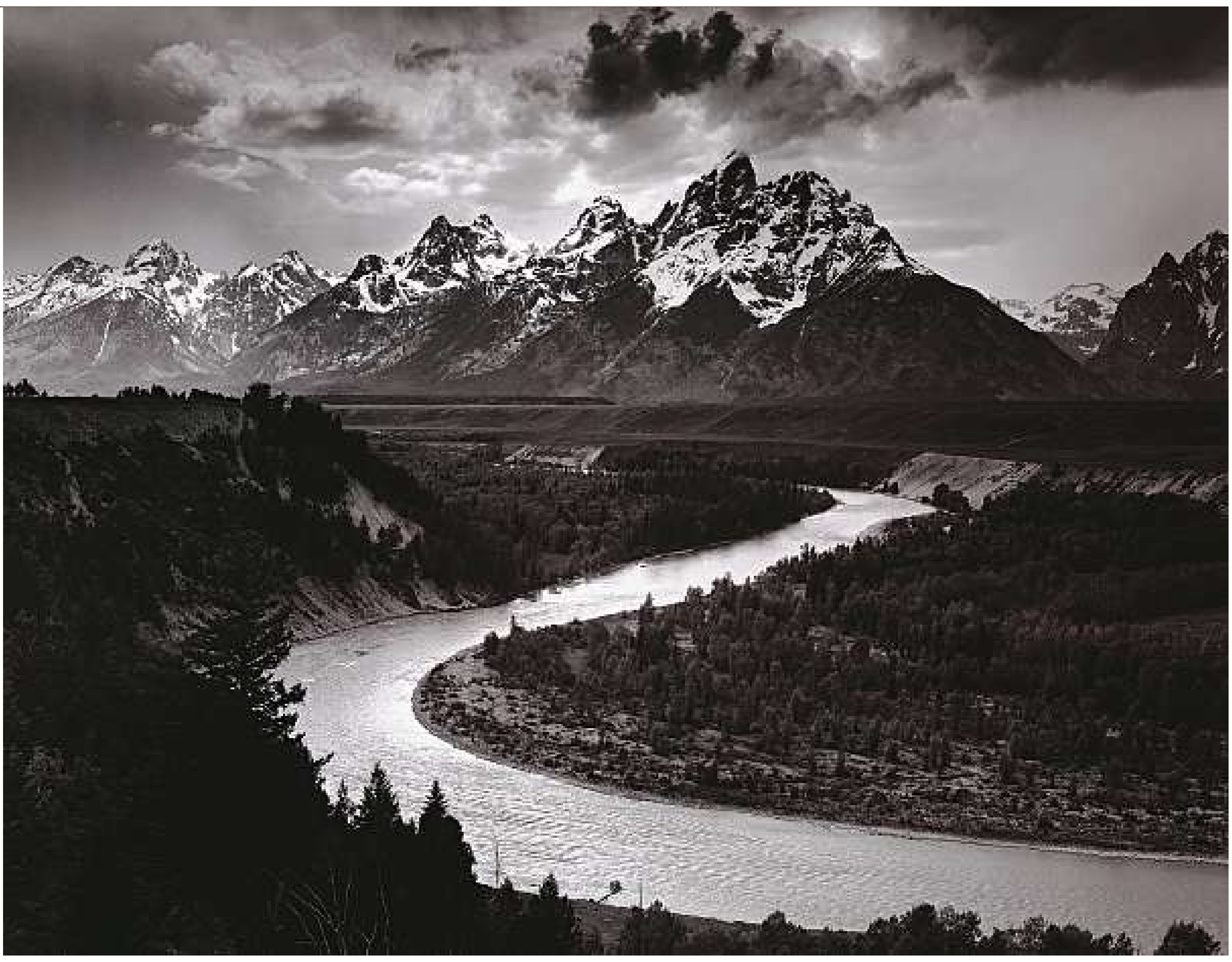
Murphy's artistic vision isn't exactly sanguine, either. This is the creator of "American Horror Story" and "Dahmer," whose portrayal of American life has its own complexities and contradictions.

The series isn't aiming to present cruise vacationers with disdain. In the first episode, when Dr. Bankman refers to "cruise ship people," the captain stiffens. "Now doctor, you cannot judge our passengers," he scolds. "We're tending to their dreams."

As outlandish as its medical plots can be—passengers are hooked up to golden IV poles and stuck with gilded syringes—the show loosely bases its emergencies on fact.

The series airs in a prime-time slot on Thursdays between "9-1-1," another Murphy creation, and the Shonda Rhimes stalwart "Grey's Anatomy." Each week comes with a theme. So far those have included a plastic surgery episode featuring a woman who snorts cocaine post-rhinoplasty and ends up carrying her own nose off the ship to have it reattached on land. The wellness episode featured a poisoned blue smoothie, nearly fatal acupuncture and an emergency appendectomy during a storm in which sutures could only be secured with a nautical knot.

DISNEY (2)



ART REVIEW

Capturing Nature's Drama

By William Meyers

Cincinnati

The earliest picture in "Discovering Ansel Adams," at the Cincinnati Art Museum through Jan. 19, 2025, is "Half Dome in the Clouds, Yosemite, California" (1916); there are trees in the foreground, the formidable rock formation is in the distance, and a dramatic mass of clouds wafts at the top. It is not a great picture, but it is a good picture, and a very good one for a 14-year-old boy with a Kodak Box Brownie camera.

Rebecca Senf, chief curator at the Center for Creative Photography in Tucson, Ariz., curated the exhibition, collaborating with Nathaniel Stein,

A show traces Ansel Adams's development as a photographer.

CAM's curator of photography, and she drew heavily on the resources of the Center. Ansel Adams (1902-1984) established it at the University of Arizona in 1975 as a repository of photographic archives, so it has a rich collection of his prints, negatives, financial records, notes, manuscripts, equipment and ephemera. Ms. Senf has spent decades with the Adams material; her intention here is to show how the precocious boy became one of the best-known and most loved photographers in America.

The first gallery of the exhibition is painted hunter green to put us in mind of Yosemite National Park. In the center is a reproduction of the black-paged album in which, when he got home to San Francisco, the young Adams secured "Half Dome in the Clouds" and other pictures he took on his initial visit to the park; his mother labeled them with white ink. The visit inspired two enduring passions, photography and mountaineering; he returned to Yosemite every year of his life. Pictures he took during his early visits, for instance "Mt. Watkins and Mirror Lake" (c. 1920), "Forest in Yosemite Valley" (c. 1920) and "El Capitan, Yosemite Valley" (1925), show an intuitive talent for composition. After he abandoned an early ambition to be a concert pianist and determined on a career as a photographer, his works showed increasing technical sophistication.

"Monolith, the Face of Half Dome, Yosemite National Park, California" (1927) is an example of his mastery of technique. Adams arrived at his observation site after a laborious climb with his heavy view camera, tripod and glass negatives. He had two negatives left; he shot the first with a standard yellow filter that would render the scene pretty much as it was. But Adams wanted something more dramatic, something that would present the huge granite mass with the emotion it inspired in him. He attached a dark red Wratten No. 29 filter to his lens and made his last exposure; it darkened the sky, showed fine details on the rock's face, and created an image of almost overwhelming monumentality. He had seen the result beforehand in his mind's eye, a sensation he called "visualization," and he trained himself to practice it. "Monolith" remains one of Adams's best-known images.

An important part of Adams's maturing as an artist was learning how to address specific audiences and changing his style accordingly. In his first published portfolio, "Parmelian Prints of the High Sierras" (1927), there were vestiges of Pictorialism—soft focus, matte paper and sentimentality—that were gone by the time he published his second, "Taos Pueblo" (1930). This very sophisticated and commercially successful project benefited from his exposure to the work of modernists like Paul Strand and his involvement with Group f/64, fellow Californians Imogen Cunningham, Willard Van Dyke and Edward Weston. The f/64 diaphragm opening they championed produces pictures with great depth of field, in focus from foreground to background; they made contact prints on glossy paper to emphasize the sharpness. And Adams more frequently embraced abstraction in his compositions, as in "Frozen Lake and Cliffs, Sierra Nevada, Sequoia National Park, California" (1932): water, ice and rock, with no horizon or sense of scale.

In 1941 the Interior Department contracted with Adams to produce murals of the National Parks for its new building. Government money for the project became unavailable when America entered World War II, but Adams got grants from the Guggenheim Foundation to do the work. At the entrance to the exhibition's final section is "The Tetons and the Snake River, Grand Teton National Park, Wyoming" (1942), one of the few large-format prints in the show. In her book on Adams, Ms. Senf refers to his mature style as "operatic"; Adams himself made analogies between photography and music, and her adjective is spot on. By this time, Adams had formulated his zone system, designating parts of an image from 0 to 9 (dark to light) and including some of each tone in his final prints. A master of darkroom technique, he could orchestrate small sections of a print, making them lighter or darker until they had just the emphasis he wanted and contributed to the effect of the whole. "The Tetons" is grand in concept, technically brilliant, and animated by Adams's fierce love of nature.

Discovering Ansel Adams
Cincinnati Art Museum,
through Jan. 19, 2025

Mr. Meyers writes on photography for the Journal. See his photographs at www.williammeyersphotography.com.

'The Tetons and the Snake River, Grand Teton National Park, Wyoming' (1942), top; 'Half Dome in the Clouds, Yosemite, California' (1916), above; 'Yosemite Valley From Tunnel Esplanade' (c. 1930), below.

SPORTS

The Playoff Misery of Aaron Judge

The World Series was supposed to be a coronation for the Yankees star. Instead, he has sputtered on the biggest stage.

By Jared Diamond

HARRY HOW/GETTY IMAGES

Aaron Judge is batting .150 this postseason, striking out 19 times in 40 at-bats. He went 0-for-4 with three strikeouts on Saturday.

Los Angeles

This World Series was supposed to be a coronation for Aaron Judge. Here was baseball's most prolific slugger, coming off one of the greatest offensive seasons in baseball history, finally on the verge of filling the one gap on his otherwise spotless résumé. He was going to win a championship.

Instead, the past three weeks couldn't have gone more wrong. Judge, the man with the most home runs in the major leagues since his breakout in 2017, has sputtered on the game's biggest stage.

He is batting just .150 this postseason, striking out 19 times in 40 at-bats. He looked lost at the plate during Game 2 of the World Series on Saturday night, going 0-for-4 with three more whiffs. His at-bats have largely been noncompetitive this month, filled with wild swings and misses on balls nowhere near the plate.

Judge's struggles have put his New York Yankees in a 2-0 hole to the Los Angeles Dodgers ahead of Monday's Game 3, their dreams of winning the franchise's first title since 2009 quickly slipping away. Judge is a significant reason why, leaving him to face perhaps the worst label any athlete can be saddled with: playoff choker.

"I've definitely got to step up," Judge said. "I've got to do my job. Guys around me are doing their job getting on base, and I'm failing them."

There is no doubt that the 32-year-old Judge is a generational talent. Two years ago, he set an American League record by hitting 62 homers, surpassing Roger Maris' mark from 1961. The three other players to pass 60 since Maris—Barry Bonds, Mark McGwire and Sammy Sosa—have all been suspected of using performance-enhancing drugs, further highlighting Judge's accomplishment.

The craziest part is that Judge's 2024 season might have been even more impressive. He led MLB in homers (58), RBIs (144), on-base percentage (.458) and slugging percentage (.701), to go along with a .322 batting average. Next month, he will be named MVP for the second time in his career.

But fairly or unfairly, athletes in America aren't judged by how they fare in the regular season. Their ultimate legacies are built around the number of rings on their fingers. Michael Jordan going 6-for-6 in the NBA Finals helped elevate him to legendary status. Tom Brady is known as the best quarterback ever because of his seven Super Bowl championships, while Dan Marino's failure to win even one has followed him forever.

Closer to home, October success is why Derek Jeter has been immortalized in Yankees lore even more than his 3,465 lifetime hits. Judge, a 6-foot-7 behemoth with almost inconceivable power, can do things on a baseball field that Jeter never could have dreamed of.

Jeter did, however, win five World Series. In his first true test, Judge has been less like Jeter and more like Alex Rodriguez, whose inability to deliver in the postseason became so pronounced that then-Yankees manager Joe Torre once dropped him to eighth in the lineup.

"I think it's trying to make things happen instead of letting the game come to you," Judge said.

Judge attributed his problems primarily to poor plate discipline—essentially chasing pitches out of the strike zone. The data certainly backs that up.

During the regular season, Judge swung at balls out of the zone 18.7% of the time, which was fourth best in the majors among qualified hitters. But since the calendar turned to October, that figure has shot up to nearly 30%.

He's not exactly making good decisions on pitches over the plate, either. In the sixth inning Saturday, Yoshinobu Yamamoto threw Judge a 2-0 fastball down the middle. It was a pitch he typically sends somewhere in the direction of Neptune. This time, Judge let it go by. Two pitches later, he struck out.

"When we're going well," Judge said, "we can usually fire on that."

Yankees manager Aaron Boone said he believes Judge's issues are mostly mechanical. His timing is off, Boone insists, as happens to any hitter over the course of a long season. The fact that it's happening in the postseason is merely a coincidence. Judge said he's "getting close" to making the necessary corrections.

"We're all a little anxious, you know," Yankees infielder Jazz Chisholm Jr. said. "I feel like when we get home, he's going to feel more confident and he's going to calm down a little bit more."

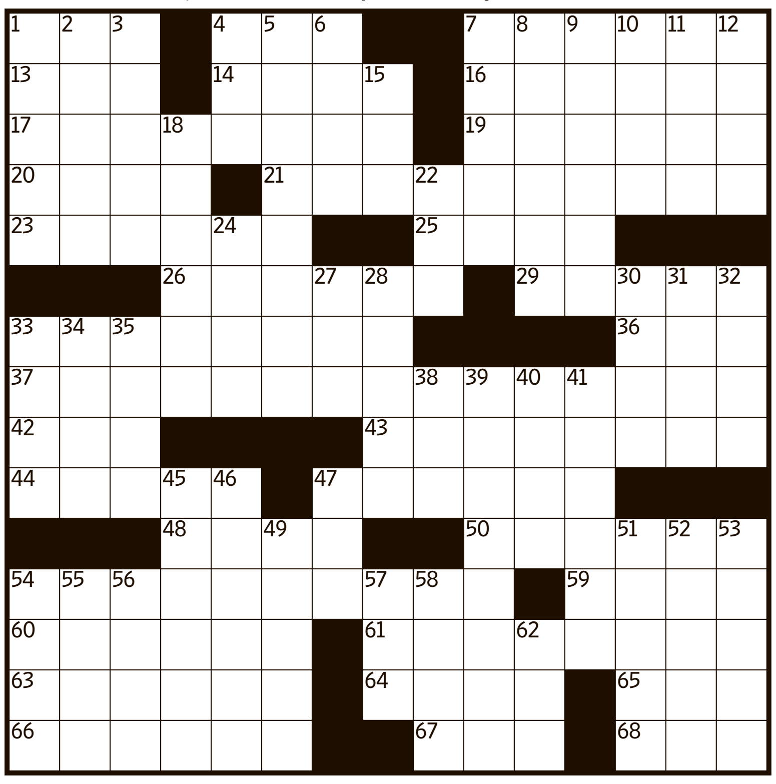
But for Judge, playoff disappointment is nothing new, raising concerns that the problem is more mental than physical.

In 55 postseason contests, his batting average is .199, with 85 strikeouts in 211 at-bats. In 2022, the last time the Yankees' were in the postseason, he heard loud boos at Yankee Stadium. With another poor performance, Monday could be more of the same.

No one around the Yankees could have expected this type of frustration. They breezed their way to a pennant without Judge needing to contribute much. A signature moment in the World Series would render everything that had happened in the past irrelevant.

But with the Yankees on the brink of elimination, he's quickly running out of time.

The WSJ Daily Crossword | Edited by Mike Shenk



SQUAWK ON THE WILD SIDE | By Dylan Fugel

Across

1 Hoover or Oroville, e.g.
4 Leather-piercing tool
7 Division due to discord
13 Punk rock offshoot
14 Tibetan monk
16 "ASAP!"
17 Dove's overthrow of a regime?
19 Postal scale units
20 Coolness, in slang
21 Crows' shared purpose?
23 Word before poodle, pastry or press
25 St. Louis landmark
26 Arise
29 Bootlegger's product
33 Something taken into account
36 Hawaiian taro dish
37 Robin's assessment of an attractive mate?
42 Record label founded by Drake
43 Tailgates too much?
44 Charged
47 Condition marked by fatigue
48 See the sights
50 "Hurry up!"
54 Chick's frugal friend?
59 Cubic Rubik
60 Make fizzy
61 Notes from on high, and an alternative title for this puzzle
63 Finish for fund or hell
64 Winter glider
65 Narcs' org.
66 Spends hours at the mirror
67 Successes for QBs
68 Stammering syllables

Down

1 Less-buzzy brew
2 Love, in Lyon
3 Oscar winner Julianne
4 Bitter brew
5 Acclaimed graphic novel made into an Emmy-winning HBO series
6 "Hilarious!" to a texter
7 Track of an animal
8 Sound of peanut brittle
9 Boss, from the Japanese for "group leader"
10 Cuzco resident
11 Meat-and-potatoes dish
12 Terrarium growth
15 Convenience store convenience
18 Took steps?
22 Weather report backdrop
24 Torso muscles, as a whole
27 Por ___ (therefore, in Spanish)
28 Reversal on the road
30 Dentist's directive
31 Like many freshman dorm bathrooms
32 Components of a 46-Down
33 Composer Stravinsky
34 Brightening star
35 Roger Rabbit, for one
38 "My word!"
39 Criticized severely
40 Destiny's Child, e.g.
41 Drives dangerously
45 Relaxed
46 Musical countdown
47 Torah's place
49 Manipulative people
51 Wear away
52 Central
53 Garments for citizens of Rome
54 Complain
55 Listen to
56 Southernmost Great Lake
57 Some torso muscles
58 Lean
62 Deg. for a driller

Previous Puzzle's Solution

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

The contest answer is **YOU'RE RIGHT**. Each of the four longest answers is made of two words that have homophones that could be answers to clues for other words: TAIL/TALE/**Y**ARN, GATE/GAIT/**O**N AIR, NEW/GNU/**R**HINO, WORLD/WHIRLED/**E**DDIED, REIN/REIGN/**R**ULE, DEER/DEAR/**I**DOL, FORE/FOUR/**T**EN, PAWS/PAUSE/**E**JECT. The first letters of those words spell YORE RITE, which itself is a homophone of the contest answer.

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

Ohtani Dodges Serious Injury

By Jared Diamond

Los Angeles

The Los Angeles Dodgers boarded what should have been a celebratory flight to New York on Saturday night holding their breath. They had a 2-0 World Series lead over the Yankees and moved to within two victories of a championship—but appeared to have lost Shohei Ohtani to a significant injury.

But by the time they arrived in the Bronx on Sunday afternoon for their team workout ahead of Monday's Game 3, the Dodgers were able to let out a collective exhale. Ohtani's partially dislocated left shoulder was feeling better than the Dodgers ever could have anticipated, considering how much pain he had been in the day before.

As a result, Dodgers manager Dave Roberts said that barring any unforeseen setbacks, he planned to have Ohtani in the lineup Monday against Yankees starter Clarke Schmidt. Roberts isn't under any pretense that Ohtani will necessarily be 100% healthy—but it sure beats the alternative.

"If he is able to play, willing to play, he's going to play," Roberts said. "Schmidt will know that Shohei's in the box, so that means everything."

With those words, the panic that had set in across the baseball world that this hotly anticipated Fall Classic would have to continue without the sport's most popular player faded away. It lasted less than 24 hours. Now the Dodgers will turn their attention to the reason they traveled across the country in the first place: to finish off the Yankees.

In the seventh inning Saturday, the idea of Ohtani continuing to play in the World Series seemed far-fetched. He grabbed at his arm while attempting to steal second base and stayed on the ground for a couple minutes while receiving medical attention.

During those perilous moments, the sellout crowd of 52,725 at Dodger Stadium fell eerily silent. Dodgers outfield Teoscar Hernández said the home dugout was just as quiet.

When Ohtani finally walked off the field, an athletic trainer had to support his arm. Even after the final out, as the Dodgers' victory song, Randy Newman's "I Love L.A.," blared through the ballpark, the mood remained sullen.

"He's the best player in the game, and to see him on the ground in pain, it's not a good feeling for sure," Dodgers utility man Tommy Edman said.

Afterward, however, Robert put on a sunny face. He said an initial examination of Ohtani's strength and range of motion returned positive results and that the Dodgers would know more following more imaging. He described the Dodgers as "encouraged."

Roberts' optimism turned out to be founded. Nothing in the additional testing revealed anything that would prevent Ohtani from playing, as long as he can tolerate the pain.

"I don't see him being compromised," Roberts said.

KYODONEWS/ZUMA PRESS

Dodgers star Shohei Ohtani was injured in the seventh inning of Game 2 of the World Series.

OPINION

Can You Handle Four More Years?

INSIDE VIEW
By Andy Kessler

Vice President Kamala Harris said in 2021: "If the goal is truly about equality, it has to be about a goal of saying everybody should end up in the same place. And since we didn't start in the same place, some folks might need more—equitable distribution." There it is, progressivism in a nutshell.

Actions speak loudly. Ms. Harris co-sponsored Bernie Sanders's 2017 Medicare for All Act, co-sponsored the Green New Deal and was the tie-breaking vote for the Inflation Reduction Act to spend gobs on green gravy. I almost feel sorry for my center-left friends who've been mugged by a progressive agenda. My question: Can the economy handle four more years of progressive power?

• *Price controls.* Candidate Harris wants to end grocery "price gouging," a classic misdirection to shift blame for the Biden-Harris spending-induced 9% inflation. The first sign of economic illiteracy is price controls, then tariffs, money multipliers and all things Keynes. Stripped of price signals, markets lose their compass. Soviet supermarkets had price controls and bare shelves. Wage and price controls don't work.

• *Never-ending spending.* The progressive plank has pushed housing subsidies, child tax credits and startup loans that will never be paid back (90% of startups fail). How will this be paid for? It doesn't matter, to spend is to tax. Ms. Harris proposes to extend Medicare's $2,000 cap on drug spending to everyone—a gateway drug, pardon the pun, to Medicare for all and socialized medicine. Don't fall for it.

• *Taxes up.* Progressives are gunning for your hard-earned money. Their proposed highest tax rate is 39.6% from 37%. Add roughly 13.3% in California and if you do well, you're working for the man. Corporate tax rates are to rise to 28% from 21%. They should be 15%. Taxes on realized long-term capital-gains could rise to 28% plus another 5% tax on net investment income for ObamaCare, from 20% plus 3.8%. Remember, Silicon Valley blossomed with a 20% rate—more money for entrepreneurs than government. Progressives even want to tax unrealized gains for those making over $100 million. Doesn't affect you? Just wait. In 1913 the top income-tax rate was 7% on incomes over $500,000 (about $11 million today).

• *Innovation down.* High capital-gains rates hurt capital formation. Innovation might still happen but much slower with less capital for growth. Artificial intelligence isn't cheap. Stock markets don't like inflation or the heavy hand of government. The Dow Jones Industrial Average rose 3.6% for the entire decade of the 1970s.

• *Heavier regulation.* The U.S. has 440 federal agencies that mangle favored industries like autos. More agencies may be coming as progressives are gung-ho on regulating AI. Red tape is classic progressive project poison. Tim Walz, whom former Minnesota Gov. Tim Pawlenty called "Bernie Sanders in hunting gear," declared that Minnesota's Line 3 oil pipeline needed a "social permit." Surgeon General Vivek H. Murthy called for warning labels on social media. This is the kind of progressive pointlessness that kills innovation. Want warning labels? Slap one on K-12 education.

If Harris wins, get ready for higher taxes, price controls and heavier regulation.

• *Federal housing control.* Ms. Harris wants to add three million new homes. Does this mean blocky Soviet-style housing for everyone? There's already a glut of homes, especially in the South. This is a progressive power grab to take away local zoning control. Ask Californians about mandatory Accessory Dwelling Units to expand housing—especially low-income housing—in neighborhoods and near train stations. The state decides, not local zoning laws.

• *Unity with unions.* Progressives are pro-union. Instead of "do more with less" it's "do less with more workers at higher pay." Then consumers pay more. The International Longshoremen's Association fights automation and even fought bar codes in ports. Union bosses love progressives—though it's interesting that the rank and file of the Teamsters are increasingly fed up with progressive policies.

To progressives, you're just a vote. They'll promise you anything—housing, health-care—but deliver a collective. They take your money and run, which invites corruption—certainly incompetence. This is why progressivism always fails.

Progressives say they're capitalists, but there's always what I call the "Big But." Joe Biden: "I'm a capitalist. But just pay your fair share." Barack Obama: "I'm a capitalist." But . . . an "area we need to look at is how much of our healthcare spending is going toward the record-breaking profits earned by the drug and healthcare industry." Kamala Harris in Pittsburgh last month: "I'm a capitalist." We got an "At the same time" instead of "but," and then "I believe an active partnership between government and the private sector is one of the most effective ways to fully unlock economic opportunity." No, it isn't.

Can we handle four more years of progressive control? Maybe, but watch your wallet.

Write to kessler@wsj.com.

America's Immigration Conundrum

AMERICAS
By Mary Anastasia O'Grady

A caravan of some 2,000 migrants left southern Mexico last week, headed for the U.S. border. The Associated Press reports that two other migrant groups, numbering 800 and 600, left the same area bound for the same destination earlier this month.

The groups are expected to break up once they hit central Mexico. Along the way, they'll have to pay off cartels that own the routes. Crooked Mexican officials must also be bribed. The groups risk hunger, disease, assaults and accidents. But they're going anyway because if they don't, they're stuck indefinitely in Mexico's poorest state, Chiapas, with tens of thousands of other migrants. It's the upshot of an agreement that Mexico made with the U.S. in December to deter a rush at the border. Some are being repatriated. But since Venezuela and Cuba won't take migrants back, Mexico is piling them up as far from the U.S. as it can.

Some of the migrants setting out this month told reporters that they have been waiting for "asylum appointments" via the Customs and Border Protection phone app, known as CBP One, but the process is too slow. Running low on money with no prospects for work locally, they've decided to take their chances.

Immigration is a hot-button issue in the Nov. 5 U.S. election. The Biden administration's failure to secure the border over four years is making life difficult for Kamala Harris. She needs to convince voters that as president she would restore the national security that has been lost since her administration came into office in 2021.

The Harris campaign likes to talk about a drop in border "encounters" (both at U.S. ports of entry and between them) to 107,000 in August from more than 233,000 in August 2023. The all-time monthly high was 302,000 in December 2023. Yet as the recent caravans show, this problem is far from solved.

A first step toward a solution is to acknowledge the role of a soft labor market in bringing the numbers down. During times of high demand for employees in the U.S., the word goes out on migrant communication channels. These networks function extremely well. A young man in Tegucigalpa, Honduras, knows the restaurant in Chicago, Phoenix or San Francisco where he will find an opening for a busboy. When opportunities dry up, the word also goes out. The U.S. economy needs immigration, and the ebb and flow of humans is the market responding to demand.

The Biden administration's decision to use legal parole to accept 30,000 migrants a month from Venezuela, Cuba, Haiti and Nicaragua is a common-sense and humane approach to managing migration. Applicants file with Homeland Security, not the State Department, for lawful U.S. entry from their home countries and if approved can live in the U.S. for two years. They must have a U.S. sponsor who can show adequate assets and income to support them. Contrary to nativist claims, those accepted pay their own airfare. Ukrainians also qualify for parole.

The U.S. economy needs to import humans. We don't make them anymore.

The program hasn't been perfect. Vetting errors were made in its initial rollout, and it needs to be refined. In a September 2023 paper, the Cato Institute's David Bier noted that applicants aren't asked to cover the cost of processing and the cap is too low. The number of countries is too narrow. But it allows the government to screen applicants and know who comes in and whether they are law-abiding, information that is important in approving permanent residency if they later decide to apply. Mr. Bier noted that by July 2023 "parole had already redirected about 316,000 people away from long, perilous treks through Mexico."

Yet rather than improve and expand the program, the government puts the emphasis on enforcement. It isn't the first time. Monthly encounters of people crossing illegally between ports of entry began increasing in 2017 and spiked to 133,000 in May 2019. President Trump says he threatened Mexico's then-President Andrés Manuel López Obrador with tariffs and got AMLO to put his military on the Guatemalan border. Encounters bottomed out in April 2020 but then started going back up even before Mr. Trump left office.

The Biden administration is trying other Band-Aid solutions. In June, Homeland Security announced that it would "restrict asylum eligibility, and significantly increase the consequences for those who enter without authorization across the southern border." Panama signed a bilateral agreement with the U.S. in July to repatriate migrants—using U.S. financing—who are caught crossing the Darien Gap. But the numbers are small relative to the flows.

Those who qualify as refugees can apply at Safe Mobility Offices in Colombia, Ecuador, Costa Rica and Guatemala. The Migration Policy Institute told me that as of Sept. 30 "more than 245,000 people had registered with the SMOs online and more than 40,400 had been approved for U.S refugee status." But economic migrants aren't eligible, and the caravans keep coming because the ambitious smell opportunity. Politicians and policymakers ignore markets at their own peril.

Write to O'Grady@wsj.com.

About Trump's 'Reciprocal' Tariffs

By Pat Toomey

Donald Trump recently declared that only stupidity could explain my opposition to his reciprocal-tariff proposals. There are other explanations. Concern for Americans' jobs and standard of living comes to mind.

I understand the emotional appeal of trade-rules reciprocity—it satisfies an urge for revenge. But that revenge will be less satisfying for the working-class Americans facing unemployment and higher prices if Mr. Trump carries through on his import-tax promises.

As I tried to explain to Mr. Trump when he was president, another country's misguided decision to tax its citizens on what they buy from American manufacturers isn't a good reason to punish Americans who wish to buy that country's products. But Mr. Trump is determined to punish American consumers for the misfortune indirectly imposed on our export-heavy manufacturers. This is his idea of fairness.

Mr. Trump sees low tariffs as a concession the U.S. makes to other countries to our own detriment. But low taxes on imports give American consumers more choices, cheaper prices and a higher standard of living. Low tariffs also make American manufacturers more competitive: Imports and foreign competition allow for low input prices. Americans benefit the most from low tariffs.

He wants to raise your taxes, and he thinks I'm the stupid one.

Mr. Trump's reciprocal tariffs would effectively allow other countries to determine how the U.S. taxes its own citizens. So much for America first. And Mr. Trump often contradicts himself on reciprocity. On a trade-weighted basis, the U.K., Europe and Canada all impose lower taxes on American manufactured goods than the U.S. imposes on comparable imports. Mr. Trump isn't proposing that we match their lower tariffs, but to add another 10 percentage points—minimum—to the tariffs we impose on Americans who buy goods from Europe and Canada.

Mr. Trump contradicts himself again when he claims that tariffs won't lead to higher prices for Americans and that tariffs will drive an American manufacturing renaissance. Both can't be true: If American consumers don't face higher prices on tariffed imports, why would they begin purchasing domestic products?

Mr. Trump's strategy would be reasonable if his tariffs were intended to persuade countries to lower theirs. Zero trade restrictions with allies is the economically optimal arrangement. If tariffs could get us there, they might be worth the try. But Mr. Trump declared himself "Tariff Man" because he sees trade restrictions as superior to free trade.

No country has ever tariffed its way to prosperity. China's growth took off as it lowered tariffs. Today the nations with the highest tariffs are economic basket cases, including Iran and Venezuela. The American economy has dramatically outperformed developed economies, such as Japan, that have pursued a more protectionist path.

Free trade benefits all Americans, even when the terms are asymmetrical. I obviously failed to convince President Trump with my economic arguments, so I'll try a political angle: There is a historical example of a presidential candidate who ran on a platform to raise Americans' taxes. It didn't turn out well for Walter Mondale.

Mr. Toomey, a Republican, served as a U.S. senator from Pennsylvania, 2011-23.

BOOKSHELF | By Philip Terzian

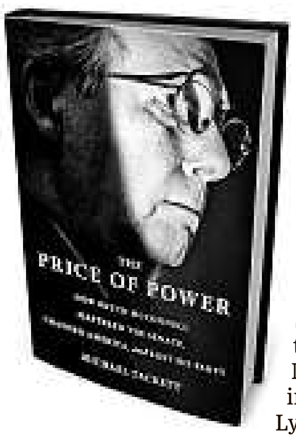
The Man In the Middle

The Price of Power

By Michael Tackett
Simon & Schuster, 416 pages, $32.50

Who would wish to be his party's leader in the U.S. Senate? The job has been described by one recent incumbent as "herding cats," and in a chamber full of supremely ambitious men and women it has not served as much of a professional springboard. Since the post achieved official status early in the last century, only one Senate leader—Lyndon Johnson—has risen to the presidency, and that was, one might say, by accident.

But of course the appeal of becoming majority leader is not hard to discern. It is power with burdensome responsibility, to be sure, but great power. In our hybrid system of governance, the majority leader functions as a kind of prime minister, directing the troops in the legislative chamber and, some of the time, supervising them. In the right hands, the power of the majority leader may equal, may even exceed, that of the president.



In "The Price of Power: How Mitch McConnell Mastered the Senate, Changed America, and Lost His Party," Michael Tackett strives to understand the current minority leader, who has served as his party's leader longer than anyone in Senate history (17 years). In the author's judgment, Mr. McConnell has been "the most impactful Senate leader since Lyndon Johnson."

That is an understatement. Mr. McConnell's notably opaque demeanor, tactical patience, shrewd diplomacy, personal reserve and strategic brainpower have combined to make him not just the sphinx of caricature but the Senate's supreme politician in his time and, inevitably, a frustration to journalists as well as a partisan villain.

He has been vilified from all sides. Conservative Republicans found him much too conciliatory when championing American assistance to Ukraine in the aftermath of the Russian invasion and working with Democrats to bring about bipartisan support for the war. And of course his conviction that President Biden won the 2020 election and that the Jan. 6 Capitol riot was a calamity has cost him points on the populist right. For their part, Democrats and their media sympathizers were horrified when he undermined Sen. John McCain's cherished campaign-finance legislation, scuttled Merrick Garland's nomination to the Supreme Court, and declared his ambition to limit Barack Obama to one term as president. Only someone so uniquely qualified to be party leader could enjoy such persistent success and influence, or inspire such derision.

As master of the Senate in the 1950s, Johnson was famous for his sharp elbows and stinging punishments and largely enjoyed prohibitive majorities at a time when his party dominated the national scene. Mr. McConnell, by temperament, is no LBJ and has enjoyed no such partisan luxuries. He was majority leader (2015-21) at a time when both parties were evolving ideologically, and the culture of official Washington has yet to reconcile itself to the Republican achievement, in 1994, of rough parity with Democrats in Congress. In that sense, he has been more "impactful" than any predecessor.

Born into a middle-class household in small-town Alabama in the midst of World War II, Mr. McConnell was stricken with polio at age 2 and, while his father fought overseas, was transported by his mother back and forth to Franklin D. Roosevelt's famous sanitarium in Warm Springs, Ga., where he endured the grueling treatments (including lengthy confinements to bed) of the pre-Salk-vaccine era. This must have been a particular hardship for his mother and an unimaginably difficult experience for a lively toddler.

Personal reserve and strategic brainpower have made Mitch McConnell the Senate's supreme politician—and often a partisan villain.

Nevertheless, just as the ordeal of polio is said to have hardened Roosevelt's inner resolve, Mr. McConnell's tenacity, drive and sense of ambition must have been formed by the experience. From early on, it is clear, he was aspirational in the usual sense—he earned a law degree without much enthusiasm for the profession of law—and pragmatic about his path to power. He learned from mistakes, made useful connections, did the necessary donkey work and adjusted his sights with the object always in view.

The habits and instincts that served Mr. McConnell well at the peak of his powers had also propelled him to upset victories over popular incumbents, first in 1977, when he became county judge-executive in Louisville, Ky., and then in 1984, when he was elected to the U.S. Senate. Mr. Tackett's quest to penetrate the surface of a senator who "plays the power game" is instructive in itself. He strives to be fair and give credit where due, and he chronicles his subject's political career with admirable diligence and even a certain sympathy. He seems to have been surprised that Mr. McConnell, whose discretion is the stuff of legend and who "does not care what people think about him," agreed to a series of extended interviews and offered copious access to personal archives and friends and associates.

Yet Mr. Tackett, a veteran journalist and now deputy Washington bureau chief for the Associated Press, is hardly an uncritical admirer. He faithfully reflects the consensus of his brethren in interpreting the onetime "moderate Republican" as someone who was willing to accommodate radical elements in his party and whose crowning achievement was to steer the composition of the Supreme Court, in alliance with Donald Trump, in a decidedly rightward direction for the first time in nearly a century. In Mr. Tackett's view, adapting to extremism and a supposed loss of principle are the "price of power."

Prominent Republicans, in Mr. Tackett's telling, are predictably "bombastic," "starkly conservative" and "a portrait in arrogance." He seems perplexed that someone who preferred William Scranton to Barry Goldwater for president, in 1964, would trim his ideological sails on occasion during the next six decades. Or take satisfaction in the memory of warning his Democratic predecessor, Harry Reid, who blew up the filibuster for judicial appointments, with this admonition: "You'll regret this, and you may regret this a lot sooner than you think." Not for the first time, Mr. McConnell has had the last laugh.

Mr. Terzian is the author of "Architects of Power: Roosevelt, Eisenhower, and the American Century."

REVIEW & OUTLOOK

The Supreme Court's Future Is on the Ballot

Would Kamala Harris support packing the Supreme Court by adding, say, three Justices? She was asked that in a CNN town hall last week, and what a chance to present herself as a safe pair of hands. Ms. Harris wants so badly to win disaffected Republicans that she has taken to bragging about a Dick Cheney endorsement. So, court packing?

> Harris endorses a wholesale restructuring of the judiciary.

Ms. Harris: "The American people increasingly are losing confidence in the Supreme Court, in large part because of the behavior of certain members of that Court and because of certain rulings, including the *Dobbs* decision, and taking away a precedent that had been in place for 50 years, protecting a woman's right to make decisions about her own body. So I do believe that there should be some kind of reform of the Court, and we can study what that actually looks like."

There you have it. Ms. Harris has already endorsed President Biden's plan to impose "ethics" rules on the Justices that would invite political harassment and compromise judicial independence. Now she won't disavow packing the Court. She has called for Democrats, if they keep the Senate in November, to bypass the 60-vote filibuster rule, letting them enact such bills without even a modicum of compromise.

How far would they go? The best guide is what they've already proposed. Oregon Sen. Ron Wyden introduced a bill last month to expand the Court to 15 Justices from nine over three presidential terms. The legislation says the High Court "may invalidate an Act of Congress" only if two-thirds of participating Justices agree. So if Congress votes to censor opponents, 10 of Mr. Wyden's 15 Justices would have to agree that this violated the First Amendment.

Mr. Wyden's bill would also require the IRS to audit and publish the Justices' tax returns. This isn't required of Congress or Presidents. Instead of leaving recusal decisions to individual Justices, based on criteria like financial interests, Mr. Wyden's bill says litigants could file recusal motions, and the Justices "shall" reply in writing. Even if a Justice thinks recusal isn't warranted, a vote by two-thirds of the Court could force him or her off the case. This would invite political jockeying to flip outcomes by disqualifying Justices on the other side.

A bill by Rhode Island Sen. Sheldon Whitehouse, which passed the Judiciary Committee last year, features a similar recusal idea. It would solicit public "complaints" about the Justices, which would be investigated by panels of chief judges from the lower appellate courts. A panel could "take sworn testimony" and "issue subpoenas." This is a recipe for partisan warfare.

Then there's Mr. Biden and Ms. Harris's call for term limits. The Constitution says Supreme Court Justices have life tenure. The most aggressive proponents of term limits say Congress could create a new office of "Senior Justice," which would automatically apply after 18 years of regular service. The idea is to strip Justices of the ability to hear appeals, while pretending they retain their offices. It's unconstitutional, which isn't to say Democrats won't try it anyway in a statute.

* * *

The future of the Supreme Court is on the ballot in every Presidential election, since vacancies are filled by the winner. The Court's oldest members are Justices Clarence Thomas (76) and Samuel Alito (74), and they'd surely think hard about retiring if they could be replaced by like-minded successors. Liberal Justice Sonia Sotomayor is 70. If Mr. Trump wins on Nov. 5 and Republicans take the Senate, the GOP could cement a High Court majority that believes in reading the Constitution as the Founders intended.

If Mr. Trump wins and Democrats hold the Senate, the result might be four years of stasis. Would a single Senate Democrat vote with the GOP to confirm a Court nominee by Mr. Trump? If Ms. Harris wins the White House with a Republican Senate, the result might depend on the details of the nominee and the vacancy. Or Democrats could bide their time until 2026, when the Senate election map is in their favor.

What's at stake this year, however, is much larger. If Ms. Harris wins next week, while Democrats hang on to 50 Senate seats, they have promised progressive voters they'll take a wrecking ball to the current Supreme Court. It used to be a fringe position to propose fundamental "reform" of the Court, but Mr. Biden has embraced it, Ms. Harris has endorsed it, and the Senate Judiciary Committee has passed it.

Democrats are serious. They say Mr. Trump is a threat to democracy and U.S. institutions, while they're pledging to restructure the judiciary wholesale. Do they notice the cognitive dissonance? Apparently not. But voters might.

Musk Beats Biden on Free Speech

Elon Musk scored a First Amendment victory on Friday when the Fifth Circuit Court of Appeals ruled that the National Labor Relations Board can't take away his speech rights (*Tesla v. NLRB*).

The Fifth Circuit's 9-8 en banc decision reverses a ruling that the NLRB could force Mr. Musk to delete a 2018 tweet that the United Auto Workers claimed was coercive. The National Labor Relations Act makes it an unfair labor practice for an employer "to interfere with, restrain, or coerce employees in the exercise" of their labor rights.

The NLRB argues that Mr. Musk interfered with the United Auto Worker's efforts to organize a Tesla factory, citing a years-old tweet that responded to a Twitter user's question about his views on unions: "Nothing stopping Tesla team at our car plant from voting union. Could do so tmrw if they wanted. But why pay union dues & give up stock options for nothing?"

Mr. Musk later said the "UAW does not have individual stock ownership as part of the compensation at any other company." The NLRB ruled that Mr. Musk's statements were an unfair labor practice and ordered him to remove them. A split Fifth Circuit disagreed, holding that the Tesla CEO was entitled to express his views.

The board is "powerless to delete protected speech," the unsigned opinion says. "Deletion is a remedy for communications that are, in the First Amendment's contemplation, not speech at all," such as "obscene material, perjurious material, or other non-speech material." The majority declined to decide whether Mr. Musk's tweet violated labor law.

That's a shame because government chills speech rights when it punishes people for exercising them. Federal labor law says the "expressing of any views, argument, or opinion, or the dissemination" is not an unfair labor practice "if such expression contains no threat of reprisal or force or promise of benefit."

The Supreme Court's *Gissel* (1969) precedent sets out a confusing standard for what employers can and cannot tell employees: "An employer is free only to tell 'what he reasonably believes will be the likely economic consequences of unionization that are outside his control,' and not 'threats of economic reprisal to be taken solely on his own volition.'"

It may not be long before the High Court is asked to weigh in on this collision between labor law and speech rights.

Israel's Opening Strike Against Iran

Israel retaliated against Iran on Saturday in what looks like an effective if limited strike. The Iranian regime is more vulnerable than the world and Biden Administration have thought, if Israel and U.S. are willing to press the advantage.

> It stayed within Biden's limits while clearing the way to a stronger attack.

Israel may have achieved as much as it could within the restrictions imposed by President Biden, for whom de-escalation is always the priority. "My hope is this is the end," he said after Israel's strike, which came in response to Iran's Oct. 1 launch of 180 ballistic missiles.

Prime Minister Benjamin Netanyahu thanked the U.S. for its support. But Israel's target selection suggests Mr. Netanyahu understands this is a window of vulnerability for Iran, even if he may have judged that 10 days before a U.S. election isn't the time to risk a broader conflict.

First, Israel took out air defenses in Syria and Iraq, clearing the way to Iran. Second, Israel attacked Iran's air defenses, allowing it to operate unchallenged. This includes the Russian S-300 batteries protecting Tehran and the systems protecting critical oil refineries, a large gas field and a major port. Iran's oil economy is now defenseless. Third, Israel struck key nodes in Iran's ballistic-missile production and hit a military target in Parchin, where Iran has worked on nuclear weaponization.

Israel operated for hours, striking 20 targets 1,000 miles from home with more than 100 aircraft, and it says without losing a plane. Iran has produced no evidence to the contrary and its air defenses won't easily be replaced.

Stopping Iran's missile production—satellite images confirm extensive damage—will cut into its exports to Russia for use in Ukraine. With Hezbollah on defense, Iran has to rely on its own missile stores more than expected.

Israel has demonstrated to the region and Iran's citizens that Iran's homeland is vulnerable. Israel now has proof of concept for a more complex operation, which it has made simpler for next time.

Iran's leaders seem to recognize this, as they reacted with caution to the strikes. It they retaliate while their defenses are down, they will give Israel another opening. If they don't, Israel has a rare opportunity to secure its borders and stamp out Iran's "ring of fire."

Perhaps the limited strikes will avoid escalation for now, as Mr. Biden demanded. But Israelis know there is now an opening to set back Iran's nuclear program, perhaps for years. If Iran gets the bomb, this moment will look like a missed opportunity. Mr. Biden in particular will bear responsibility.

The President hopes this Israeli strike is the end, but it could be the beginning. By devastating Hamas and Hezbollah, Israel has created a new regional reality. Now stripped of its air defenses, Iran is playing with an empty net. The region awaits a U.S. Administration awake to the possibilities.

LETTERS TO THE EDITOR

The Data Don't Lie, and Tariffs Don't Work

In responding to our op-ed "No, Tariffs Don't Fuel Growth" (Oct. 17), Robert Lighthizer has a big problem. His protectionist policies were put to the test starting in the middle of 2018, and they failed even on their own terms. The economic growth rate slumped in 2019, exactly as the Congressional Budget Office predicted. Manufacturing employment as a share of total nonfarm employment continued to decline. The promised reduction in the trade deficit didn't happen. Evidence has consistently shown that the wages paid to workers whose jobs were "saved or created" by recent tariffs are only one-tenth the cost the tariffs have imposed on the economy.

Desperate for evidence that protectionism can generate prosperity, something it failed to do in the 20th and 21st centuries, Mr. Lighthizer and other protectionists claim that tariffs in the 19th century caused the American economic miracle. Left out of their story is that the federal government couldn't tax income prior to 1913 and an excise tax on whiskey caused a rebellion. Tariffs were the dominant source of federal revenues for the entire 19th century, funding more than three-quarters of the federal government. Mr. Lighthizer says he doesn't want to argue about data because in the 19th century the economy grew faster when tariffs were falling.

Economic freedom, not protective tariffs, produced the economic miracle of the 19th century. If we will give it a chance in the 21st century, it will do it again.

Phil Gramm and Prof. Donald Boudreaux
AEI and George Mason University
Helotes, Texas, and Fairfax, Va.
Mr. Gramm was chairman of the Senate Banking Committee.

How Trump and Harris Both Misread Taiwan

In James Taranto's Weekend Interview "Trump Tangles With the Journal's Editors" (Oct. 19), the former president wouldn't commit to using military force to defend Taiwan, instead emphasizing his preference for tariffs. Such an aversion to military force, while sometimes tactful, misreads the security situation in the Taiwan Strait. China has repeatedly demonstrated its commitment to taking the island nation by force.

In that event, even stringent economic sanctions would be useless. Beijing will have already "priced in" the attendant costs of an invasion or blockade, which itself would create world-wide economic disaster due to the choking off or destruction of Taiwan's advanced semiconductor industry.

Economic sanctions are mostly toothless when used against a nation pursuing what it considers to be a core security interest. The levies didn't deter Russia from its occupation of Crimea in 2014 or in Ukraine since 2022. Nor did they dislodge Myanmar's genocidal military junta from power or halt Iran's military engagements in the Middle East. The U.S. trade blockade on Cuba has produced no results in more than 60 years. Threats of sanctions didn't prevent China from abrogating the Sino-British Joint Declaration or running roughshod over Hong Kong.

China has spent years building an alternative global economic order to weather aggressively enforced Western sanctions. Tariffs would be even more useless, raising prices on U.S. consumers rather than inflicting costs on Beijing.

Mr. Trump isn't alone: Vice President Harris has also made comments that reflect a poor reading of the Chinese threat. Her recent assertion that Iran is America's greatest adversary is risible. The Iranian regime may threaten the Middle East, but its impoverished country has a gross domestic product orders of magnitude smaller than that of the U.S. Iran's Air Force is aging, dependent on fossilized F-14s, and the state evidently isn't even capable of safely transporting its own president.

When asked if she would defend Taiwan against a Chinese invasion, Ms. Harris insisted that "we need to make sure we maintain a 'One China' policy," rather than continuing President Joe Biden's pledge to use military force to repel an unprovoked invasion.

The fantasy, beloved by Europeans, that economic sanctions or tariffs would deter Chinese aggression against Taiwan must end. Only a credible security deterrent backed by American military might will provide a meaningful deterrent against Beijing's belligerence.

Sasha B. Chhabra
New York

If Daniel Penny Is Guilty, What About Bragg?

Regarding William McGurn's column "Alvin Bragg's Latest Injustice" (Main Street, Oct. 22): If the Manhattan district attorney's office was aware of Jordan Neely's criminal record, doesn't it share any potential culpability with Daniel Penny?

Years ago I visited a relative in Seattle and read a piece in the local paper about the state parole board coming under scrutiny because it had paroled a violent felon who promptly proceeded to murder one of his prior victims. A quick perusal of the felon's rather long record revealed that he couldn't have committed roughly half of the crimes he went on to commit if he had fully served out his prior sentences.

I have no such access to Mr. Neely's record but wouldn't be surprised if he wouldn't have been on New York's F train that fateful day if he had been serving out fully his prior convictions. I'm not advocating leniency for Mr. Penny. If he is proven guilty, he should serve his time. Yet if members of Mr. Bragg's office made that sad encounter possible by their reluctance to enforce the law, why should they be left off the hook? The sauce for the goose is sauce for the gander.

James Kirk
Santa Cruz, Calif.

St. Michael Disrupts Only The Devil, Not the Liturgy

Rev. Gerald J. Bednar is simply wrong to suggest that reciting the prayer to St. Michael is "out of place at the end of Catholic Mass" (Letters, Oct. 22). He mistakenly says that it "ends the liturgy with a private devotion." The liturgy ends when the celebrant says, "Go forth, the Mass is ended," and the people reply, "Thanks be to God." The prayer, then, is recited after Mass, which the priest and people are free to do. It isn't a private devotion when prayed publicly.

The end of Mass sends participants out on a positive mission, and while Rev. Bednar is correct in saying that the devil has no influence in God's Kingdom, we aren't there yet. Doing so together doesn't hurt, and we pray it will help to invoke the intercession of St. Michael to defend us in our spiritual battles.

Bishop Thomas John Paprocki
Diocese of Springfield, Ill.

Pick Your Healthcare Poison

Regarding your editorial "Who's Really Cutting Medicare?" (Oct. 16): Healthcare is a resource, and no resource is infinite in quantity. This particular one is expensive: There will and must be some limiting system. Some will call it "rationing."

Currently there is mostly an economic system of limitations. Every government healthcare program will have a bureaucratic system—and each will have its advantages and disadvantages. No system will be free from limits. Pick your poison.

David Cowan, M.D.
Orlando, Fla.

Navigating the RCV Jungle

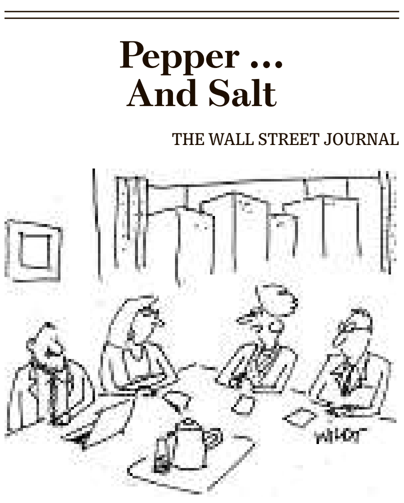
It makes sense to separate "jungle primaries" from ranked-choice voting ("Ranked-Choice Voting on the Ballot," Review & Outlook, Oct. 18). Instead, have one primary with all candidates but allow only the top two to advance to the general. This could make the House less extreme. In comfortably red or blue districts, two Republicans or Democrats could be running against each other.

Praveen Puri
Aurora, Ill.

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

Pepper ... And Salt

THE WALL STREET JOURNAL



"Negotiations are useless. Let's just say whoever blinks first loses."

OPINION

My First Censorship Experience

By Bernard-Henri Lévy

For the first time in my life, I have been censored. Wicked Son, the U.S. publisher of my latest book, reserved an ad spot in Shelf Awareness, an electronic newsletter for the book industry that is sent to more than 600,000 readers. The ad was set to run, and then it was canceled. Why?

Because the book is called "Israel Alone." The publisher of Shelf Awareness said he thought of his "partners" and worried that the ad would "cause them trouble they haven't asked for and don't wish to have." Bookstore "employees" would go to "the management" insisting that "we don't support this," and "customers" would "complain" too. "Our partners trust us to protect them from those kinds of situations."

A trade publication rejects an ad for my book about Israel. I'm responding with a U.S. campus tour.

At first I was stunned. I found it hard to believe that a book of reflection, written by a philosopher, could be blacklisted simply because of the presence of the word "Israel" on its cover. I found it almost unbelievable that the name Israel can become unspeakable in a part of this great country, which since the Holocaust has been the second homeland for Jews, and whose brave soldiers liberated Auschwitz 80 years ago.

But here we are. It seems that no Jewish author, no one remotely connected to Judaism, is safe from this kind of exclusion.

As for me, I'll be fine. I've written nearly 50 books, a dozen of which have been published in the U.S., and this pathetic act of censorship won't harm my career. But I think of a young author, Elisa Albert, who was excluded from the New York State Writers Institute in Albany, N.Y., because two panelists refused to share the stage with a "Zionist." I think of another young author, Joshua Leifer, who is neither pro-Israel nor Zionist but was canceled at powerHouse Books in Brooklyn, N.Y., because he was slated to discuss his new book with a rabbi, Andy Bachman.

And I think of the grotesque excuses given each time by those organizing: One speaks of "regrets"; another says he faced "a situation beyond his control"; a third invokes an "unfortunate" but inevitable decision.

I will certainly not compare the incomparable. But European ears hear echoes of those who in the 1930s watched, with great "regret" too, as "employees" and "customers" denounced their Jewish neighbors to the pro-Nazi police forces and let them go in the night and the fog.

These literary incidents are obviously connected with the explosion of antisemitic hatred that has ravaged the country, and the entire world, since Oct. 7, and with the "context," to use this word appropriately for once, in which Jewish students, at Harvard, the University of Pennsylvania, Columbia, UCLA and the University of Michigan find themselves insulted, barred from parts of campus, terrorized and physically assaulted.

Curbing this hate begins by going to the source. That's why I will soon visit North American university campuses most impacted by this disgraceful rhetoric and violence and plead not only for Israel, but for the defense of free speech.

Twenty years ago, I traveled across the U.S., retracing the footsteps of Alexis de Tocqueville. To be faithful to Tocqueville today is to take the same journey but to confront this beast, which we thought was confined to Europe, and which threatens to destroy the country of George Washington, John F. Kennedy and Martin Luther King.

Mr. Lévy is author of "Israel Alone." This article was translated from French by Emily Hamilton.

What Is the FBI Hiding About Iran?

By Elise Stefanik

MICHAEL BROCHSTEIN/ZUMA PRESS

FBI Director Christopher Wray

In 2016, FBI Director James Comey failed to inform Congress about his unprecedented decision to open the Federal Bureau of Investigation's Crossfire Hurricane counterintelligence investigation into then-candidate Donald Trump. This was an egregious breach of protocol and a failure to comply with congressional oversight. It led to the unraveling of the infamous Russia hoax peddled by rogue intelligence agencies, the Democratic Party and their media stenographers.

In March 2017, as a brand-new member of the House Permanent Select Committee on Intelligence, I posed straightforward questions to Mr. Comey at a public hearing about his failure to notify congressional leadership, which revealed a deeply politicized and weaponized FBI.

Today, on the eve of the presidential election, the FBI is doubling down on its politicization and corruption. As one of the few senior Intelligence Committee members who served through the sham impeachment that grew out of the collusion hoax, it is my duty to share with the American people what the FBI has failed to answer—and, I believe, is willfully covering up—about Iranian influence in the 2024 presidential election.

On Sept. 19, the FBI delivered its final pre-election closed briefing to the Intelligence Committee on foreign malign election interference. A day earlier, the Justice Department revealed that Iranian agents had hacked the Trump campaign.

I've been in enough high-profile oversight hearings to know that when witnesses squirm and refuse to answer questions, it usually means I've uncovered something concerning. At that briefing last month, after a long, panicked pause, the FBI promised to follow up with answers. The bureau obviously wanted my questions to go away and be forgotten. After the briefing, I wrote Director Christopher Wray requiring responses by Oct. 7.

The avoidance games continued. First, the bureau said it would deliver answers at an in-person briefing as demanded. Then it promised written answers, which it failed to provide. The FBI has now gone silent, ignoring the congressional questions. I believe it is because top FBI officials know the answers will be bombshells.

Here are my questions that the FBI is refusing to answer:

1. When and how did the FBI learn of the initial Iranian efforts targeting the Trump campaign? What individual(s) made the notification to the FBI? Who received the initial notification within the FBI?

2. When did the FBI provide notification to both presidential campaigns regarding Iran's efforts targeting the Trump campaign?

3. When and how did the FBI become aware that Iran conducted a cyber operation into the Trump campaign and exfiltrated data?

4. Who informed the FBI of the cyber operation and who received the notification? Was the notification made by an entity or individual(s)?

5. When did the FBI notify both presidential campaigns that Iran carried out a cyber operation on the Trump campaign and successfully exfiltrated data?

6. Does the FBI consider this cyber hack election interference by a foreign government, and what remedy is available to counteract this attack?

7. Is there any intelligence that Iran carried out similar hacking activity on the Biden-Harris or Harris-Walz campaign?

8. When and how did the FBI become aware that material exfiltrated in the Iranian hacking operation of the Trump campaign was transmitted to an individual affiliated with the Biden or Harris campaign?

9. When and how did the FBI become aware that the hacked material from the Trump campaign was sent to the media?

10. What contact has the FBI had with the media regarding the publication of illegally hacked material? Which media outlets? What was the recommendation from the FBI to the media outlets regarding the hacked material?

The bureau has ignored my questions about its probe into Tehran's malign effort at election interference.

11. Is the FBI aware of who is responsible for sending the hacked material to members of the media and the Biden or Harris campaign? If yes, who?

12. Did anyone on or associated with the Biden or Harris campaign contact the FBI, other law enforcement agencies, or anyone else in the intelligence community regarding the attempts by Iran to provide hacked Trump campaign materials? If so, what date did the Biden or Harris campaign make contact?

13. How did the FBI use the Foreign Intelligence Surveillance Act's Section 702 in this case?

The FBI could easily and quickly answer these questions without impeding any investigation or revealing sources, methods or classified information. Its refusal to do so suggests it is hiding information that would reflect poorly on the FBI—perhaps an attempt to influence the election through when and whom it notified, or the complicity of Democratic presidential operatives in this foreign election interference.

On this issue of critical importance to the presidential election, the Intelligence Committee knows little more than the public does. We know Iranian hackers stole sensitive information from the Trump campaign and sent it to at least three people affiliated with Joe Biden's campaign in June. We know Iranians also sent the stolen information to Politico, the Washington Post and the New York Times. We know Iran is plotting to assassinate Mr. Trump. We know the threat against his life is active and unresolved, despite the July arrest of a Pakistani national with ties to Iran in connection with that plot. We don't know when or how the FBI became aware, or what and when its communication was with the Biden and Harris campaigns or the Biden administration.

I have seen the many ways anti-Trump political bias has corrupted the FBI's decision making. As the Durham report confirmed, Crossfire Hurricane was an egregious and unlawful weaponization of power. It tarred President Trump's first term with false accusations of Russian collusion. Then in 2020 the FBI attempted to subvert the democratic process yet again with its censorship of the Hunter Biden laptop story.

We don't know for sure whether the FBI's refusal to answer questions on the 2024 Iranian threat is another example of the bureau's political bias at work, but given recent history, you'll forgive my suspicion. I know a corrupt coverup when I see one.

It is Congress's constitutional duty to hold the executive branch, including the FBI, accountable to the American people. We won't tolerate a rogue FBI withholding information on an issue as important as this—a foreign enemy attempting to undermine, hack and kill the leading candidate for president.

Ms. Stefanik, a Republican, represents New York's 21st Congressional District. She is chairman of the House Republican Conference and a member of the House Permanent Select Committee on Intelligence.

Press Bias Bolsters Trump, Again

LIFE SCIENCE

By *Allysia Finley*

Democrats are having a panic attack as Donald Trump pulls ahead in national and battleground polls with a little more than a week to go. Three surveys in the past week show that voters rate him more favorably than Kamala Harris, and Gallup found that his positive rating has hit 50% for the first time in his three campaigns.

All of this comes despite, and perhaps because of, unhinged Democratic attacks on him and a partisan press that doesn't attempt to disguise its bias. Mr. Trump is suddenly becoming a sympathetic antihero.

Consider some headlines featured on the New York Times's homepage Thursday evening: "Harris Packs Star Power as Trump Rails Over Legal Trouble," "Oy, This Ad: Jewish Stereotypes in Service of Trump as a Safer Option," "Sweeping Raids and Mass Deportations: Inside Trump's Immigration Plans" and "As Election Looms, Justice Dept. Tries to Steer Clear of Politics."

The last one is hilarious considering the Times on Wednesday reported on a Justice Department letter to Elon Musk warning that his $1 million sweepstakes for registered voters who sign a petition to support the First and Second amendments could violate federal law. Election interference, anyone?

Such left-wing bias has caused many Americans to tune out the press. A Gallup survey this month showed trust in the media has hit a record low (31%), principally owing to a decline among independents and Republicans. The media can shout that Mr. Trump is a threat to democracy until the cows come home, but how many Americans are listening? Former New York Times editorial page editor James Bennet summed up the media's credibility problem in an essay last year for the Economist magazine: "The reality is that the Times is becoming the publication through which America's progressive elite talks to itself about an America that does not really exist."

Unhinged attacks on the candidate and his voters helped him win in 2016. They may do so again.

Americans don't like being condescended to by a media that denies everyday realities. Until Mr. Biden's disastrous debate in June, the media insisted the president was sharp as ever. Ms. Harris still does.

One-sided "fact checks" fuel the distrust. The Washington Post last week gave four "Pinocchios" to Mr. Trump's ad saying Ms. Harris "supports EV mandates, killing Michigan jobs." Writer Glenn Kessler declined to address the substance of the claim, ignoring that the Environmental Protection Agency has imposed rules requiring automakers to produce increasingly more EVs and that Michigan has lost 9,500 auto- and parts-manufacturing jobs in the past five years amid ramped-up EV production. Mr. Kessler relied on statements from Kamala Harris and the United Auto Workers, which has endorsed her.

Or consider a USA Today "fact check" this month of an Instagram post about a Biden administration broadband program. "Kamala Harris and Joe Biden promised to use $42 billion . . . to expand internet to the entire country and not one single house or business received service," conservative strategist Joey Mannarino wrote. That is accurate, but fact-checker Chris Mueller labeled it false because some money has been spent on "planning."

Many Americans who dislike Mr. Trump also dislike the media's disparate treatment. When Ms. Harris fumbles or dissembles, the media covers for her. When Mr. Biden exceeds his presidential authority, the media cheers him on. Such slanted coverage engenders sympathy for Mr. Trump even among skeptics, as the federal and state prosecutions of him have done.

It's comical to hear the press warn that Mr. Trump will target his opponents while ignoring how Democrats have used lawfare against him. Their warnings have a boy-who-cried-wolf quality, since they said the same about Mr. Trump in 2016 and George W. Bush before him.

"Bush is a dullard lacking any moral constraints in pursuit of partisan gain, loyal to no principle save the comfort of the very rich, unburdened by any thoughtful consideration of the national interest," Jonathan Chait wrote in the New Republic in 2003. Mr. Chait has been among the most strident and simple-minded voices decrying Mr. Trump as a fascist.

Washington Post columnist Robert Samuelson mused in 2003 that what Bush haters like Mr. Chait "truly resent is that his popularity suggests that the country might be more like him than it is like them. . . . On one level, their embrace of hatred aims to make others share their outrage; but on another level, it's a self-indulgent declaration of moral superiority—something that makes them feel better about themselves."

The same could be said of those who loathe Mr. Trump. It's true that the former president often exhibits a lack of restraint and self-awareness. But so do Democrats and left-wing media. Their attacks on Mr. Trump and condescension toward his supporters in 2016 helped propel him to victory. They could do so again.

Kamala Harris's Biggest Mistake

By Matthew Hennessey

Anderson Cooper offered Kamala Harris a layup. Instead she laid an egg. "Is there something . . . in the last four years that you think is a mistake that you have learned from?" he asked during Wednesday's CNN town hall. Ms. Harris responded to this standard job-interview question by offering up a sticky gumbo of an answer that had something to do with raising children and nothing to do with honest reflection. It was bad—not only the wrong answer, but the wrong approach.

Not that she wants to hear it from me, but she should have gone big: "I wasn't honest with the American people about Joe Biden's mental decline. That was a mistake. I should have let everyone know what I knew about how bad things were. If I could do all this over again, I would handle that differently."

After Mr. Biden bowed out in July, the president's mental condition became yesterday's news overnight. The only thing that mattered to Democrats and the media was defeating Donald Trump, and that required propping up Ms. Harris. Forcing her to be honest about her role in the coverup of Mr. Biden's cognitive collapse could only hurt her chances of succeeding him. Better to pretend it never happened.

But voters have memories. They remember being called crazy for noticing the obvious. They sensed they were being played for chumps. They know that when Ms. Harris insists, as she does regularly to this day, that Mr. Biden gave up his bid for re-election simply because had "a bad debate," they are still being played. It's an insult to the intelligence of the American people. Some may take it out on Ms. Harris by voting for Mr. Trump.

Ms. Harris makes a huge mistake by continuing to evade the question. We'll find out someday what was going on behind the scenes at the Biden White House. Wouldn't it be better for Ms. Harris's legacy if she leveled with the American people now? The issue will follow her around like a lost dog for the rest of her political career, however long that may be.

This campaign is nearly over. Ms. Harris's momentum is flagging and the clock is ticking. You can tell her advisers are panicking because they're throwing everything they've got at Mr. Trump—he's a racist, a misogynist, a grump, Hitler. They even have the temerity to suggest that he's slipping mentally.

If Ms. Harris wants a shot at winning back the trust of the American people, she should admit her mistake and do what she can to make amends. That would be a real October surprise.

Mr. Hennessey is the Journal's deputy editorial features editor.

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BUSINESS & FINANCE

Last Week: **S&P** 5808.12 ▼0.96% **S&P FIN** ▼2.08% **S&P IT** ▲0.18% **DJ TRANS** ▼1.70% **WSJ $ IDX** ▲0.88% **2-YR. TREAS.** yield 4.096% **NIKKEI** 37913.92 ▼2.74% **See more at WSJ.com/Markets**

Stocks Look to Extend Record Run

Investors brace for updates from big tech firms, upheaval around the election

By Karen Langley

The confluence of risks facing the stock market in coming days is enough to give some investors jitters.

This week brings earnings reports from many of the big tech companies whose stocks have powered the market to records. Analysts will scrutinize the companies' investments in artificial intelligence as they try to forecast the payoff from bets on AI.

While the market's rally has broadened in recent months, with shares of utilities and industrial and financial companies racing higher, the largest technology stocks continue to exert a powerful influence on the direction of the benchmark S&P 500.

Furthermore, the Magnificent Seven group of big tech companies is expected to account for nearly all the earnings growth from the S&P 500 for the third quarter, according to a FactSet analysis, heightening the importance of their results to the next leg of the rally.

"They are such a heavyweight bunch of names," said Nicholas Colas, co-founder of DataTrek Research. "Both the blessing and the curse of the S&P is that it is super reliant on seven, eight names."

Investors also are bracing for upheaval as the days until the U.S. presidential election turn into hours. Some money managers and hedge funds, believing the race has tilted toward former President Donald Trump, have placed bets that they think will pay off if he returns to the White House.

With the contest between Trump and Vice President Kamala Harris looking close, other investors are readying for the possibility that the winner isn't known on election night, prolonging the market's uncertainty about what taxes and regulatory environment businesses are likely to face.

"You're going to see a lot of volatility going into the election and coming out," said Stephanie Lang, chief investment officer at wealth-management firm Homrich Berg.

Stocks are trading near records, and at valuations that appear the priciest in years. The S&P 500 has notched 47 record closes in 2024, including four this month, and is up 22% for the year. The index traded in recent days at more than 22 times its projected earnings over the next 12 months, its highest multiple since April 2021, according to FactSet.

Optimism has faded among some investors that the market is about to climb even higher. A survey released last week from the American Association of Individual Investors showed that bullish sentiment, or an expectation that stock prices will rise over the next six months, dropped to its

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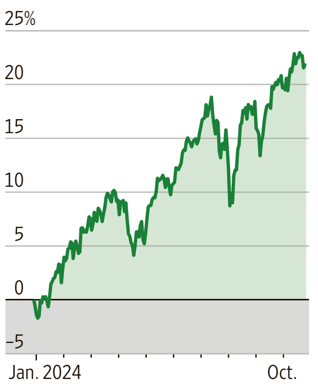
S&P 500 performance



10-year U.S. Treasury yield

S&P 500 price/earnings ratio, next 12 months*

*Through Oct. 24

Sources: FactSet (S&P 500); Tullett Prebon (yield)

Japanese Fear 7-Eleven Will Lose Local Flavor

By Miho Inada And Megumi Fujikawa

TOKYO—At a factory outside Tokyo, workers cook bowls of chicken and eggs one by one in small pots. The eggs are from hens raised on special feed so the yolk is dark in color and richer in flavor.

The feed, with its closely guarded recipe, is prepared only for 7-Eleven convenience stores in Japan.

What might happen to the chicken dish and hundreds of others is tied to a battle for 7-Eleven's Tokyo-based parent, in what would be the largest foreign acquisition of a Japanese company n history.

Executives at the parent, **Seven & i Holdings**, are resisting a $47 billion takeover bid by the Canadian owner of Circle K convenience stores in the U.S. They are raising concerns about what might happen if the foreign company were to gain control of a distinctly Japanese way of operating convenience stores.

In a September letter rejecting an initial offer by Quebec-based **Alimentation Couche-Tard**, the Japanese company's board pointed to "the crucial role that 7 & i plays in everyday life in Japan across food retail, banking and other services."

Chief Executive Ryuichi Isaka, while avoiding direct criticism of the Canadian company's management, said his current team was best-positioned to build global growth around "the 7-Eleven brand's high-quality food."

In the U.S., the land of 7-Eleven's birth, few think of convenience stores as a foodie destination. But the Japanese version, after a half-century of evolution, has become a mecca for people fussy about the consistency of the rice in a rice ball or the crunchiness of sandwich lettuce.

And although Seven & i Holdings controls all 7-Eleven operations around the world, including in the U.S., the 21,000 stores in Japan are the crown jewel, accounting for more than half of operating profit in the first half of this fiscal year.

The Canadians behind the takeover bid, who raised their offer in recent weeks, say they wouldn't spoil 7-Eleven Japan. Alimentation Couche-Tard, which runs convenience stores around the world, including its namesake Couche-Tard ("night owl") stores in Canada, declared "tremendous respect" for the Japanese stores' "excellence."

Foreign companies have often struggled in Japanese retail acquisitions, encountering stiff competition and different consumer preferences. **Walmart** bought control of supermarket chain Seiyu in the early 2000s but mostly pulled out in 2020 after years of difficulties turning a profit. French retailer Carrefour gave up on Japan in 2005 after just four years.

On a recent afternoon, Chigusa Okazaki, a 51-year-old office worker, stopped by a 7-Eleven in Tokyo for a snack. She pointed out her favorites—baumkuchen, a cake of German origin that is popular in Japan, and a cup of octopus and broccoli marinated in basil sauce.

"My impression is you can't go wrong with Seven's quality," said Okazaki. "If it's bought out, I have the feeling it might change for the worse."

The 7-Eleven food gained a wider fan base during the Tokyo Olympic Games in 2021, when foreign visitors, held back by pandemic-era restrictions from trying the city's finer restaurants, found convenience-store offerings weren't such a poor substitute.

In Japan, hundreds of types of food are found in a typical 7-Eleven, from salads and sandwiches to fish, beef and

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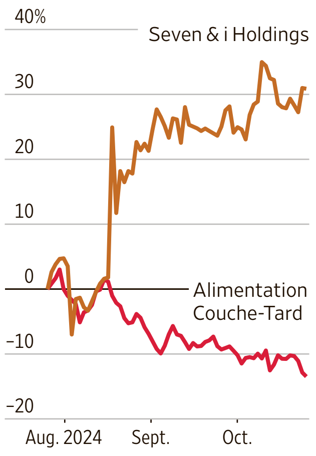
Share-price performance, past three months



Source: FactSet

IRWIN WONG FOR WSJ

On a 7-Eleven supplier's rice-ball line, the job includes wrapping seaweed by hand.

Rivals Seek To Match SpaceX's Reusable Boosters

By Micah Maidenberg

SpaceX catching its huge Starship booster shortly after liftoff was a major achievement. It was also a shot across the bow for competitors.

Developing reusable boosters for its Falcon vehicles has been key to SpaceX's efforts to cut the cost of space flight. Advancing the technology with Starship—the bigger and more powerful rocket it is developing—could extend the Elon Musk-led company's cost advantage versus rivals, especially in launches to low-Earth orbit, where SpaceX and others operate satellites.

Spurred by SpaceX's efforts, competing launch companies are pushing to develop their own reusable boosters, reclaim rocket engines after flights to use them again or create other hardware on their vehicles that can endure more than one mission. Rivals face tough hurdles ramping up those systems and trying to catch up to SpaceX's lead with reusability.

"We need reusability for rockets, just like we have reusability for cars, for airplanes, for bicycles, for horses," Musk said in a video that SpaceX posted online earlier this year.

For decades, almost all rockets have relied on expendable boosters, a proven technology that has underpinned thousands of launches. Single-use boosters, which are jettisoned after propelling a vehicle to orbit, remain critical in flights like deep-space missions that require more power and fuel, rocket executives who use them say. Reuse has its own challenges too, including the time and resources needed to refurbish boosters after they land for other missions.

In SpaceX's case, reusable Falcon boosters have enabled more frequent flights for customers, and especially for Starlink, the company's satellite network. Flying more with the same boosters allows the company to spread expenses over many missions and bolster profit margins. The company in August launched a Falcon 9 booster on its 23rd overall flight. Through Thursday, SpaceX had flown 100 Falcon 9 missions this year, according to data from Jonathan McDowell, an astrophysi-

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Elliman's Board Pushed for CEO Exit

By Katherine Clarke And Emily Glazer

Howard Lorber, chief executive of **Douglas Elliman**, was pushed by directors to resign after an investigation raised concerns on the board about a sexually charged work culture, according to people familiar with the situation.

Lorber, who led the firm for two decades, stepped aside last Monday as chairman and CEO of one of the country's biggest brokerages. In a news release, the company said he decided to retire.

The 76-year-old executive didn't respond to requests for comment.

In recent weeks, Elliman's board formed a special committee in part to examine the firm's workplace and employee accusations of sexual assaults by two former brokers, brothers Tal and Oren Alexander, the people said.

The Alexanders, who were star Elliman agents before they left to start their own firm in 2022, have denied wrongdoing through their attorneys. "Their employer has also said, unequivocally, that no complaints were ever filed to human resources about the brothers," said Deanna Paul, an attorney for Tal Alexander.

The special committee's investigation was the second internal review in recent months; an earlier one conducted by an external lawyer for the company, Marc Kasowitz, was deemed insufficient by the board, the people said.

The board had concerns that Kasowitz and Lorber were too close for the review to be effective; the two are longtime friends. The New York litigator has represented Elliman over the years, along with a tobacco company that Lorber also has led.

"As longtime litigation counsel to Douglas Elliman, our firm was preparing to defend the company against potential claims," Kasowitz said in a statement. "Any suggestion that in doing so we would be less aggressive or effective in finding out the true facts because of our longtime business and personal relationship with Mr. Lorber makes no sense and is the exact opposite of the truth."

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INSIDE

STEPHEN VOSS FOR WSJ

Keurig, Starbucks Shift Gears As Discounts Dent Revenue

By Laura Cooper

Americans are pinching pennies on coffee.

Some are cutting back on trips to **Starbucks**. Others are hunting for sales at the grocery store—or filling reusable K-Cups with their own ground coffee to save.

Coffee companies have been competing for customers with discounts and coupons. That price war has dented sales for K-Cup maker **Keurig Dr Pepper** and for Starbucks, both of which say they are now reversing strategies.

Keurig's U.S. coffee business dropped prices by an average of 6.3% in the latest quarter, leading to a decline in revenue of 3.6%. Keurig executives said that they weren't satisfied with the outcome of their price promotions and that they plan to raise prices in early 2025.

Sales of at-home coffee spiked in 2020, when pandemic lockdowns forced millions of Americans to work from home. Many coffee drinkers invested in espresso machines, French presses and pour-over brewers. But more recently, steep price increases have strained household budgets, prompting shoppers to look for deals.

Eva Justice, 23, spotted a sale on K-Cups at a **Target** store in Brooklyn, N.Y., on Thursday after looking for discounts on **Amazon.com** earlier in the day. She bought two sets of Starbucks-brand K-Cups in pumpkin spice and caramel flavors for $13 each instead of the usual $17 a box.

"I typically won't buy them at the usual price," she said. "I am always looking for a sale."

Other coffee drinkers are investing in reusable coffee pods so they can insert their own coffee grounds into Keurig brewers. In Amazon reviews and social-media posts, users say it saves them money.

U.S. dollar sales of at-home coffee, which includes ground coffee, whole beans and pods, declined 1.4% in the 52 weeks ended Oct. 5, while unit sales dipped 1%, according to a Jefferies analysis of NIQ data.

Keurig Chief Executive Tim Cofer said single-serve coffee is still performing relatively well compared with the coffee category overall. But price promotions have dragged down the company's revenue and profits, he said.

"No doubt at-home coffee category performance has been sluggish and it is taking longer to recover than we planned and anticipated," he said Thursday on a call with

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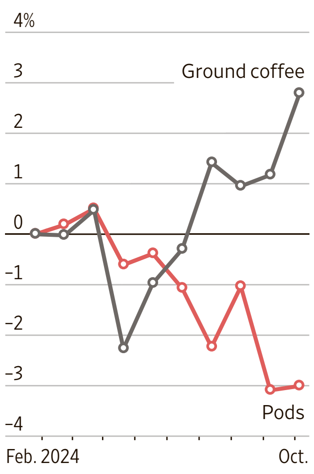
U.S. retail coffee prices, change since January



Note: Based on average-unit prices for four-week periods ending on each date.
Source: NIQ

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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.

INDEX TO PEOPLE

BUSINESS & FINANCE

Rivals Seek To Reuse Boosters

SERGIO FLORES/AFP/GETTY IMAGES

SpaceX successfully caught the first-stage booster of its Starship rocket this month.

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cist who closely tracks space activities.

The list price for a dedicated Falcon 9 flight stands at about $70 million, SpaceX says on its website. Missions on United Launch Alliance's new Vulcan Centaur vehicle are expected to start at about $97 million, according to space-industry executives. Some launchers are working on vehicles that would cost around $50 million a flight.

Launch prices generally run higher for government agencies that often have tougher missions than commercial clients and pay more to guarantee sensitive payloads are safely delivered.

A spokeswoman for ULA declined to comment on pricing, and SpaceX didn't respond to a request for comment.

"The Falcon family has dramatically changed the economics of space launch and put strong pressure on the rest of the industry," said David Thompson, former chief executive of the rocket company Orbital ATK, which **Northrop Grumman** purchased several years ago.

Roughly seven minutes after launching the Starship vehicle in mid-October, SpaceX guided the return of its 232-foot-tall booster, called Super Heavy, between two arms at a launch tower in Texas.

SpaceX's longer-term flight plans for Starship are something out of science fiction. After a booster is caught, the company would fuel it, stack another spacecraft on top of it and quickly launch the integrated vehicle again to low-Earth orbit. SpaceX envisions getting large amounts of cargo, satellites or people into space using this method. For deeper voyages, spacecraft would be refueled in orbit.

The latest launch provided a glimpse of that operation, but overcoming technical challenges and ramping up flights are likely years away. Beyond hurdles like landing Starship and showing that those ships and boosters can be quickly reused, SpaceX faces regulatory constraints in conducting flights from its Starbase complex in Texas and from Florida's Space Coast.

A fully and rapidly reusable Starship would push down SpaceX's costs by limiting the need to crank out new hardware and cutting downtime between flights, space industry executives say. Bain, the consulting firm, has estimated that Starship would reduce the cost of getting each kilogram to low-Earth orbit by 50 to 80 times.

"They will be ready. It will work. We have to respect that," Steven Rutgers, chief commercial officer at French rocket company Arianespace, said of Starship at an industry event in June. "We need to constantly improve ourselves."

Developing Starship isn't cheap, putting pressure on SpaceX to march toward operational flights. Though SpaceX receives NASA payments for work related to a lunar mission with a variant of Starship, the company said in a recent court filing that the Starship program and Starbase cost almost $1.5 billion annually.

SpaceX executives have said Starship's initial missions, which could begin as soon as next year, will focus on launching the company's own Starlink internet satellites. The business increasingly drives SpaceX's revenue.

SpaceX's rocket peers are moving toward reusability, but they are behind the progress Musk's company has made.

The huge booster that will power New Glenn, the orbital rocket Jeff Bezos' **Blue Origin** is developing, is designed to be reusable. That rocket is slated to launch for the first time next month.

ULA, the rocket operator owned by **Boeing** and **Lockheed Martin**, is looking to recover the two engines that help power the first part of its new rocket, **Vulcan Centaur**. The parent company for Arianespace, whose new vehicle is powered by an expendable booster, has also invested in a startup developing a reusable booster.

Last year, **Rocket Lab USA** used an engine that had flown before on a flight of its Electron rocket and is working on a new vehicle, called Neutron, with a booster it could use again.

Jason Kim, chief executive of **Firefly Aerospace**, said the reusable vehicle the Texas-based company is developing with **Northrop Grumman** would give launch customers more flexibility and better pricing.

"It really comes down to the affordability and the schedule," Kim said.

For now, reusable boosters won't work for every mission. SpaceX has conducted missions that use boosters a single time, such as during an Oct. 14 launch of a NASA spacecraft that will study a moon orbiting Jupiter.

Starship, the SpaceX vehicle, will also have an expendable version, according to the company's website.

Latest 'Venom' Opens at No. 1

MARVEL/SONY PICTURES/EVERETT COLLECTION

The last of a trilogy earned $51 million opening weekend.

Estimated Box-Office Figures, Through Sunday

	Film	Distributor	Sales, In Millions: Weekend*	Cumulative	% Change
1.	Venom: The Last Dance	Sony	$51.0	$51.0	—
2.	Smile 2	Paramount	$9.4	$40.7	-59
3.	Conclave	Focus Features	$6.5	$6.5	—
4.	The Wild Robot	Universal	$6.5	$111.4	-36
5.	We Live in Time	A24	$4.8	$11.8	15

*Friday, Saturday and Sunday in North American theaters

Source: Comscore

Starbucks, Keurig Shift Strategies

Continued from page B1
analysts. While many coffee drinkers are trading down, others are switching to energy drinks for their caffeine fix. Keurig on Thursday said it was buying energy-drink maker Ghost for more than $1 billion.

Nestlé—which sells Nescafe instant coffee, Nespresso pods and Starbucks beans—said consumer demand has weakened in recent months. In North America, Nestlé slashed prices of its coffee creamers as consumers traded down.

"The reality is that the consumer is soft, that economic growth generally speaking is not buoyant in most parts of the world," said CEO Laurent Freixe. He said the price of robusta coffee had hit records and that Nestlé needs to strike a balance between passing price rises onto consumers and maintaining its market share.

Starbucks, which built its business on coffee as a premium product and experience, long avoided discounting and promotions. That approach changed as inflation in recent years led more customers to rethink their Frappuccino habits, and the company earlier this year was frequently running buy one, get one offers and perks for members of its loyalty program.

Since new CEO Brian Niccol took leadership of Starbucks in early September, the world's largest coffee chain has reversed that strategy, scaling back discounts as Niccol emphasizes delivering better service in cafes. The company said recently that the more-frequent promotions weren't boosting traffic, and contributed to a continued decline in sales. Starbucks reports quarterly earnings on Wednesday.

Nero Akpowowo, 37, a physician assistant, said he was cutting back on buying coffee at Starbucks and other coffee shops in Brooklyn, where a typical cup costs him $3 to $6. Now he buys ground coffee.

"This ends up being considerably cheaper," he said. "It's all about the discipline to have time to make this at home."

—Saabira Chaudhuri and Heather Haddon contributed to this article.

Foodies Fear For Future Of 7-Eleven

IRWIN WONG FOR WSJ

Japanese 7-Elevens offer hundreds of types of food, much of it made exclusively for the chain.

Continued from page B1
chicken dishes. Its main competitors in Japan, FamilyMart and Lawson, usually have similar offerings.

Food and drink accounts for about two-thirds of 7-Eleven stores' revenue in Japan, according to the company. Much of it is made exclusively for 7-Eleven at 172 factories across Japan and delivered up to three times daily, with a high proportion of perishable items that must be sold in a day or two.

Yuka Kobata, a 47-year-old homemaker, said she often turned to 7-Eleven when she wasn't able to cook dinner. She said she was worried that foreign executives might trim the selection.

Kobata said her children liked the rice balls at 7-Eleven because the rice is fluffy. The company attributes that in part to its technique of shaping steamed rice into a triangle using a dedicated machine. A rice master in Kyoto, the eighth-generation head of the Hashimoto rice-merchant family, selects the varietal blend that fits best for rice balls.

As for potato salad, 7-Eleven believes that the tastiest part of the potato is right under the skin, so it worked with a machinery maker to develop a peeler that removes the thinnest possible skin layer. It installed the device at three factories that serve Japan—and nowhere else.

In Japan, 7-Eleven "isn't just in the retail business," said Rakuten Securities strategist Masayuki Kubota. "It is a huge system that includes product development, production and distribution."

Its local suppliers speak respectfully of "Seven-san." Meatpacker **NH Foods**, owner of the baseball team that used to employ Shohei Ohtani, makes a ground-beef dish sold under 7-Eleven's private brand. The company says that over the past 15 years, it has had to develop a new recipe every year, even if the product is selling well.

"Seven-san says that the more delicious it is, the more you get tired of it, so we always evolve it every year," said Toshihiro Yoshikane of NH Foods.

Even before the Canadian buyout offer, 7-Eleven Japan's management was beginning to hit the limits of such strategies. The company has had to raise prices to support the intricate recipes that suppliers are creating at its command, and growth in store sales has flattened.

"I don't go to Seven, because it's more expensive. The quality might be better, though," said Ryo Yabumoto, a college student.

In response, 7-Eleven has recently advertised a lineup of lower-priced items it says offer "pleasant value."

Both the 7-Eleven parent's current management and the potential buyers say they want to bring more of the Japanese chain's strategy to the U.S. Some U.S. 7-Elevens now feature rice balls and other Japanese-style foods such as sandwiches made with thin, fluffy bread.

The company faces challenges in replicating the way it makes and ships food in Japan.

For example, the U.S. and many countries require rice balls to be kept cool for food-safety reasons, but in Japan 7-Eleven can keep them at 68 degrees Fahrenheit from the factory to the store shelves to ensure the rice doesn't harden and lose its taste.

Delta Air Lines Sues CrowdStrike Over July Operations Meltdown

Cybersecurity firm and airline trade blame for global technology outage

By Roshan Fernandez

BRANDON BELL/GETTY IMAGES

Travelers waited to board a delayed flight at Hartsfield-Jackson airport in Atlanta on July 23.

Delta Air Lines sued **CrowdStrike** over the July global technology outage that grounded thousands of flights and preceded a dayslong debacle for the air carrier.

The lawsuit accused CrowdStrike of gross negligence, alleging the cybersecurity company is to blame for not only the outage but the rolling disaster that followed for the airline. In the lawsuit filed Friday in a Georgia state court, Delta called the IT breakdown "catastrophic," citing $500 million in out-of-pocket losses and losses to future revenue.

"CrowdStrike committed a series of intentional and grossly negligent acts that caused the global IT outage on July 19, impacting 8.5 million computers," a Delta representative said.

The Atlanta-based airline also accused the cybersecurity company of intentional misrepresentation, computer trespassing, breach of contract, and deceptive and unfair business practices. Delta is seeking monetary compensation for the damages.

CrowdStrike said it had aimed to reach a resolution that puts customers first, which it said Delta's suit doesn't accomplish.

"Delta's claims are based on disproven misinformation, demonstrate a lack of understanding of how modern cybersecurity works and reflect a desperate attempt to shift blame for its slow recovery away from its failure to modernize its antiquated IT infrastructure," a CrowdStrike representative said.

The filing comes after weeks of finger-pointing between Delta and CrowdStrike, as well as legal threats by the airline.

The outage dealt a blow to Delta's long-held selling point as a reliable airline with a fine-tuned operation that merited premium fares. It also struck at a critical moment for Delta: July 19, a Friday, was set to lead into Delta's busiest weekend of the summer, with more than 90% of the airline's seats booked.

Early on during the outage, Delta tried to stick to most of its flying schedule, hoping to take a more surgical approach to managing the tech problem rather than quickly moving to cancel more flights as the situation persisted.

Delta has said about 60% of its key applications are Windows-based, and the CrowdStrike outage left them inoperable. The tech breakdown left the airline struggling to dispatch planes and struck its crew scheduling system.

The resulting slowdown in Delta's plane traffic and displacement of thousands of pilots and flight attendants cascaded through Delta's network. Meanwhile the computer problems continued for several days, the airline has said.

Delta has said CrowdStrike provided little help early in the outage, though CrowdStrike has said it sent a tech alert to customers in the early morning hours of July 19, alerting them to a fix.

McDonald's Beef Supply Cleared in E. coli Probe

By Heather Haddon

McDonald's and food-safety officials ruled out beef as the source of an E. coli outbreak linked to the chain's Quarter Pounders, while continuing to examine onions served on the burgers.

The Colorado Department of Agriculture said Sunday that it had completed dozens of tests of fresh and frozen beef patties collected from state McDonald's locations associated with the continuing investigation into the outbreak. All samples were negative for E. coli, the agency said, and state health authorities don't anticipate pulling more samples.

The E. coli outbreak linked to McDonald's Quarter Pounders, disclosed last week by federal health officials, has so far sickened 75 and killed one across 13 states, according to food-safety authorities. The chain pulled the burgers from menus in the affected areas, and said it is cooperating with regulatory agencies investigating the outbreak.

McDonald's said that based on the test results, it will begin selling Quarter Pounders again in the hundreds of affected restaurants in the coming week. Restaurants won't dress the burgers with fresh onions for the foreseeable future in areas affected by the outbreak, spokespeople said. Most of those restaurants are in Colorado, Kansas and Wyoming, along with some locations in nine other states.

McDonald's spokespeople said Sunday that the company is still awaiting test results for onions implicated in the outbreak.

Washington Post In Political Turmoil

Thousands of Washington Post readers have canceled their subscriptions. Staffers have gone public with their outrage. Owner Jeff Bezos is under scrutiny.

By Alexandra Bruell, Dana Mattioli and Jeffrey A. Trachtenberg

The Washington Post is facing a crisis over its decision not to endorse a candidate in the 2024 presidential race, a move the news outlet announced Friday.

Several current and former employees said refusing to take a stand was an abandonment of the Post's principles. Many readers, including author Stephen King and former Rep. Liz Cheney, a Republican, said they had canceled their Post subscriptions.

"We are returning to our roots of not endorsing presidential candidates," Publisher William Lewis announced in a column on Friday. Before 1976, the paper mainly abstained from endorsing a candidate.

People close to the Post, though, said the paper had drafted an editorial in favor of Vice President Kamala Harris. The decision not to endorse prompted complaints inside the newsroom—and among the Post's readership. Critics suggested the outlet and its owner, Bezos, were concerned about retribution from Donald Trump should he win next week's presidential election.

The Los Angeles Times also recently decided against endorsing a candidate, triggering outcry from readers and staff as well.

"From a distance you can't look at this and say it isn't an act to curry favor with one presidential candidate," said Peter Bhatia, chief executive of the Houston Landing, an independent, nonprofit digital news organization and the former editor of the Detroit Free Press. "That's really unfortunate. And the implications are profound."

Lewis said Friday that the absence of an endorsement isn't intended as a tacit sign of support or condemnation of either candidate. Rather, he said, it is "a statement in support of our readers' ability to make up their own minds."

People concerned about Bezos' impact, including one editor who quit after the Post's decision, pointed to a meeting the billionaire's space-exploration company, Blue Origin, had with Trump on Friday, the same day of the nonendorsement announcement.

Blue Origin CEO Dave Limp was in Texas for a meeting with Gov. Greg Abbott, and afterward had a chance to briefly meet Trump. The two shook hands and exchanged pleasantries, Limp told The Wall Street Journal on Sunday.

"The meeting with Trump was opportunistic and planned only that morning after meeting with the governor," Limp said. "Given that, it's crazy to think there was some quid pro quo because of this meeting."

On Sunday, Lewis said the decision "was made entirely internally and neither campaign nor candidate was given a heads up or consulted in any way at any level."

A spokeswoman for Trump didn't respond to a request for comment.

On Friday evening, a group of Washington Post opinion columnists signed a short piece that described the decision not to endorse as a "terrible mistake" and said it "represents an abandonment of the fundamental editorial convictions of the newspaper that we love."

EY Follows Failed Breakup By Trying to Refresh Brand

Firm says campaign, future-focused tagline, color scheme reflect new chapter

By Mark Maurer And Katie Deighton

EY

Among the sites for Ernst & Young's new tagline are airports.

Ernst & Young is introducing a new tagline, “Shape the future with confidence,” and an international advertising campaign in the wake of last year’s failed plan to split its auditing and consulting sides into separate companies.

The slogan is part of a brand update that also includes adding pops of different colors to the yellow-and-black theme EY has used.

The expanded color palette aims to convey a more vibrant EY, as well as the spectrum of its services, according to Global Chief Brand and Marketing Office John Rudaizky. And the new slogan is meant as an AI-era refresh of another EY tagline, “Building a better working world,” which was introduced in 2014. (EY will continue to use that line to describe its corporate purpose, but no longer as its primary slogan.)

“The question was, well, what’s next?” Rudaizky said. “If the world is changing, what’s our story in the marketplace?”

EY has made strides to move past the recent turbulence, appointing a new global leader in firm veteran Janet Truncale and introducing an “All in” strategy in part to unify the workforce. Truncale ruled out reviving plans for a split.

“As a starting point, the past showed us how important it would be to move forward together,” Rudaizky said, referring to the strategy.

The firm, like many of its peers, has faced slowing demand for certain consulting services. EY reported this month that its global consulting revenue held flat at $15.61 billion for the year ended June 30, compared with a 17% increase in the previous year. Overall revenue climbed 3.8%, its slowest growth since 2020.

Several accounting firms have laid off workers as consulting growth slows. In the U.S., EY cut dozens of partners, including more than 10% of partners in consulting, along with workers in other roles, as The Wall Street Journal reported last December.

EY’s global head count fell for the first time in years. The total workforce dropped by 0.6% to less than 393,000 people for the year ended June 30, after growing 8.2% during the previous year. The Americas workforce dropped 2.8% to about 92,600 people.

EY needs to present a consistent, authentic message across operations, both internally and externally, said Rohit Deshpande, a marketing professor at Harvard Business School.

“Their brand has been in the media for the wrong reasons,” Deshpande said. “It has been taking a hit. The brand refresh is potentially a way to validate we are all together on this, and we move beyond that conversation.”

The new ad campaign is slated to roll out in waves over the next 12 months as EY tries to put its refreshed elements in front of C-suite executives and other holders of corporate purse-strings.

It will appear in airports, on podcasts, across business publications, on social media and on streaming TV. The updated branding will also be rolled out across EY’s internal and external communications.

EY hopes the brand refresh and ad blitz, the cost of which it declined to disclose, will win over its staff and potential employees as well as its clients, Rudaizky said.

“We’re letting our clients know what we stand for, what services we can provide, but it’s equally just as important as a people brand, a big recruiter around the world,” he said.

Four Tech Companies Settle Over SolarWinds

By Kim S. Nash

Four tech companies settled federal cases over allegations they misled investors about the extent to which they were compromised in the 2020 SolarWinds hack.

Avaya Holdings, **Check Point Software Technologies**, **Mimecast** and **Unisys** didn’t admit wrongdoing in separate deals with the U.S. Securities and Exchange Commission, which found their financial disclosures played down what the companies knew about how their systems were affected by breached SolarWinds software.

Unisys agreed to pay a penalty of $4 million, and the other three companies will pay about $1 million each.

In a breach disclosed in 2020, which the U.S. later attributed to Russia, hackers slipped malicious code into software from Austin, Texas-based SolarWinds. Thousands of customers inadvertently downloaded the malware. Moscow has denied involvement.

The SEC has since been investigating how the companies described cyber risks, or the discovery of corrupted SolarWinds software in their systems, in regulatory filings.

“In two of these cases, the relevant cybersecurity risk factors were framed hypothetically or generically when the companies knew the warned of risks had already materialized,” Jorge Tenreiro, acting chief of SEC’s crypto assets and cyber unit, said.

Gil Messing, chief of staff at cybersecurity provider Check Point, said the company didn’t find evidence that any customer data, code or other sensitive information was accessed. “We thought then and believed it’s not material,” Messing said.

A spokeswoman for Mimecast said the company “made extensive disclosures and engaged with our customers and partners proactively and transparently, even those who were not affected. We believed that we complied with our disclosure obligations based on the regulatory requirements at that time.”

An Avaya spokeswoman said, “We are pleased to have resolved with the SEC this disclosure matter related to historical cybersecurity issues dating back to late 2020, and that the agency recognized Avaya’s voluntary cooperation and that we took certain steps to enhance the company’s cybersecurity controls.”

A Unisys spokeswoman declined to comment beyond a regulatory filing made Tuesday that said, in part, the company concluded that it was in the best interests of Unisys and its shareholders to resolve the matter.

CNN’s Chief Political Correspondent Stands Out as U.S. Election Nears

By Isabella Simonetti

STEPHEN VOSS FOR WSJ

Dana Bash hots CNN’s ‘Inside Politics,’ which airs on weekdays.

Dana Bash knows it isn’t just her questions that can draw scrutiny. Facial expressions matter, too.

On a recent segment of her CNN show “Inside Politics,” Bash smiled while playing a game with her two guests, the hosts of a comedic political podcast called “I’ve Had It.”

The game was “Had It or Hit It,” a pithy way of asking the guests, Jennifer Welch and Angie Sullivan, how they feel about various popular trends, like the use of the word “weird” in political discourse.

Bash asked their opinion on people who post on social media in all caps.

“Had it up to my eyeballs,” Welch responded.

“How come?” Bash asked, still smiling.

“First of all, if you look at the timestamp on them, they’re at 2 a.m.,” Welch replied. It was a thinly veiled reference to former President Donald Trump. “I just think this is the rambling of a very unstable individual,” she said.

Instantly, Bash’s smile disappeared. She blinked back to a straight face. “I can’t be smiling when someone calls the former president a psychopath,” Bash said in an interview after the show.

Both sides of aisle

Bash’s calling card among the Washington political elite is that she doesn’t play favorites. She has developed a reputation for maintaining ties on both sides of the aisle, making her part of a dwindling group of TV personalities whom big-name Republicans and Democrats seem to trust.

Bash, CNN’s chief political correspondent, cultivated that brand carefully. It is one reason she has become one of the highest-profile TV anchors in the 2024 presidential contest.

She moderated a historic debate in June that resulted in President Biden exiting the race and earned a compliment from Trump, CNN’s harshest critic. She landed a widely viewed sit-down with Vice President Kamala Harris and her running mate, Tim Walz, and navigated a fiery interview with Republican vice presidential nominee JD Vance.

“This is just Dana’s cycle,” said David Chalian, CNN’s political director. “She has just owned it.”

Bash has her critics. Some viewers and Democratic operatives criticized the lack of fact-checking in the June debate and said ABC News journalists moderating a September debate did a better job holding Trump accountable on accuracy.

“We are the facilitators,” Bash said of CNN’s approach to the debate. “We are not participants. And if and when somebody says something that’s not true, it’s up to their opponent to correct that.”

Some political journalists have been able to achieve stardom quickly. One of Bash’s colleagues, Kaitlan Collins, became well known as a young reporter covering the Trump White House and earned a prime-time slot at CNN last year.

Bash, however, said it took her years to muster the confidence that some of her younger colleagues seem to possess naturally. “I did not have a meteoric rise,” Bash, 53 years old, said. “I had a climb at a glacial pace.”

Many hats

Bash started her career in CNN’s tape library in 1993, labeling and logging videos of Washington-area events.

She covered every presidential election since 2000, was at the Capitol during the terrorist attacks on Sept. 11, 2001, and reported on countless legislative battles from the halls of Congress.

Among the hats she has worn at CNN: library assistant, assignment editor, Senate producer, White House correspondent and Capitol Hill reporter.

“The only thing I didn’t do was actually hold the camera,” she said.

Today, Bash is co-anchor of CNN’s Sunday politics show, “State of the Union,” and the host of “Inside Politics,” a weekday show featuring roundtable discussions about the day’s most pressing political stories.

Bash has been a mainstay at CNN as the cable television business transformed. Millions of Americans are ditching cable in favor of streaming each year and more people get their news from social-media platforms like TikTok and X. CNN at times struggled to adapt and underwent multiple executive shake-ups.

Her elevation at the network is one of a number of changes this election cycle under Mark Thompson, who took the helm as CNN’s chairman and CEO late last year. John King is no longer just breaking down polling data on his “Magic Wall” touch screen but is also traversing the country, talking to voters for a continuing project. Republican and Democratic strategists spar on Abby Phillip’s “NewsNight” program, producing fireworks.

On the business side, Thompson has focused on strengthening digital products. CNN’s TV ratings lag behind Fox News and MSNBC.

Bash said she doesn’t pay attention to the ratings, and while many viewers are turning to TikTok for their news these days, she doesn’t engage there. “I know too many people in the national security realm who tell me, ‘Do not go on TikTok,’ ” she said, referring to U.S. allegations that the social-media site can provide data to its Chinese parent company.

Drawing protesters

Being high profile also has made Bash a target in other ways. Pro-Palestinian protesters verbally attacked Bash, who is Jewish, at a September event for her new book.

“You are complicit in the genocide,” one yelled before being escorted out, while another accused her of taking money from a pro-Israel group.

Bash said the current moment feels different from past protests she has seen, on issues ranging from war to healthcare. “This was something else,” Bash said. “They don’t do it to other journalists who are not Jewish.”

In the spotlight

At the presidential debate in June, which Bash moderated alongside Jake Tapper, questions about Biden’s mental acuity took center stage. He sometimes provided rambling answers and blank stares in response to the moderators’ questions.

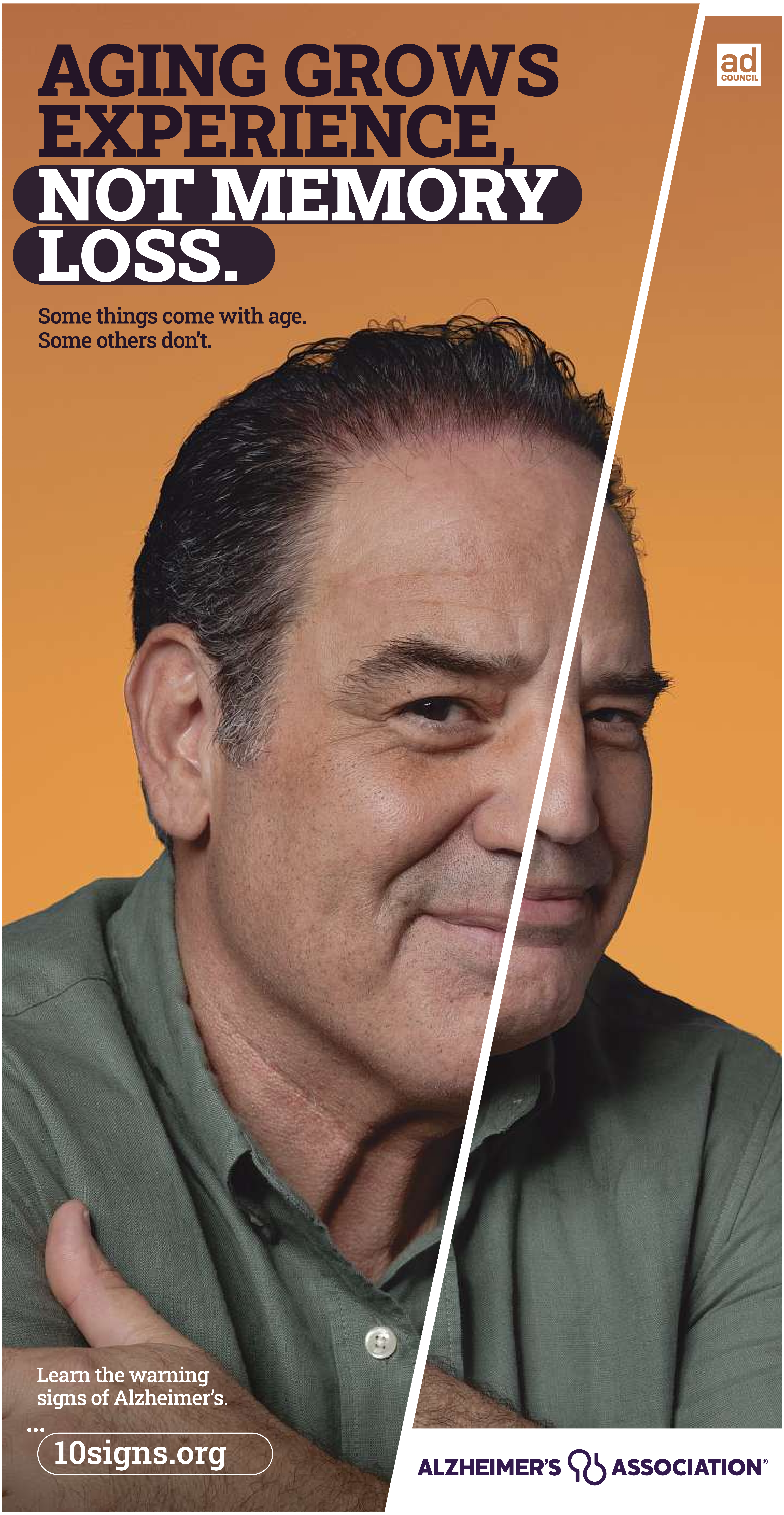
“I was probably thinking what everybody else was thinking,” Bash said of her attitude during the debate. “Like, what is happening?”

She and Tapper didn’t interrupt the candidates’ answers to fact-check but did agree ahead of time to call Trump out if he said the 2020 election was stolen, Bash said.

Bash took a different approach during her interview with Vance in September, pressing him about his unsubstantiated claims that Haitian migrants were eating cats and dogs in Springfield, Ohio. She interrupted some answers, and Vance accused her of treating him unfairly.

Bash said she expects to face scrutiny in today’s partisan climate but tries hard to situate herself in the middle.

“I genuinely feel like the perception of me and how I [present] myself as an objective reporter maybe matters more than anything else,” she said.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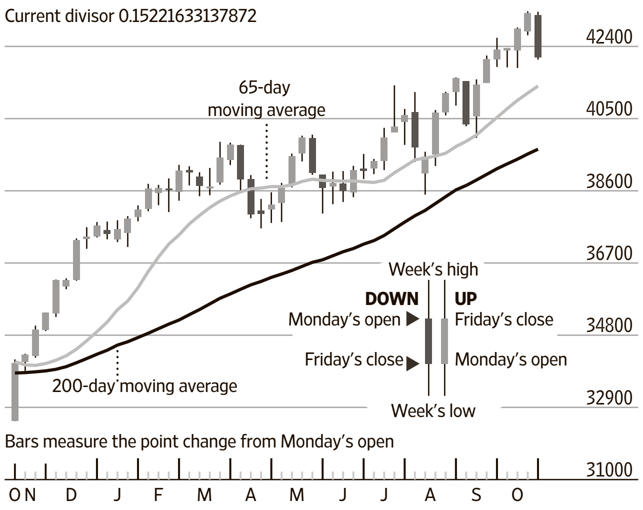
MARKETS DIGEST

Dow Jones Industrial Average

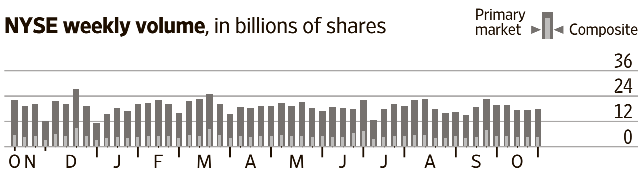
42114.40 ▼1161.51, or 2.68% last week

High, low, open and close for each of the past 52 weeks

	Last	Year ago
Trailing P/E ratio	25.96	22.90
P/E estimate *	21.65	18.08
Dividend yield	2.05	2.23
All-time high	43275.91, 10/18/24	



NYSE weekly volume, in billions of shares



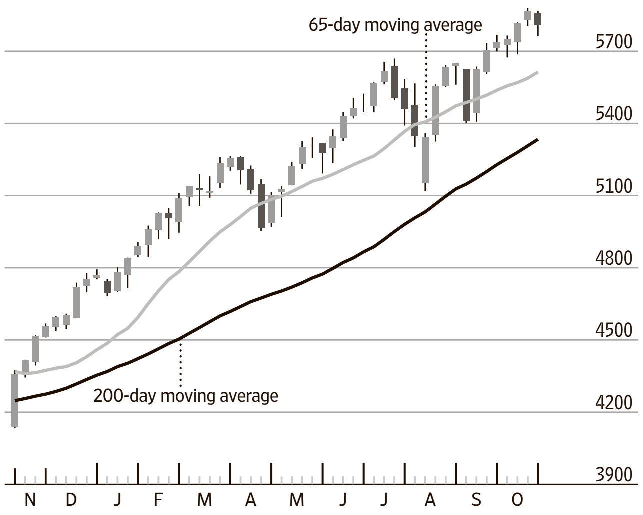
*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; †Based on Nasdaq-100 Index

S&P 500 Index

5808.12 ▼56.55, or 0.96% last week

High, low, open and close for each of the past 52 weeks

	Last	Year ago
Trailing P/E ratio *	24.95	20.14
P/E estimate *	24.02	18.55
Dividend yield *	1.28	1.68
All-time high	5864.67, 10/18/24	



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Major U.S. Stock-Market Indexes

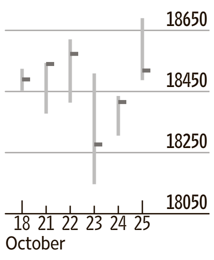
	Latest Week High	Low	Close	Net chg	% chg	52-Week Low	Close (●)	High	% chg	YTD % chg	3-yr. ann.
Dow Jones											
Industrial Average	43310.87	42051.39	42114.40	-1161.51	-2.68	32417.59		43275.91	29.9	11.7	5.6
Transportation Avg	16359.76	15959.88	16104.19	-278.94	-1.70	13556.07		16562.66	18.8	1.3	0.5
Utility Average	1074.31	1046.26	1046.99	-20.19	-1.89	812.89		1071.27	28.8	18.8	4.5
Total Stock Market	58151.07	57042.38	57492.18	-668.75	-1.15	40847.04		58160.93	40.7	20.3	6.6
Barron's 400	1262.42	1226.27	1229.15	-33.19	-2.63	907.97		1263.18	35.4	14.6	4.6
Nasdaq Stock Market											
Nasdaq Composite	18690.01	18146.61	18518.61	29.05	0.16	12643.01		18647.45	46.5	23.4	6.7
Nasdaq-100	20552.82	19934.92	20352.02	27.98	0.14	14180.42		20675.38	43.5	21.0	9.5
S&P											
500 Index	5866.92	5762.41	5808.12	-56.55	-0.96	4117.37		5864.67	41.1	21.8	8.3
MidCap 400	3198.21	3101.90	3107.51	-90.70	-2.84	2326.82		3198.21	33.6	11.7	3.4
SmallCap 600	1435.02	1382.38	1390.67	-44.49	-3.10	1068.80		1442.34	30.1	5.5	-0.1
Other Indexes											
Russell 2000	2275.60	2195.47	2207.99	-68.10	-2.99	1636.94		2286.68	34.9	8.9	-1.5
NYSE Composite	19884.81	19438.80	19456.27	-428.54	-2.16	14675.78		19884.81	32.6	15.4	4.3
Value Line	630.13	611.90	614.78	-15.35	-2.44	498.09		630.13	23.4	3.5	-3.3
NYSE Arca Biotech	5953.12	5759.50	5761.86	-191.27	-3.21	4544.40		5953.12	26.8	6.3	0.6
NYSE Arca Pharma	1079.47	1046.31	1047.68	-31.79	-2.94	845.32		1140.17	23.9	15.1	11.2
KBW Bank	123.47	119.97	120.73	-1.80	-1.47	71.71		122.91	68.4	25.7	-5.3
PHLX§ Gold/Silver	175.95	165.83	166.29	-5.02	-2.93	102.94		175.74	44.5	32.3	6.7
PHLX§ Oil Service	76.92	73.51	75.57	-0.475	-0.62	72.67		95.25	-13.3	-9.9	5.1
PHLX§ Semiconductor	5287.77	5061.40	5212.83	4.21	0.08	3185.18		5904.54	61.5	24.8	15.4
Cboe Volatility	20.51	18.05	20.33	2.30	12.76	11.86		38.57	-4.4	63.3	10.1

§Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

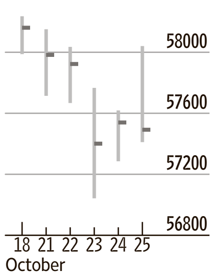
Nasdaq Composite

▲ 29.05, or 0.16% last week



DJ US TSM

▼ 668.75, or -1.15% last week



International Stock Indexes

Region/Country	Index	Latest Week Close	% chg	52-Week Range Low	Close	High	YTD % chg
World	MSCI ACWI	845.49	-1.31	629.46		857.18	16.3
	MSCI ACWI ex-USA	340.57	-1.91	277.36		357.36	7.6
	MSCI World	3705.81	-1.26	2731.99		3753.49	16.9
	MSCI Emerging Markets	1134.88	-1.75	915.20		1187.97	10.9
Americas	MSCI AC Americas	2184.97	-1.02	1557.56		2207.58	20.5
Canada	S&P/TSX Comp	24463.67	-1.45	18737.39		24822.54	16.7
Latin Amer.	MSCI EM Latin America	2167.23	-1.01	2078.94		2675.33	-18.6
Brazil	Bovespa	129893.32	-0.46	112531.52		137343.96	-3.2
Chile	S&P IPSA	3657.62	1.64	3048.00		3714.61	5.5
Mexico	S&P/BMV IPC	51784.33	-2.34	48973.85		58711.87	-9.8
EMEA	STOXX Europe 600	518.81	-1.18	429.58		528.08	8.3
	STOXX Europe 50	4438.96	-1.03	3783.73		4577.60	8.4
Eurozone	Euro STOXX	510.39	-1.17	420.65		527.81	7.6
	Euro STOXX 50	4943.09	-0.87	4014.36		5100.90	9.3
Austria	ATX	3583.16	-1.22	3020.72		3775.49	4.3
Belgium	Bel-20	4293.15	-0.71	3290.68		4333.65	15.8
France	CAC 40	7497.54	-1.52	6795.38		8239.99	-0.6
Germany	DAX	19463.59	-0.99	14687.41		19657.37	16.2
Greece	Athex Composite	1390.25	-3.69	1178.79		1502.79	7.5
Israel	Tel Aviv	2155.40	0.83	1605.20		2180.67	15.6
Italy	FTSE MIB	34776.10	-1.22	27287		35410	14.6
Netherlands	AEX	898.82	-0.51	714.05		944.91	14.2
Norway	Oslo Bors All-Share	1682.84	2.15	1440.55		1684.40	10.8
Portugal	PSI 20	6513.28	-2.41	6055.53		6971.10	1.8
South Africa	FTSE/JSE All-Share	87015.81	-0.21	69451.97		87579.71	13.2
Spain	IBEX 35	11812.50	-0.95	8918.3		11996.7	16.9
Sweden	OMX Stockholm	990.14	-0.66	753.35		1019.81	9.7
Switzerland	Swiss Market	12184.00	-1.16	10323.71		12451.48	9.4
U.K.	FTSE 100	8248.84	-1.31	7291.28		8445.80	6.7
Asia-Pacific	MSCI AC Asia Pacific	186.54	-2.53	150.66		197.3	10.1
Australia	S&P/ASX 200	8211.30	-0.87	6772.9		8355.9	8.2
China	Shanghai Composite	3299.70	1.17	2702.19		3489.78	10.9
Hong Kong	Hang Seng	20590.15	-1.03	14961.18		23099.78	20.8
India	BSE Sensex	79402.29	-2.24	63591.33		85836.12	9.9
Japan	NIKKEI 225	37913.92	-2.74	30696.96		42224.02	13.3
Malaysia	FTSE Bursa Malaysia KLCI	1618.30	-1.68	1435.33		1678.80	11.2
Singapore	Straits Times	3593.41	-1.29	3061.85		3640.19	10.9
South Korea	KOSPI	2583.27	-0.41	2277.99		2891.35	-2.7
Taiwan	TAIEX	23348.45	-0.59	16001.27		24390.03	30.2

Source: FactSet; Dow Jones Market Data

Commodities and Currencies

	Last Week Close	Net chg	% Chg	YTD % chg
DJ Commodity	1019.79	21.34	2.14	6.47
FTSE/CC CRB Index	284.68	5.13	1.83	7.90
Crude oil, $ per barrel	71.78	3.09	4.50	0.18
Natural gas, $/MMBtu	2.560	0.302	13.37	1.83
Gold, $ per troy oz.	2740.90	27.20	1.00	32.90
U.S. Dollar Index	104.32	0.82	0.80	2.90
WSJ Dollar Index	98.96	0.86	0.88	3.27
Euro, per dollar	0.9262	0.0061	0.67	2.23
Yen, per dollar	152.30	2.78	1.86	7.99
U.K. pound, in dollars	1.30	-0.0088	-0.67	1.81

	52-Week Low	Close (●)	High	% Chg
DJ Commodity	934.97		1079.94	0.90
FTSE/CC CRB Index	258.09		300.23	-0.15
Crude oil, $ per barrel	65.75		86.91	-16.09
Natural gas, $/MMBtu	1.575		3.575	-19.09
Gold, $ per troy oz.	1932.60		2744.20	37.83
U.S. Dollar Index	100.38		106.88	-2.10
WSJ Dollar Index	95.31		100.92	-1.74
Euro, per dollar	0.8934		0.9467	-2.16
Yen, per dollar	140.61		161.70	1.77
U.K. pound, in dollars	1.21		1.34	6.96

Go to WSJMarkets.com for free access to real-time market data.

New to the Market

Public Offerings of Stock

IPOs in the U.S. Market

Initial public offerings of stock expected this week; might include some offerings, U.S. and foreign, open to institutional investors only via the Rule 144a market; deal amounts are for the U.S. market only

Expected pricing date	Filed	Issuer/business	Symbol/ primary exchange	Shares (mil.)	Pricing Range($) Low/High	Bookrunner(s)
10/28	8/20 2024	Brazil Potash Other Nonmetallic Mineral Mining and Quarrying	GRO N	4.3	15.00/ 18.00	Cantor Fitzgerald, Bradesco BBI

Lockup Expirations

Below, companies whose officers and other insiders will become eligible to sell shares in their newly public companies for the first time. Such sales can move the stock's price.

Lockup expiration	Issue date		Symbol	Offer price($)	Offer amt ($ mil.)	Through Friday (%)	Lockup provision
Oct. 27	May 1, '24	Viking Holdings	VIK	24.00	1767.5	61.5	180

Sources: LSEG Data and Analytics; Dow Jones Market Data

IPO Scorecard

Performance of IPOs, most-recent listed first

Company SYMBOL IPO date/Offer price	Friday's close ($)	% Chg From Offer price	1st-day close
Septerna **SEPN** Oct. 25/$18.00	21.40	18.9	...
Charlton Aria Acquisition **CHARU** Oct. 24/$10.00	9.96	-0.4	0.1
Bold Eagle Acquisition **BEAGU** Oct. 24/$10.00	10.00	...	...
Ingram Micro **INGM** Oct. 24/$22.00	24.25	10.2	-1.4
Oaktree Acquistion III Life Sciences **OACCU** Oct. 24/$10.00	10.00	...	...
Founder **FGL** Oct. 23/$4.00	3.42	-14.5	8.2
High Roller **ROLR** Oct. 23/$8.00	7.75	-3.1	-0.5
Li Bang **LBGJ** Oct. 23/$4.00	3.81	-4.8	-7.1
SAG **SAG** Oct. 23/$8.00	6.00	-25.0	-5.7
Aldel Financial II **ALDFU** Oct. 22/$10.00	9.99	-0.1	...
HUHUTECH **HUHU** Oct. 22/$4.00	4.12	3.0	0.2
Oriental Rise **ORIS** Oct. 17/$4.00	7.35	83.8	22.5
Springview **SPHL** Oct. 17/$4.00	4.38	9.5	3.1
PTL **PTLE** Oct. 16/$4.00	4.11	2.8	1.0
Samfine Creation **SFHG** Oct. 15/$4.00	9.60	140.0	81.1
CAMP4 **CAMP** Oct. 11/$11.00	11.19	1.7	4.4
CeriBell **CBLL** Oct. 11/$17.00	26.28	54.6	5.1
Cohen Circle Acquisition I **CCIRU** Oct. 11/$10.00	9.99	-0.1	-0.1
Rising Dragon Acquisition **RDACU** Oct. 11/$10.00	10.01	0.1	0.1
Star Fashion Culture **STFS** Oct. 11/$4.00	3.69	-7.8	13.2

Sources: Dow Jones Market Data; FactSet

Public and Private Borrowing

Treasurys

Monday, October 28
Auction of 13 and 26 week bills; announced on October 24; settles on October 31

Auction of 2 and 5 year notes; announced on October 24; settles on October 31

Tuesday, October 29
Auction of 52 week bill and 7 year note; announced on October 24; settles on October 31

Auction of 2 year FRN; announced on October 24; settles on October 31

Wednesday, October 30
Auction of 17 week bill; announced on October 29; settles on November 5

Thursday, October 31
Auction of 4 and 8 week bills; announced on October 29; settles on November 5

A Week in the Life of the DJIA

A look at how the Dow Jones Industrial Average component stocks did in the past week and how much each moved the index. The DJIA lost 1,161.50 points, or 2.68%, on the week. A $1 change in the price of any DJIA stock = 6.57-point change in the average. To date, a $1,000 investment on Dec. 31 in each current DJIA stock component would have returned $33,815, or a gain of 12.72%, on the $30,000 investment, including reinvested dividends.

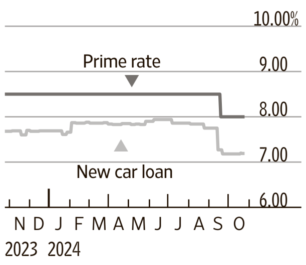
The Week's Action Pct chg (%)	Stock price change	Point chg in average*	Company	Symbol	Close	$1,000 Invested (year-end '23)
2.39	9.99	65.63	Microsoft	MSFT	$428.15	$1,145
1.48	1.20	7.88	Walmart	WMT	82.51	1,585
0.04	0.06	0.39	Chevron	CVX	150.81	1,044
0.01	0.01	0.07	Boeing	BA	155.01	595
-0.40	-0.09	-0.59	Intel	INTC	22.68	457
-0.61	-1.16	-7.62	Amazon.com	AMZN	187.83	1,236
-0.85	-2.48	-16.29	Salesforce	CRM	290.46	1,109
-0.89	-5.05	-33.18	UnitedHealth Group	UNH	564.56	1,085
-1.36	-3.06	-20.10	JPMorgan Chase	JPM	222.31	1,338
-1.45	-4.68	-30.75	Amgen	AMGN	316.98	1,125
-1.53	-3.59	-23.58	Apple	AAPL	231.41	1,207
-1.79	-3.06	-20.10	Procter & Gamble	PG	168.22	1,176
-1.80	-1.02	-6.70	Cisco	CSCO	55.74	1,139
-2.00	-7.89	-51.83	Caterpillar	CAT	385.97	1,326
-2.31	-2.25	-14.78	Walt Disney	DIS	95.03	1,057
-2.57	-4.24	-27.86	Johnson & Johnson	JNJ	160.88	1,051
-3.01	-15.90	-104.46	Goldman Sachs	GS	512.60	1,354
-3.06	-8.89	-58.40	Visa	V	281.73	1,088
-3.41	-9.44	-62.02	American Express	AXP	267.35	1,444
-3.88	-16.09	-105.70	Home Depot	HD	398.91	1,173
-4.34	-4.72	-31.01	Merck	MRK	103.98	972
-4.91	-4.07	-26.74	Nike	NKE	78.85	735
-5.00	-3.52	-23.12	Coca-Cola	KO	66.92	1,161
-5.63	-14.95	-98.22	Travelers	TRV	250.50	1,333
-5.93	-2.61	-17.15	Verizon	VZ	41.38	1,171
-6.31	-14.02	-92.11	Honeywell	HON	208.00	1,008
-6.42	-3.41	-22.40	Dow	DOW	49.70	941
-7.55	-17.53	-115.17	IBM	IBM	214.67	1,349
-7.57	-23.95	-157.34	McDonald's	MCD	292.61	1,005
-7.69	-10.39	-68.26	3M	MMM	124.75	1,404

*Based on Composite price. DJIA is calculated on primary-market price.
Source: Dow Jones Market Data; FactSet.

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



Selected rates

New car loan

Bankrate.com avg†:	7.19%
First Command Bank	5.24%
Fort Worth, TX	888-763-7600
PNC Bank	5.89%
Washington, DC	888-PNC-BANK
Cambridge Savings Bank	6.56%
Cambridge, MA	888-418-5626
Colonial Savings, FA	6.74%
Garland, TX	972-495-4032
Firstrust Bank	6.74%
Philadelphia, PA	800-220-2265

Interest rate	Yield/Rate (%) Last (●)	Week ago	52-Week Range (%) Low	High	3-yr chg (pct pts)
Federal-funds rate target	4.75-5.00	4.75-5.00	4.75	5.50	4.75
Prime rate*	8.00	8.00	8.00	8.50	4.75
SOFR	4.83	4.85	4.81	5.40	4.78
Money market, annual yield	0.43	0.44	0.41	0.64	0.36
Five-year CD, annual yield	2.85	2.88	2.80	2.89	2.44
30-year mortgage, fixed†	7.25	7.11	6.69	8.23	4.04
15-year mortgage, fixed†	6.47	6.45	6.02	7.42	3.99
Jumbo mortgages, $766,550-plus†	7.33	7.17	6.78	8.28	4.11
Five-year adj mortgage (ARM)†	6.22	6.11	5.88	7.16	3.30
New-car loan, 48-month	7.19	7.18	7.18	7.94	3.61

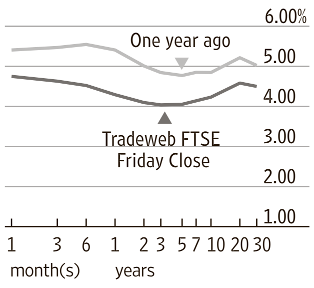
Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks.† Excludes closing costs.

Sources: FactSet; Dow Jones Market Data; Bankrate.com

Benchmark Yields and Rates

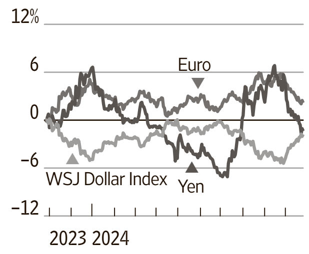
Treasury yield curve

Yield to maturity of current bills, notes and bonds



Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Sources: Tradeweb FTSE U.S. Treasury Close; Tullett Prebon; Dow Jones Market Data

Corporate Borrowing Rates and Yields

Bond total return index	Yield (%) Last	Wk ago	Spread +/- Treasurys, in basis pts, 52-wk Range Last	Low	High	Total Return 52-wk	3-yr
U.S. Treasury, Bloomberg	4.210	4.060				8.83	-2.36
U.S. Treasury Long, Bloomberg	4.570	4.440				15.10	-9.94
Aggregate, Bloomberg	4.670	4.510	36	34	57	11.13	-2.00
Fixed-Rate MBS, Bloomberg	5.030	4.830	48	37	77	12.54	-1.94
High Yield 100, ICE BofA	n.a.	6.394	n.a.	n.a.	n.a.	n.a.	n.a.
Muni Master, ICE BofA	n.a.	3.249	n.a.	n.a.	n.a.	n.a.	n.a.
EMBI Global, J.P. Morgan	7.378	7.233	304	270	379	18.152	-0.488

Sources: J.P. Morgan; S&P Dow Jones Indices; Bloomberg Fixed Income Indices; ICE BofA

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Country/currency	Fri in US$	Fri per US$	US$ vs, YTD chg (%)
Americas			
Argentina peso	.0010984.9910		21.8
Brazil real	.1752	5.7077	17.6
Canada dollar	.7198	1.3894	4.9
Chile peso	.001055	947.90	8.3
Colombia peso	.000231	4325.89	11.6
Ecuador US dollar	1	1	unch
Mexico peso	.0500	19.9868	17.8
Uruguay peso	.02398	41.7076	6.8
Asia-Pacific			
Australia dollar	.6605	1.5140	3.2
China yuan	.1404	7.1211	0.1
Hong Kong dollar	.1287	7.7703	-0.5
India rupee	.01189	84.098	1.1
Indonesia rupiah	.0000637	15698	2.0
Japan yen	.006566	152.30	8.0
Kazakhstan tenge	.002051	487.46	7.0
Macau pataca	.1247	8.0202	-0.4
Malaysia ringgit	.2304	4.3400	-5.5
New Zealand dollar	.5977	1.6731	5.7
Pakistan rupee	.00359	278.187	-1.0
Philippines peso	.0171	58.565	5.7
Singapore dollar	.7570	1.3210	0.1
South Korea won	.0007200	1388.85	7.3
Sri Lanka rupee	.0033982	294.27	-9.2
Taiwan dollar	.03117	32.079	4.5
Thailand baht	.02969	33.680	-2.0
Vietnam dong	.00003942	25370	4.5
Europe			
Czech Rep. koruna	.04268	23.429	4.7
Denmark krone	.1447	6.9114	2.0
Euro area euro	1.0797	.9262	2.2
Hungary forint	.002670	374.47	7.9
Iceland krona	.007240	138.12	1.6
Norway krone	.0911	10.9723	7.8
Poland zloty	.2485	4.0242	2.2
Sweden krona	.0941	10.6233	5.2
Switzerland franc	1.1538	.8667	3.0
Turkey lira	.0292	34.2877	16.3
Ukraine hryvnia	.0242	41.3500	8.4
UK pound	1.2963	.7714	-1.8
Middle East/Africa			
Bahrain dinar	2.6526	.3770	0.01
Egypt pound	.0205	48.7687	57.7
Israel shekel	.2639	3.7895	5.2
Kuwait dinar	3.2628	.3065	-0.2
Oman sul rial	2.5975	.3850	unch
Qatar rial	.2736	3.655	0.3
Saudi Arabia riyal	.2662	3.7561	0.2
South Africa rand	.0565	17.6895	-3.3

	Close	Net Chg	% Chg	YTD % Chg
WSJ Dollar Index	98.96	0.26	0.27	3.27

Sources: Tullett Prebon, Dow Jones Market Data

CLOSED-END FUNDS

Listed are the 300 largest closed-end funds as measured by assets. Closed-end funds sell a limited number of shares and invest the proceeds in securities. Unlike open-end funds, closed-ends generally do not buy their shares back from investors who wish to cash in their holdings. Instead, fund shares trade on a stock exchange. **NA** signifies that the information is not available or not applicable. **NS** signifies funds not in existence for the entire period. 12 month yield is computed by dividing income dividends paid (during the previous 12 months for periods ending at month-end or during the previous 52 weeks for periods ending at any time other than month-end) by the latest month-end market price adjusted for capital gains distributions. Depending on the fund category, either 12-month yield or total return is listed.

Source: LSEG

Friday, October 25, 2024

Fund (SYM)	NAV	Close	Prem/Disc	52 wk Ttl Ret
General Equity Funds				
Adams Diversified Eq Inc **ADX**	24.47	21.76	-11.1	50.7
Central Secs **CET**	56.54	46.64	-17.5	41.1
CohenStrsCEOppFd **FOF**	12.13	12.95	+6.8	46.4
EVTxAdvDivIncm **EVT**	26.52	24.19	-8.8	40.4
GabelliDiv&IncTr **GDV**	28.22	24.31	-13.9	41.9
Gabelli Equity Tr **GAB**	5.43	5.39	-0.7	31.4
GeneralAmer **GAM**	62.38	53.33	-14.5	44.2
JHancockTaxAdvDiv **HTD**	24.76	23.37	-5.6	55.7
Liberty All-Star Equity **USA**	7.15	7.21	+0.8	41.7
Liberty All-Star Growth **ASG**	6.04	5.63	-6.8	37.1
Royce Micro-Cap Tr **RMT**	10.68	9.41	-11.9	33.1
Royce Value Trust **RVT**	17.17	15.38	-10.4	39.3
Source Capital **SOR**	46.54	43.77	-6.0	24.8
Sprott Focus Trust **FUND**	9.03	7.80	-13.6	20.2
SRH Total Return **STEW**	20.40	15.61	-23.5	33.8
Tri-Continental **TY**	37.56	33.10	-11.9	38.2
Specialized Equity Funds				
abrdn Glb Prem Prop **AWP**	4.27	4.41	+3.3	58.2
abrdn Global Infra Inc **ASGI**	20.28	20.02	-1.3	49.1
Adams Natural Resources **PEO**	26.75	23.58	-11.9	19.6
ASA Gold & Prec Met Ltd **ASA**	25.56	22.21	-13.1	62.0
BR Enh C&I **CII**	21.29	19.63	-7.8	24.2
BlackRock Energy & Res **BGR**	14.50	13.10	-9.7	12.0
BlackRock Eq Enh Div **BDJ**	9.36	8.76	-6.4	38.1
BlackRock Enh Glbl Div **BOE**	12.57	11.31	-10.0	37.1
BlackRock Enh Intl Div **BGY**	6.28	5.66	-9.9	30.3
BlackRock ESG Cap All T **ECAT**	18.18	17.14	-5.7	41.3
BlackRock Hlth Sci Term **BMEZ**	17.40	15.54	-10.7	29.3
BlackRock Hlth Sciences **BME**	44.01	40.72	-7.5	22.0
BlackRock Innov&Gro Term **BIGZ**	8.42	7.50	-10.9	33.1
BlackRock Res & Comm **BCX**	10.46	9.48	-9.4	17.8
BlackRock Sci&Tech Term **BSTZ**	22.23	19.96	-10.2	55.0
BlackRock Sci&Tech Trust **BST**	38.40	36.36	-5.3	32.5
BlackRock Utl Inf & Pwr **BUI**	23.94	23.34	-2.5	33.0
CLEARBRIDGE ENGY MDS OPP **EMO**	NA	43.93	NA	54.5
ChnStrInfr **UTF**	25.32	25.45	+0.5	46.5
Cohen&SteersQualInc **RQI**	14.18	13.84	-2.4	62.4
CohenStrs Real Est and I **RLTY**	17.40	16.65	-4.3	56.5
Cohen&Steers TotRet **RFI**	12.53	13.12	+4.7	46.8
CohenStrsREITPrefInc **RNP**	22.53	23.41	+3.9	61.0
Columbia Sel Prm Tech Gr **STK**	32.82	32.89	+0.2	40.3
DNP Select Income **DNP**	9.03	9.64	+6.8	15.3
Duff&Ph Uti&Infra Inc Fd **DPG**	12.88	11.59	-10.0	54.6
EtnVncEqtyInc **EOI**	20.34	20.15	-0.9	51.8
EtnVncEqtyIncoII **EOS**	22.87	22.21	-2.9	51.1
EVRskMnDvsEqInc **ETJ**	9.73	9.20	-5.4	39.2
ETnVncTxMgdBuyWrtInc **ETB**	15.43	14.40	-6.7	35.5
EtnVncTxMgdBuyWrtOpp **ETV**	14.66	13.86	-5.5	36.7
EvTxMnDvsEqInc **ETY**	15.11	14.61	-3.3	49.0
EtnVncTxMgdGlbB **ETW**	9.40	8.55	-9.0	34.4
EVTxMnGblDvEqInc **EXG**	9.32	8.42	-9.7	35.7
First Tr Enhanced Eq **FFA**	21.21	20.35	-4.1	37.1
Gabelli Healthcare **GRX**	11.98	10.65	-11.1	46.1
Gab Utility **GUT**	3.30	5.06	+53.3	7.2
GAMCOGlGold&NatRes **GGN**	4.30	4.43	+3.0	32.9
J Han Finl Opptys **BTO**	33.44	33.38	-0.2	57.8
Neuberger Brmn Enrgy I&I **NML**	9.17	8.29	-9.6	42.2
Neuberger Nxt Gen Conn **NBXG**	14.74	12.88	-12.6	51.5
Nuv Dow 30 Dyn Overwrite **DIAX**	16.70	14.71	-11.9	24.4
NuvCorEqAlpha **JCE**	15.35	15.21	-0.9	42.8
Nuveen Nasdaq 100 Dyn Ov **QQQX**	28.49	25.45	-10.7	33.8
Nuv Real Est **JRS**	9.80	9.00	-8.2	64.2
NuvS&P500DynOvFd **SPXX**	18.26	16.86	-7.7	33.5
NuvSP500BuyIncFd **BXMX**	15.24	13.77	-9.6	25.8
ReavesUtilityIncome **UTG**	32.58	32.66	+0.2	49.7
Tortoise Enrgy Infra Crp **TYG**	45.77	40.93	-10.6	63.4
Tortoise Midstream Enrgy **NTG**	56.87	50.46	-11.3	66.0
Ecofin S&S Impact Term **TEAF**	14.69	12.97	-11.7	27.4
VDivInt&PremStr **NFJ**	14.60	12.72	-12.9	32.6
V Art Int&Tech Opps **AIO**	NA	22.14	NA	60.3
Income & Preferred Stock Funds				
Dividend and Income **BXSY**	20.41	12.95	-36.6	42.2
CalamosStratTot **CSQ**	17.86	17.60	-1.5	51.6
CohenStrsLtdDurPref&Inc **LDP**	22.05	21.13	-4.2	39.1
CohenStrsSelPref&Income **PSF**	21.92	20.65	-5.8	33.8
CohenStrsTaxAvPreSecs&I **PTA**	21.26	20.58	-3.2	35.5
FirstTrIntDurPref&Inc **FPF**	19.83	18.97	-4.3	48.9
JHanPrefInc **HPI**	16.84	18.33	+8.8	55.7
JHPrefIncII **HPF**	16.69	18.50	+10.8	55.9
HnckJPfdInco III **HPS**	15.01	16.25	+8.3	50.5
J Han Prm **PDT**	13.63	13.11	-3.8	53.2
LMP CapInco **SCD**	NA	17.07	NA	63.6
Nuveen Pref & Inc Opp **JPC**	8.15	8.06	-1.1	47.0
Nuveen Pref Sec & Inc Op **JPI**	20.31	21.14	+4.1	39.1
Nuveen Var Rate P&I **NPFD**	20.44	18.93	-7.4	39.3
TCW Strat Income **TSI**	NA	5.08	NA	19.1
Convertible Sec's. Funds				
AdvntCnvrtbl&IncFd **AVK**	12.12	11.24	-7.3	36.7
CalamosConvHi **CHY**	10.66	12.07	+13.2	25.4
CalmosConvOp **CHI**	10.07	11.65	+15.7	29.9
V Conv & Inc **NCV**	3.79	3.44	-9.4	35.8
V Conv & Inc II **NCZ**	3.38	3.05	-9.8	37.8
V Div Inc & Conv **ACV**	22.16	21.03	-5.1	37.5
V Eqty & Conv Inc **NIE**	25.46	23.32	-8.4	36.1
World Equity Funds				
abrdn Emg Mkts Eq Inc **AEF**	6.45	5.49	-14.9	33.5
abrdn Glbl Dyn Div **AGD**	11.32	10.36	-8.5	38.3
abrdn Tot Dyn Div **AOD**	9.81	8.88	-9.5	39.1
Allspring Gl Div Oppty **EOD**	5.59	4.88	-12.7	43.4
BlackRock Cap Alloc Term **BCAT**	16.92	16.10	-4.8	35.7
Calamos GloDynInc **CHW**	7.87	7.16	-9.1	54.3
EV TxAdvGlbDivInc **ETG**	20.86	19.00	-8.9	45.3
EtnVncTxAdvOpp **ETO**	28.18	25.80	-8.4	40.1
Highland Global Alloc **HGLB**	11.64	7.75	-33.4	28.8
India Fund **IFN**	19.22	17.65	-8.2	23.7
Japan Smaller Cap **JOF**	9.18	7.52	-18.1	15.5
LazardGlbTotRetInc **LGI**	18.41	17.22	-6.5	48.3
Mexico **MXF**	18.01	14.20	-21.2	-0.6
Miller/Howard High Inc E **HIE**	12.39	12.32	-0.6	36.2
MS ChinaShrFd **CAF**	16.14	13.08	-19.0	12.4
MS India **IIF**	32.83	27.40	-16.5	48.1
New Germany **GF**	10.33	8.68	-16.0	17.9
Nuveen Multi-Asset Inc **NMAI**	13.94	12.66	-9.2	35.7
Nuveen Rl Asst Inc & Gro **JRI**	14.06	13.09	-6.9	50.8
NYLI CBRE Glbl Inf Meg T **MEGI**	15.46	14.23	-8.0	47.2
Templeton Dragon **TDF**	10.74	9.02	-16.0	15.4
Templeton Em Mkt **EMF**	15.41	13.13	-14.8	30.5

Fund (SYM)	NAV	Close	Prem/Disc	12 Mo Yld
U.S. Mortgage Bond Funds				
BlckRk Income **BKT**	12.12	11.99	-1.1	8.5
Investment Grade Bond Funds				
Angel Oak FS Inc Trm **FINS**	NA	13.03	NA	9.8
BlRck Core Bond **BHK**	10.60	11.51	+8.6	7.4
BR Credit Alloc Inc **BTZ**	11.44	10.84	-5.2	8.9
Insight Select Income **INSI**	17.74	17.30	-2.5	4.5
InvescoBond **VBF**	16.45	16.20	-1.5	5.0
J Han Income **JHS**	12.16	11.59	-4.7	4.0
MFS Intmdt **MIN**	2.81	2.71	-3.6	0.0
Westn Asst IG Def Opp Tr **IGI**	NA	16.95	NA	4.6
Loan Participation Funds				
BR Debt Strategy **DSU**	10.71	10.81	+0.9	10.6
BR F/R Inc Str **FRA**	12.99	13.80	+6.2	11.1
BlackRock Floatng Rt Inc **BGT**	12.65	12.97	+2.5	11.0
Blackstone Lng-Sh Cr Inc **BGX**	13.33	12.61	-5.4	9.8
BS SFR 2027 T **BSL**	NA	14.08	NA	9.7
BS St Cr 2027 Tm **BGB**	12.87	12.26	-4.7	9.4
EtnVncFltRteInc **EFT**	13.20	13.15	-0.4	11.1
EV SenFlRtTr **EFR**	12.91	12.75	-1.3	11.1
FT/Sr Fltg Rte Inc 2 **FCT**	10.87	10.37	-4.6	11.2
Highland Oppty & Income **HFRO**	12.80	5.68	-55.6	9.4
InvDYCrOpp:AX **VTA**	10.99	NA	NA	NA
InvSnrIncTr **VVR**	3.95	3.90	-1.3	12.6
Nuveen Credit Strat Inc **JQC**	5.88	5.73	-2.6	11.1
NuvFloatRateIncFd **JFR**	9.22	8.90	-3.5	11.5
High Yield Bond Funds				
abrdn Inc Credit Str **ACP**	6.54	6.47	-1.1	18.1
AllianceBernGlHiIncm **AWF**	11.36	10.94	-3.7	7.1
Allspring Income Oppty **EAD**	7.36	6.91	-6.1	8.6
Barings Glb SD HY Bd **BGH**	16.01	15.28	-4.6	9.6
BR Corporate HY **HYT**	9.73	9.89	+1.6	9.2
BlackRock Ltd Dur Inc **BLW**	14.15	14.29	+1.0	9.0
BNY Mellon Hi Yield Str **DHF**	2.76	2.61	-5.4	7.3
Brookfield Real Asst Inc **RA**	14.90	13.38	-10.2	8.6
CrSuisHighYld **DHY**	NA	2.18	NA	8.1
DoubleLine Inc Sol **DSL**	12.55	12.51	-0.3	10.1
DoubleLine Yld Opps **DLY**	16.17	15.84	-2.0	8.8
First Trust HY Opp:2027 **FTHY**	15.40	14.74	-4.3	10.3
Franklin Univ **FT**	8.33	7.53	-9.6	6.7
KKR Income Opportunities **KIO**	NA	13.91	NA	9.8
NeubHgYldStrt **NHS**	7.88	8.05	+2.1	12.5
New Amer Hi Inc **HYB**	8.36	8.22	-1.7	5.8
Nuveen Global High Inc **JGH**	13.82	12.87	-6.9	9.2
PGIM Global High Yield **GHY**	13.23	12.77	-3.5	9.8
PGIM High Yield Bond **ISD**	14.13	13.96	-1.2	9.0
PGIM Sh Dur Hi Yld Opp **SDHY**	17.73	16.54	-6.7	7.7
PioneerHiIncm **PHT**	8.34	7.78	-6.7	8.2
WstAstHIF II **HIX**	NA	4.44	NA	13.0
Western Asset Hi Inc Opp **HIO**	NA	3.98	NA	10.5
Western Asset Hi Yld D O **HYI**	NA	12.05	NA	9.2
Other Domestic Taxable Bond Funds				
Allspring Multi-Sector **ERC**	9.94	9.17	-7.7	8.1
Ares Dynamic Crdt Alloc **ARDC**	NA	15.04	NA	9.2
BlackRock Mlt-Sctr Inc **BIT**	14.63	14.72	+0.6	9.7
BlackRock Tax Muni Bd **BBN**	17.60	16.60	-5.7	6.2
DoubleLine:Oppor Crdt Fd **DBL**	15.39	15.30	-0.6	8.3
EVLmtDurIncm **EVV**	10.57	10.31	-2.5	9.0
Franklin Ltd Dur Income **FTF**	7.01	6.56	-6.4	10.9
FS Credit Opportunities **FSCO**	NA	NA	NA	11.1
J Han Investors **JHI**	14.92	14.13	-5.3	7.1
MFS Charter **MCR**	6.83	6.31	-7.6	0.0
NuvCorePlusImpact **NPCT**	12.03	11.27	-6.3	9.9
Nuveen Taxable Muni Inc **NBB**	16.60	15.97	-3.8	5.8
PIMCO Corp & Inc Oppty **PTY**	11.67	14.52	+24.4	9.9
PIMCO Corp & Inc Strat **PCN**	11.89	13.85	+16.5	9.5
PIMCOHiIncо **PHK**	4.72	5.07	+7.4	11.5
PIMCO IncmStrFd **PFL**	8.17	8.52	+4.3	11.4
PIMCO IncmStrFd II **PFN**	7.20	7.53	+4.6	11.3
Putnam Prem Inc **PPT**	3.81	3.62	-5.0	8.3
Western Asset Dvsfd Inc **WDI**	NA	15.29	NA	11.0
Western Asset Inf-Lk Inc **WIA**	NA	8.28	NA	7.0
Western Asset Inf-Lk O&I **WIW**	NA	8.68	NA	8.2
World Income Funds				
abrdn AP IncFd **FAX**	17.77	16.73	-5.9	11.3
MS EmMktDomDebt **EDD**	5.23	4.77	-8.8	8.9
PIMCO Access Income **PAXS**	15.48	16.05	+3.7	10.7
PIMCO Dynamic Inc Strat **PDX**	25.80	23.27	-9.8	4.9
PIMCO Dynamic Income **PDI**	17.29	19.54	+13.0	13.0
PIMCO Dynamic Inc Opp **PDO**	13.19	13.81	+4.7	10.8
PIMCO Stratg Inc **RCS**	4.47	7.50	+67.8	7.9
Templtn Glbl Inc **SABA**	NA	8.45	NA	NE
Templeton Em Inc **TEI**	6.03	5.57	-7.6	9.6
WstAstEmergDebt **EMD**	NA	9.81	NA	9.96
Western Asset Gl Cr D Op **GDO**	NA	11.94	NA	10.1
National Muni Bond Funds				
AllBerNatlMunInc **AFB**	12.61	11.24	-10.8	3.3
BlckRk Inv Q Mun **BKN**	12.85	12.59	-2.0	5.0
BlackRock Muni 2030 Tgt **BTT**	23.95	21.21	-11.4	2.5
BlackRock Muni **BFK**	11.30	10.23	-9.5	5.3
BlackRock Muni II **BLE**	11.97	10.88	-9.1	5.2
BlckRk Muni Inc Qly **BYM**	12.47	11.52	-7.6	4.9
BR MuniAssets Fd **MUA**	11.71	11.68	-0.3	5.1
BR MH Qly 2 **MUE**	11.44	10.33	-9.7	4.7
BR MuniHoldngs **MHD**	13.45	12.27	-8.8	4.7
BR MuniVest Fd **MVF**	7.91	7.27	-8.1	4.5
BR MuniVest 2 **MVT**	12.22	11.01	-9.9	4.9
BR MuniYield Fd **MYD**	11.96	11.20	-6.4	5.2
BR MuniYield Qlty **MQY**	13.02	12.56	-3.5	5.0
BR MuniYld Qlty2 **MQT**	11.51	10.43	-9.4	5.1
BR MuniYld Qly 3 **MYI**	12.33	11.40	-7.5	5.3
BNY Mellon Muni Bd Infra **DMB**	12.11	10.68	-11.8	3.3
BNY Mellon Str Muni Bond **DSM**	6.76	6.01	-11.1	3.4
BNY Mellon Strat Muni **LEO**	7.08	6.27	-11.4	3.5
DWS Muni Inc **KTF**	10.13	9.75	-3.8	5.3
EVMuniBd **EIM**	11.27	10.38	-7.9	4.9
EVMuniIncm **EVN**	11.29	10.58	-6.3	4.9
EVNatMuniOpp **EOT**	18.52	17.48	-5.6	4.2
InvAdvMuIncTrII **VKI**	9.68	8.86	-8.5	5.2
Invesco MuniOp **OIA**	6.44	6.60	+2.5	4.9
InvescoMuOppTr **VMO**	10.82	9.81	-9.3	5.2
InvescoMuTr **VKQ**	10.85	9.97	-8.1	5.3
InvescoQual Inc **IQI**	10.92	9.96	-8.8	5.3
InvTrInvGrMu **VGM**	11.19	10.17	-9.1	5.2
InvescoValMunInc **IIM**	13.33	12.39	-7.1	5.3
NeubrgrBrm **NBH**	11.99	10.85	-9.5	4.5
Nuveen AMT-Fr Mu Val **NUW**	15.22	13.93	-8.5	3.6
Nuveen AMT-Fr Qlty Mun I **NEA**	12.43	11.59	-6.8	5.4
Nuveen AMT-Fr Mu CI **NVG**	13.66	12.65	-7.4	5.4
Nuveen Dyn Muni Opp **NDMO**	11.11	10.81	-2.7	6.6
Nuveen Mu Crdt Opps **NMCO**	11.75	11.08	-5.7	5.5
Nuv Muni Credit Income **NZF**	13.54	12.56	-7.2	5.6
NuvMuniHiIncOpp **NMZ**	11.21	10.98	-2.1	5.2
Nuveen Muni Val **NUV**	9.32	8.92	-4.3	3.8
Nuveen Quality Muni Inc **NAD**	12.88	11.94	-7.3	5.4
Nuveen Sel TF **NXP**	14.53	14.87	+2.3	3.9
NYLI MacKay DT Muni Opp **MMD**	16.83	16.55	-1.7	4.2
PIMCO MuniInc **PMF**	9.41	9.80	+4.1	4.8
PIMCOMuniIncII **PML**	8.75	8.91	+1.8	5.0
Pimco Muni III **PMX**	8.06	7.94	-1.5	4.7
PioneerHiIncAdv **MAV**	9.26	8.58	-7.3	4.1
PionrMuniHiIncOppty **MIO**	13.02	12.03	-7.6	4.5
PioneerMunHiIcm **MHI**	10.09	9.30	-7.9	3.9
Putnam Mgd Inc **PMM**	6.82	6.23	-8.7	4.2
Putnam Muni Opp **PMO**	11.45	10.42	-9.0	3.8
RiverNorth Flx Mu Inc II **RFMZ**	15.51	13.97	-9.9	7.1
RiverNorth Mgd Dur Mun I **RMM**	16.36	15.51	-5.2	6.8
Western Asset Mgd Muni **MMU**	NA	10.36	NA	5.3
Single State Muni Bond				
BlackRock CA Mun **BFZ**	12.67	11.98	-5.4	5.1
BR MH CA Qly Fd Inc **MUC**	12.40	11.26	-9.2	4.7
BR MH NJ Qly **MUJ**	12.93	11.76	-9.0	4.7
BR MH NY Qly **MHN**	11.85	10.73	-9.5	4.5
BR MuniYld MI Qly **MIY**	12.92	11.70	-9.4	4.4
BR MuniYld NY Qly **MYN**	11.47	10.39	-9.4	4.7
BlackRock NY Mun **BNY**	11.79	10.69	-9.4	4.4
EVCAMuniBd **EVM**	10.28	9.30	-9.5	4.5
Eaton Vance NY Muni Bd **ENX**	10.60	9.50	-10.4	4.5
InvCaValMuIncTr **VCV**	11.18	10.28	-8.1	4.8
InvPAValMuIncTr **VPV**	11.66	10.98	-5.8	4.5
InvTrInvGrNYMu **VTN**	11.84	11.15	-5.8	4.8
Nuveen CA AMT-F Qual MI **NKX**	13.03	13.51	+3.7	5.0
Nuveen CA Val **NCA**	9.36	8.98	-4.1	3.8
NuveenCAQtyMuInc **NAC**	12.56	11.57	-7.9	5.4
NuvNJ Qual Muni Inc **NXJ**	13.39	12.62	-5.8	4.7
Nuveen NY AMT/Fr Qual MI **NRK**	11.80	10.82	-8.3	5.4
Nuveen NY Val **NNY**	9.00	8.42	-6.4	3.9
Nuveen NY Qual Muni Inc **NAN**	12.30	11.42	-7.2	5.4
Nuveen PA Qual Muni Inc **NQP**	13.05	11.94	-8.5	4.8
Nuveen VA Qlty Mun Inc **NPV**	12.32	12.93	+5.0	4.6
PIMCO CA **PCQ**	10.48	9.87	-5.8	4.3
PIMCOCAMuniII **PCK**	6.69	5.99	-10.5	4.1
Pimco CA Muni III **PZC**	7.74	7.35	-5.0	4.7

Fund (SYM)	NAV	Close	Prem/Disc	52 wk Ttl Ret
General Equity Funds				
Alternative Strategies:I	14.96	NA	NA	7.7
Specialized Equity Funds				
Accordant ODCE Index;A	9.26	NA	NA	NS
Accordant ODCE Index;I	9.28	NA	NA	-7.9
Accordant ODCE Index;Y	9.28	NA	NA	NS
Apollo Diversified RE:A	25.83	NA	NA	9.1
Apollo Diversified RE:C	24.11	NA	NA	8.3
Apollo Diversified RE:I	26.44	NA	NA	9.4
ARK Venture	26.91	NA	NA	32.7
ArrowMark Financial Corp **BANX**	NA	20.20	NA	NA
CASCADE PRIVATE CAP;I	16.81	NA	NA	NA
CAZ Strategic Opps;I	NA	NA	NA	NS
CAZ Strategic Opps;R	NA	NA	NA	NS
CBRE GlbRlEst **IGR**	5.82	6.03	+3.6	45.8
CIM RA&C A	21.86	NA	NA	-1.6
CIM RA&C C	21.14	NA	NA	-2.2
CIM RA&C I	22.10	NA	NA	-1.5
CIM RA&C L	21.61	NA	NA	-1.8
Clarion Partners REI D	11.68	NA	NA	4.4
Clarion Partners REI I	11.69	NA	NA	4.7
Clarion Partners REI S	11.67	NA	NA	3.7
Clarion Partners REI T	11.66	NA	NA	3.8
Connetic Venture CA;I	10.11	NA	NA	NS
Forum RE Income;Founders	9.71	NA	NA	13.8
Forum RE Income;I	9.70	NA	NA	13.7
Forum RE Income;K	9.69	NA	NA	NS
GS Real Est Div Inc:A	8.35	NA	NA	3.2
GS Real Est Div Inc:C	8.34	NA	NA	2.5
GS Real Est Div Inc:I	8.82	NA	NA	3.4
GS Real Est Div Inc:L	8.36	NA	NA	3.1
GS Real Est Div Inc:P	8.83	NA	NA	3.4
GS Real Est Div Inc:W	8.52	NA	NA	3.3
JACKSON REAL ASSETS;I	10.63	NA	NA	NS
MEKETA INFRSTRCTR;I	26.94	NA	NA	NS
MEKETA INFRSTRCTR;III	26.94	NA	NA	NS
NexPointRlEstStrat;A	16.46	NA	NA	-1.0
NexPointRlEstStrat;C	16.67	NA	NA	-1.7
NexPointRlEstStrat;Z	16.69	NA	NA	-0.7
PENDER REAL ESTATE CR;A	10.09	NA	NA	NS
PENDER REAL ESTATE CR;I1	10.09	NA	NA	8.2
PENDER REAL ESTATE CR;I2	10.09	NA	NA	8.4
PIMCO Flexible REI;Inst	10.49	NA	NA	12.2
Principal Real Asst A	25.87	NA	NA	7.8
Principal Real Asst Ins	26.01	NA	NA	8.2
Principal Real Asst Y	26.30	NA	NA	8.4
Redwood Rl Est;I	25.19	NA	NA	7.9
The Private Shares;A	39.56	NA	NA	1.1
The Private Shares;I	40.28	NA	NA	1.3
The Private Shares;L	38.87	NA	NA	0.8
Thirdline Real EstateI	9.99	NA	NA	5.5
USQ Core Real Estate:I	22.29	NA	NA	-9.4
USQ Core Real Estate:L	22.38	NA	NA	-9.3
Versus Cap RE:I	24.73	NA	NA	-0.6
Versus Capital Real Asst	28.11	NA	NA	6.3
Wildermuth:I	4.42	NA	NA	-54.5
Income & Preferred Stock Funds				
ALPHA ALT ASST;A	6.25	NA	NA	4.7
Alpha Alternative Assets	6.31	NA	NA	4.9
Calamos L/S Eqty and DI **CPZ**	17.38	15.65	-10.0	16.9
Denali Strctr Rtrn Strat	11.29	NA	NA	NS
Lord Abbett Spec Sit I:A	9.37	NA	NA	14.2
Lord Abbett Spec Sit I:I	9.37	NA	NA	15.0
Variant Altrntv Inc:Inst	27.31	NA	NA	5.2
Variant Impact;Instl	28.09	NA	NA	8.0
Versus Capital Infra Inc	10.30	NA	NA	NS
Convertible Sec's. Funds				
Calmos Dyn Conv and Inc **CCD**	19.29	24.70	+28.0	26.5
World Equity Funds				
BEACON POINTE MLT-ALT;I	NA	NA	NA	NS
CalamosGlbTotRet **CGO**	12.04	12.21	+1.4	45.8
Cantor Fitzgerald SI:A	12.28	NA	NA	32.2
Cantor Fitzgerald SI:C	12.11	NA	NA	31.0
Cantor Fitzgerald SI:I	12.31	NA	NA	32.5
CANTOR FITZGERALD INFR;S	12.36	NA	NA	NS
Primark Priv Eq Inv:I	13.86	NA	NA	22.4
Sweater Cashmere	21.83	NA	NA	2.5
Thornburg Inc Bldr Opps **TBLD**	19.02	17.12	-10.0	24.0
VirtusTotalRetFd **ZTR**	6.81	5.91	-13.2	34.6

Fund (SYM)	NAV	Close	Prem/Disc	12 Mo Yld
U.S. Mortgage Bond Funds				
Arca US Treasury	NA	NA	NA	0.0
CATALYST STRAT INC OPPS	9.97	NA	NA	NS
Ellington Inc Opp:A	9.14	NA	NA	11.9
Ellington Inc Opp:M	NA	NA	NA	12.5
Loan Participation Funds				
1WS Credit Income;A2	NA	NA	NA	8.5
1WS Credit Income;Inst	NA	NA	NA	8.3
Apollo Diversified Cd:A	NA	NA	NA	8.9
Apollo Diversified Cd:C	NA	NA	NA	8.1
Apollo Diversified Cd:F	NA	NA	NA	11.1
Apollo Diversified Cd:I	NA	NA	NA	9.1
Apollo Diversified Cd:L	NA	NA	NA	8.6
Apollo Diversified Cd:M	NA	NA	NA	8.5
Axonic Alternative I;A	NA	NA	NA	NS
Axonic Alternative I Ins	NA	NA	NA	8.8
Bluerock HI Inst Crd:A	NA	NA	NA	15.7
Bluerock HI Inst Crd:C	NA	NA	NA	15.7
Bluerock HI Inst Crd:F	NA	NA	NA	15.7
Bluerock HI Inst Crd:I	NA	NA	NA	15.7
BNYM Alcntr Glb MS Cr Fd	94.48	NA	NA	8.9
CliffwaterClFd;I	10.72	NA	NA	10.9
CliffwaterElFd;I	10.94	NA	NA	10.8
CNR Strategic Credit	7.04	NA	NA	23.5
EAGLE POINT ENH INC	NA	NA	NA	NS
Floating-Rate Opps;A	10.27	NA	NA	NS
Floating-Rate Opps;I	10.26	NA	NA	9.8
Floating-Rate Opps;U	10.27	NA	NA	NS
Equalize Community Dev	9.39	NA	NA	3.6
FedProj&TrFinanceTendr	10.05	NA	NA	7.0
Flat Rock Core Income	NA	NA	NA	10.4
Flat Rock Enhanced Inc	NA	NA	NA	11.2
InvDYCrOpp:A	11.00	NA	NA	11.0
InvDYCrOpp:R6	11.00	NA	NA	11.4
InvDYCrOpp:Y	11.00	NA	NA	11.3
Invesco Sr Loan A	5.76	NA	NA	9.6
Invesco Sr Loan C	5.78	NA	NA	8.8
Invesco Sr Loan IB	5.76	NA	NA	9.9
Invesco Sr Loan IC	5.76	NA	NA	9.7
Invesco Sr Loan Y	5.76	NA	NA	9.9
Lord Abbett FR Hi Inc:A	10.27	NA	NA	10.2
Lord Abbett FR Hi Inc:I	10.27	NA	NA	10.7
Monachil Credit Income:I	10.04	NA	NA	8.8
Nomura Alt Inc;I	NA	NA	NA	9.1
OFS Credit Company **OCCI**	NA	7.03	NA	16.1
PC PCAAM AI;I	10.07	NA	NA	NS
PRINCIPAL PRIVATE CR I;A	10.26	NA	NA	NS
PRINCIPAL PRIVATE CR I;Y	10.29	NA	NA	NS
PRINCIPAL PRVT CR I;INS	10.28	NA	NA	NS
SEI Alternative Income:F	10.40	NA	NA	NS
SEI Alternative Income:Y	10.40	NA	NA	NS
Voya Enhanced Sec Inc:A	10.24	NA	NA	NS
Voya Enhanced Sec Inc:C	10.24	NA	NA	NS
Voya Enhanced Sec Inc:I	10.24	NA	NA	NS
Yieldstreet Alt Inc	NA	NA	NA	8.0
High Yield Bond Funds				
AB CarVal Credit Opp;Adv	10.25	NA	NA	NS
AB CarVal Credit Opp;A	10.24	NA	NA	NS
AB CarVal Credit Opp;C	10.24	NA	NA	NS
AB CarVal Credit Opp;U	10.24	NA	NA	NS
Opprtnstc Crdt Intrvl;I	11.62	NA	NA	9.5
PIMCO Flexible Cr I;A-1	7.20	NA	NA	10.1
PIMCO Flexible Cr I;A-2	7.20	NA	NA	10.1
PIMCO Flexible Cr I;A-3	7.20	NA	NA	9.8
PIMCO Flexible Cr I;A-4	7.20	NA	NA	9.8
PIMCO Flexible Cr I;Inst	7.20	NA	NA	10.6
Polen Credit Opps;Inst	9.86	NA	NA	9.95
Other Domestic Taxable Bond Funds				
AFA Private Credit;Fndr	9.58	NA	NA	7.7
AFA Private Credit;Inst	9.60	NA	NA	7.7
Alternative Credit Inc:A	NA	NA	NA	7.2
Alternative Credit Inc:C	NA	NA	NA	6.4
Alternative Credit Inc:I	NA	NA	NA	7.4
Alternative Credit Inc:L	NA	NA	NA	6.9
Alternative Credit Inc:W	NA	NA	NA	7.2
AMG Pantheon Crdt Soln;I	NA	NA	NA	NS
AMG Pantheon Crdt Soln;S	NA	NA	NA	NS
Angel Oak Str Crdt:FI	NA	NA	NA	7.3
Angel Oak Str Crdt:Inst	NA	NA	NA	7.3
BR Credit Strat;A	8.63	NA	NA	8.5
BR Credit Strat;Inst	8.60	NA	NA	9.2
BR Credit Strat;U	8.61	NA	NA	8.5
BR Credit Strat;W	8.63	NA	NA	8.5
CION Ares Dvsfd Crdt;A	NA	NA	NA	8.9
CION Ares Dvsfd Crdt;C	NA	NA	NA	8.1
CION Ares Dvsfd Crdt;I	NA	NA	NA	9.1
CION Ares Dvsfd Crdt;L	NA	NA	NA	8.6
CION Ares Dvsfd Crdt;U	NA	NA	NA	8.4
CION Ares Dvsfd Crdt:U2	NA	NA	NA	8.4
CION Ares Dvsfd Crdt;W	NA	NA	NA	8.6
CNR Select Strategies	15.50	NA	NA	0.0
Diamond Hill Sec Cr;R	10.01	NA	NA	NS
First Eagle Crdt Opps A	23.21	NA	NA	10.8
First Eagle Crdt Opps A2	23.15	NA	NA	10.5
First Eagle Crdt Opps I	23.07	NA	NA	11.4
First Trust Private Cr;A	NA	NA	NA	9.4
First Trust Private Cr;I	NA	NA	NA	10.0
Franklin BSP Pvt Cr:A	10.62	NA	NA	8.5
Franklin BSP Pvt Cr:Adv	10.64	NA	NA	8.9
FS Credit Income;A	12.52	NA	NA	7.7
FS Credit Income;I	12.56	NA	NA	7.9
FS Credit Income;T	12.54	NA	NA	7.4
FS Credit Income;U	12.50	NA	NA	7.2
FS Credit Income;U-2	12.60	NA	NA	7.3
KKR CREDIT OPPTY;D	NA	NA	NA	9.2
KKR CREDIT OPPTY;I	NA	NA	NA	9.5
KKR CREDIT OPPTY;T	NA	NA	NA	8.7
KKR CREDIT OPPTY;U	NA	NA	NA	8.7
MA SPECIALTY CREDIT IN;S	25.26	NA	NA	NS
NIAGARA INCOME OPPORTNTS	10.39	NA	NA	NS
Palmer Square Opp Inc	18.05	NA	NA	9.0
World Income Funds				
BlueBay Destra Itl E:A	23.57	NA	NA	7.2
BlueBay Destra Itl E:I	23.59	NA	NA	7.4
BlueBay Destra Itl E:L	23.55	NA	NA	6.9
BlueBay Destra Itl E:T	23.43	NA	NA	6.7
Calamos-Aksia ACI:A	10.62	NA	NA	8.5
Calamos-Aksia ACI:C	10.62	NA	NA	7.6
Calamos-Aksia ACI:I	10.63	NA	NA	8.7
Calamos-Aksia ACI:M	10.62	NA	NA	7.9
Carlyle Tact Pvt Cred:A	8.54	NA	NA	9.7
Carlyle Tact Pvt Cred:I	8.58	NA	NA	10.0
Carlyle Tact Pvt Cred:L	8.53	NA	NA	9.4
Carlyle Tact Pvt Cred:M	8.58	NA	NA	9.4
Carlyle Tact Pvt Cred:N	8.53	NA	NA	10.1
Carlyle Tact Pvt Cred:U	8.59	NA	NA	9.4
Carlyle Tact Pvt Cred:Y	8.54	NA	NA	9.6
Fid MS Cr;A	NA	NA	NA	6.4
Fid MS Cr;C	NA	NA	NA	5.6
Fid MS Cr;I	NA	NA	NA	6.6
Fid MS Cr;L	NA	NA	NA	6.1
Jackson Credit Opps:I	10.34	NA	NA	NS
Lord Abbett Cred Opps Fd	8.97	NA	NA	9.1
Lord Abbett Cred Opps Fd	8.97	NA	NA	9.9
Lord Abbett Crd Op:U	8.97	NA	NA	9.1
Oaktree Dvsfd Income;D	9.18	NA	NA	8.7
PIMCO Flexible EM I;Inst	8.50	NA	NA	7.7
National Muni Bond Funds				
Ecofin Tax-Exempt Prv Cr	8.32	NA	NA	2.9
Lind Cap Pt Mun Cred Inc	8.92	NA	NA	6.5
Nuveen En HY Muni Bd:A1	7.77	NA	NA	4.9
Nuveen En HY Muni Bd:A2	7.79	NA	NA	5.1
Nuveen En HY Muni Bd:I	7.78	NA	NA	5.6
NYLI MacKay Mu IO;A1	10.16	NA	NA	NS
NYLI MacKay Mu IO;A2	10.16	NA	NA	NS
NYLI MacKay Mu IO;A3	10.16	NA	NA	NS
NYLI MacKay Mu IO;I	10.16	NA	NA	NS
PIMCO Flex Mun Inc;A-3	10.43	NA	NA	3.4
PIMCO Flex Mun Inc:A1	10.43	NA	NA	3.7
PIMCO Flex Mun Inc;A2	10.43	NA	NA	3.7
PIMCO Flex Mun Inc;Inst	10.43	NA	NA	4.2
Single State Muni Bond				
PIMCO CA FMI;A-1	10.36	NA	NA	2.7
PIMCO CA FMI;Inst	10.36	NA	NA	3.2

Insider-Trading Spotlight

Trading by 'insiders' of a corporation, such as a company's CEO, vice president or director, potentially conveys new information about the prospects of a company. Insiders are required to report large trades to the SEC within two business days. Here's a look at the biggest individual trades by insiders, based on data received by LSEG Data and Analytics on October 25, and year-to-date stock performance of the company

KEY: B: beneficial owner of more than 10% of a security class **CB:** chairman **CEO:** chief executive officer **CFO:** chief financial officer **CO:** chief operating officer **D:** director **DO:** director and beneficial owner **GC:** general counsel **H:** officer, director and beneficial owner **I:** indirect transaction filed through a trust, insider spouse, minor child or other **O:** officer **OD:** officer and director **P:** president **UT:** unknown **VP:** vice president Excludes pure options transactions

Biggest weekly individual trades

Based on reports filed with regulators this past week

Date(s)	Company	Symbol	Insider	Title	No. of shrs in trans (000s)	Price range ($) in transaction	$ Value (000s)	Close ($)	Ytd (%)
Buyers									
Oct. 22	**Tectonic Therapeutic**	**TECX**	T. Springer	**DO**	300	33.59	**10,077**	38.74	137.4
Oct. 23	**ManpowerGroup**	**MAN**	J. Mcginnis	**CFO**	8	62.28	**498**	62.91	-20.8
Oct. 22	**Texas Capital Bancshares**	**TCBIO**	R. Stallings	**D**	20	21.28	**426**	21.72	17.7
Oct. 18-22	**FB Financial**	**FBK**	J. Ayers	**B**	6	48.17-49.58	**267**	47.79	19.9
Oct. 16-17			J. Ayers	**B**	4	49.89-50.78	**201**		
Oct. 24	**TELA Bio**	**TELA**	A. Koblish	**CEO**	89	2.25	**200**	2.86	-56.8
Oct. 24			R. Cuca	**CO**	64	2.25	**145**		
Oct. 21-22	**Atlas Energy Solutions**	**AESI**	G. Shepard	**B**	10	19.81-19.84	**195**	20.03	16.3
Oct. 18	**Heico**	**HEI**	T. Culligan	**DI**	0.7	262.94	**191**	253.80	41.9
Oct. 18			A. Henriques	**DI**	0.7	262.94	**191**		
Oct. 18			M. Hildebrandt	**DI**	0.7	262.94	**191**		
Oct. 18			V. Mendelson	**P**	0.7	262.94	**191**		
Oct. 18			E. Mendelson	**PI**	0.7	262.94	**191**		
Oct. 18			J. Neitzel	**D**	0.7	262.94	**191**		
Oct. 18			F. Schwitter	**D**	0.7	262.94	**191**		
Oct. 18			C. Fine	**DI**	0.7	262.94	**191**		
Oct. 18			L. Mendelson	**CEO**	0.7	262.94	**191**		
Oct. 18			A. Schriesheim	**D**	0.7	262.94	**190**		
Sellers									
Oct. 22	**Nuvalent**	**NUVL**	J. Flynn	**DOI**	2,000	97.75	**195,500**	90.70	23.3
Oct. 18	**nCino**	**NCNO**	J. Horing	**DOI**	1,834	36.62	**67,166**	37.83	12.5
Oct. 16-17			J. Horing	**DOI**	1,666	36.02-36.16	**60,054**		
Oct. 21-22	**Carvana**	**CVNA**	E. Garcia	**B**	200	189.59-197.38	**38,588**	202.53	282.6
Oct. 17-18			E. Garcia	**B**	200	189.30-196.07	**38,377**		
Oct. 22-23			P. Breaux	**O**	40	198.00	**7,920**		
Oct. 16	**Constellation Brands**	**STZ**	R. Sands	**DOI**	119	242.00-243.40	**28,909**	239.38	-1.0
Oct. 23	**General Motors**	**GM**	M. Barra	**CEO**	507	53.16-53.58	**27,030**	52.07	45.0
Oct. 21-22	**Kinder Morgan**	**KMI**	C. Shaper	**DI**	900	24.70-24.75	**22,263**	24.95	41.4
Oct. 22	**American Express**	**AXP**	A. Williams	**O**	78	270.26	**21,050**	267.35	42.7
Oct. 21	**Abbott Laboratories**	**ABT**	H. Allen	**O**	157	116.98-118.81	**18,424**	114.22	3.8
Oct. 18	**Okta**	**OKTA**	T. Mckinnon	**CEO**	225	74.62-75.06	**16,756**	72.24	-20.2
Oct. 15-17	**Cloudflare**	**NET**	M. Prince	**CEOI**	157	90.64-94.76	**14,500**	88.76	6.6
Oct. 21	**Travelers Companies**	**TRV**	A. Schnitzer	**CEO**	51*	259.21-265.55	**13,143**	250.50	31.5
Oct. 15	**Marvell Technology**	**MRVL**	M. Hussain	**O**	150	80.50	**12,075**	81.61	35.3
Oct. 15	**Reddit**	**RDDT**	S. Huffman	**CEO**	124*	75.10-76.39	**9,386**	81.36	n.a.
Oct. 16	**T-Mobile US**	**TMUS**	M. Nelson	**GC**	43	216.26	**9,249**	226.36	41.2
Oct. 18	**Toast**	**TOST**	B. Elworthy	**GC**	300	30.39	**9,116**	29.49	61.5

* Half the transactions were indirect ** Two day transaction
p - Pink Sheets

Insider Buying and selling by sector

Based on actual transaction dates in reports received this past week

Sector	Buying	Selling	Sector	Buying	Selling
Basic Industries	0	6,724,697	**Finance**	1,209,074	91,162,817
Capital Goods	2,011,298	8,543,868	**Health care**	6,525,845	79,855,418
Consumer durables	0	32,908,178	**Public Utilities**	1,000	2,339,495
Consumer non-durables	0	30,298,206	**Technology**	116,611	131,817,829
Consumer services	506,300	99,839,884	**Transportation**	0	3,716,129
Energy	685	25,556,354			

Sources: LSEG Data and Analytics; Dow Jones Market Data

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

Money Rates

October 25, 2024

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Inflation

	Sept. index level	Chg From (%) Aug. '24	Sept. '23
U.S. consumer price index			
All items	**315.301**	0.16	2.4
Core	**321.109**	0.34	3.3

International rates

	Latest	Week ago	52-Week High	52-Week Low
Prime rates				
U.S.	**8.00**	8.00	8.50	8.00
Canada	**6.45**	6.45	7.20	6.45
Japan	**1.625**	1.625	1.625	1.475
Policy Rates				
Euro zone	**3.40**	3.65	4.50	3.40
Switzerland	**1.50**	1.50	2.25	1.50
Britain	**5.00**	5.00	5.25	5.00
Australia	**4.35**	4.35	4.35	4.10
Overnight repurchase				
U.S.	**4.89**	4.90	5.48	4.85

U.S. government rates

	Latest	Week ago	52-Week High	52-Week Low
Discount	**5.00**	5.00	5.50	5.00
Federal funds				
Effective rate	**4.8300**	4.8300	5.3400	4.8300
High	**5.0500**	5.0500	5.6500	5.0500
Low	**4.8000**	4.8200	5.3300	4.8000
Bid	**4.8200**	4.8300	5.3300	4.8200
Offer	**4.8300**	4.8500	5.3600	4.8300
Treasury bill auction				
4 weeks	**4.650**	4.700	5.325	4.650
13 weeks	**4.510**	4.515	5.325	4.500
26 weeks	**4.310**	4.270	5.325	4.215

Other short-term rates

	Latest	Week ago	52-Week high	52-Week low
Call money	**6.75**	6.75	7.25	6.75
Commercial paper (AA financial)				
90 days	**4.66**	n.a.	5.53	4.54
Secured Overnight Financing Rate	**4.83**	4.85	5.40	4.81

	Latest	Value Traded	52-Week High	52-Week Low
DTCC GCF Repo Index				
Treasury	**4.867**	63.490	5.504	4.845
MBS	**4.934**	54.150	5.689	4.887

Weekly survey

	Latest	Week ago	Year ago
Freddie Mac			
30-year fixed	**6.54**	6.44	7.79
15-year fixed	**5.71**	5.63	7.03

Notes on data:

U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective September 19, 2024. **Other prime rates** aren't directly comparable; lending practices vary widely by location; **Discount rate** is effective September 19, 2024. **Secured Overnight Financing Rate** is as of October 24, 2024. **DTCC GCF Repo Index** is Depository Trust & Clearing Corp.'s weighted average for overnight trades in applicable CUSIPs. Value traded is in billions of U.S. dollars. **Federal-funds rates** are Tullett Prebon rates as of 5:30 p.m. ET.

Sources: Federal Reserve; Bureau of Labor Statistics; DTCC; FactSet; Tullett Prebon Information, Ltd.

Cash Prices | wsj.com/market-data/commodities

Friday, October 25, 2024

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.

	Friday
Energy	
Coal,C.Aplc.,12500Btu,1.2SO2-r,w	74.000
Coal,PwdrRvrBsn,8800Btu,0.8SO2-r,w	14.150
Metals	
Gold, per troy oz	
Engelhard industrial	2728.00
Handy & Harman base	2731.45
Handy & Harman fabricated	3031.91
LBMA Gold Price AM	*2740.00
LBMA Gold Price PM	*2732.00
Krugerrand,wholesale-e	2854.10
Maple Leaf-e	2881.55
American Eagle-e	2881.55
Mexican peso-e	3316.84
Austria crown-e	2692.99
Austria phil-e	2881.55
Silver, troy oz.	
Engelhard industrial	33.5000
Handy & Harman base	33.5250
Handy & Harman fabricated	41.9060
LBMA spot price	*£26.3200
(U.S.$ equivalent)	*34.1350
Coins,wholesale $1,000 face-a	25332
Other metals	
LBMA Platinum Price PM	*1035.0
LBMA Palladium Price PM	*1135.0
Platinum,Engelhard industrial	1024.0
Palladium,Engelhard industrial	1185.0
Aluminum, LME, $ per metric ton	*2643.0
Copper,Comex spot	4.3395
Iron Ore, 62% Fe CFR China-s	*99.3
Steel, HRC USA, FOB Midwest Mill-s	*710.0
Battery/EV metals	
BMI Lithium Carbonate, EXW China, =99.2%-v,w	10300
BMI Lithium Hydroxide, EXW China, =56.5% -v,w	9475
BMI Cobalt sulphate, EXW China, >20.5% -v,w	3737
BMI Nickel Sulphate, EXW China, >22%-v,m	3825
BMI Flake Graphite, FOB China, -100 Mesh, 94-95% -v,m	460
Fibers and Textiles	
Burlap,10-oz,40-inch NY yd-n,w	0.8400
Cotton,1 1/16 std lw-mdMphs-u	0.6616
Cotlook 'A' Index-t	*84.25
Hides,hvy native steers piece fob-u	n.a.
Wool,64s,staple,Terr del-u,w	n.a.
Grains and Feeds	
Bran,wheat middlings, KC-u,w	110
Corn,No. 2 yellow,Cent IL-bp,u	3.7500
Corn gluten feed,Midwest-u,w	119.7
Corn gluten meal,Midwest-u,w	441.1
Cottonseed meal-u,w	n.a.
Hominy feed,Cent IL-u,w	112
Meat-bonemeal,50% pro Mnpls-u,w	318
Oats,No.2 milling,Mnpls-u	4.2025
Rice, Long Grain Milled, No. 2 AR-u,w	35.25
Sorghum,(Milo) No.2 Gulf-u	n.a.
SoybeanMeal,Cent IL,rail,ton48%-u,w	334.40
Soybeans,No.1 yllw IL-bp,u	9.5500
Wheat,Spring14%-pro Mnpls-u	8.3025
Wheat,No.2 soft red,St.Louis-u	5.0400
Wheat - Hard - KC (USDA) $ per bu-u	n.a.
Wheat,No.1soft white,Portld,OR-u	5.9500
Food	
Beef,carcass equiv. index	
choice 1-3,600-900 lbs.-u	297.79
select 1-3,600-900 lbs.-u	273.18
Broilers, National comp wtd. avg.-u,w	1.2955
Butter,AA Chicago-d	2.6950
Cheddar cheese,bbl,Chicago-d	187.00
Cheddar cheese,blk,Chicago-d	190.00
Milk,Nonfat dry,Chicago lb.-d	137.50
Coffee,Brazilian,Comp-y	2.4903
Coffee,Colombian, NY-y	2.7175
Eggs,large white,Chicago-u	2.9450
Flour,hard winter KC-p	15.90
Hams,17-20 lbs,Mid-US fob-u	n.a.
Hogs,Iowa-So. Minnesota-u	84.51
Pork bellies,12-14 lb MidUS-u	n.a.
Pork loins,13-19 lb MidUS-u	1.0318
Steers,Tex.-Okla. Choice-u	190.08
Steers,feeder,Okla. City-u,w	276.13
Fats and Oils	
Degummed corn oil, crude wtd. avg.-u,w	n.a.
Grease,choice white,Chicago-h	0.4200
Lard,Chicago-u	n.a.
Soybean oil,crude;Centl IL-u,w	0.4458
Tallow,bleach;Chicago-h	0.4350
Tallow,edible,Chicago-u	n.a.

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; D=CME; E=Manfra,Tordella & Brookes; H=American Commodities Brokerage Co; K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; P=Sosland Publishing; R=SNL Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. *Data as of 10/24

Source: Dow Jones Market Data

BHP and Vale Set $32 Billion Pact Over Dam

Collapse in Brazil killed 19 people and polluted more than 400 miles of rivers

BHP Group and **Vale** on Friday signed a $32 billion settlement with Brazilian authorities over the disastrous 2015 collapse of a mine-waste dam that killed 19 people and polluted more than 400 miles of rivers.

By Paulo Trevisani, Rhiannon Hoyle and Samantha Pearson

The settlement is the result of years of litigation that revealed a series of management missteps and failed oversight resulting in the disastrous breakdown of earthen dam structure holding tens of millions of cubic meters of muddy waste, according to prosecutors.

The resulting mudslide near the small town of Mariana unleashed a torrent of toxic waste that thundered through houses, farm crops and waterways. Nearby rivers took the contents of the dam all the way to the Atlantic Ocean, displacing families and killing plants and animals on its path.

The settlement was signed by government officials, prosecutors and chief executives in a ceremony at the presidential palace attended by President Luiz Inácio Lula da Silva and a host of local authorities.

"I hope that mining companies have learned a lesson: It would have been much cheaper to have avoided what happened, infinitely cheaper," da Silva said.

The settlement includes nearly $8 billion already spent on remediation and compensation measures. Another $18 billion will be paid over 20 years to the federal government, two states and several municipalities affected by the disaster. The remaining $6 billion will cover individual indemnification, resettlement and environmental recovery, among other things.

A similar dam owned solely by Vale broke in nearby Brumadinho town in 2019, killing 272 people, an incident that isn't covered by Friday's settlement.

The Mariana dam was owned by Samarco Mineração, a 50-50 joint venture between Vale and Australia's BHP. The 2015 disaster put a spotlight on how companies store the waste they produce during mining, known as tailings.

A technical report published the following year showed the dam had been experiencing drainage problems since at least 2009 and that a change to its design in 2012 left a key section of the dam's face resting on top of unstable, silt-like mine waste known as slimes.

A series of very small earthquakes likely triggered a process called liquefaction, whereby seemingly solid materials suddenly behave like a liquid.

Samarco said at the time that the dam met all legal and regulatory requirements and showed no sign it risked collapse. That was disputed by an engineer who worked on the dam.

Samarco's operations were shut down after the disaster and are gradually ramping back up again.

The companies set up a foundation to manage the recovery efforts and compensation programs.

Friday's settlement doesn't resolve a U.K. class action against BHP, or other legal claims including a group action against Vale and Samarco in the Netherlands.

Pogust Goodhead is the firm leading the U.K. class action, which has more than 600,000 claimants and asks for roughly $47 billion in damages. It questioned the timing of the settlement with Brazilian authorities. A 12-week hearing began in London on Monday.

"Such timing only proves that the companies responsible for Brazil's biggest environmental disaster are determined to do everything they can to prevent the victims from seeking justice, and are willing to perpetuate the shameful behavior they have demonstrated over the last nine years," the law firm said in a statement on Saturday.

In that statement, Pogust Goodhead said the Brazil settlement was negotiated without its clients' input and that it neither directly compensates the affected individuals and communities nor fairly reflects the reality of the losses its clients have suffered.

BHP said it believes the U.K. case duplicates the compensation and reparation being agreed in Brazil and work being undertaken by the Renova Foundation. A spokesperson on Wednesday said the proposed settlement agreement in Brazil would be the fastest and most efficient way to compensate affected individuals. "What happened at Samarco in 2015 was a tragedy," said BHP legal chief Caroline Cox. "Nothing can undo the devastating impacts this caused."

CHRISTOPHE SIMON/AFP/GETTY IMAGES

The 2015 disaster put a spotlight on how companies store the waste they produce during mining, known as tailings.

Elliman CEO Pushed To Resign

Continued from page B1

David Chene, a recent addition to the Elliman board, led the charge for the formation of the special committee, the people said. Chene joined the board in July when his firm, Kennedy Lewis Investment Management, invested $50 million in Elliman.

It couldn't be learned what the special committee found in its investigation, which went beyond the allegations against the Alexander brothers. The company's poor financial results contributed to the push by directors for Lorber to leave, some of the people said.

A spokesman for Elliman declined to comment on board deliberations and referred to a securities filing about the CEO change.

The filing said Lorber's resignation wasn't due to any disagreement relating to the "company's operations, policies or practices."

A second securities filing showed Lorber's abrupt exit caused the cancellation of restricted shares worth more than $4 million. He retained a roughly 4.2% stake in the company, according to the filing.

Allegations against the Alexanders and a third brother, Alon Alexander, who didn't work at Elliman, emerged this year. Two women filed lawsuits accusing Oren and his twin, Alon, of rape. A subsequent lawsuit—and accounts by women shared with The Wall Street Journal—contained similar allegations against Tal. There at least four civil suits alleging sexual assault by one or more of the brothers. The allegations were being probed by law enforcement, the Journal reported in July.

The company's poor results contributed to the push by directors.

Lawyers for the brothers have denied the allegations and vowed to fight the suits. In recent months, there has been an exodus of agents from the brothers' brokerage firm, Official. Their business partners exited from the firm this past summer.

Elliman has nearly 7,000 brokers across the country and handled more than $34 billion in sales and rental transactions last year, including some of the priciest deals in New York City, Miami and Los Angeles.

Two top Elliman agents, "Million Dollar Listing Los Angeles" star Tracy Tutor and New York agent Jessica Cohen, publicly said they believed the Alexanders spiked their drinks when they worked at Elliman. Their allegations were previously reported by the New York Times.

Tutor told the Journal she believes her drink was spiked by Oren Alexander at a restaurant in 2014 and a fellow Elliman agent found her in the bathroom with Oren and had to pull him away.

An attorney representing Oren and Alon Alexander didn't respond to requests for comment and hasn't commented on the allegations by the Elliman brokers.

Lorber's exit coincides with a tough financial run for Elliman, which was spun off from tobacco company Vector Group in 2021.

Since the end of 2021, Elliman's market capitalization dropped from roughly $900 million to around $160 million, despite enacting significant cost-cutting measures.

At least one small investor, Brad Tirpak, spoke out against Lorber, citing the company's shrinking market value. In a July letter to shareholders, Tirpak took aim at Lorber's salary, calling him a "part-time CEO" because he is also CEO at Vector, and lamented Elliman's handling of the assault allegations.

"Stockholders deserve to know how the assault and harassment claims were handled by management," Tirpak wrote.

Lorber has been an owner of Elliman since 2003, when he purchased the company for just under $72 million. Lorber's employment contract was due to expire at the end of the year.

Stocks Look To Extend Record Run

Continued from page B1

lowest level since April, when the S&P 500 last logged a losing month.

Stocks also are facing a potential drag from a rise in government-bond yields, which tends to make investors less eager to embrace the riskiness of the equity market. The yield on the benchmark 10-year U.S. Treasury note last week hit 4.240%, its highest close since July, after settling as low as 3.622% in mid-September.

Analysts have attributed the climb in yields partly to strong economic data that suggest the Federal Reserve may be able to cut interest rates more slowly than had been anticipated. They also think investors may be betting on a Trump win coupled with Republican control of Congress, leading to bigger budget deficits and a larger supply of Treasurys.

The first Magnificent Seven earnings report, from **Tesla** last week, showed the intensity of the market's focus on the big tech stocks. The electric-car maker's shares soared 22% in their best day since 2013 after the company surprised Wall Street with strong quarterly earnings.

Google parent **Alphabet** is scheduled to report Tuesday, followed on Wednesday by **Microsoft** as well as Facebook parent **Meta Platforms**. **Apple** and **Amazon.com** are on tap Thursday. **Nvidia**, the final member of the Magnificent Seven, reports Nov. 20.

Last earnings season, investors began to worry about some of the tech giants pouring billions of dollars into AI.

Amazon shares suffered their worst day in more than two years after the company projected weaker-than-expected sales growth and said it would continue to ratchet up spending to meet demand for artificial-intelligence services. Alphabet and Microsoft shares also fell after the companies' reports.

"It's a tightrope act of spending, giving confidence that the revenues will be coming through, but spending too much and maybe the market gets overly concerned," said Aaron Clark, portfolio manager at GW&K Investment Management. "That's the needle they're all trying to thread."

Analysts expect profits from the Magnificent Seven grew 18.6% in the third quarter, compared with 0.2% growth from the rest of the companies in the S&P 500, according to John Butters, senior earnings analyst at FactSet. Those figures include the results of companies that have reported and estimates for those that have yet to release their results.

That doesn't mean the stock market is about to revert to the all-tech, all-the-time trade of the first half of the year. Markets try to anticipate the future, and in the coming quarters, the other 493 companies in the benchmark are expected to deliver profit growth in the double-digit percentages.

Many investors say that is good news for the durability of the rally.

"We can't be dependent on five companies just hitting it out of the park," said Julie Biel, chief market strategist and portfolio manager at Kayne Anderson Rudnick. "That doesn't create a lot of stability."

And there are reasons to think that companies across the economy could be poised to deliver. Economists have been feeling increasingly optimistic about growth and don't anticipate a sharp rise in unemployment. Inflation recently cooled to a new three-year low, and the Fed has begun to lower interest rates.

It is a scenario in which stocks far from the dazzle of the AI trade could perform.

"If the economy can hold up and the Fed is cutting into a solid economic picture, it should set the market on a good trajectory from here," said Homrich Berg's Lang.

SERGIO FLORES FOR WSJ

Caterpillar is expected to post per-share earnings of $5.35 on Wednesday.

THE TICKER | MARKET EVENTS COMING THIS WEEK

Monday

Earnings expected

	Estimate/Year Ago
Brown & Brown	0.88/0.71
Cadence Design Systems	1.44/1.26
Ford Motor	0.46/0.39
ON Semiconductor	0.97/1.39
Waste Management	1.89/1.63
Welltower	0.38/0.24

Tuesday

Consumer Confidence

Sept., previous	98.7
Oct., expected	99.2

Earnings expected

	Estimate/Year Ago
Advanced Micro Devices	0.92/0.70
Alphabet	1.84/1.55
McDonald's	3.21/3.19
Pfizer	0.62/(0.17)
Stryker	2.77/2.46
Visa	2.58/2.33

Wednesday

EIA status report
Previous change in stocks in millions of barrels

Crude-oil stocks	up 5.5
Gasoline stocks	up 0.9
Distillates	down 1.1

GDP Deflator

2nd qtr., final	up 2.5%
3rd qtr. adv. est.	up 2.2%

Gross domestic product:
Percentage change, annual rate

2nd qtr., final	up 3.0%
3rd qtr. adv. est.	up 3.2%

Mort. bankers indexes

Purch., previous	down 5.0%
Refinan., prev.	down 8.0%

Earnings expected

	Estimate/Year Ago
AbbVie	2.92/2.95
Amgen	5.11/4.96
Caterpillar	5.35/5.52
Eli Lilly	1.45/0.10
Meta Platforms	5.21/4.39
Microsoft	3.11/2.99

Thursday

Employment cost index

2nd qtr., previous	up 0.9%
3rd qtr., expected	up 1.0%

Initial jobless claims

Previous	227,000
Expected	235,000

Personal spending

Aug., previous	up 0.2%
Sept., expected	up 0.4%

Freddie Mac mortgage survey
Previous weekly averages

30-year fixed	6.54%
15-year fixed	5.71%

Personal income

Aug., previous	up 0.2%
Sep., expected	up 0.4%

Chicago PMI

Sept., previous	46.6
Oct., expected	46.1

EIA report: natural-gas
Previous change in stocks in billions of cubic feet

up 80

Earnings expected

	Estimate/Year Ago
Amazon.com	1.14/0.94
Apple	1.60/1.46
Linde	3.90/3.63
Mastercard	3.74/3.39
Merck & Co.	1.48/2.13
Uber Technologies	0.37/0.10

Friday

Nonfarm payrolls

Sept., previous	254,000
Oct., expected	110,000

Unemployment rate

Sept., previous	4.1%
Oct., expected	4.1%

Construction spending

Aug., previous	down 0.1%
Sept., expected	up 0.0%

ISM mfg. index

Sept., previous	47.2
Oct., expected	47.6

Earnings expected

	Estimate/Year Ago
Ares Management	0.94/0.83
Charter Communications	8.66/8.25
Chevron	2.43/3.05
Dominion Energy	0.93/0.77
Exxon Mobil	1.89/2.27
LyondellBasell Industries	1.98/2.46

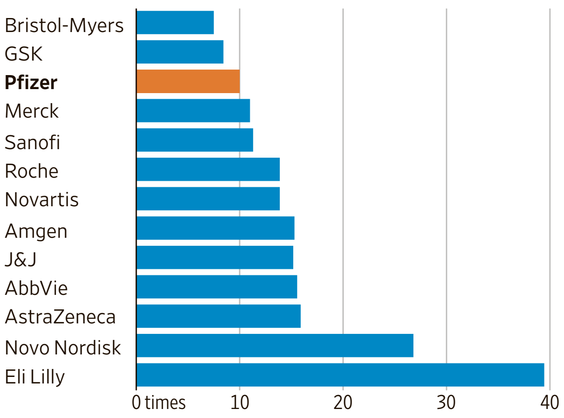
* FactSet Estimates earnings-per-share estimates don't include extraordinary items (Losses in parentheses) ◆ Adjusted for stock split

Note: Forecasts are from Dow Jones weekly survey of economists

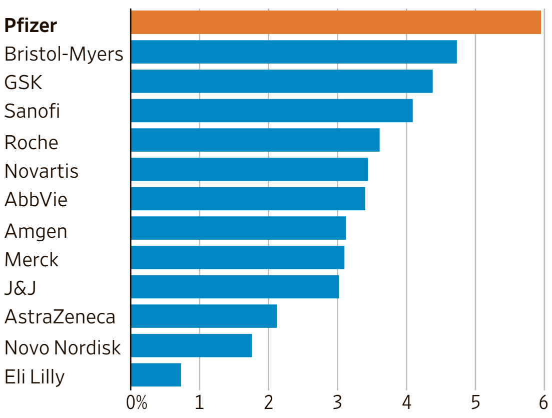
HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Price to projected 2025 earnings multiple



Dividend yield over next 12 months*



*As of the close Oct. 24

Source: FactSet

Pfizer Stock Likely to Survive Activist

For **Pfizer** Chief Executive Albert Bourla, the activist campaign launched by **Starboard Value** marks a pivotal moment in his career.

For shareholders, the activist push is largely a distraction as the drug company has limited options to implement immediate changes that would drive significant growth. That doesn't mean investors should abandon hope in the stock.

After losing nearly half of its market value since its Covid-19 peak, Pfizer's stock represents a bargain for patient investors. As Starboard highlighted in its presentation on Tuesday, Pfizer trades at roughly 10 times its projected 2025 earnings, which is lower than most of its peers. This valuation corresponds with an industry-high dividend yield of around 6%—one that management insists is sacrosanct. That would mean there is limited downside to holding the stock.

On Tuesday, Starboard CEO Jeff Smith, whose fund has a roughly $1 billion stake in Pfizer, laid out his critique. He contended Pfizer destroyed value through poor investments in research and development and some $70 billion in acquisitions. He called on the board—aligned with Bourla—to hold management's feet to the fire to deliver better returns. But he refrained from calling for Bourla's replacement. That stance was somewhat expected after two former top Pfizer executives withdrew from the campaign.

Smith's arguments will resonate with frustrated shareholders, but he offered very little in the way of a path forward. Pfizer ranks high in industry leverage, with a ratio of net debt to earnings before interest, tax, depreciation and amortization exceeding five times. It pledged to cut costs by billions of dollars a year. Starboard may yet extract another round of cuts.

The company certainly can become more judicious in how it deploys capital going forward. But there is no way to turbocharge innovation, which in pharma can take many years to bear fruit. Pfizer's $43 billion bet on cancer biotech Seagen could well prove prescient in the long run.

The good news is that with so much pessimism already factored into the shares, any positive surprises from the pipeline or earnings results could lead to significant share appreciation. For example, ponsegromab, a monoclonal antibody under investigation for treating weight loss and muscle wasting in cancer patients, has shown promising midstage results. Tim Opler, a managing director at Stifel, suggested ponsegromab could become a "monster" drug, with potential annual sales reaching $10 billion.

Even if Pfizer's pipeline fails to compensate for the decline of blockbuster drugs going off-patent, the stock possesses defensive qualities for a portfolio during market downturns. Pfizer's revenue offers a robust hedge, driven by the unique pricing dynamics of the industry.

One pressing question for Bourla and the board is whether they need to articulate a clearer strategy regarding the largest healthcare category: obesity. Pfizer is a major player in primary-care medicine, and the weight-loss drug category represents a significant opportunity in this space, with analysts suggesting it could be worth more than $100 billion in annual sales.

The company argued its experimental obesity pill could become a $10 billion a year product, but it faced setbacks in developing the drug, called danuglipron. Pfizer is working on a reformulated, once-daily version. Analysts anticipate the company will unveil data from early-stage trials and outline its objectives for the drug sometime next year.

Should these studies fall short, there will be substantial debate about whether Pfizer should continue trying to compete with **Eli Lilly** and **Novo Nordisk**, the makers of Zepbound and Wegovy, respectively.

The activist battle may yet yield some changes, but none of them sound transformative. Luckily, shareholders don't need to wait for miracles to happen.

—David Wainer

Private Equity Storms Japan

A rare takeover battle has broken out in Japan between two American private-equity firms. For Japan, it is the clearest sign yet of a new era.

KKR and **Bain Capital** are wrestling for control of Japanese software company **Fuji Soft**. KKR made the initial bid, winning the support of the company's board and some large shareholders. But Bain then came out with an offer that is 7.4% higher, valuing the company at nearly $4.2 billion.

Fuji Soft's stock now trades above KKR's offer price, indicating hopes that either Bain will prevail or KKR might come out with a higher bid.

That is the latest example of the increasing presence of global private-equity companies in Japan. The total value of private-equity-backed deals in the country amounted to ¥5.9 trillion, equivalent to $39 billion, in 2023—nearly doubling from the previous year. It averaged less than ¥1 trillion a year between 2011 and 2020. According to data tracker Preqin, total assets under management in Japan-focused private-equity funds amounted to $62 billion as of March, more than double the amount at the end of 2019.

Japan became the largest private-equity market in Asia-Pacific last year, accounting for 30% of the deal value in the region, compared with around 5% to 10% historically, according to Bain.

Japan's push to improve corporate governance is the key reason behind the rise of private equity. Companies are being encouraged by the government, as well as stock exchanges, to slim down their balance sheets and improve shareholder returns. This means companies are being compelled to treat takeover offers more seriously, as well as to spin out or sell noncore businesses, all of which throws up acquisition opportunities for private-equity firms.

Shareholder activism is on the rise, adding to the pressure. Takeover interest for Fuji Soft, for example, came after activist investors pushed the company for a sale.

The successful restructuring of industrial icon **Hitachi** could be a case study. The Japanese company with businesses from nuclear reactors to railways was brought to its knees during the financial crisis.

Hitachi, however, has had an impressive turnaround in the past few years. Its share price has surged nearly sevenfold since the end of 2018. Private-equity firms such as KKR and Bain have picked up many subsidiaries that Hitachi has spun off, including logistics, chip-equipment manufacturing and steel.

Japan became the largest private-equity market in Asia-Pacific last year.

Japan's continued push for its companies to improve corporate governance will keep bringing more opportunities for private-equity firms.

Japan's main stock exchange, for example, is pushing companies to bring their share price above book value. Japan's low interest rates, despite the recent rate increases, make dealmaking in the country even more lucrative. The financing cost for leveraged buyouts is around 2% to 3% in Japan, compared with 9% to 10% in the U.S., according to private-equity firm Carlyle.

With ample funding, better returns and a plethora of potential targets, Japan has become the new playground for private-equity firms. They are likely there to stay.

—Jacky Wong

JOURNAL REPORT

TECHNOLOGY

THE WALL STREET JOURNAL. Monday, October 28, 2024 | R1

OLLIE HIRST

Your Medical Records Are a Mess. Technology Can Help.

The digitization of healthcare information was supposed to make it all so easy. It hasn't yet, but it's getting there.

BY LAURA LANDRO

THE DIGITAL REVOLUTION in healthcare was supposed to transform the patient experience. It would make it easy for patients to access their electronic medical records, manage their care via patient portals and mobile apps, and protect their privacy.

It has a long way to go.

Patients still aren't able to get all the records they want and have trouble deciphering the data when they do get it, research shows. Medical records may be scattered across hospitals, primary-care doctors, specialists and urgent-care clinics—and too often it is a challenge to corral and share information among those multiple

Please turn to page R2

The Future for Streaming

Netflix's co-CEO, Ted Sarandos, talks AI, 'Squid Game' and pricing

WHAT DOES THE future hold for the streaming business? The industry faces a range of tough questions—from how much it can realistically charge users to how much to leverage generative AI.

For insight into the topic, The Wall Street Journal's editor in chief, Emma Tucker, spoke with Ted Sarandos, co-chief executive of **Netflix**, at the annual WSJ Tech Live conference last week in Laguna Beach, Calif.

Here are edited excerpts of the discussion.

The outlook for streaming

• **WSJ: Netflix released its third-quarter earnings last week, and things were extremely positive. So, things are looking good for Netflix, but the market is undoubtedly troubled. How do you see the future of streaming in this troubled market?**

• **TED SARANDOS:** I think the entertainment landscape is not troubled. I think the way that people consume it has become disaggregated. I think people are doing it in a bunch of different ways, and they're favoring things that favor the consumer, which I think does play into our strength as a company.

I always think around the roots of watching entertainment at home. Television, of course, had a very limited selection

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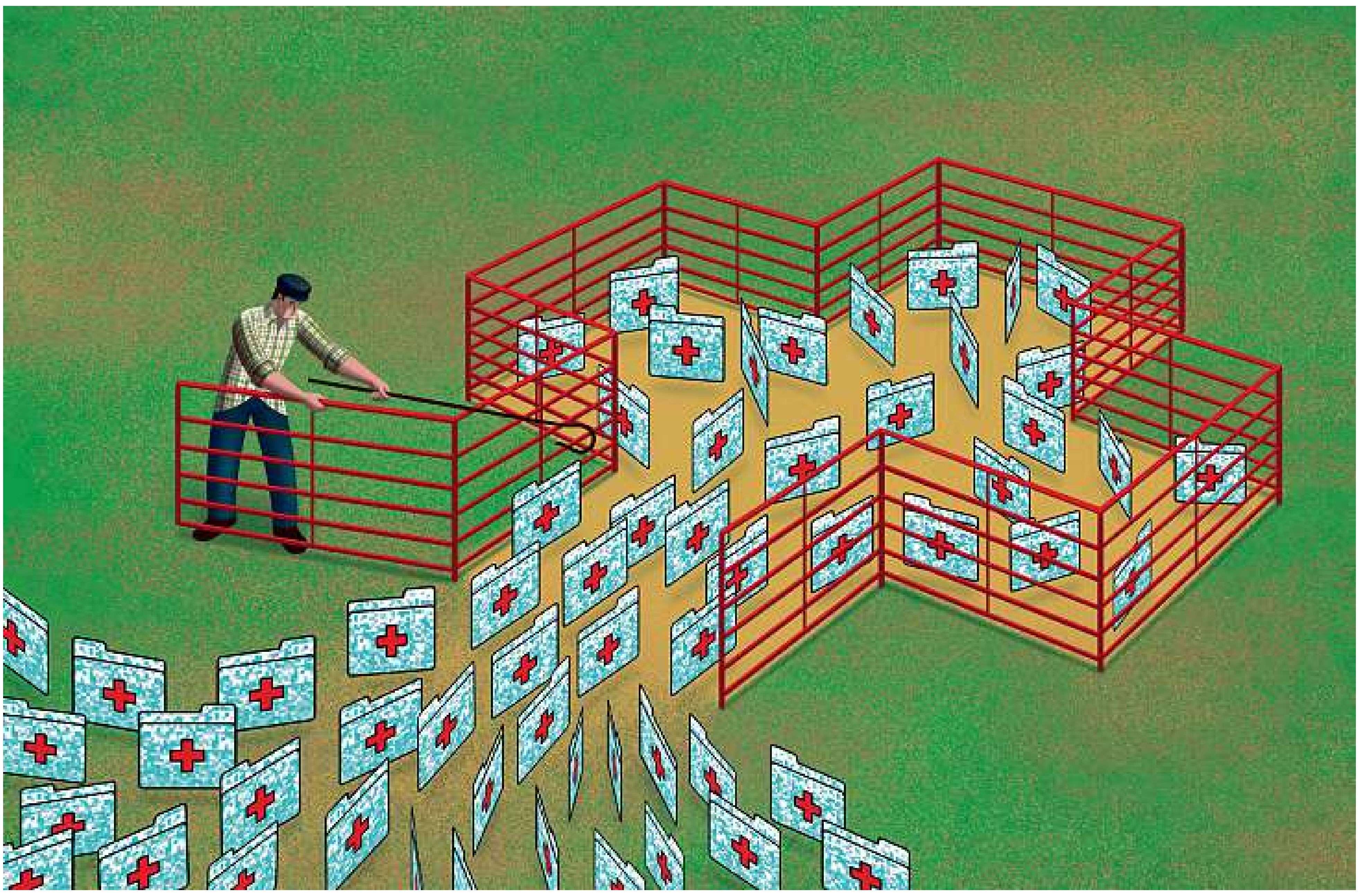
WSJ TECH LIVE

Scan this code to see all videos from the Tech Live 2024 conference in Laguna Beach, Calif.

INSIDE

NIKKI RITCHER FOR WSJ (4)

MORE CONVERSATIONS



JON KRAUSE

Your Medical Records Are A Mess. Technology Can Help.

Continued from page R1

providers. And some doctors still use paper records and rely on outdated technology like fax machines to send and receive documents.

Then there is the mounting risk of data breaches and cyberattacks. A ransomware strike in February crippled vital parts of the U.S. healthcare system and put personally identifiable information at risk for possibly a third of the U.S. population.

"It's absolutely imperative that we make it profoundly easier for individuals to access their medical information and make information exchange possible in a trusted and secure way," says Mariann Yeager, chief executive of the nonprofit Sequoia Project, which is working with the federal government to develop a nationwide health-information-exchange network.

The initiative, called the Trusted Exchange Framework and Common Agreement, or Tefca, aims to enable different providers' networks to securely share information with the aim of empowering patients to have control over their health information, share it as they see fit and manage their own care effectively. Federal rules that took effect in 2021 require healthcare organizations to give patients full access to their health records and prohibit any effort to block such access.

Meanwhile, what can consumers do to maintain and manage their own medical records? Here are some guidelines to help it all make sense.

What's my first step?

The good news is that many people already can access their digital records in some form. According to the most recent data from the federal health-information office, in 2022 about three in four individuals nationwide reported being offered online access, a 24% increase from 2020. Patients who receive care from providers with electronic health records typically have access to portals included with the technology, such as Epic's MyChart and the Oracle Health Patient Portal.

The problem is that patients often don't use these portals regularly, even though the sites offer a crucial way to keep track of records and check them for mistakes. Research has linked low levels of patient-portal access and use to factors such as lower education levels, and lack of access to insurance and a primary-care doctor. But patients also reported they prefer to speak directly with a doctor, saw no need to use a portal, worry about privacy and aren't comfortable with the technology.

Experts say it is important for patients to explore the portals and take advantage of what the sites can offer. The portals typically guide new users on how to get started and provide online support to help use features such as messaging doctors and viewing test results. Some are using artificial intelligence programs to answer patient queries and suggest follow-up tests.

Once people know their way around, they should check the portal frequently for new messages and test results, and to review any notes that clinicians have posted to make sure they are accurate. In one study of more than 136,000 patients at three healthcare organizations that use OpenNotes, a popular system that lets doctors share notes with patients, one in five people who read a note reported finding a mistake and 40% of those perceived it as serious.

"It takes a little bit of self-motivation, but just like we've all learned to use our banking app or book airlines via our airline app, figure out how it works, and don't wait for disaster or serious illness to strike," says Matthew A. Eisenberg, a physician who is the associate chief medical information officer at Stanford Health Care and an affiliated clinical associate professor at the Stanford University School of Medicine.

Stanford shares doctors' notes and other information via the MyHealth patient portal, its version of MyChart with added features, but only one out of five notes are actually read, Eisenberg says. To encourage use and help patients understand information, it helps new patients sign up via their mobile device and embeds tools such as links to explanations of medical terms.

63%

Percent of patients who reported difficulty searching or printing historical records online

Source: Sequoia Project

What if my electronic records are all over the place?

According to a federal survey released last year, about half of individuals had more than one online medical record or patient portal with different types of health organizations. And almost all hospitals and close to 90% of doctor's offices now use some kind of electronic medical record. But many are incompatible despite the new initiatives aimed at making it easier to share and combine them.

For now, the best solution may be apps such as Apple Health and CommonHealth for Android-based devices, which allow patients to securely transfer data from their providers' medical records, and combine multiple records on their mobile device. Of course, not all providers have implemented the necessary application programming interfaces, which are still evolving, and they may not support all types of data, such as records related to mental health or specialty care.

Some apps allow patients to enter information beyond what's in their patient portal, such as data collected from smartwatches and other wearable devices.

Should I keep paper copies of my records?

It can be reassuring to hang on to paper records and store them securely at home, in case a system goes down or gets hit with a major data breach. If people have a patient portal available, they can print out the information.

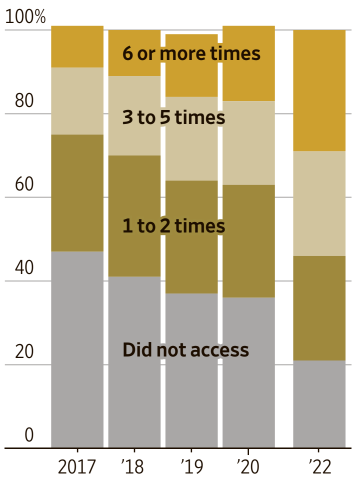
For some extra peace of mind, people can keep backup digital copies of all their records, too. With electronic records, simply download the files and save them to a hard disk or cloud storage. With paper records, people can use scanning apps on their phone to convert the pages to PDF files.

Should I take my own notes during a doctor's appointment for my records?

Patients often don't take in all of what a doctor says during an appointment and even if they do understand it, may forget much of it later, says Tom Delbanco, a professor of medicine at Boston's Beth Israel Deaconess Medical Center and Harvard Medical School, and co-founder of OpenNotes. Because not all doctors are on a system that shares notes with patients, he says, it makes sense to take your own notes or have a family member do so. He has also advised some patients to bring a tape recorder to appointments about complex issues such as cancer treatment.

Research has shown doctors have mixed opinions on patients recording appointments, and

Frequency of individuals accessing their online medical records during a year, 2017–22



Source: Office of the Assistant Secretary for Technology Policy (ASTP) analysis of National Cancer Institute's (NCI) Health Information National Trends Survey (Hints) data

though legally obtaining permission isn't required in many states, it may be best to ask as a courtesy for the doctor-patient relationship. Patrick Tenbrink, a Jupiter, Fla., urologist co-developed a free app called MaDi that allows patients to record their visit, and then creates a concise text summary including a detailed plan for the next steps. Tenbrink says it can not only "improve recall and prevent misunderstanding," but can give patients more confidence and make it easier to share information with other doctors.

What are the best practices for managing someone else's records, such as an elderly parent?

Many family caregivers end up managing someone else's records, and research has shown that care partners value electronic access to patients' health information even more than the patients do.

Catherine M. DesRoches, an associate professor of medicine at Harvard Medical School and executive director of OpenNotes, recommends care partners take advantage of proxy access so they have their own credentials, either by the patient signing a privacy-disclosure form or by granting the access through the patient portal.

Many people take a seemingly simpler route and use the patient's own credentials to create an account or sign in as the patient on a portal to manage electronic records. But DesRoches says that this can create problems because clinicians can't be confident about who they are communicating with and risk violating a patient's right to privacy. The nonprofit Coalition for Care Partners offers tool kits to help patients and providers arrange shared access.

Shared access can also help patients who need help from family caregivers but are still able to manage their patient portal and make decisions. The patients can ask caregivers to aid them if any issues arise, but they can also designate some information as private if they don't want caregivers to see it.

What about after a patient dies? State laws vary over whether family members can access records posthumously. Typically, an executor or designated personal representative of an estate can request access.

While large health systems with electronic records may keep medical records indefinitely, providers are generally not required to keep them for more than 10 years, so it's important to collect any records you want to have access to before that time expires.

What can I do to protect against security breaches?

While there is little consumers can do against a massive cyberattack, there are steps patients can take to protect their data and prevent medical-identity fraud. For example, when doctor's offices ask for a Social Security number when filling out forms, patients in most cases can decline to provide it over concerns for identity theft.

Sometimes, patients also can look for unauthorized snooping in their records by healthcare employees. Federal rules require systems to track when employees use their login credentials to view medical records, and some healthcare organizations can provide you with a log or summary.

But privacy laws don't apply to any data stored on a mobile device, such as a smartphone or tablet, or on any personal health record not offered through a health provider or health plan covered by the laws.

The federal health-information-technology office offers several tips to protect electronic health information, including using strong passwords and updating them often, using only trusted apps and websites, and reading those terms of service and privacy notices to verify the app will perform only functions you approve. It also recommends installing remote wiping on mobile devices to enable permanently deleting data on a lost or stolen device, or remote disabling to lock the data and unlock it later if the device is recovered. Commercial identity-theft protection services can also help protect against medical identity theft.

Laura Landro is a former assistant managing editor of The Wall Street Journal and author of "Survivor: Taking Control of Your Fight Against Cancer." She can be reached at **reports@wsj.com.**

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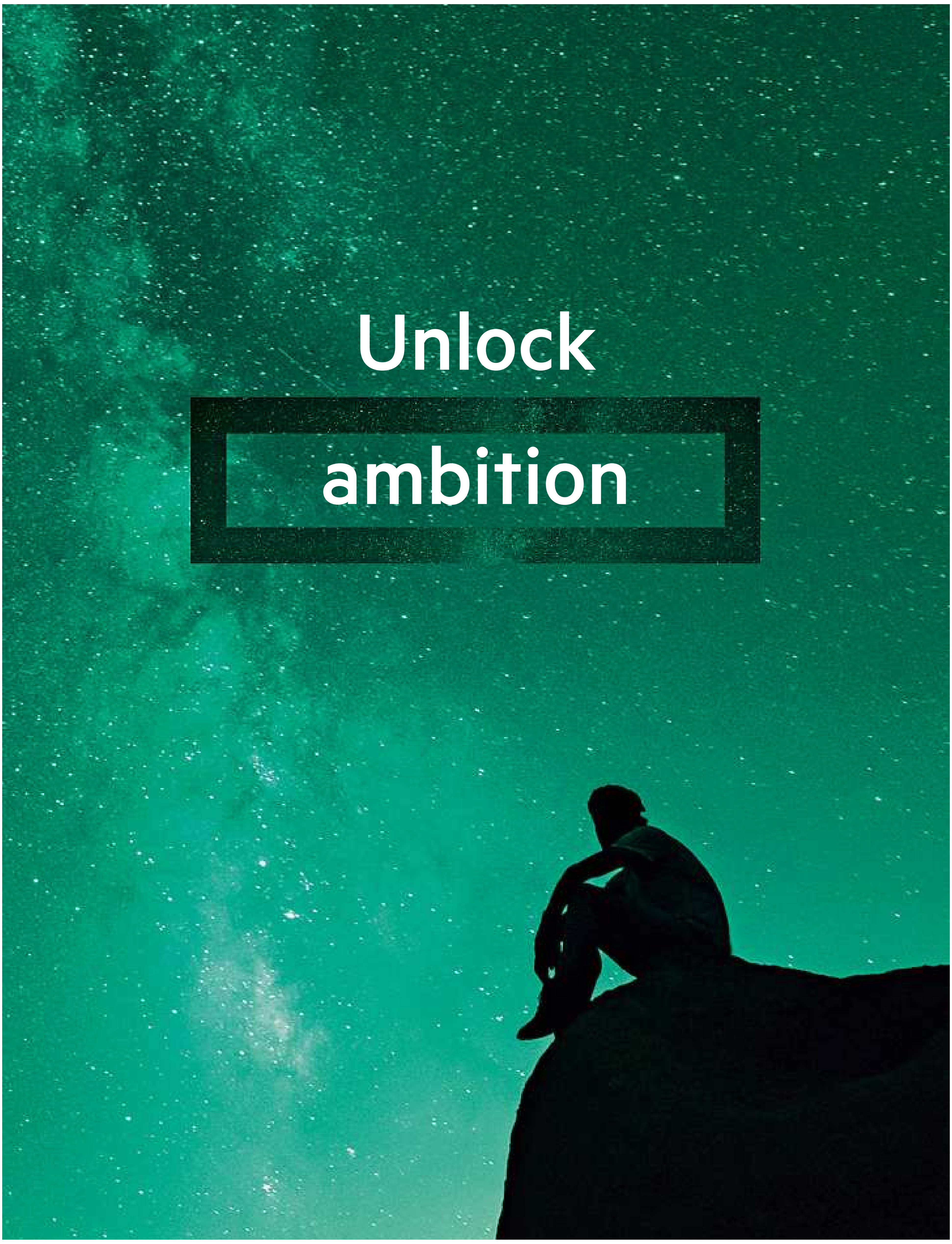


A Venture Capitalist on Where the AI Opportunities Are for Investors

Andreesen partner Martin Casado says there are three uses of artificial intelligence that are working for companies now

HEAPS OF money have been invested in artificial intelligence. Valuations are soaring.

What does it mean for companies—and investors—looking to get a piece of it all? Where are the opportunities?

To get some answers, The Wall Street Journal's global technology editor, Jason Dean, spoke with venture capitalist Martin Casado, a general partner at Andreessen Horowitz, at the annual WSJ Tech Live conference in Laguna Beach, Calif. Here are edited excerpts of their conversation.

The start of a supercycle

• **WSJ: What type of AI startups are interesting now, and not too expensive or too late?**

• **MARTIN CASADO:** It's good to draw a comparison to the internet. Periodically in the history of the industry, we've seen the marginal cost of things go to zero. With compute, the marginal cost of computation went to zero. We had people calculating logarithm tables by hand, then we had a computer do it. That created the compute revolution. Then the internet, the marginal cost of distribution went to zero. When it comes to AI, it really feels like the marginal cost of language, reasoning and creation are going to zero. And if that's the case, this is a supercycle. And if that's the case, we've got decades. So there's no "too late." In that sense, we're still very, very early.

Right now, these models that you hear about from Google and OpenAI and Anthropic, they're backed by these massive companies that are not going to crash. Clearly this is strategic value to them, the beginning of something great.

There are these very large models that everybody's heard about, like Gemini and OpenAI. But there are a bunch of smaller models that do things like speech or music or images. And if you look at that cohort of companies as an investor, they're actually very successful.

• **WSJ: There are already huge valuations for some. The barrier to entry there seems like it might be getting more difficult. What is most interesting now?**

• **CASADO:** There are three use cases that are working right now, and maybe many more will work in the future.

Probably the use case working the most is creative composition. That thing could be an image, music. A number of companies in this space are growing as quickly as we've seen anything growing.

Imagine a AAA videogame. How much does it cost to create? Say $500 million to $1 billion. There's not one aspect of that game that a model today could not create. You can create the 3-D meshes, the stories, the videos, the textures—and the actual compute inference cost to create all of that is like $10.

The No. 2 use case, it's kind of a funny one. It's companionship. We've never, as technologists, solved the emotion problem with computers. They've very clearly not been able to emote. But I'll give you an example. My daughter is a Covid kid. She's 14 years old right now and spends a lot of time on Character.AI. And not only does she spend time on Character.AI, when she talks to her friends she will bring her characters along. It has kind of entered the social fabric. We're seeing great use of these kind of companionships.

The third space definitely working is code. For example, with Cursor, an AI code editor, you can program very sophisticated programmers, whether you're an expert programmer or a novice programmer, using models, and they're working very well.

Martin Casado at WSJ Tech Live

Works to remember

• **WSJ: Can AI produce creative works that will be remembered?**

• **CASADO:** We have the largest creative-model portfolio in the venture community, and I see a lot of these models make images or videos or whatever. And then I see a lot of artists pick them up and use them. The No. 1 predictor on whether the output piece is good or not is whether the person using it has a formal background in art.

These things don't replace artists. They are machines. If you have an eye to beauty, you will make something more beautiful. If you have an eye to what people want, you'll get something people want.

• **WSJ: You hear it said that all problems can be solved by throwing more compute at it. You think it's a little more complicated than that?**

• **CASADO:** If you haven't read it, read "The Bitter Lesson." It's very short. It basically says, when it comes to AI, you have two choices. You can come up with some very clever algorithm that's very smart. Or you can just find a way to take advantage of more computers, because we always have more compute. Just throw more and more compute, and things will get better, which is basically what we've done.

However, AI requires data. We're humans, we've been around for a very long time. For 3,000 years we've been observing the universe and thinking really hard and deciding what objects are what and how they interact; we've done all of this computation and we wrote it down. AI just finally figured out how to suck up that existing work and spit it back out.

Once you've run out of that reservoir, things are going to slow down. We've created these amazing models that capture all of human knowledge, but they don't capture future human knowledge. They can't reason by themselves.

That doesn't mean other things will slow down. For the current version of models we're probably running out of general language improvements, and now we're going to have to go into specialized areas.

Hungry for power

• **WSJ: Power is another big constraint.**

• **CASADO:** Right. We're also reaching the limit of our ability to build data centers. We're going to have to find ways of constructing bigger buildings, having more power going into these buildings and building networking fabrics.

But for the next epoch to get to the next level of models, to scale with the same levels of improvement, you need 10 times more every epoch. Ten times more computers, 10 times more power, 10 times more data. These are exponential scales.

• **WSJ: Does that factor into your calculus as an investor? Do you have to think in terms of this would be a great idea, but I don't know if we're going to have the computing power, the data, and the electricity to do it in the next five to 10 years?**

• **CASADO:** If all frontier models stop today, there's still so much value to be had just turning these into applications of people using it. Again, everybody looks at the OpenAIs. But as far as value creation and integration, if you look at all the private companies, the smaller companies that are building their own smaller models, they are some of the fastest-growing companies we've seen in the history of the industry.

Write to reports@wsj.com

Netflix's Sarandos On Streaming

Continued from page R1

for many years—just three, then eventually four, networks to choose from, and they barely competed with each other for eyeballs and attention with basically the same things to watch. Home video comes along, and it's super inconvenient. You had to get in the car and drive each way to the video store to get your movie.

Netflix was trying to solve a lot of problems. Other companies have tried to migrate into what we do; they still have their roots in old legacy-media model—not at your timetable, with narrow choices of things to watch. Netflix can be very broad and have a big variety of programming. So, I don't think entertainment is in trouble, and I think that consumers are speaking loud and clear that they prefer streaming.

• **WSJ: What did you learn from the writers' strike? A lot less content was created at the time, and that remains the case today, yet your customers are still sticking around.**

• **SARANDOS:** Relative to other people, we had a lot of things in the pipeline to keep things going, but it definitely had an interruption in our output this year. Our film slate was stalled, some of our biggest returning shows got pushed out into those back parts of the year.

It's very important that the studios and labor speak all the time. We have to have healthy working relationships together. We hope that we'll never see something like that happen again.

'Squid Game' goes global

• **WSJ: Did you end up making more stuff overseas? Have you hedged your bets by moving more production?**

• **SARANDOS:** We have. More than half of our business is overseas, so we produce original content in 50 countries. The mandate of those is that they're relevant in the country they're made for. If they happen to travel, that's a windfall. "Wednesday" and "Squid Game" are the two most global shows we've ever had, but neither of them was engineered to be global in any way.

"Squid Game" is a fun example because there's something incredibly human about having a hard time predicting something bigger than you've ever seen before. When I ask teams to predict, "How big will this be?" usually the biggest thing they could say will be, "It'll be as big as the last big thing we had." Nobody predicted "Squid Game" was going to be twice as big as anybody had ever seen before. Nobody had predicted—because no one was trying to make it a global show—that it would catch on the way it did. It had some very universal messages in it.

It was because it was so specifically local, it was so uniquely and authentically Korean. People like that they see something else in it and it reminds them of how small the world is. When you do it right, it's that thing. But when people predict how big something might be, they are limited by how big they've ever seen.

• **WSJ: Is Netflix using generative AI at the moment, and if so, how so?**

• **SARANDOS:** I look at generative AI as a tool for creators to create content, not for Netflix to create instead of creators. –That's really in the hands of creators and we try to enable them. If generative AI passes the big test, which is, can this use of this tool make a better show, then it will be really transformative and be helpful.

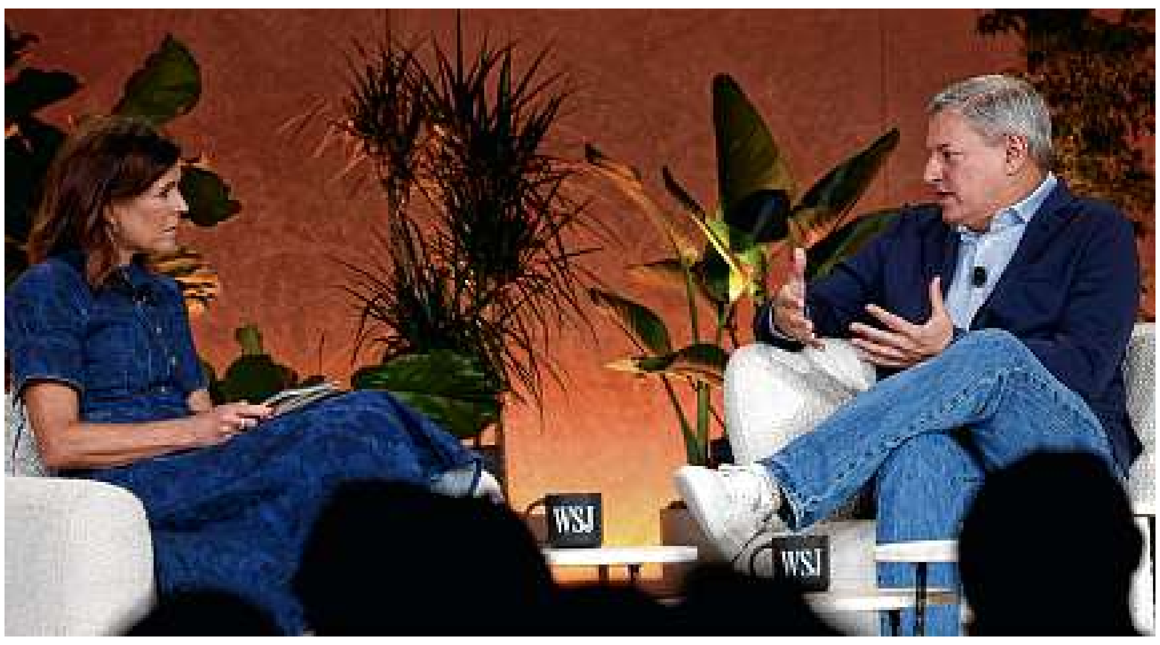
• **WSJ: How important do you think advertising is going to be in the future for Netflix?**

• **SARANDOS:** Like any big business, new things have got to do a lot to make a big dent or to be very impactful. So advertising will grow slowly over the next couple of years. We're happy to see how it's growing. We have about 40 million users on the ad tier now, and growing pretty quickly.

We want the programming that people care about. People want to watch it, advertisers want to be close to it. If we do all those things well, we'll compete really well in that space.

• **WSJ: How much more will consumers tolerate when it comes to the subscription fee?**

• **SARANDOS:** The more time you spend watching Netflix, the more



Ted Sarandos of Netflix responds to WSJ's Emma Tucker.

NIKKI RITCHER FOR WSJ (2)

you value the things you watch on Netflix, is in direct correlation to how much we can charge for Netflix. If you don't think Netflix is valuable to you at that price point, you just click one button and you're off. So, we are constantly in search of adding more value. Every once in a while, we come back to members and ask for an increase so that we can keep that cycle going. But I don't think we can do it unless we continue to add to the value.

It's all about engagement

• **WSJ: You credit your success with focus on engagement.**

• **SARANDOS:** Our business was always going right to the consumer with an instant-feedback model. So, we've always been focused on that: Are you happy with what we're providing you? I have found that there's no better measurement of joy than engagement, because I've never seen anybody turn off a show that they love unless they just have to go to bed and they're going to watch more tomorrow. And I've never seen one stick around for a show that they hate.

• **WSJ: The next generation is spending more time on YouTube and TikTok. Do you feel like you need to be playing in that space as well?**

• **SARANDOS:** In some ways, social media is going to be a training ground for storytellers and creators, which is great. In other ways, it's a way that people kill time. Killing time and spending time are two different activities. You have to be careful not to get too distracted by chasing everything that people are doing.

A lot of what's happening on social media is interesting and exciting. But I look at the monetization model, and it isn't possible to do something at the scope and scale that we do on Netflix through that model.

• **WSJ: What's the one series that Netflix didn't make that you wish you had made?**

• **SARANDOS:** I love "The Bear" [the FX series on Hulu]. I wish that was one of ours. "Ted Lasso" [Apple TV+] spoke to the time really well. People were looking for something light and fun, and it was just that.

Write to reports@wsj.com

Simplifying the Path to Enterprise AI

A successful artificial intelligence strategy requires the right balance of technology, operations and expertise

Neil MacDonald

EVP and GM of Compute,
HPC & AI,
Hewlett Packard Enterprise

Companies in the early stages of their generative AI journeys are seeing the advantages of the technology within their own enterprises. But as businesses start to develop their artificial intelligence strategy, some are finding it challenging to address critical concerns, from managing data effectively to various legal and ethical issues AI usage raises. How can organizations avoid some of those pitfalls in the least cumbersome way?

Along with its trusted partners, HPE is working to remove the complexity of adopting AI for its customers. In this interview, Neil MacDonald, executive vice president and general manager of Compute, HPC & AI at Hewlett Packard Enterprise, discusses the company's approach to streamlining AI adoption for businesses. He explains how HPE offers a flexible enterprise AI solution with full lifecycle services while addressing risks related to data security, cost and ethical considerations.

What advice would you give to companies that are hesitant to start their AI journey?

Talking with customers, we've learned that the best way to start with generative AI is to begin with a problem that needs solving and then do pilot projects with it to develop a vision. Internal testing is one of the most important steps, even with external-facing AI solutions. There are so many pitfalls and unknowns that need to be flushed out.

To get started and achieve their business goals, enterprises need a combination of accelerated computing capabilities, software development tools, data governance, security and processes — and people to help them get there. In the end, though, focusing on driving business outcomes with speed should be an organization's priority, not the complexity of figuring out how to combine technologies and tools, along with data management and other critical steps.

How is HPE addressing generative AI requirements to help enterprises get started?

We expanded our partnership with NVIDIA to offer a portfolio of integrated, co-developed AI services and solutions. We deliver this as a turnkey, private cloud AI solution through our HPE GreenLake cloud platform. Customers get exactly what they need to accelerate their journey and turn their concepts into solutions.

In this service, we provide purpose-built technologies spanning accelerators, storage, networking, and generative AI tuning and inferencing software tools, along with our expertise in support services. Customers can unify and easily manage all of this, including their data and AI workloads, while keeping data private and secure on-premises.

The HPE Private Cloud AI service includes both in-person and platform-based features. We are responsible for the installation and activation of the solution, and the customer orientation, operational testing and ongoing hardware support. We also provide access to software, firmware and documentation updates.

How does HPE's private cloud solution compare to public cloud offerings in terms of speed and security for AI workloads?

In an AI-driven enterprise, ROI is measured in outcomes over the investment of capital and talent. Enterprises want the fastest path possible to develop and deploy AI, while reducing risk. That's exactly what we're delivering with our private cloud solution.

We're doing the hard work by removing many steps that enterprises would typically have to take. Instead of having to piece all the technologies together on their own, we're making it easier by integrating all the necessary AI services and solutions into one platform.

With our private cloud, where customers keep infrastructure close to the data, enterprises can further speed up their process by reducing latency and gaining better performance to effectively run AI jobs and accelerate outcomes.

Data governance and keeping data secure are key to all of this. AI is data driven, and data is the foundation of the enterprise. Enterprises want to leverage internal data to target a specific use case, especially for copilot applications that assist teams in searching, navigating and creating with their own assets. With our private cloud and management tools, enterprises can avoid the risks of their proprietary data or intellectual property leaking by keeping it on-premises.

Can you elaborate on how your offering is helping to make the AI journey more simple? What are some services included?

We provide a fast path to AI development and deployment through a simplified experience. The HPE Private Cloud AI pulls all workflows together under one control plane and features lifecycle management services to provide monitoring, observability and security capabilities. We also offer copilot assistance on HPE GreenLake cloud to assist in identifying, predicting and solving problems. The tool creates an AI-generated custom dashboard for customers where they can ask questions and resolve issues quickly by telling the copilot, "Show me all the resources with critical alerts."

Traceability is a growing concern in AI. How does HPE address traceability to help companies track and manage the provenance and quality of data?

Having the ability to prove provenance, measure confidence of AI models and trace data lineage throughout the entire lifecycle of AI development, deployment and maintenance is vital.

Traceability can help better manage data by providing visibility on where and how it's used in a customer's AI model. This can help prevent risks that could lead to biased models or even legal issues related to IP or privacy infringement. Everything can be traced back to the model, including how, when and by whom it was trained.

We are addressing this need for transparency with a robust set of AI features. These leverage open-source tools, in combination with NVIDIA's software, to provide data-pipeline management and reproducibility capabilities. Customers can clean, prepare, track and audit their data to reduce enterprise risk.

As an AI technology provider, how is HPE addressing ethical challenges of AI?

While we're creating future-driven technologies, we're constantly considering the intersection of technology and society. AI can be a force for good and we've been leading efforts in ethical AI for many years.

We formed an internal AI Ethics Advisory Board in 2020. This was co-led by a partnership between our Global Ethics and Compliance team, which involved industry-leading expertise on enterprise human rights compliance, and our Hewlett Packard Labs team, which provided a wealth of insight into how AI technologies, current and future, could guide our development, use and deployment of artificial intelligence.

As part of this, and through collaborations with other global organizations, we championed a set of ethical principles for AI that rest on five pillars: privacy-enabled and secure, human focused, inclusive, responsible and robust. These five pillars govern our products, partnerships and processes to deliver outcomes we can count on. Our end goal is to ensure AI is trustworthy — where the security, privacy, equity, compliance and confidence are all engineered from the start.

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The Future of Humanoid Robots

Peggy Johnson of Agility Robotics gives a demo of the company's Digit—a robot that can, among other things, sort laundry

HOW COULD humanoid robots reshape the workplace?

Joanna Stern, senior personal-technology columnist at The Wall Street Journal, talked about that future with Peggy Johnson, chief executive of Agility Robotics, at the recent WSJ Tech Live conference. They were joined onstage by one of the company's Digit robots, a humanoid that demonstrated its potential to learn to perform tasks.

Here are edited excerpts of the conversation.

Grunt work

• **WSJ: What does Digit do?**

• **PEGGY JOHNSON:** It can go into places that are built for humans and take tasks off the human workers' hands—in particular right now, things that are repetitive and dirty and sometimes backbreaking. Those are the sorts of tasks that we're focused on.

It's built to be a multipurpose robot. But the tasks right now are really focused on material handling and moving things, largely in logistics, facilities, warehouses, things like that.

• **WSJ: And does Digit have a job right now?**

• **JOHNSON:** Digit gets paid to work right now at a company called GXO. They are a logistics provider. And we're actually moving Spanx.

Digit, all day long, just moves product off these small tugs—autonomous mobile robots—and turns around and puts them on a conveyor belt, over and over and over again. So you can understand how nobody really wants these jobs. These are the areas that Digit can step in and take these kinds of tasks that most people don't want to do.

• **WSJ: How many Digits are actually out working?**

• **JOHNSON:** We have several of our alpha units out there, but we're right now building our commercial units in our factory in Salem, Ore. That factory is built for 10,000 units a year. And those are the ones that we will send to more customers before the end of the year.

▲ The Digit robot shows off as Peggy Johnson, CEO of Agility Robotics, talks with Joanna Stern.

Workers' concerns

• **WSJ: You've emphasized how people don't want these jobs, but there is this big fear right now about automation. We just had the dockworkers' strike, where people are very fearful about automation coming and taking these jobs. Is that something you're hearing from the clients who are buying Digits?**

• **JOHNSON:** We feared we would hear that, but actually what we're finding is this usually is a part of someone's day, it's not their entire day, because it is backbreaking work. But Digit can take this task off their hands, and then that same worker who is doing the physical movement of the boxes can now become a digital worker, because they're being trained to be the manager of the fleet of robots. So they have the opportunity to upskill into a digital job.

The bigger bar is the safety bar. Right now, humanoids have to operate in what's called a work cell. That's sort of a low barrier [that keeps them contained in a certain space]. They don't interact with humans at all right now. The next step is something called cooperative safety. And we are building that right now.

We'll have a commercial robot out within the next two years that's cooperatively safe, which means it can bust out of that work cell. And then if the manager says, can you go down to the loading dock and get the box that's sitting there, bring it back up here to me, Digit can do that. And it can walk near humans safely. Humans do unexpected things and you have to react and it has to be quick.

• **WSJ: How much does Digit cost?**

• **JOHNSON:** It's in the neighborhood of, say, a luxury car. But we have many of our customers looking at robots as a service. So they pay a monthly fee for the use of it. It brings down the barrier while they're testing out the technology. And that's really helped adoption of the robot.

• **WSJ: So $100,000 to buy one, below or above?**

• **JOHNSON:** A little bit above.

• **WSJ: Below $200,000?**

• **JOHNSON:** Below. But we will bring that cost down very, very quickly. The most difficult part of the robot are the actuators. Those are the things that move the arms and the legs. But the rest of it, a lot of it is off-the-shelf parts. So inn volume we will be able to drive that price down.

A laundry lesson

• **WSJ: Today you're also going to show something new for the first time on stage.**

• **JOHNSON:** Yes. We'll show Digit's AI capabilities. There are a couple of ways that you can give Digit commands. You can give it a voice command. You can give it a text command.

• **WSJ: It's using a large language model to take commands.**

• **JOHNSON:** Yes. You can imagine over time the ability to teach Digit new skills very quickly as there's more data that's collected. Over time that will help bring Digit into new industries and eventually the home.

Here, we're going to teach Digit how to sort laundry. I'm going to give Digit a command on this iPad: "Pick up the purple Tech Things T-shirt and put it in the laundry hamper." So, here is Digit picking up the purple shirt [and putting it in the hamper].

• **WSJ: Two things are happening: You're using the large language model to one, understand the voice input or the text input, and two, use visual recognition to pick up that specific item.**

• **JOHNSON:** Yes. This is the sort of skill that Digit can learn and it can be transferred to many different areas.

By the way, Digit's hands are interchangeable in our next generation, and that opens up a whole set of new areas where whatever the job requires, you can put a bespoke tool. Without changing all of Digit, you can just change out the hand.

• **WSJ: Why does it need to be a humanoid?**

• **JOHNSON:** If you think about it, the world is built for humans. And humanoids turn out the be a really good device to go down narrow aisles, and to reach up to the height of any shelf above it.

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Reid Hoffman Thinks Harris Is Better for Business

The billionaire is part of a group of Silicon Valley investors that are immersed in the presidential election

REID HOFFMAN, the billionaire co-founder of LinkedIn and Inflection AI, is part of a group of Silicon Valley investors who have taken an active role in this year's presidential election, rallying behind their favored candidates both vocally and financially.

A partner in the venture-capital firm Greylock since 2009, Hoffman sat down with Emily Glazer at the WSJ Tech Live conference to discuss artificial intelligence, investing and politics.

Here are edited excerpts of the conversation.

Reassuring the 'doomers'

• **WSJ: You introduced your AI avatar earlier this year. Why did you create this and what insights did you get from it?**

• **REID HOFFMAN:** The typical discourse around AI is very fear- and uncertainty-motivated, and yet there are amazing things we can do. So I decided to take the area where I think there is the most real concern—deepfakes—and show what you can do positively with it. For example, I gave a speech in Perugia, Italy, and then had my avatar deliver this speech in Hindi, Chinese, Japanese, Italian, etc., because it's part of that human connection. The idea is to try to shift the dialogue to being more curious and inquisitive about what we can create in the future.

• **WSJ: My takeaway from your new book, "Superagency," is that AI can better individual lives and society. But what do you say to all of the AI doomers who are still out there?**

• **HOFFMAN:** They are indeed still out there.

Part of the book shows that in all of human history, starting with the written word, the printing press, etc., it always starts with human discourse that this is the collapse of society, this is the disempowerment of humanity. This is because it's a change to the way the social order works. And that's how we start in terms of how these things operate.

It's like maybe AI this time is different. It's agent technology, it's cognitive versus physical, it's moving fast. But it isn't going to be different. It is going to be, as we've seen in every technology in human history, an increase in human agency. What's more, we can steer toward that. That's what I'm trying to show people.

Election nervousness

• **WSJ: To change gears, we have a presidential election in about two weeks. Are you nervous?**

• **HOFFMAN:** Very. Primarily because I think it will make a big difference to business outcomes.

I've written a couple of op-eds about why I think Harris is a better choice for business. Tariffs and trade wars are terrible ideas for businesses, terrible for Silicon Valley. I think stability and trying to actually have institutions and the rule of law are more important than a 2% cut in a tax rate.

• **WSJ: You have also given billions of dollars toward Harris's campaign and to Biden before that.**

• **HOFFMAN:** Yes. Harris has been portrayed as antibusiness, but, having grown up in California, a bunch of us in Silicon Valley have met her. She's the first presidential candidate in history who actually referred to [tech] founders in her acceptance speech. As an entrepreneur and investor, I like that.

• **WSJ: If Trump wins, what's your plan?**

• **HOFFMAN:** Bourbon? The good thing about the Silicon Valley tech industry is it's strong and robust. If Trump wins, it will be a pretty strong blow to the American system of governance that we set up after World War II. That will hurt basically every American business, even the ones that aren't international. But the tech industry is robust, given the quality of its products, so that is good.

▲ Reid Hoffman at WSJ Tech Live

• **WSJ: And what if Harris wins? There could be contested election results for weeks. What role would the tech industry have to play in something like that? And what about this idea of misinformation or disinformation spreading online, as it did with 2020, as people are awaiting the results?**

• **HOFFMAN:** Yeah, well, we already know of one platform where the owner of the platform is spreading deepfakes himself.

Obviously, there will be some challenges in that arena, and I think that's a serious problem. It will be important for social-media companies to try to not spread misinformation and chaos.

Common ground

• **WSJ: You did point to regulation as part of why you're supporting Kamala Harris. That drives a lot of business leaders' votes. So I want to set the record straight: Did you talk to Kamala Harris about replacing Lina Khan as head of the Federal Trade Commission?**

• **HOFFMAN:** Never. I made a specific comment about how I think Lina Khan misunderstands her role relative to big business. She's done a number of great things. But I disagree intensely with some of the things around the application of antitrust law within the general tech industry.

• **WSJ: How are you trying to open up the conversation with Trump supporters in tech?**

• **HOFFMAN:** It may surprise people that there are people that I'm having deep and friendly conversations with on this topic

If someone articulates a good intellectual principle as to why they're holding a point of view—say, application of the rule of law to the crypto industry and why that's important—that's a totally good conversation.

If it's more about I just want to gain power, buy crony capitalist influence, lower the taxes for myself, all of that, I'm not willing to engage in that conversation.

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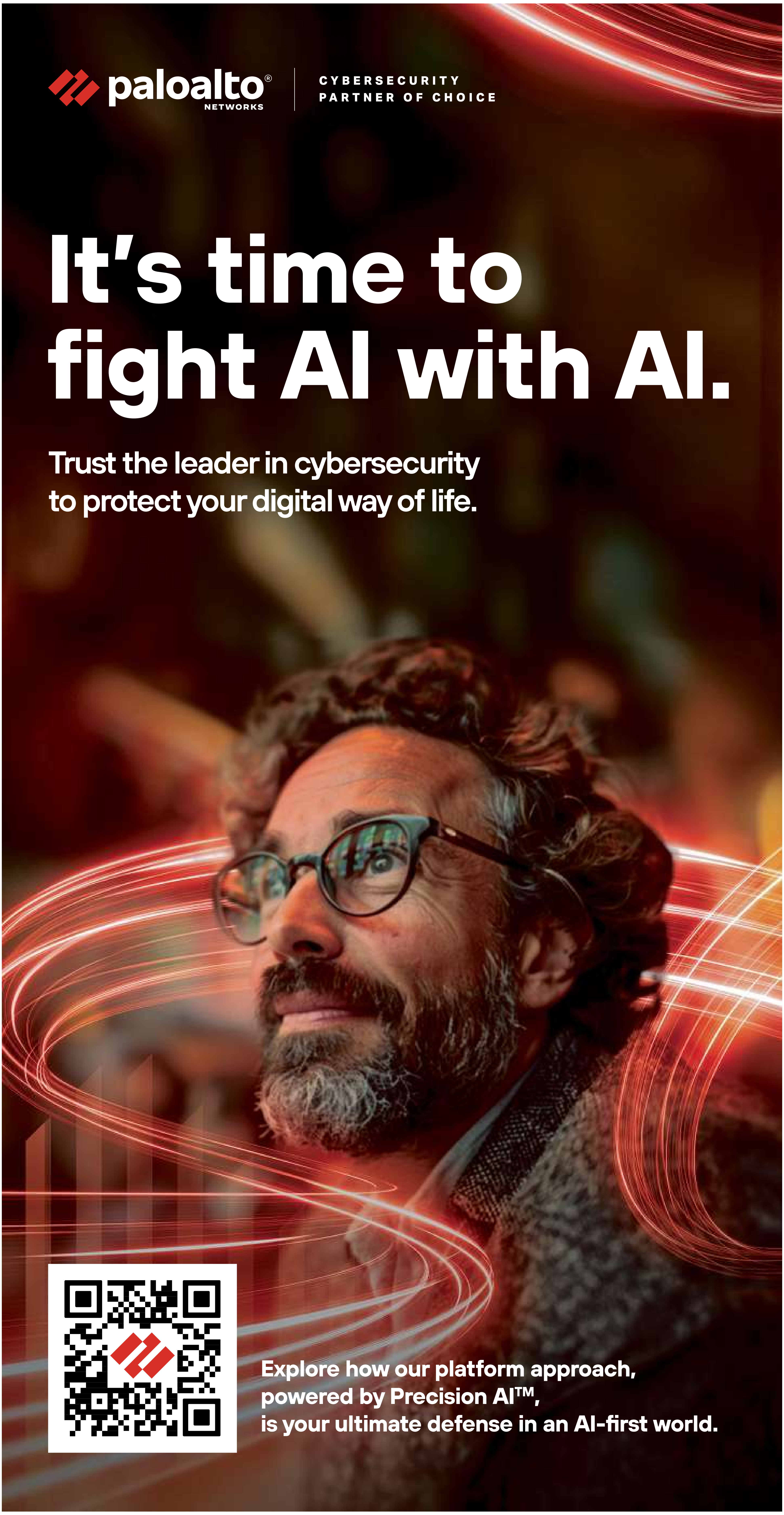
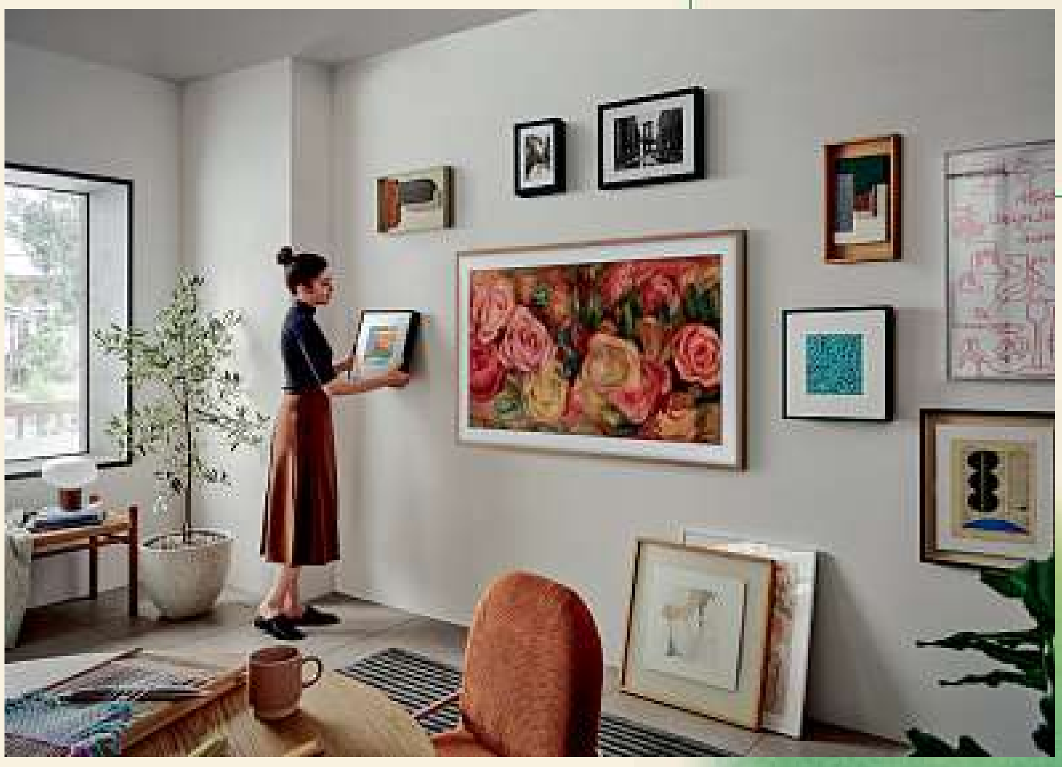


INNOVATING FOR IMPACT

SMART SOPHISTICATION

From cozy corners to bold, open spaces, our homes are now as unique as we are, shaped by the tastes, habits and devices we bring into them. Gone are the days when technology was simply about function; today, it helps create dynamic environments that make a statement. More than mere living spaces, homes are now seen as extensions of personal identity.



With modern and beveled options, users can add a custom bezel to match their decor.

Yet, as technology advances, so does the demand for solutions that balance performance with aesthetics. A recent study from Poland's University of Commerce and Services reveals that 95% of consumers surveyed say product design influences their purchases, reflecting the growing demand for smart devices that integrate seamlessly into home decor.

A new wave of lifestyle devices—which blend function with refined design—is empowering users to create more immersive environments that truly reflect their aesthetic. In addition to enhancing performance, these products harness advancements in ways that enrich daily life, offering experiences that resonate with the spaces and styles of users worldwide.

"Technology will become more important in our everyday lives, but less visible," says Stephen Dick, Director of Residence Interior Design. "This means the most modern homes will be able to enjoy a beauty, calm and comfort that has eluded even the most cutting-edge interiors."

A slim, minimal design allows The Frame to easily integrate into any space.

Elegant Integration

With this shift, devices must integrate new features in ways that feel intuitive and unobtrusive. Samsung's The Frame, for instance, caters to this by doubling as a piece of art, redefining the role of audiovisual technology in the home. It offers a QLED 4K resolution with little light reflection at any time of day; in Art Mode, it transforms into a digital gallery, with access to over 2,500 pieces from renowned museums around the world. Meanwhile, the slim-fit wall mount and customizable bezels allow users to hang The Frame as they would a real art piece and select suitable colors.

This fusion of art and technology goes beyond aesthetics. With automatic brightness and color adjustment via smart sensors, The Frame adapts to its surroundings, enhancing the room rather than overwhelming it. Pantone-validated colors improve the accuracy of every hue, tint and skin tone to offer a more accurate and appealing image. The premium Matte Display Film limits light distraction by reducing glare from selected shows, content and artwork.[1]

Energy efficiency is also a priority: With motion and brightness sensors, The Frame's Art Mode is activated and brightness is optimized when movement and lighting changes are detected[2]. This balance of beauty and sustainability reflects a broader trend in consumer preferences, in which technological innovation is increasingly expected to align with eco-conscious values.

Sound and Style

Key to immersion, sound is crucial in helping people replicate cinematic experiences in the comfort of home. In a joint study between Xperi and Opinium Research, 94% of TV owners in the U.S. alone ranked sound quality as either extremely or somewhat important for their viewing standards. Technologies that combine superior audio performance with visual appeal, therefore, empower users to align with contemporary preferences.

"Giving smart devices a 'voice' that harmonizes with our homes could keep us calm amid floods of audio notifications and alerts," explains Alexandra Deschamps-Sonsino, Design Director at TPXimpact. "Creating your own home soundtrack could be a lovely way to keep things personalized."

Designed to be disguised as custom artwork, the Music Frame leverages waveguide technology and Dolby Atmos support to deliver high-quality sound without the visual clutter of traditional speakers. Its innovative construction allows sound to be emitted through a gap between the frame and the photo panel, bypassing the need for fabric or grilles.

The device provides a multipurpose solution to home entertainment, boosting sound quality while preserving aesthetic appeal: Users can personalize the frame with their own 8-by-8-inch (20-by-20-centimeter) prints or create their own Art Panel through third-party partners, channeling personal expression through two different mediums. By merging sound and style, the Music Frame creates a cohesive soundtrack and look for the home, meeting user preferences in both performance and design.

The Music Frame's customizable canvas caters to users' styles while showcasing their favorite tunes.

Cohesive Connectivity

Modern consumers expect more than just standalone devices. According to Harbor Research and the Association for Smarter Homes & Buildings, nine out of 10 customers surveyed say connectivity drives their interest in smart home devices, indicating that seamless integration with existing ecosystems has become a priority in purchasing decisions.

To enhance the function of solutions like The Frame and Music Frame, Samsung ensures that they are compatible with other Samsung devices. Both products can be connected to the company's centralized SmartThings hub, enabling users to control display and sound settings directly from their smartphones. Built-in connectivity enables easy synchronization with other smart home components, creating a unified and efficient environment.

This level of integration extends to the broader Samsung lineup, in which devices collaborate to take audiovisual harmony one step further. The Frame uses Samsung's One Remote Control for simplified interactions across compatible products, while the Music Frame's wireless and Q-Symphony capabilities can sync with The Frame and other Samsung TVs or soundbars to deliver surround sound. It's through this connectivity that smart homes can produce engaging sensory experiences while promoting more convenient lifestyles.

Built for form and function, today's home entertainment devices bring our living spaces to new heights—serving as powerful tools that can shape immersive environments and reflect personal style. As lifestyle products evolve, the future of home experiences is poised to be both functional and inspiring, where cutting-edge innovation and elegant design work in perfect harmony.

Featuring an included Photo Frame and interchangeable Art Panels, users can personalize their Music Frame's displays to reflect their preferences dynamically.

To experience immersive design with Samsung's Lifestyle TVs, please scan this QR code or visit https://www.samsung.com/us/tvs/the-frame/highlights/

The Wall Street Journal news organization was not involved in the creation of this content. This article is sponsored by Samsung.

1 QLED televisions can produce 100% Color Volume in the DCI-P3 color space, the format for most cinema screens and HDR movies for television.
2 Motion Sensor operates only in Art Mode. Performance may vary depending on lighting conditions.

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How Reddit Fits Into the AI World

CEO Steve Huffman says the company is a gold mine for AI models

STEVE HUFFMAN is the co-founder and CEO of **Reddit**, the 19-year-old social-media platform known for its user-led communities, called subreddits, that are dedicated to a range of topics, including stock trading.

In recent years, Huffman made sweeping updates to the platform's content policy, redesigned the site to make it easier to use and helped expand Reddit to tens of millions of daily users. In March, the company's stock went public.

Huffman sat down with Joanna Stern, The Wall Street Journal's senior personal-technology columnist, at WSJ Tech Live to discuss, among other things, the use of Reddit data to train artificial-intelligence systems.

Edited excerpts of the conversation:

Training data

• **WSJ: I use Reddit directly. I also use Google to get to Reddit. And I just find that I'm increasingly relying on Reddit to get information.**

• STEVE HUFFMAN: Your experience isn't unique. In the U.S. in 2024, Reddit is the sixth most searched word on Google. We're somewhere between news and maps, so people are going to Google with the intention of ending up on Reddit.

• **WSJ: Why do you think Reddit has seen this explosion in people coming for information?**

• HUFFMAN: Reddit is communities and conversation, and we have communities for literally anything that you're into or going through. So if you have questions, there's just a high likelihood that Reddit, where people have been talking about everything for almost two decades, has an answer or perspectives on whatever it is.

Whether you're 17 or 70, a nerd or a normie, a man or a woman or anything in between, Reddit has a home for you.

I think that's unique on the internet.

• **WSJ: You've said before that Reddit is the most human place on the internet. Now that AI has come along, are you fearful that AI "slop"—low-quality, shallow content generated by AI—might make its way to your platform?**

• HUFFMAN: The source of artificial intelligence is actual intelligence, which is what you find on Reddit. And indeed, the Reddit corpus is a significant part of the training of the major foundation models. I think your observation is true, that it does seem like there's a general lowering of quality on the internet because more content is written by AI. But I think that actually makes Reddit stand out more as the place where there's all of this human content. What people want is to hear from other people.

• **WSJ: Do you think of yourself as the owner of the world's best AI training data?**

• HUFFMAN: We're certainly up there. One of the things that's unique about Reddit versus the other social-media platforms is that Reddit is open and it always has been. You don't need an account, you don't need to pay to see the content on Reddit.

If you put something on Reddit, it's public. It can be indexed in search engines, which has benefited our community and internet consumers at large. It has helped these big AI models come to exist.

Now we've had to make some decisions about that and figure out our place in this ecosystem. Earlier this year, we created what we call a public content policy, which sits alongside our privacy policy, which basically every platform has.

• **WSJ: So just to differentiate, private would be my direct messages to you or something?**

• HUFFMAN: Direct messages, what you're subscribed to, what you're looking at on Reddit, that's private. We actually don't know your name or gender. We do have to ask age now, for safety reasons, but by and large, we try to minimize what we know about you and what we do have, we keep private.

Reddit's Steve Huffman

But anything you write on the internet, we want to be clear that this goes on the public internet.

Arms race

• **WSJ: And you do have deals right now with OpenAI and Google. They're paying you for training data. That, I assume, is a healthy profit in the business?**

• HUFFMAN: Yes, we do have partnerships with both Google and OpenAI. We've also done free ones with places like the Internet Archive. We have this whole initiative to make our corpus available for people doing research. Generally, we think the internet is better when it's open and interconnected. But we also need to make sure that we aren't just giving away the value of Reddit to the largest companies in the world free.

• **WSJ: Are there companies that you feel are taking that data and not paying?**

• HUFFMAN: Yeah, the ones I didn't mention, by and large. But we're in talks with just about everybody, so we'll see where these things land.

• **WSJ: What do you say to the users who say, "I put this public information out there, now I'm being used as training data. How can I profit off that?"**

• HUFFMAN: I think it's important to be clear with our user base, which is why we did the public content policy. You're putting something on the public internet. We will do our best to safeguard it. We will do our best to only have relationships with partners that we think are trustworthy and will abide by our principles.

But [our content has been] getting scraped every which way. And so we've invested a lot over the last couple of years in locking that down. It is an arms race.

• **WSJ: One of the things that I think has made Reddit so successful over the last couple of years is that you really cleaned up the place. You made more communities around substantial topics, gotten rid of a lot of misinformation or trolling or just general bad behavior. With an election going on, has it become more difficult to do that?**

• HUFFMAN: Emotions are heightened for sure, but Reddit is, I think, naturally inoculated from a lot of the challenges you might see elsewhere on the internet. First, our users self-organize into communities that we call subreddits. So whatever your perspective is, whoever your people are, you can kind of hang with them.

And then on Reddit, every user is a moderator because they can vote up and down. And every post and comment on Reddit starts at zero points and has to earn its visibility. We don't have an algorithm that cherry-picks a piece of content and makes it popular.

It has to earn its visibility one vote at a time, up or down. And polarizing posts can get the same number of ups and downs and then therefore stay at zero. Reddit just works in a fundamentally different way from other platforms, which really changes the tone of conversation and the incentives.

• **WSJ: What is your favorite subreddit?**

• HUFFMAN: My favorite subreddit right now is probably Dadit. As the name implies it's a subreddit for dads, and like a lot of subreddits, if you go to the front page, you'll probably see something funny, you'll probably see something that will make you cry.

You'll probably see somebody who just needs some help. You'll probably see some poor guy who just needs a hug. It's the real world there for everybody to see and experience. It's really special.

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Unlocking the Potential of Brain-Computer Interfaces

People with severe spinal injuries will one day be able to return to work, according to executives at Precision Neuroscience

IMAGINE BEING able to control a computer with your thoughts—even more easily and quickly than using your hands. That is the goal of Precision Neuroscience. Using brain-computer interfaces, it aims to transform the lives of people with physical challenges.

The Wall Street Journal's Rolfe Winkler spoke with Michael Mager, co-founder and chief executive of **Precision Neuroscience**, and Benjamin Rapoport, the company's co-founder and chief science officer. Here are edited excerpts of their discussion at the annual WSJ Tech Live conference.

Human and machine

• **WSJ: Brain-computer interfaces, these are very exciting. What do they do?**

• BENJAMIN RAPOPORT: It's a brain implant that allows you to have direct control of a computer or external device using just your thoughts.

• **WSJ: What are these going to be for? Who's going to use them?**

• MICHAEL MAGER: People whose brains are functional, but the connection between the brain and the body has been disrupted either by a disease or an injury. These are the first users.

One person on our patient advisory board is Jules, who was diagnosed with ALS [Lou Gehrig's disease] five years ago. People who have ALS, their brains continue to work totally cogently, but the brain's ability to control the body deteriorates over time. The prognosis is three to five years of life expectancy.

We asked Jules, why are you dedicating time to us in the remaining time you have left? And what could this technology mean for you? He cited three things. The first is he recently had a tracheotomy, which means he can't vocalize any words at all. So he communicates only through an eye tracker.

• **WSJ: He's looking at a screen. He looks at a letter, the letter pops up.**

• MAGER: And he has to fix his gaze on a letter. And that selects it. It's five to 10 words a minute compared to speaking at 150. The implant would allow him to communicate at a normal conversational speed. The second thing is, he has a 7-year-old child, and he would like to be able to speak to him, in the time he has left, at a conversational rate. The third thing is he wants to have some fun, play videogames with his son.

Controlling a computer with thoughts may sound as if it's not that important. But I think it has the potential to be life changing for a large number of people.

Rapoport, center and Mager

Recording thoughts

• **WSJ: Describe the technology we're talking about here.**

• RAPOPORT: The way a brain-computer interface works is that there is a set of tiny little electrodes. In our case, it's tiny little platinum electrodes. We work in groups of about 1,000 at a time. Each of these little electrodes is about the size of an individual neuron.

There are a thousand tiny little dots of platinum embedded in what is a very thin film that's about a fifth the width of your eyelash. That film conforms to the surface of the brain without doing any damage to the underlying brain. And it basically listens.

Each one of those platinum electrodes listens to the electrical activity of the brain underneath. Thought actually has a physical manifestation, and it is electrical in nature. The precision device basically takes an electrical video in real time of the thoughts that are taking place on the brain surface. It records them, amplifies them, digitizes them and then wirelessly transmits them out of the body.

• **WSJ: There's a technology called the Utah Array that has been around in human brains and enabling things like this for 20 years. But what's the advance that makes this so exciting now?**

• RAPOPORT: The first human trials of an implantable brain-computer interface with the Utah Array were done in the early 2000s. There have been advances in understanding of the underlying neuroscience of how the brain communicates, and there have been developments in three areas of technology.

First, the material science of the interface. How to actually make electrodes that are compatible with implantation in the brain. How to understand the signals coming off those electrodes as an aggregate instead of basically one at a time. And the artificial-intelligence layer on top of that allows us to compute that many signals in real time.

Improving lives

• **WSJ: What is the craziest cool capability that is going to come out of this?**

• MAGER: We mentioned that this work has been done in academic settings for two decades, and people have been able to think about a click on a mouse and it happens, or have been able to think about cursor control in a relatively coarse way. Our ambitions are much greater.

When we think about enabling control of a digital device, what that means in practice is control of Microsoft Office, allowing people who are right now unable to have jobs to return to the workforce. It's way beyond what has been shown so far.

• RAPOPORT: There are at least 400,000 people with severe spinal-cord injury in the country today. And it's very hard for them to earn a living, let alone have independence and dignity that we take for granted. We think it's just a couple of years away that people like that, with those sorts of deficits, will be able to go back to basically any desk job in America.

• **WSJ: Does this become a consumer device for kids born today?**

• RAPOPORT: We are designing and we will continue to design with such a high safety threshold that it should be acceptable to people without a neurological deficit. Sometimes for people today, it's hard to imagine the idea of a brain implant being held to the same standard of care, as it is for elective procedures.

But a lot of the engineers have young kids, and it's not uncommon to hear, "Can I have a brain chip to play a videogame?" That's not why we're building this, but sometimes when you think about technological paradigm shifts, you just have to ask the next generation. And sometimes our assumptions are very different from the assumptions of people who grow up with the technology as just the norm.

NIKKI RITCHER FOR WSJ (2)

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Coding Unleashed: How Generative AI Transforms Software Engineering

The future of software is being rewritten by the seemingly limitless potential of generative AI. Enterprises that harness its evolution should reap rewards far into the future

Software is the lifeblood of modern-day enterprise, and generative AI has become a driver of its creative transformation. Gen AI's ability to enhance software development is vast, enabling enterprises to streamline processes, speed up innovation and reduce human errors.

"Exciting features, capabilities and experiences we have never seen before are being unlocked," says Jiani Zhang, chief software officer for engineering at Capgemini. "The entire software development life cycle is accelerated with the capability of gen AI."

With these advancements come risks — ranging from security to sustainability concerns — that face organizations adopting gen AI. "Alongside dynamic reinvention," says Zhang, "it's important to identify the governance procedures of how you interact with gen AI."

A World of Innovation

The ability of AI models to understand and generate natural language code has revolutionized how developers approach software creation. Developers no longer need to write code manually; instead, they can communicate with gen AI using natural language to achieve similar outcomes, reducing time spent on mundane tasks and fostering new solutions.

According to a Capgemini report, for 61% of organizations, the biggest benefit of gen AI is to enable innovation. By automating tasks — such as boilerplate code or creating documentation — gen AI frees developers to focus on problem solving and creation.

"Gen AI releases and resolves a lot of the cognitive load for a developer to build something exciting," says Zhang. "They can be more focused on driving things from a fundamental feature value perspective instead of trying to figure out all the weeds and different puzzle pieces of software development."

Improving Software Quality

One of the key strengths of AI-driven coding assistance is its ability to produce higher-quality code with fewer errors. Gen AI improves test coverage and ensures that code adheres to best practices.

According to Capgemini research, organizations using gen AI have reported productivity improvements of 7% to 18% across the software development life cycle. The report says that over a quarter of work produced in software design, development, testing and quality is expected to be augmented by gen AI within the next two years.

The improvement in software quality not only leads to more reliable products, but hastens time to market, a crucial factor in a competitive landscape. A major Dubai bank, for instance, saw a 20% improvement in code quality by using AI-powered coding assistants, leading to faster product releases and fewer post-launch issues.

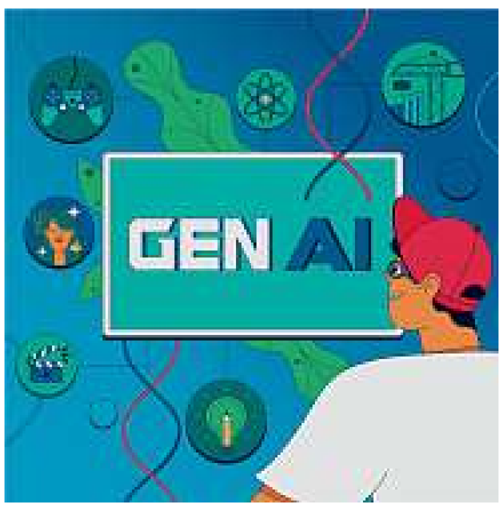
"The players that are moving toward scaled adoption will gain the advantage," says Zhang, "because they're going to be able to launch products quicker."

Mitigating Risks and Challenges

While gen AI offers benefits, it also introduces risks and challenges for organizations to manage. One of the most significant is the lack of organizational prerequisites — such as governance frameworks, training programs and cybersecurity protocols — needed to implement gen AI effectively. Capgemini research found that 63% of software professionals use unauthorized AI tools, exposing organizations to functional, security and legal risks.

Without oversight, AI models may generate code that violates copyright or contains security vulnerabilities. To mitigate risks, organizations need to establish governance frameworks that include risk management protocols, ethical guidelines and developer training.

Sustainability is another concern. Gen AI models, especially those requiring substantial computational power, can have a significant environmental impact. To address this, companies should prioritize eco-friendly AI tools and adopt energy-efficient practices when training and deploying models.



What Does the Future Hold?

As organizations continue to integrate AI into workflows, enterprises can expect to see AI-driven innovations across sectors, from gaming and finance to health care and architectural design. gen AI will assist not only in coding but in user experience (UX), optimizing application performance and creating personalized content.

The next frontier for gen AI will involve expanding applications beyond coding and development. AI-driven UX models, for example, could revolutionize how users interact with software, making applications more intuitive and accessible.

Zhang envisions a future in which gen AI and human creativity work together to extend the boundaries of what's possible. As gen AI tools become more sophisticated, she says, they will play a greater role in carrying out intelligent tasks, allowing developers to focus on big-picture vision — with an important caveat.

"One thing I'm really excited about is moving toward autonomous gen AI development," she says. "It's fascinating. There's also an important balance — when people think about autonomy, what does that mean? My belief is that the human will always be in the loop. We need to be driving the whole process."

Capgemini | Custom Content from WSJ

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Inside Amazon's AI Cloud Strategy

Matt Garman, CEO of Amazon Web Services, says the company didn't get off to a slow start with generative AI. It was just more deliberate.

WHEN Matt Garman took over as chief executive of Amazon Web Services in June, one challenge stood out among the rest. He is now responsible for directing the efforts of the cloud-services business—the main driver of **Amazon.com**'s profits—to harness the potential of artificial intelligence for its customers. In doing so, he has to compete with powerful rivals like **Microsoft** and Google parent **Alphabet**.

At the recent WSJ Tech Live conference, Garman talked with Emma Tucker, editor in chief of The Wall Street Journal, about AI and other significant challenges, including government regulation and the potential effects of Amazon's decision to call an end to remote work for corporate staff in the new year.

Here are edited excerpts of that conversation.

A big bet

• **WSJ: Like a lot of big tech companies, Amazon is spending huge amounts of money in the AI boom. Do you worry that all this competitive spending is creating a bubble? Or do you think it's leading to tangible results?**

• MATT GARMAN: I firmly believe that AI, and particularly generative AI, is a transformational technology that is going to change every single company, every single job, every single workflow out there.

• **WSJ: I think there's a general perception that Amazon was off to a bit of a slow start with generative AI. What are you doing to play catch-up?**

• GARMAN: I think the whole world was amazed when ChatGPT first came out. So what you saw was a bunch of providers rush out and try to get something out to market quickly. We took a bit of a different approach.

We firmly believe that your data is the thing that ultimately differentiates one company versus the other as you go and actually apply these models inside your businesses. And so companies want to make sure that that was very secure, that they had control over how that data was accessed when they're using it in an application. And then we also wanted to enable people to go build interesting models and interesting technologies.

And so we had this fundamental view that there wasn't going to be one model that was going to be the rule, but there's going to be a lot of different models, used in concert with each other to go build interesting applications. And that people are going to need a rich set of tools to deliver interesting business results. So we took a step back.

We basically said we're going to go build that platform, so that our enterprise customers, our startup customers, our government customers can go build those applications and build what's going to be unique to them, and not just get something to market quickly.

• **WSJ: Another big challenge I know you spend a lot of time thinking about—so much so that Amazon has bought its own small nuclear reactor—is energy. I think I read that these small modular reactors aren't going to come on stream until 2036 at the latest. So what are you going to do in the meantime to meet the energy demands?**

• GARMAN: I think it's 2030 hopefully, not 2036—we're more optimistic they can deliver a little sooner than that. But they're just part of the portfolio.

In the near term, there are projects in place that can meet all of the needs in the next couple of years. And many of those are renewable, by the way.

And we think that nuclear can be a big part of this. There's a bunch of nuclear around the world that's been shuttered because people didn't need that source of power. And so the very first project we did was a partnership with **Talen** [an independent power producer] in Pennsylvania to bring eventually almost a gigawatt of power back online that just wasn't being used.

And some of these small modular reactors, they're not going to solve anything in the 2020s, but in the 2030s they could be an excellent source of energy.

▲ Matt Garman at WSJ Tech Live

Too much regulation?

• **WSJ: Do you fear that too much regulation will hold back the development of these new technologies around AI, or do you think the U.S. has roughly got it right?**

• GARMAN: We're happy to play with whatever rules the government wants.

What we advocate for is really thinking through not setting regulations or policies that are inadvertently going to lead us to the place that you're trying to avoid. I think you just want to be super careful about that, because it's very easy to construct a scenario where you actually give China the leg up that you're trying to prevent by accidentally holding back the companies that are doing all this incredible innovation.

It's a hard question. I don't think we know the answer, and I think zero regulation is probably not the right answer either. We have to be thoughtful about it.

Back to the office

• **WSJ: In September CEO Andy Jassy ordered everybody back into the office five days a week, from January. You were speaking about this last week, and you were very clear—shape up or ship out was basically your message.**

• GARMAN: That's not quite what I said.

• **WSJ: It was definitely the message. So have people shipped out, or has there been a lot of pushback?**

• GARMAN: Just to be clear what I actually said, it was more like, for us, we think that being in person is super important. We think that our teams are more innovative, and—particularly as we think about how do we want to disrupt and how we want to invent on behalf of our customers—we find that there is no substitution for doing that in person, just the creative energy and how fast you're able to iterate. When you're sitting there writing on a whiteboard, or you're talking to people in the cubicle next to you, or you're running into people that are in a different department but you see them at the coffee line or whatever it is—there is just that exchange doesn't happen when you're remote.

We tried three days a week first, and then what happened is Bob would come in on Monday and Sally would come in on Tuesday and we kind of didn't accomplish what we wanted because everybody picked a different set of three days.

And so if it's not for you, then that's OK. You can go and find another company if you want to, but for us, that's what we've decided is the best way to operate our company.

• **WSJ: So could you put a number on what percentage of the workforce you expect to churn in January or before then?**

• GARMAN: I don't know. I've had plenty of people reach out to me and say, part of the reason I came to work at Amazon is because I want to work together with a bunch of smart people and be together. I am optimistic that most of our employees actually are excited about that in-person working.

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Why a Movie Actor Is Worried About AI

Joseph Gordon-Levitt and Stability AI's Prem Akkaraju talk about paying those who create the data used to train artificial intelligence

WHAT EFFECT will generative AI have on moviemaking? It depends whom you ask. Some moviemakers are hopeful that it could foster more creativity—for example, by putting sophisticated production tools in more people's hands. Others are concerned about lost jobs and the threat to intellectual-property rights.

Wall Street Journal senior personal-technology Columnist Joanna Stern led a discussion on the topic at the WSJ Tech Live conference with two experts on these issues: Prem Akkaraju, the CEO of **Stability AI**, best known for its generative-AI model Stable Diffusion, which creates realistic images and videos from text and image prompts; and Joseph Gordon-Levitt, actor, filmmaker and entrepreneur known for his interest in the intersection of media and technology.

Here are edited excerpts of their conversation.

AI sleight-of-hand

• **WSJ: Joseph, I know you have a lot of thoughts about how generative AI models are made, how they're trained.**

• JOSEPH GORDON-LEVITT: For anybody who doesn't know about how the tech works, and I'm no engineer, these models can't do anything without a ton of data to train them. The sort of sleight-of-hand of calling something artificial intelligence is it makes you ignore the fact that these things are created by humans. Because who made all that training data that went into the AI models? Well, humans did.

This concerns me a lot as an actor who works in show business, because, frankly, my livelihood and the livelihoods of the people I have worked with for my entire career are all being threatened. I would also say Hollywood could serve as a canary in the coal mine. There are so many people, probably a billion, in the world who work on a computer who do relatively replaceable white-collar work that AI is going to threaten in the near future. If we don't get ahead of that, it's not just Hollywood that's going to suffer.

There's a movement called "data dignity," which is the basic principle that if a person generates some data, the person ought to have an ownership of that data. That could mean you act in a movie, wrote something, or took a picture, or a camera took a picture of you, or you hit a button on a social-media platform, or any number of things. Human beings are now generating data all the time. And currently all those human beings don't have any ownership of that data. With this new revolutionary technology coming, we maybe ...

• **WSJ: Should be paid for that data?**

• LEVITT: Yeah. A human who generates some data should have the right to consent.

• **WSJ: Prem, do you agree? Is that something your company could support?**

• PREM AKKARAJU: I like getting paid for what I do. I think everybody else should, too. I think that's actually a much better, healthier ecosystem and economy.

It's absolutely true that AI could not exist without data. It would be nowhere near as valuable without AI. I've made my entire career off creating or protecting intellectual property, and I plan on doing that in the AI industry.

• LEVITT: That's exceptional. In the tech industry, the general philosophy in Silicon Valley for decades has been, no, we have the total right to just take all this data and make these unprecedentedly lucrative companies by not compensating the humans whose data we're using.

• AKKARAJU: There's no other AI company that looks like us, that came from the film industry, that came from technology, and came from a highly creative place. And that's why we're important to this industry. There are multiple layers in AI. We're part of one layer: the data set, the training foundational models and some of the applied. But then we hand it off to a lot of people. It's about responsibility throughout the entire stack. I think it's very dangerous not to do that.

• **WSJ: That would mean your training data, anything that's in there, you'd have to pay the artists that made that content possible, whether music, audio, images.**

▲ Joseph Gordon-Levitt and Prem Akkaraju at WSJ Tech Live

• AKKARAJU: It's not only possible, we did it. Stable Audio has been using licensing from day one. [Stable Audio is a generative AI program from Stability AI that creates music from textual descriptions]. From the image side, there are two main areas we get data from: open-source public domain data and images, and licensing. Since I've taken over as CEO, I've started multiple conversations across sports, gaming, the film studios themselves, to actually work with them on licensing data.

Rethinking IP

• LEVITT: We maybe need to rethink some ideas of what it means to own IP. I've performed in many movies and I've had deals with those movie studios. Movie studios pay me to act in the movie, and then they own the IP and I don't own any of it. Now they're likely going to license a lot of that material to AI companies that will then be used to train AI models that can now produce outputs that theoretically replace what I do and what many of my fellow brothers and sisters in the film industry do.

If I had known when I made those agreements that you'll have full ownership of the movie and you'll then go use that to replace me and I'll be out of a job forever, I probably wouldn't have done that deal. It seems to me that these deals, if we're being fair, should be renegotiated in light of this new technology.

• AKKARAJU: We've seen this movie before. It's called the music business. It turned out great, now. It took a while. Those rights, those contracts with the artists, with the labels, were outdated. They didn't contemplate a world of streaming. But now, even if you put a 10- or 15-second clip of a song on TikTok or any of those platforms, those artists are getting paid. So that's a solved problem now.

We're moving at light speed in the visual-media world, compared to music, but it's still not done. There's still work to be done.

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NIKKI RITCHER FOR WSJ (2)